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Business India

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April 19 to May 2, 2021

- SEMICONDUCTORS
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Airtel

On a strong wicket

Sunil Bharti Mittal
Chairman, Airtel

With price war over and a digital portfolio in place, Airtel is keen to play on the front foot again...

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Business India

Sunil Mittal and Airtel is a story of grit and resilience.

Many of our readers will recall that Sunil Mittal was *Business India*'s Businessman of the Year, as far back as 2002. As Sunil has often said, this was the first major recognition by a national magazine. Many awards and accolades followed as Airtel became the largest player in India.

Sunil, who won the Delhi licence, was one among the first 8 licensees, with 2 licences being granted for the four major metros in November 1994. Interestingly he is the only one amongst the original licensees to have survived to date (though Vodafone's licence dates back to the same time, but under different ownership then). Starting from virtually scratch, with a small business background and roping in the GSM experience (a licence precondition) of a tiny player from Mauritius, Sunil saw off competition from several major business houses including Tatas, Birla and RP Goenka, public sector BSNL and Reliance, then under undivided Mukesh and Anil Ambani. Several of them had tie ups with major foreign companies. Sunil himself, in good time, roped in Singapore giant, Singtel, but keeping majority control with the Mittal family.

Having built the largest and most successful telecom company, remaining on top was not easy. At the peak he acquired Africa's second largest telecom group, Zain, at a price many felt was overpaying. And several analysts felt that it could seriously damage the group. But more recently having turned the group around and successfully listing it in London, the price was vindicated and the cash flows have been of enormous help.

And then came the epic battle with a newly invigorated Mukesh Ambani who decided to storm the telecom market and build Jio into the largest telecom company almost at any cost and taking no prisoners on the way. Many other telecom players fell by the wayside, including Tatas, and also RCom, run by brother Anil. Kumar Mangalam Birla's enormously successful Idea was virtually forced into a marriage with Vodafone. And speculation was rife as to when Sunil would fold his hand, or sell out to Singtel, with its deep pockets to match Mukesh Ambani's.

Apart from the stiff competition, the Supreme Court ruling on AGR almost two years ago, was a death blow to several companies. Sadly, the Government did not intervene, by using, if necessary, its retrospective legislative powers, to correct what was a wrong judgement in the eyes of many senior jurists.

But after fighting doggedly for almost three years, Airtel is a healthy and strong competitor to Jio. Though smaller on some counts than Jio, (particularly on subscriber volume), it stands shoulder to shoulder, Airtel is clearly a long-term competitor to Jio. Speculation is rife about Vodafone Idea (compounded by the AGR ruling). Of course, whether the telecom sector should have only two players is another issue, for another time. In this time's cover story, Ritwik Sinha looks at the Airtel of today. There are many major challenges ahead for the whole sector, including the coming 5G wave. India cannot afford to be left behind.

It is clear that Airtel is as strong as ever. It has emerged as a major global player in telecom. And Sunil Mittal and Airtel show the best there is in Indian business.

Ashok H. Advani

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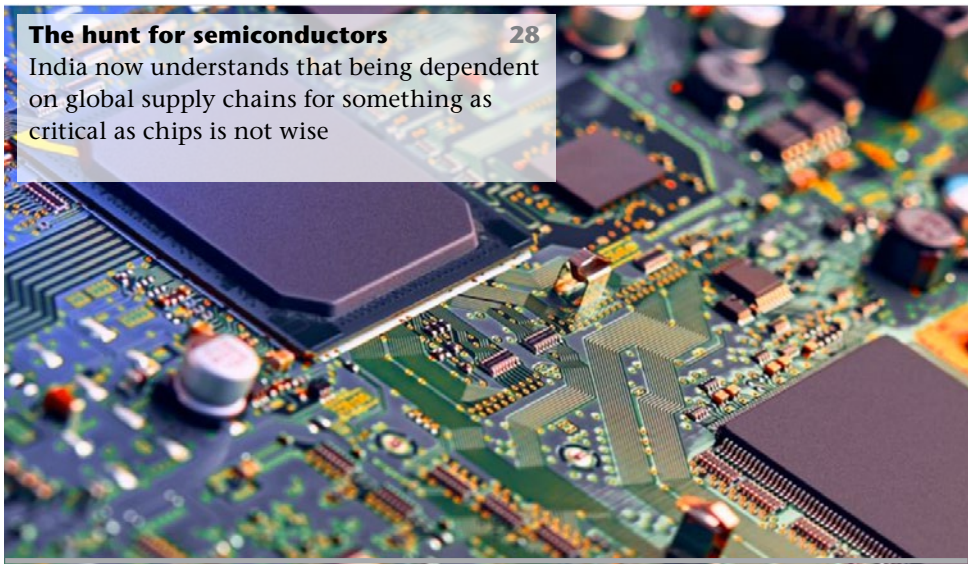

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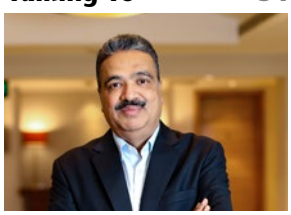

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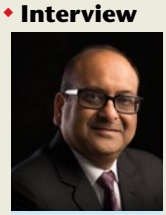

The real estate sector is passing through one of its most difficult times, says Harsh Vardhan Patodia, president, CREDAI National. In conversation with Arbind Gupta, he enumerates the challenges and the measures required to handle this scenario

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On a positive note

Can India maintain the momentum in exports in the new fiscal,?

With the Corona-led disruption bringing exim trade to a screeching halt during the first quarter in 2019-20, followed by a slow pick-up during July-September, the final year figure especially on the exports front hasn't really come as a shocker. It could rather be called a pleasant surprise.

At $290 billion for the entire year, it is just -7 per cent lower than the previous fiscal figure of $313 billion. Going by the official statistics, in the concluding months or the last quarter of the fiscal, there was an unprecedented jump in shipments from the country. In fact, in March, it shot up by a huge 60 per cent on the month-to-month comparison metrics, as it touched $34 billion against $21 billion in March in 2018-19.

The sterling performance seen in the last part of 2019-20 has been broad-based, with 28 out of 30 major product exports either growing at an impressive high positive growth of over 100 per cent or at least ending with double-digit growth in March. Cereals, oil meals, iron ore, jute, electronic goods, engineering goods, etc, were the leading product categories.

Meanwhile, on an overall yearly basis, a couple of distinctive trends have emerged. Marketmen vouch that the year has been marked by a definitive surge in agri commodities exports, which account for less than one-fifth of the country's total exports. A modest to massive jump was witnessed in several product categories including rice (both basmati and non-basmati), maize, wheat, groundnut, millet, barley, etc. In a year which was marked by serious disruption in agriculture production in most parts of the world, many countries and their traders approached India to augment supply in this crisis hour and the latter managed to respond to their request. With agriculture turning out to be the best performing unit of the economy in 2019-20 (declared an essential service after the imposition of national lockdown) and international shipments progressively getting restored from the second quarter at the major ports, enhanced exports of specific agri-commodities are believed to have played a crucial role in keeping the overall exports numbers close to the $300 billion annual mark. More importantly, it may have proved to some countries that, when it comes to seeking cereals supply in a stressed situation, India could be an option to be looked at.

Pharma has been another major pillar of a reasonably good exports performance, growing by over 18 per cent when the global average in pharma exports had dipped in the negative zone. In a micro sense, some interesting trends were noticed in pharma exports – there have been sharp jumps in shipments to Canada, Mexico, South Africa and other African countries, where the cumulative surge has been 12-13 per cent. Also, the troubled year seems to have further consolidated India's growing reputation as an emerging pharma exports hub.

Considering the anti-China sentiment, which was witnessed in the international market, following the spread of the pandemic last year, a common belief was that India would benefit from it in the exim trade. Countries, particularly in the West, were supposed to make conscious moves to bring down their dependence on Chinese imports, if not abruptly break it. Around the middle of the last year, even the Union Commerce Ministry, while perking up the Indian exporters' fraternity, had strongly advised them to look at emerging gaps in international trade and try to aggressively move in.

At the end of the year, however, is there any trend to suggest that the 'emerging-as-alternative' idea has really worked? Exporters confirm it has worked to some extent. Apart from agri-commodities and pharma, the limited surge witnessed in product categories like textile and engineering goods (which were displaying a flattened growth trajectory in the years before Corona) is being attributed to some countries beginning to look at India as a viable alternative.

And, now, the most crucial point: with the new wave of the pandemic gripping India and many other countries, can India maintain the momentum in exports in the new fiscal, which has just begun? Exporters believe it is quite possible because, firstly, they are flush with orders and, secondly, the complete lockdown of the last year is unlikely to happen again. They are, however, asking for clarity on the new tax incentive scheme – Remission of Duties and Taxes on Export Products (RoDTEP), which has replaced Merchandise Exports from India Scheme (MEIS) – to forge new contracts with international buyers. Creation of a dedicated Export Development Fund (a long pending demand) for brand promotion is another major demand, which is expected to make a big difference when Indian export is faring better in a tumultuous market situation. ◆

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A case of Corona fatigue

People think they are safe so long as they are not hit

For the past two months or so, there have been widespread media reports of a sudden surge of corona cases all over the country, with a special focus on some districts of Maharashtra, Gujarat, Delhi and Karnataka. Nowm, as the daily count of new cases reaches almost 250,000, a wave of panic appears to be setting in – both in the Central and state administrations as well as the general populace.

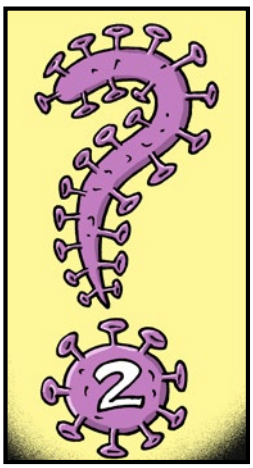
At the same time, while the state governments of Maharashtra and Delhi grapple with the situation, the people in general seem to become inured to the danger they are facing each and every day. A colleague described it best in her Facebook post, comparing it with living in a town under aerial bombardment. Everybody thinks he is safe until he is actually hit. But no one can do much to ensure he is really safe!

In the case of the current wave of the pandemic as well, people everywhere have become accustomed to living with the idea that one day they would catch the infection any which way. Hence, they keep pushing the envelope, taking chances where they wouldn't just a few months ago. This is the result of Corona fatigue – the reason people attend election rallies and the Kumbh Mela in hundreds of thousands, with scant regard for any kind of safety measures.

Ironically, the highest surge in cases is in Maharashtra and Delhi, where neither elections nor religious gatherings are in the offing. Here, as in other places such as Bengaluru, night curfew was imposed, though the thinking behind these measures defies logic. All kinds of memes and cartoons began the rounds, saying that the Corona Virus would come out on the prowl only at night or on weekends! Humour always has a kernel of truth in it, however facetious it might sound.

Now, the Mumbai Police has started issuing colour-coded stickers to vehicles carrying medical supplies, food and other essentials and warned that no other vehicles would be allowed on the streets. But, the stickers would be handed to the vehicle drivers at specific toll-nakas with no records of which vehicle has received stickers of which colour. These steps are supposedly being taken to ease the traffic jams. How this would work is hard to imagine, because attempts to enforce the rules would cause the very traffic snarls they were supposed to prevent!

There are other issues as well. The wide publicity given to blood oxygen levels and the surge in sales of hand-held instruments to measure the levels has caused a new kind of fear. While this is a useful early indicator of when to seek hospital care, there is very little being done to ensure the quality of the gadgets. Much like the early rush for ventilators, there is now a massive increase in demand for oxygen cylinder for home-based care. The expected shortage is already upon us. Likewise, the desperation for remdesivir would provoke amusement, if it were not so grim. WhatApp groups are full of names and phone numbers of remdesivir suppliers in various cities. On the other hand, therapies such as steam inhalation, which have proved efficacious over long periods, are being ignored because there is little money to be made. This is despite the fact that well-qualified infectious disease specialists have endorsed it. Same is the case with the much-maligned dexamethasone tablets, which are inexpensive and widely available.



In a similar fashion, when allopathic medicines and vaccines appear inadequate to cope with a massive pandemic of this kind, it would be wise to look elsewhere for relief and succour. Particularly for patients being treated at home, a selection of traditional remedies may be instituted along with what the doctor prescribes.

Finally there is the issue of the shortage of vaccines. The Central government in its obsession to control the entire process centralised all decision making. In the process several mistakes have been made. To start with it placed too few orders with orders with the manufacturers. By contrast the US and UK governments placed huge orders, even before the final approvals came, when it looked likely that the vaccines would work. Then the government insisted on local data to be generated, instead of simply approving vaccines approved by the regulators in Western Countries, as it belatedly did last week. This will allow a flood of vaccines from other manufacturers. Moreover it insisted on a low fixed price making it difficult for even local manufacturers. Lastly when vaccinations were started it lost valuable time, restricting vaccine centres initially to only government hospitals and clinics. Again belatedly some private hospitals have been allowed. Instead mass fascination sites, just like polling booths, need to be set up all over the country.

Hopefully as epidemiologists predict, this wave will soon peak and again decline. But the lessons should be learnt to ensure that we are ready for the third wave. ◆

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Global banking is history

The need for capital buffers favours banks that can scale locally

Last week, American banking major Citi announced that it would exit from consumer banking in 13 key markets across the globe, allowing it to focus on four 'wealth' centres outside the US – Singapore, Hong Kong, the UAE and London. It would thus sell 'excellent' businesses in places like Australia, China, India, Indonesia and Russia, where it does 'not have the scale to compete'. Its capital, investment and resources will henceforth concentrate on wealth management and institutional businesses in these regions. In India, Citi has been around since 1902, though the first cheque was only written in 1938. The real thrust into consumer lending came only in 1985, with a focus on non-resident Indian deposits and automobile loans. It was a pioneer in the cheque imaging business, and brought the first ATM and credit card to India. It was also among the first to create small ticket, unsecured personal loans as well as, at one point, the standard in strong-arm tactics to recover them. It was also an early investor in HDFC Bank, with an unwritten intention to acquire, but later sold out instead. That one of the oldest and largest foreign banks in India now says it is ready to sell its consumer banking unit, almost half its business, is a sign of how much banking has changed.

The advent of products that were cleared at the centre rather than at the branch, helped banks assess risk in a uniform manner. It hastened loan clearance processes and expanded the retail market. But that same market is now shrinking in several regions across the globe, and has upset the equation.

Banking also remains capital-intensive with money as raw material as well as product. It is gathered in the form of deposits and rented out as loans to borrowers. In India, the RBI made it compulsory for foreign banks to ring-fence their local operations from global shocks and turbulences if they had plans to grow to any meaningful size in the domestic market. This is a trend that has picked up with other countries following similar practices. In the US, Citi failed its first stress test because the regulator discounted its overseas operations entirely.

Since the RBI notification, only two foreign banks in India have opened wholly-owned subsidiaries: Singapore's DBS and State Bank of Mauritius. DBS India took a bold bet, when it went a step further and acquired Laxmi Vilas Bank. Almost all other foreign banks in India have shrunk their retail books, for want of capital. Some like Barclays and ABN AMRO burnt their fingers in the market. French bank BNP Paribas, which once considered setting up a wholly-owned subsidiary, has backed out.

Perhaps the biggest change in retail banking is open banking, across much of Europe and now India. One of the strongest arms in a bank's arsenal is data related to its customer spends. This information helps the bank identify a good borrower or a potential defaulter, and thus price risk and offer products accordingly.

But in Europe, a customer may now choose to share banking history with another financier, in the hope of qualifying for a cheaper loan. Indeed, the EU regulator is pushing banks in this direction. And this initiative is customer friendly.

In India, the RBI has done no such thing. But through UPI, several non-banking participants already have access to some of this data. By blending it with other analytical data, like social media postings, new software start-ups are able to offer customer services that are similar to that of banks: from loans to trading and advisory. Such loans can at times be priced even lower than what the bank, with a poorer assessment of risk, has to offer.

Indian banks with scale will be able to compete in such a market, but the scope of expansion for a smaller bank is limited. But where does that leave the foreign banks? By giving up access to consumer banking, a foreign bank will limit its access to rupee deposits – except for the chunky bits it gathers through wealth management. That would limit a bank's business to overseas markets, and to Indian companies that plan to expand to those places. It could service trade and help companies from the home country expand into India too.

Pandering to wealth, however, will be a step back in banking history. Indeed, the last 40 years of Indian banking have been focussed on financial inclusion, and away and against the limitations of private banking. The wheel has come full circle for foreign banks. ◆

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Partnership for expansion

Bengaluru-based RMZ Corp and Canada Pension Plan Investment Board have formed a joint venture to develop and hold commercial office space in Chennai and Hyderabad. The JV, where the Canadian fund is investing $210 million, will develop three premium commercial projects – two in Hyderabad and one in Chennai – with a total development potential of about 10.4 million sq ft, even as 7.5 million sq ft is already under active development. Last year, RMZ sold 12.8 million sq ft of its office assets to a fund managed by Brookfield Asset Management Inc for $2 billion, in one of the largest real estate deals in the country. As part of the transaction to reduce debt, it also sold its co-working business 'CoWrks' to Brookfield. RMZ had partnered with long-term institutional investors in the past as well. In 2013, Qatar Investment Authority had invested $300 million in RMZ; also, in 2019, it formed a partnership with global developer Mitsui Fudosan for $1 billion to jointly develop assets in the country.

Inorganic strategy

Coforge Ltd (formerly NIIT Technologies) is acquiring a controlling stake in Bengaluru-based SLK Global Solutions, a provider of business process management and digital solutions to the financial services industry, for about ₹920 crore. The acquisition is expected to expand Coforge's BPM operations, strengthen its financial services business and increase its presence in North America. This is being funded by Coforge through a combination of internal accruals and external borrowings. A fast-growing business with a robust operating profile, SLK Global has deep domain expertise in the banking and insurance segments in North America. It enjoys multiple long-standing and scalable relationships with marquee clients with strong growth potential, including with Fifth Third Bank, which in addition to being the largest customer, is also a significant minority shareholder. It has also created a suite of platform solutions. Coforge will initially acquire 60 per cent stake in SLK Global, with SLK Global's founders completely exiting. Fifth Third Bank's stake in the company will be reduced to 40 per cent and will continue at that level for two years. Coforge will acquire an additional 20 per cent stake from Fifth Third Bank in two years.

Small is beautiful

Piramal Retail Finance, a business entity under Piramal Capital & Housing Finance, a subsidiary of Piramal Enterprises, has launched its expanded multiproduct retail financing platform. Focussed on small and mid-town India, the company offers new and expanding product offerings to meet various financing needs. Over the last quarter, Piramal has launched digital purchase finance and used-car financing solutions. Further powering this expansion, Piramal is entering into partnerships with various participants in the tech.ecosystem. Piramal has also gone live with two fintech partnerships – ZestMoney (purchase finance) and CARS24 (used car financing). With its 'digital at its core' strategy, the Piramal platform offers a quick and easy way for consumer tech companies to offer financing solutions to their customers, at scale.

Ramping up

Godrej Appliances is ramping up its manufacturing across its product categories. Following backward integrations, the company has been working steadily over the years towards improving its indigenous manufacturing capabilities, indigenous manufacturing capabilities, with the intention of making nearly all its product categories locally. During the last seven years, the brand has invested over ₹1,100 crore to ramp up its manufacturing capacity as also R&D, demonstrating its commitment to 'Make in India'. The company will invest ₹100 crore in scaling up its AC capacity across two manufacturing facilities – Shirwal in Maharashtra and Mohali in Punjab – to expand its production capacity of ACs to 800,000 units by 2025. It has already inaugurated its Shirwal facility, adding 400,000 units of AC production capacity. Another 400,000 units of AC production capacity will be added in Mohali by 2025. The backward integrated manufacturing unit will equip the brand with greater agility and flexibility in terms of its offerings – both features and aesthetics – enabling it to respond faster to changing consumer needs.

Changing dynamics

The mid-capped Kolkata-based Balrampur Chini Mills Ltd (BCML) is the biggest and one of the most efficient sugar companies in India that has turnaround. The stock has recently crossed the ₹200 levels. The company is believed to talking to neighbouring countries that are facing a sugar shortage are likely to buy it from India and are negotiating with the company. The deal is expected to take place in the coming month. Meanwhile the capacity expansion in the distillery segment has resulted in strong earnings growth and stable cash flow generation. This would result in complete deleveraging of balance sheet including working capital debt in the next three years. With the expansion of ethanol dynamics, the industry is out of the usual cyclicality in the sector.

Building business

The recently listed PSU, under the Ministry of Defence, Mazgaon Docks Shipbuiders Ltd (MDSL) where the Government of India holds 84.83 per cent is trading at ₹201, however it is making waves with new orders. Currently, it has an order book of over ₹50,000 crore as of 31 January 2021. The company has also won order for repair of two Indian Coast Guard Fast Patrol vessels namely ICGS Achook and ICGS S B Phule. MDSL is engaged in the construction and repair of warships and submarines for use by the Indian Navy and other vessels for commercial clients. Apparently, the Indian Navy has sought government approval for fleet expansion by 6 nuclear powered attack submarines to counter the Chinese strength in the Indian Ocean. This translates into a big business opportunity for MDSL which has the capacity to build such vessels. ◆

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After doing wonders by maintaining a continuous supply chain during the Covid-triggered lockdown, B2B healthcare platform **Biddano**, aims to revolutionise offline pharma distribution networks by bridging supply-chain gaps between distributors and chemists through technology. Biddano has been successful in six cities in Maharashtra, Andhra Pradesh and Gujarat and now plans to expand its network to 25 cities pan-India on the back of growing demand for healthcare services. The Pune-based start-up, raised about a million dollars in a pre-Series A round from Venture Catalysts and LetsVenture in October last year, plans to raise around $10 million in a Series A round over the next two months. "We are already in talks with multiple investors," says **Talha Shaikh**, co-founder, Biddano. "We plan to use the funds to expand our network and build a community of 100,000+ retailers and 5,000+ distributors, enhance our technology and infrastructure, and launch new products. With all this in place, Biddano would become India's first and largest B2B healthcare supply chain platform". According to IBEF.org, the total market size of the supply chain for pharmaceutical products and medical instruments including the surgical market is pegged at $62 billion and is growing at 13 per cent CAGR. With its AI-led approach, Biddano aims to deliver healthcare products to various stakeholders at a reasonable cost and become a one-stop solution for all the procurement and fulfilment needs of chemists and hospitals. ◆

Co-founded by the husband and wife duo **Megha** and **Pritesh Asher**, the Coimbatore-based organic skin & personal-care brand **Juicy Chemistry** is planning to open 8-10 retail experiential stores in key metros across India to strengthen its presence in offline retail market, besides ramping up its online exports to newer geographies across the world. Currently, 95 per cent of Juicy Chemistry's sales take place through online channels, out of which 80 per cent comes from its own D2C portal, while the remaining revenue comes through e-commerce platforms, such as Amazon, Nykaa and Purplle, among others. The company is planning to open

offline stores in its key markets – Chennai, Mumbai, Delhi, Kolkata, Hyderabad, Bengaluru and Pune. Last month, the company raised $6.3 million in its Series A funding round, led by Belgium-based investment firm Verlinvest. According to Pritesh Asher, the company intends to use the capital for the rapid expansion of its thriving e-commerce platform and omni channel distribution capabilities, to reach new and existing geographies, and brand building efforts. ◆

Leading cryogenic liquid storage, distribution and re-gas solutions provider **INOXCVA** has announced its signing of a memorandum of understanding with leading Japanese conglomerate **Mitsui & Co** (Asia Pacific) Pte Ltd, to partner and share technical and commercial expertise for further establishment of a virtual pipeline to service the growing demand of LNG in India. "Increasing the use of LNG in the progressive and evergreen domains of manufacturing and transport is a priority for our government, which underlines the benefits of LNG," said **Siddharth Jain**, executive director, INOXCVA, while talking about the MoU. "Our partnership with Mitsui shows our innovativeness and futuristic approach along with our commitment to the country's vision of gas-based economy, which is self-reliant in all aspects, including energy." Added Kaoru Umehara, divisional operating officer, Mitsui: "In partnership with INOXCVA, we look forward to exploring how we can play a key role in meeting India's long-term need for cleaner energy. Together, we will carry out technical, economic and environmental evaluations for supplying LNG to prospective customers

and industrial clusters. We believe our combined expertise will synergise well to bring the benefits of LNG at regional and national levels, and create a sustainable manufacturing ecosystem." ◆

A new **Citroën** C5 Aircross SUV has been launched in India, with a special introductory price of ₹29.90 lakh. To make the Citroën ownership comfortable, the company is launching Citroën Future Sure for Indian customers. This comprehensive package allows customers to own a Citroën, with an easy monthly payment of ₹49,999. The package includes maintenance, extended warranty, roadside assistance and on-road financing for up to five years. "The launch of the new Citroën C5 Aircross SUV in India is a proud moment for

all of us at Citroën," says **Vincent Cobée**, CEO, Citroën. "The Citroën C5 Aircross SUV goes beyond market expectations, addressing all the needs in terms of design, comfort, roominess, equipment and powertrain. Its international success and modern technology is expected to satisfy Indian customers, who deserve nothing less than a world-class product. The Citroën C5 Aircross SUV will establish our brand in India and showcase what Citroën is capable of. With this launch, Citroën starts a new chapter in India and you can expect a lot of action in the next few months, with the release of the first vehicle from our new family of B-segment cars". ◆

A new **BMW** 6 Series has been launched in India. Produced locally at BMW plant Chennai, the car is available in one petrol (newly introduced BMW 630i M Sport) and two diesel variants (BMW 630d M Sport and BMW 620d Luxury Line). The 6 series is available at an introductory price from ₹67.90 lakh onwards. After establishing the benchmark in the executive sedan segment, the new BMW 6 Series now takes this supreme character to new heights. A distinctive design, striking presence and outward BMW sportiness combined with best-in-class luxury and travel experience elevates its position by many notches. Driving pleasure and efficiency are enhanced by a further developed spread of engines and cutting-edge innovations. "The new BMW 6 Series recrafts luxury and adds a truly unique dimension to the executive class segment," said **Vikram Pawah**, president, BMW group, India. "It has the practicality of a crossover, the dynamics of a sports car, the silhouette of a fastback and the luxury of a sedan. The personality of the BMW 6 Series distinguishes it clearly from the crowd and is the reason for its long-lasting success. It is the vehicle of choice for modern leaders, who expect the best luxury and comfort when they are at the rear – and nothing short of 'sheer driving pleasure', when they take the wheel. It is an expression of style and beckons those who won't settle for anything but the best". ◆

This is truly a dream come true, says **N. Muralidharan** about being recognised as 'Distinguished Alumnus' of VJTI for 2020. "I did not dream of getting this award," he adds. Muralidharan, who earned his BE (Mech) from the erstwhile Victoria Jubilee Technical Institute in 1977, is now an executive coach based in Bengaluru. "I am honoured, happy and humbled." Describing the 134-year-old VJTI (now Veermata Jeejamata Technological Institute) as 'a venerable and a distinguished educational institute that stands for excellence', he says: "I consider this a huge privilege to be on the same page with those illustrious people who have won this recognition earlier." The VJTI Alumni Association (AA), he says, got him 'hooked back to VJTI', a chance meeting with a classmate Medha Dharap, who was then head of the mechanical engineering department, helping him to reconnect with the AA office. Through this, he set up a system to award scholarships to four students every year through his family's S. Natarajan & N. Jayalakshmi (**SNNJ**) Charitable Trust. "We have so far been able to touch the lives of 33 VJTIians and help them finish their mechanical engineering degree," he says, adding: "The most satisfying moment was when some of the SNNJ scholars set up a similar scholarship for more needy students." ◆

Škoda Auto India has announced the start of production of the all new Octavia at its production facility in Aurangabad. The celebratory Lava Blue vehicle dons the Lauren & Klement badge that pays homage to the founders of the long-standing Czech auto manufacturer, as well as its 125 years of rich history and heritage. Slated to be introduced later this month, the latest offering will build on Octavia's strong legacy – taking technology, features and overall luxury quotient to the next level. "The Octavia has always offered a compelling combination of the brand's emotive design, exquisite interiors, class leading safety and intelligent connectivity features, and the all new iteration pushes the yardstick further," said **Zac Hollis**, brand director, Škoda Auto India. "A 20-year run and about 100,000 satisfied customers is a testament to its strong equity among discerning car buyers in a dynamically evolving automotive market like India. With the commencement of production, we also commit to a stronger product portfolio as we look to grow our presence in India. In line with our laser sharp focus on customer-centricity, we are also rapidly growing our network presence and have introduced several initiatives to ensure an unmatched ownership experience." ◆

Union Bank of India won major awards last fortnight, including the 'Best Strategy in HR 2020' award and the prestigious honour of 'HR Oriented CEO Award 2020' conferred on the bank's MD&CEO **Rajkiran Rai G** at the Apex India HR & Business Excellence Awards 2020. The Apex India Foundation, Delhi, honours individuals and organisations for their outstanding contribution towards HR good practices and business excellence through its annual award programme with a thorough selection process by an elite jury of notable personalities. The awards recognise the excellent work carried out by thebank by adopting best practices and its quest to provide a completely digital employment experience. ◆

Well on track

Sugar exports are on course to utilise the announced quota

SANJAY BORADE

Ready for the crushing: sugar mills in India have produced 27.76 million tonnes of sugar this year

Sugar mills in India have contracted to export 4.9 million tonnes of sugar during the ongoing 2020-21 sugar season, which started on October 2020. In other words, the mills have already contracted over 80 per cent of the government allocated sugar quota of 6 million tonnes. Importantly, out of this contracted exports, the mills have despatched 3.39 million tonnes (over 68 per cent) during the current season, while 2.5 million tonnes have already been exported out of various ports. Out of the total despatched sugar, raw sugar amounts to about 1.9 million tonnes, while the remainder is white/ refined sugar, according to All India Sugar Trade Association (AISTA).

Experts are of the view that this is a big achievement on the export front, at a time when there was a delay in the announcement of the export policy and the container shortages. At least 700,000 tonnes have been physically exported every month for the last three months.

According to AISTA, this year, Indonesia has emerged as the top importer of Indian sugar, replacing Iran, which has traditionally been a major buyer of the product. At 961,000 tonnes, Indonesian import covers 38.5 per cent of the actual exports taken place so far. This is followed by Afghanistan (about 12 per cent), Sri Lanka (10 per cent), the UAE (9 per cent) and Somalia (7.6 per cent).

AISTA has cited the currency issue that has hampered Iran's imports this time around. Last year, Iran was the top export destination for Indian sugar, with 1.1 million tonnes. However, this year, as Indonesia brought down its quality requirement to 600 icumsa from 1,200 icumsa, India managed to match it and emerged as the top importer – so much so that Indonesia has now become the new market for Indian sugar.

Indonesia joins the party "Despite the delay in the announcement of the export policy and the container shortages, we are well on course to avail the 6 million tonnes of quota allocated by the government," says Rahil Shaikh, vice-chairman, AISTA & managing director, MEIR Commodities India Pvt Ltd, Mumbai. "With Indonesia bringing down their quality standard, we have been able to match their requirement for the first time, which explains this major surge in export to that country. On the other hand, Iran, despite being our traditional market, has suffered due to their currency issue". MEIR Commodities, an agro commodity trading firm, focusses on domestic and international markets in various commodities like sugar, ethanol, molasses, edible oil, organics, etc.

The Delhi-based trade association, which completed five years in January 2021, has revised upwards its domestic sugar production estimates to 35 million tonnes for the 2020-21 marketing year, from the earlier projections of 29.9 million tonnes. Consumption has been pegged at 25.5 million tonnes.

Meanwhile, Indian Sugar Mills Association (ISMA), in a release, has said that, as on 31 March 2021, sugar mills in India have produced 27.76 million tonnes of sugar as against 23.32 million tonnes produced last year. According to ISMA, sugar production in Maharashtra was 10.05 million tonnes till 31 March 2021, as against 5.9 million tonnes produced last year during the same period. Mills have so far crushed about 96.1 million tonnes of sugarcane, which is the highest ever in the history of the state, surpassing 95.4 million tonnes of cane crushed in the full 2017-18 season. The reason for lower production, despite higher crushing, as compared to 2017-18, is the lower sugar recovery and the diversion of sugarcane juice /B heavy molasses for ethanol production in the current season. So far, 113 mills in the state have already closed their crushing operations in the state, while 76 sugar mills are operating. On the corresponding date last season, out of 146 mills, 28 were in operation.

In UP, 120 sugar mills, which were in operation, have produced 9.4 million tonnes of sugar till 31 March 2021. Out of 120 sugar mills in existence, 39 have stopped crushing operations. As compared to this, 113 were in operation last year on the same date, with the sugar production touching 9.72 million tonnes.

In case of Karnataka, 66 sugar mills have produced 4.14 million tonnes of sugar. Out of these sugar mills, 65 mills have already closed their operations in the state and only one mill is in action. During the corresponding period last year, 63 sugar mills had produced 3.35 million tonnes of sugar; 60 had ended their operations, while three mills stayed in operation. However, in the upcoming special season in July-September 2021, a few mills in South Karnataka will operate and a total of about 4.25 million tonnes of sugar is expected to be produced in the state in the current season, says the ISMA release.◆

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REAL ESTATE

Challenging times

SANJAY BORADE

While the residential market in India has witnessed a steady rise in demand in the last couple of quarters, the office market has continued to languish. According to a JLL report, at 5.53 million sq ft of absorption, the overall office market has witnessed a net absorption decrease of 33 per cent in Q1 2021 over Q1 2020, with Bengaluru, Hyderabad and Delhi NCR accounting for nearly 80 per cent of the net absorption during the quarter. Bengaluru and Delhi NCR were also the two markets which witnessed an increase in net absorption when compared to Q4 2020.

"While 2020 ended on a relatively high note, there was still uncertainty in the market with respect to resumption of business as usual," affirms Samantak Das, chief economist & head, research & REIS, India, JLL. "Occupiers continued to adopt a cautious approach and focussed on reassessing their real estate portfolios and long-term commitments. To add to the woes, increasing fears of a spike in Covid-19 cases in the second half of March further pushed occupiers to press pause again and postpone their real estate decisions. As the vaccination drive is gaining momentum and occupiers remain cautiously optimistic, 2021 is expected to witness close to 38 million sq ft of new completions, while the net absorption is likely to hover at 30 million sq ft, with a marginal downward bias. This will be on a par with the average annual net absorption levels seen during 2016-18."

According to the JLL report, pre-commitments in new completions played a significant role in driving the net absorption. In the first quarter, 31 per cent of new completions were already pre-committed. The maximum pre-commitment levels were observed in the southern markets of Bengaluru (51 per cent of new completions) and Hyderabad (45 per cent). At the same time, it is important to note that the leasing momentum in some of the larger markets have remained promising in the first quarter of 2021.

The quarter witnessed gross leasing volumes of 7.5 million sq ft across the top seven markets. Interestingly, the larger market of Mumbai saw a massive jump in leasing volume from 0.5 million sq ft in Q4 2020 to 1.6 million sq ft in Q1 2021. This was driven mainly by a few select large pre-commitment deals in upcoming spaces within the BFSI space. Further, Delhi NCR saw a marginal increase in leasing volumes from 1.9 million sq ft in Q4 2020 to two-million sq ft in Q1 2021.

New completions during Q1 2021 were recorded at 13.43 million sq ft – a marginal increase of 5 per cent q-o-q. In sync with the net absorption, the markets of Bengaluru, Hyderabad and Delhi NCR accounted for nearly 80 per cent of the new completions during the quarter. On a y-o-y basis, new completions across the top seven cities jumped by 56 per cent from the 8.6 million sq ft recorded in Q1 2020. Interestingly, new completions even surpassed the average quarterly levels of about 13 million sq ft witnessed during the historic year of 2019.

"Occupiers continue to review their real estate portfolios and are adopting consolidation and optimisation strategies in order to rationalise space required while minimising costs," says the report. "The subdued net absorption levels could not keep pace with new completions, which resulted in overall vacancy increasing from 14 per cent in Q4 2020 to 14.9 per cent in Q1 2021. Despite the rise in vacancy levels, Bengaluru, Chennai and Pune continued to hover in single digits."

Light at the end of the tunnel

Meanwhile, office rentals in Q1 2021 remained stable across the major office markets in India. With vacancy levels still below 15 per cent and limited upcoming Grade A supply across key markets in the next few years, the office market in India continues to be tilted towards landlords. "Hence, reduction of headline rents is not a popular phenomenon and rents are expected to remain range bound in the short to medium term," explains the JLL report. "However, landlords continue to be accommodative to the demands of occupiers and are providing flexibility via increased rent-free periods, reduced rental escalation and fully furnished deals to occupiers to close deals."

"The leasing momentum in the upcoming quarters will mainly depend on the time taken to contain the second wave of Covid-19 cases," argues Das. "However, it is important to point out a few things that give us confidence that there is light at the end of the tunnel".

"The increasing attendance in offices across the major markets before the second Covid-19 wave bears testimony to the confidence and commitment of corporates to get back to working from office," contends the JLL report. "It is important that landlords continue to be receptive to the demands of tenants

and offer flexible options, in terms of space as well as value."

Meanwhile, Knight Frank, the leading real estate consultancy, in its latest report, observes that the residential market in India has seen a steady rise in both sales and launches in Q1 2021. While launches were recorded at 76,006 units, sales were recorded at 71,963 units in the top eight cities of India.

Mumbai and Pune led the table in both launches as well as sales. These two markets benefited from significant regulatory impetus in the form of discounts in stamp duty charges that led to significant improvement in sales velocity. While end users were keen on taking advantage of the reduced stamp duty regime, developers also thought it right to take advantage of the said growth to launch new projects. In the last few weeks of Q1 2021, Karnataka also doled out stamp duty sops to home buyers for residences costing up to ₹45 lakh. However, the impact of this may only be seen in the subsequent quarters.

According to Knight Frank, homebuyers were inclined to acquire ready or near-ready inventory to minimise completion risk. This is reflected in the average age of inventory which stayed at 16.7 quarters in Q1 2021, as against 15.9 quarters the year before. This is also in line with developers focussing on liquidating older inventory before launching new products, something which has helped reduce unsold inventory levels to 0.44 million units in Q4 2020, 2 per cent less than a year ago.

"Q1 2021 saw a significant rise in sales across the key markets, led by Mumbai and Pune – the two markets that received substantial backing from the state government in the form of reduced stamp duty," observes Shishir Baijal, chairman & managing director, Knight Frank India. "Other cities also recorded a rise in sales of homes due to a shift in attitude in homebuyers who have now started to prefer ownership. That, coupled with home loan interest rates at multi-decade lows of sub 7 per cent, a substantial correction in apartment prices, as well as increase in household savings, seems to have convinced homebuyers that this was an opportune time to purchase their properties."

However, Baijal is of the view that, while sentiments have remained largely positive in the first quarter leading to consistent rise in home sales, the recent spike in Covid-19 cases in the country has to be factored in for the future. "We are yet to understand the complete impact of the 'second wave' on economic activities and resulting wealth creation," adds the Knight Frank chief. "The state with the largest demand – Maharashtra – has introduced a partial lockdown for April, which, apart from the fact that stamp duty has been reverted to its previous levels, will also lead to severe restrictions in public life. The extent of the impact of the second wave of the Covid-19 pandemic in India is still unknown, thus the sector will have to tread carefully to maintain its recently acquired momentum. ◆

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COVID VACCINE

Timely response

By 10 April 2021, India had administered 100 million vaccinations in the record span of 85 days. Even if the numbers are the highest in the world, we have a long way to go to cover the entire population. As the second wave of Covid-19 spreads across the country, the government of India is attempting to increase the number of people being vaccinated, with the goal of immunising most of the population. For the uninterrupted supply of vaccines, the government is also bringing in Sputnik V as the third vaccine to get emergency use approval, after the Serum Institute's Covishield and Bharat Biotech's Covaxin. "The government has managed to scale up significantly in a short span of time and there will be a further increase in the weeks to come as we are looking at vaccinating at least five million persons per day. India has the requisite capacity just as, under the Polio immunisation programme, the government had managed to vaccinate 170 million children in a week," explains N.K. Arora, a member of the national task force on Covid-19.

To support this drive and reduce the burden on the government, a number of industry units, including automotive companies, have come forward to help their employees by sponsoring vaccinations. In keeping with its commitment to ensure the safety and well-being of its people, Hero MotoCorp has initiated a Covid-19 vaccination drive across the organisation, including its permanent and contractual employees. The company will bear the cost of vaccinating its workforce. It will also facilitate similar vaccination initiatives across its group companies. It is also working closely with its dealers and supply chain partners to facilitate vaccinations for its employees across its ecosystem. More than 80,000 employees will be covered under this initiative. "We, at Hero, have always believed in the holistic development of our employees as well as society at large. With the government opening up the vaccination process against the Corona virus for the corporate sector, we have decided to vaccinate our workforce and other stakeholders within the extended Hero family at no cost," say company officials.

Another two-wheeler maker, TVS Motor, will provide free vaccinations for all group employees and their immediate family members. This vaccination drive is in line with the ongoing government guidelines and will cover 35,000 direct and indirect employees across the country. "We have strived to provide complete support to our employees and their extended family members through the pandemic, ranging from apps for emergency requirements, doctor-on-call, Covid awareness communication and mental wellness programmes," says R Ananda Krishnan, EVP, Human Resources, TVS Motor. "With this vaccination drive, we continue our endeavour to prioritise the health and safety of all our employees and their families."

Volvo Car India also plans to bear the cost of vaccinating its employees against Covid-19. This benefit will extend to their spouses, children and parents too. "Safety is an integral part of Volvo's ethos. During the last one year, we have worked with the utmost care and concern for the safety and well-being of our employees. We had put in place stringent health-related protocols during this period. Now, with the government opening up more age groups in its vaccination drive, we are encouraging our employees to get

Industry units have come forward to help the vaccination drive

themselves and their family members vaccinated," says Jyoti Malhotra. MD, Volvo Car India.

Rapido, India's bike taxi platform has come out with the innovative idea of its #RideToVaccinate initiative and pledges support to the vaccination drive by providing free rides to citizens in Delhi NCR to and from 12 eligible hospitals. The initiative is aimed at providing a safe and accessible commute option to senior citizens eligible for vaccination. "With the country undertaking the largest vaccination drive in the world, as corporate citizens, we at Rapido want to emphasise the importance of vaccination among the elderly and those above 45, in the face of the pandemic," said Aravind Sanka, co-founder, Rapido, on the launch of the #RideToVaccinate programme. "We are offering 100 per cent off on rides up to ₹50 to all citizens in Delhi NCR."

Prioritising health and well-being

Ridesharing company Ola Cabs will cover vaccination costs for all employees and dependents. The vaccination drive will also be extended to all the direct contractual employees, consultants, advisors of the company and their immediate dependents, including spouses, children and parents, comprising more than 24,000 people. The company is partnering with the relevant authorities to conduct the vaccination drive. "We are happy to announce that Ola has decided to cover vaccination costs across the group," says Ola spokesperson Varun Dubey. "At Ola, we prioritise the health and well-being of not only our employees and their loved ones but also our extended family, who work directly with us, including advisors and consultants. While this vaccine is voluntary, it is also one of the most effective tools to fight against Covid-19. As the government gears up for the next phase of the vaccination drive, we encourage all our employees and their families to opt for the vaccine and fight against Covid-19."

SKF India too has announced cost coverage for Covid-19 vaccinations for all employees and their immediate family members. "We believe that covering the cost of vaccination for our employees and their immediate family members expresses our gratitude for their persistent support and absolute trust in us," announced Gautam Kumar, CHRO, Director HR, SKF India. "We encourage vaccination for our people who are eligible and choose to receive the vaccine to protect themselves and their families and help our nation fight Covid." ZF India, a leader in driveline and chassis technology will cover the cost of vaccinations for all its on-roll employees in India and their dependents, including parents. It will also support contract workers and support staff.

Companies in other sectors, such as SBI General Insurance, on their part, have extended support to the vaccination drive, under their CSR initiatives. SBI General Insurance will cover the cost of two shots of vaccination, for low-income groups in Maharashtra and Andhra Pradesh. "We are driven by a mission to serve the most vulnerable communities and people at risk with sustainable interventions that can help in transforming their lives," says PC Kandpal, MD & CEO, SBI General Insurance.

Aakash Educational Services has announced that it will be taking care of the complete vaccination cost for all its employees and one dependent each across India. This will amount to 5,000 employees, plus one dependent each, for the two shots of vaccine.

Taking a step further to ensure better healthcare facilities for its associates, ADP India has stated that it will sponsor the vaccines for all its employees. It will cover the cost of the total vaccine for over 50,000 beneficiaries in India spread across Hyderabad, Pune and Chennai, along with over 10,000 beneficiaries in the Philippines. "Our employees and their families are at the core of who we are as an organisation," says Vipul Singh, divisional vice-president & head, HR, ADPI.

India is one of the major players in the global pharma and healthcare industry and the Covid-19 vaccines produced here have been sent across the world. Having hit the global and Indian economy hard last year, the pandemic is now posing a major threat again. All citizens need to follow some simple steps to protect themselves and others, including wearing a mask, washing one's hands regularly and social distancing. This will help to avoid spreading the virus to others. If these rules are followed sincerely, India can win this battle against all odds. ◆

SM BOOTHEM
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A wake-up call

Businesses in the organised sector must help to effectively combat the pandemic

India cannot overcome the Covid-19 pandemic without whole-hearted efforts by companies to control the new SARS-CoV-2 variants at the workplace and redesign care for employees to keep the work environment safe during the longer term. The Indian economy's informal sector does not have the means or scale to effectively combat the pandemic, but businesses in the organised sector must shoulder this burden although they employ just a small minority of the nation's workforce.

Dealing with this corona-virus crisis is not an act of employee welfare. It is a fundamental need because no company can function without healthy workers, who trust that the management cares for them. The efforts of the government to get the people vaccinated may attenuate the virus's impacts over time, but may not free the country from further waves of infection.

The current surge of infections touching 170,000 a day should be a wake-up call for Indian business, especially at a time when millions are flocking to Hardwar for the Kumbh mela. The mela could be the planet's largest super-spreader event and big employers may find themselves caught in a vice between sick employees and disrupted supply chains.

Although multiple vaccines are being developed and distributed in India, the mortal threat of new corona-virus variants is increasing by the day. The emergence of variants means that the level of vaccination required to achieve herd immunity may not be achieved for a long time.

The situation for Indian businesses can become dire, if the pandemic prevents them from taking advantage of upsurge in economic activity forecast in the US and many countries in Europe and South East Asia. The IMF expects the world economy to grow by 6 per cent in 2021, up from its 5.5 per cent forecast in January. It estimated growth of 6.4 per cent in the US and 5.1 per cent in other developed countries, which are India's main markets and sources of high-tech supplies.

"Even with high uncertainty about the path of the pandemic, a way out of this health and economic crisis is increasingly visible," IMF chief economist Gita Gopinath says in the April 2021 World Economic Outlook. But the report also warns of 'daunting challenges' because of the different rates of vaccine roll-outs and corona-virus variants. The warning is particularly relevant for India.

BRIJ KHINDARIA

The central issues for employers now are how to support return to work efforts, encourage vaccine adoption, and accelerate economic recovery among consumers they serve. The first need is to avoid being high-handed and talking down to employees. For some people, accepting vaccine can become an emotional issue so their concerns must be addressed while emphasising that the workplace cannot be safe for everyone without maximum vaccination.

At the same time, each company should provide support for vaccination in the local community because there is no other way known as yet of preventing the emergence of corona-virus variants and their spread. Employees should not have to emerge from a safe workplace into a home and neighbourhood that is rife with infectious variants.

A major need is to help employees to avoid falling into the traps of fake news and misinformation by providing education on the facts. That can be done by bringing in experts to share credible and authoritative information about vaccines as well as corona-virus transmission, including wearing face masks, washing and sanitising hands, and keeping social distance even with friends and relatives. It may be necessary to provide time off and transport costs to the vaccination centre.

Alongside support for employees, it is really important to handle end-to-end supply chain issues at the same time. McKinsey, the consultancy, recommends creating transparency on multi-tier supply chains by establishing lists of critical components, determining who supplies them and identifying alternative sources. To keep production running, it is essential to estimate available stocks of components along the value chain and ensure that they can be renewed. It is also critical to improve estimates of final-customer demand and optimise production and delivery capacity in light of potential supply chain disruptions.

In India, it is particularly important to stress test a company's financial capacity in case of repeated lockdowns and supply chain shortages. India is entering major state and national election cycles, which mean more political rallies and potential spread of corona virus. So, companies should not neglect their workplace situations. Employers will have to find ways to protect their people, even as India's political shows roll on. ◆

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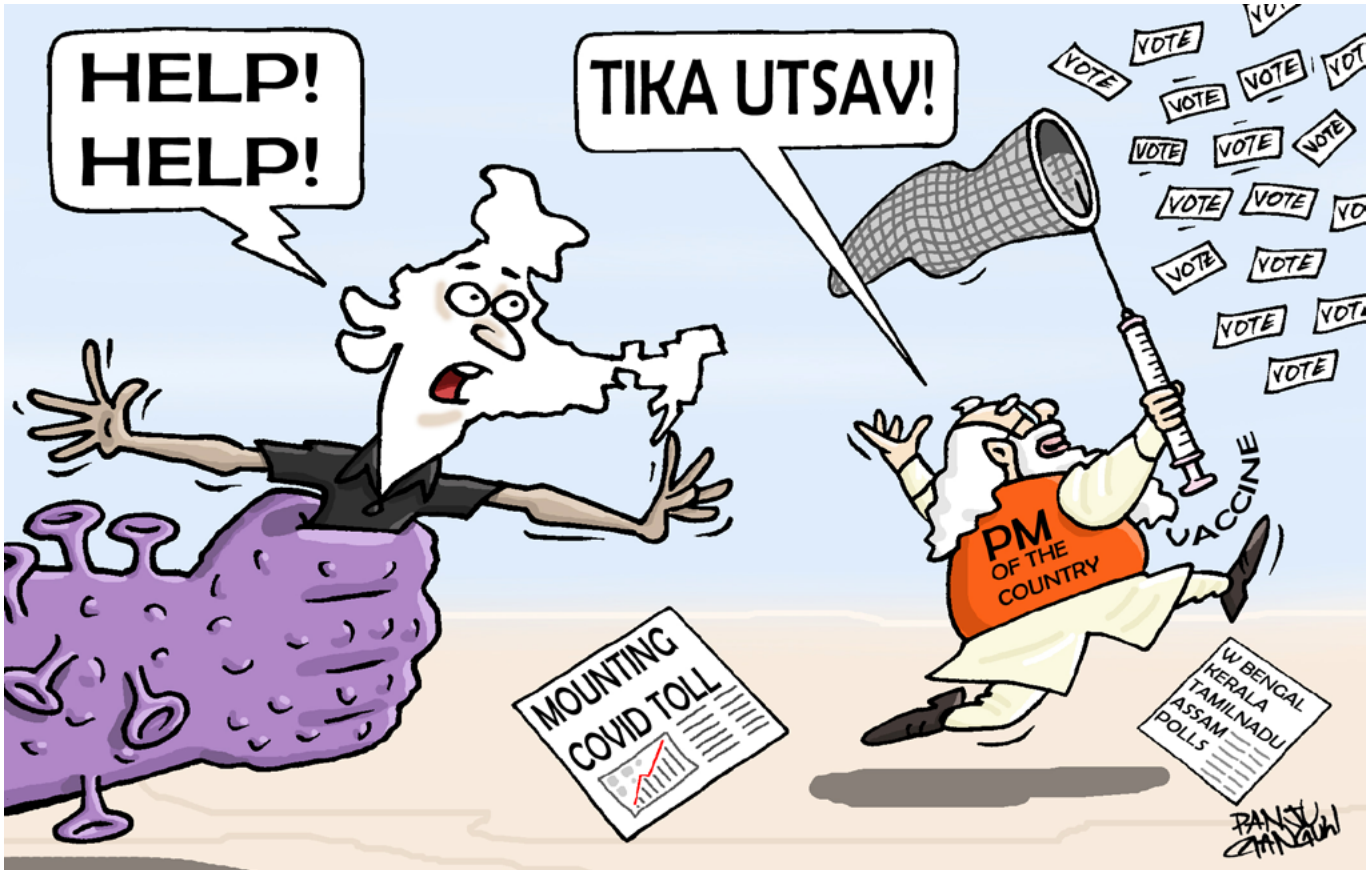
Panju's Page By Panju Ganguli



IN A COUNTRY AS WIDE AS OURS, WE SHOULD NOT WORRY ABOUT FISCAL DEFICIT STATISTICS, BUT LOOK AT THE QUALITY OF FISCAL DEFICIT.

AMIT SHAH
Union Home Minister

PORTS PLAY A MAJOR ROLE IN SHAPING THE FUTURE. THROUGH APSEZ'S 89.6% STAKE IN GANGAVARAM PORT, THE ADANI GROUP WILL GREATLY EXPAND ITS PAN INDIA CARGO PRESENCE.

GAUTAM ADANI
Chairman, Adani Group

On a strong wicket

With price war over and a digital portfolio in place, Airtel is keen to play on the front foot again

It is no secret that, when the Adjusted Gross Revenue (AGR) bomb exploded early last year, with an apex court bench ruling out any leniency to leading telcos, this had catastrophic implications for the leading telcos – especially Bharti Airtel and Vodafone. Reliance, with a late entrant tag, had a minuscule burden on this front, which others had accumulated over more than one decade.

The ruling was issued on 13 February, after telcos failed to meet the 23 January deadline. Comments from Kumar Mangalam Birla (who controls Vodafone Idea) prior to the apex court judgement, that an unfavourable ruling might force it to shut shop permanently, only added fuel to the speculative fire. But even in that hour of crisis, nobody was saying it posed survival threats to the Sunil Bharti Mittal-led Airtel. At worst, it was expected to further add to its liquidity pile-up, affecting its performance in the near to medium run.

Cut to the present day. Since early last year, a huge volume of data has flown through the Indian telecom ecosystem, with Corona-led, unprecedented disruptions also contributing to a new churning witnessed in the telecom business. And amidst this rapidly changing scene, Airtel, as an entity, seems to have engineered a major turnaround, putting itself on a stronger wicket. This doesn't seem to have stemmed from introducing a new fire-fighting strategy, which then worked more effectively than imagined. The answer probably lies in trying hard to sustain operations in a glitch-free style in a difficult hour for its consumers and then upping the ante on some of the critical pieces (including digital) when their greater adoption began thanks to the Corona-led confinement.

Marketmen will vouch for the fact that Vodafone's growing weakness in terms of loss of subscribers may also have played a role in Airtel's growing strength. In the eye of the consumer, both of them have traditionally been put on the same pedestal on the services and brand positioning fronts. However, Reliance, in its two avatars in the past two decades (with CDMA in 2003 and now Reliance Jio since 2016), has happily positioned itself as the brand for the masses, willing to go to that extra mile for them.

Now, in its 26th year (it was among the first movers when cellular licences were opened, rolling out its service on 12 September 1995), Airtel has undoubtedly been an exceptional story in the topsy-turvy telecom business (from the peak of 15-20 private players, only three entities now exist, apart from a couple of government-backed telcos). It was created by an exceptional first-generation entrepreneur, who graduated from manufacturing cycle parts in Ludhiana to making India's first push button phone sets and then jumping on to the cellular services bandwagon at an early stage.

Old-timers will vouch that, in the initial phase, Airtel's long-term sustainability in the game, where stakes increasingly hit an unimaginable stratosphere, was doubted. "It was widely believed then that they would create a company and then sell it for a premium given the growing crowd of deep pocketed entities in a business which held a plethora of promises," recalls a veteran of the industry. But Mittal proved most of his critics wrong, making Airtel a formidable name in its own right. Tiding over all kinds of challenges (including the Reliance wave) Airtel has not only spread within India but also carved out a distinctive international footing.

Market positioning

Today, the company is ranked at number two globally in terms of subscribers' volume in a cumulative sense (India plus 15-odd other countries, mostly in Africa) and has a market cap of close to $40 billion. Nothing surprising; having created an expansive telecom business of this scale has made Mittal one of the most admired and respected post-liberalisation faces of India Inc (he was the recipient of our Businessman of the Year Award in 2002).

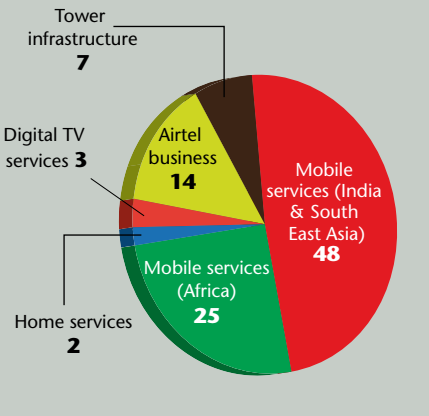
"In the past two-and-a-half decades, he has created and spearheaded a company which has grown at a hefty 10-12 per cent CAGR and within the new age major enterprises bracket, it has a similar reputation in the marketplace as an Infosys in the IT sector," observes BK Syngal, former chairman, VSNL, often referred to as father of the internet and data services in India and a pioneering figure in the Indian telecom space. Interestingly, this company, now in its post silver-jubilee phase, seems all set to give a tweak (from a medium- to long-term perspective) to its

Performance highlights

	Financial year ended 31 March				
	2016	2017	2018	2019	2020
Operating highlights (000's)					
Total customer base	357,428	372,354	413,822	403,645	423,87
India	266,626	290,329	322,292	302,206	309,754
South Asia*	10,238	1,964	2,267	2,587	2,929
Africa	80,564	80,061	89,262	98,851	110,604
Consolidated financials (₹ mn)					
Total revenues	965,321	942,506	826,388	807,802	875,390
EBITDA (before exceptional items	341,682	356,208	304,479	262,937	371,053
Cash profit from operations	289,083	283,668	227,169	167,777	254,951
Earnings before tax	128,463	77,232	32,669	(17,318)	(428,466)
Net profit	60,767	37,997	10,990	4,095	(321,832)

Source: Company Annual Report

Revenue mix FY19-20



Source: Company Annual Report

5G and new telecom order

For the Indian telecom business, the next big frontier, of course, is the roll-out of 5G services, which is expected to be the leading development over the next decade. And the big two – Reliance Jio and Bharti Airtel (*see graph*: Bouquet of services offered by Telcos) – have been sending signals on their preparation vis-à-vis trial runs for the big-ticket development even as spectrum allocation from the government is expected to unfold over the next one year. Reliance Jio, meanwhile, has committed to launch an indigenously-built 5G network in the second half of the year. And, early this year, Airtel announced becoming the country's first telco to successfully demonstrate and orchestrate 'Live 5G service' over a commercial network in Hyderabad. Even Vodafone has said it will get ready for the next gen service after spectrum allocation.

Though there is no doubt that 5G will turn the tide of the telecom business over the next 10 years, determining the new telecom order, analysts point out a host of issues it faces before becoming a practical wave. While the entire 5G infrastructure network is estimated to cost a gigantic $30 billion and will significantly up the ante in the capital-intensive game that telecom is, the larger issue is whether India will have enough consumers to pay for such services in the coming years. "You can't imagine providing viable 5G services at an ARPU of $2-3. It must begin at the range of $8-10, given the experience of other operators globally. 5G will, therefore, see a lot of concentration on the b2b used case for generating traction," Sanjay Kapoor, former CEO, Bharti Airtel, points out, while adding that unlike in previous generation technology where operators were creating the network first and then scouting for customers, the order will now be reversed.

Considering the capital-intensive nature of 5G technology adoption, a popular theory doing the rounds is that with limited players on the stage, the arch rivals of yesteryear will probably collaborate and share networks and assets. "It may happen," BK Syngal says succinctly. Incidentally, the big two of the game, Bharti Airtel and Reliance Jio, showed surprising camaraderie early this month when Airtel announced an agreement with Reliance Jio to transfer the 'Right to Use' of Airtel's 800 MHz spectrum in Andhra Pradesh (3.75 MHz), Delhi (1.25 MHz) and Mumbai (2.50 MHz) to Jio. Airtel is expected to receive around ₹1,500 crore from this deal. Is this indicative of more co-operation ensuing between the two leading telcos, which control nearly

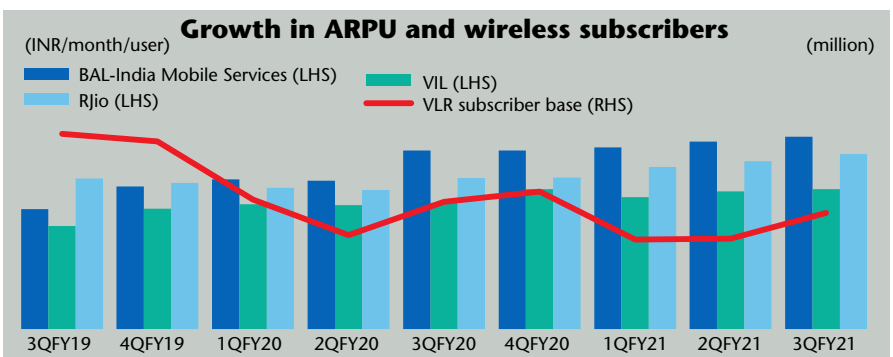
orientation and focus on developing a larger platform of defining digital services placed comfortably on its wide-based telecom edifice. Some recent trends may only have buoyed its conviction to make expeditious moves in this direction. With the number of players reduced to a handful, telecom is now certainly a saner place to be in, commanded by market-driven factors. "Airtel is at a classic inflection point," observes Sudershan Banerjee, former CEO, Hutchison Essar Telecom (acquired by Vodafone in 2007). "It is well-placed to raise the customer service bar, make it clear to its consumers that it is a premium brand and add killer apps and content."

A turnaround year

Will 2020, a year that began on a dismal note, actually end up as a major turnaround year for Airtel? That is the big question today. And, even as senior officials of Airtel, including its chairman Mittal and MD & CEO Gopal Vittal, who is in command of operations, did not respond to our query, scores of research reports furnished after its sterling Q3, 2020-21 performance and formal investors' calls statements clearly underline the turnaround theory in no uncertain terms. A senior official of Airtel (on assurance of anonymity) also reconfirmed the theory that the top brass is fairly convinced the company has emerged considerably stronger in the past one year. Or, probably, it is on its strongest wicket after the Reliance Jio-led price war forced many companies to shut shop.

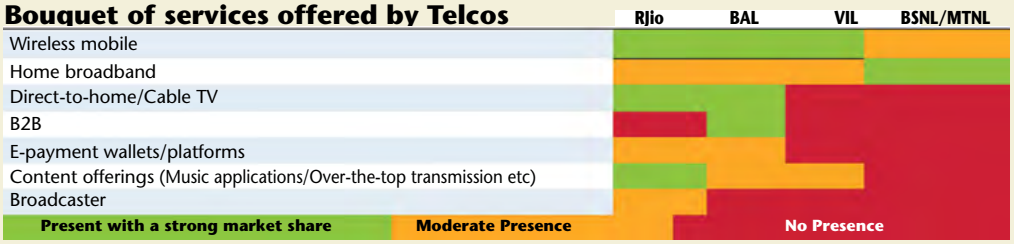
An analysis of its key performance parameters between 2016 to 2020 makes it clear that, in a cumulative sense, while the number of users of its services both within India and outside went up – from 357 million to about 423 million – that did not exactly lead to revenue augmentation in the same proportion (*see graph*: Performance highlights). In fact, its revenue dropped from a high of ₹96,000 crore to ₹80,000 crore in 2019, before showing some recovery in 2020. And much of this is due to the impact of the price war in the larger domestic market, which lowered the 'average revenue per user' (ARPU). But when the final revenue number of 2020-21 is announced next month, there is a strong possibility that the company will cross the ₹1 lakh crore mark this fiscal.

However, the financial numbers between Q1, 2019-20 and Q3, 2020-21 reflect a modest to sharp uptick on several key parameters. According to a study by Motilal Oswal analysing the Q3, 2020-21 performance of Bharti Airtel, the most significant gain has been in ARPU, which has shot up from ₹129 at the beginning of 2019-20 to ₹166 at the end of the third quarter in 2020-21. There has been a similar



Source: companies, Ind-Ra

Bouquet of services offered by Telcos



Note: BAL: Bharti Airtel Limited; RJio: Reliance Jio Infocomm Ltd; VIL: Vodafone Idea Limited; BSNL: Bharat Sanjar Nigam Limited; MTNL: Mahanagar Telephone Nigam Limited Source: Ind-Ra

70 per cent of the Indian telecom business in value terms? "Don't read too much into it," advises a telecom sector head of a leading research firm. "It's a 'win, win' deal, wherein Airtel is selling the unutilised spectrum, and Jio is buying something that will fit in its network."

A bigger question, however, is: as the new order defined by the 5G roll-out in the not-so-distant future sets new dimensions in the business, will the main players be Jio and Airtel? In terms of market share in revenue generated in the market (*see graph*: Revenue market share trend), both Vodafone and the government-backed BSNL (the traditional telecom giant considered unbeatable in the hinterland reach till recently) have received a serious drubbing in recent years. BSNL, in fact, has been reduced to a peripheral player. "Government-backed entities like BSNL and MTNL are in a disadvantageous position. They still don't participate in the mobile broadband space, due to their absence from 4G services and have high operating costs, which render them uncompetitive. I am doubtful about their relevance in the emerging telecom order," responds Kapoor. Syngal feels no differently. "I would not like to mince words here – BSNL and MTNL have been deliberately destroyed. But I am hopeful that, at some stage, the Birlas will infuse serious capital into Vodafone to turn it into a vibrant entity again. Given the fact that the suicidal price war regime is over and there is projected uptick in revenue, with consumers graduating to next generation technology applications, there seems to be no case to leave the fray. Why are they otherwise running the show even now?" asks he. ◆

sharp jump in total subscribers and data subscribers and a similar trend is visible in Airtel's Africa business, which accounts for 25 per cent of the company's business today.

"Bharti's superior execution quality is reflected in its strong performance over the past three quarters, with 8 per cent ARPU growth without a tariff hike, leading to resounding EBIDTA growth of 27 per cent in Mobile India. It has certainly surprised, with market share gains and quality customer acquisitions – 29 million 4G subscriber additions (in nine months, 2020-21) – which have supported the ARPU growth," the report maintained. In fact, in Q3, Airtel had made a net profit after a gap of six straight quarters and added over 14 million customers during the three-month period.

"Despite the unprecedented volatility that has confronted us this year, we delivered another strong performance. More important, this consistency in performance is across every part of our portfolio. As a result, we have grown revenue market share in each of our businesses," Vittal had emphasised in a conference call with investors. Analysts point to a host of factors which have contributed to the great performance of Airtel in the recent past. "With working from home and online classes becoming a necessity, the conversion to 4G from 2G has been quite rapid. And, there has been the sharpest increase in data consumption. The leading players have made the most of this opportunity," says Aliasgar Shakir, Senior VP, lead, telecom, Motilal Oswal. "The percentage volume jump of data subscribers has risen sharply, from 47 per cent in March 2019 to 63 per cent in December 2020. And this tells the story," says Prashant Tarwadi, director, India Ratings, pointing out the trend in specific terms.

Vittal: we have grown all our businesses

Another popular theory doing the rounds in the marketplace is Airtel benefiting the most from a situation where a struggling Vodafone has lost a considerable number of subscribers (estimated at 8,000,000 in the second quarter of the last fiscal). Both these operators have traditionally been viewed as having similar attributes. When Reliance Jio, with its price war strategy, backed by its unmatched fibre cable network, appeared and shook the scene in the mid-2010s, it evolved as a strong, solitary player with different branding and appeal. This theory is strongly refuted by an Airtel official, who calls it an unfair assessment. Having a more robust and attractive portfolio of offerings is the major draw, he asserts. Sudershan Banerjee, however, strongly emphasises that getting customers from Vodafone would be a major growth window for Airtel in the near run. "Their best strategy would be to work on continuous differentiation vis-à-vis Jio, with superior content and customer services, which would

Controlling from sky

Those who have been associated with Sunil Bharti Mittal or have observed him from close quarters may narrate this common point while explaining his key attributes – a natural knack to spot the technological trends or ideas that are going to define the future. And, if convinced with any new proposition, he is unlikely to hold himself from backing it business-wise. "With professional managers taking care of day-to-day operations for a long time, he is more devoted to keep an eye on the big catalysts for the future," says a senior representative of a leading industry association.

Mittal's decision to become the anchor investor of the financially stressed OneWeb (London headquartered satellite communication firm) by picking up 45 per cent of its stake last year is being viewed as yet another example of following his instinct. Together with the British government, which has interest in the project because of strategic reasons, Mittal has invested $1 billion and given a new lease of life to the company, which was close to being declared bankrupt.

Though the concept of broadband internet services being driven by Low Earth Orbit (LEO) satellites is not new and has been toyed with for more than 20 years now (it was started by a satellite telephone company, Iridium, which later went bust; and then, a similar attempt by Google also did not meet with desired results), its large scale commercial utility is yet to fall in place. The advantage of the satellite-driven telecom network, however, is that it can result in expeditious expansion of network area, including coverage of difficult stretches like deserts and hills, where laying optical fibre or putting up telecom towers is difficult. For a company like Airtel, it can make a world of difference in terms of establishing connectivity (5G network too) with more customers in countries on their operational map.

Several reports suggest that experts in the domain are working to do away with the operational glitches faced in the past (primarily in seamless switch over of airwave connectivity between the moving satellites) and its not only Mittal (his second fling with the platform after a short-lived association in 2015) but even Elon Musk is gung-ho about it. Starlink-SpaceX, a similar venture commanded by him, has already received nod from the Australian government for large-scale operations.

Meanwhile, some major action is also expected from OneWeb soon, as it raised another $400 million from SoftBank and Hughes Network early this year. As chairman of OneWeb, Mittal is yet again bonding with the best in the world, trying to milk an idea whose time seems to have come. ◆

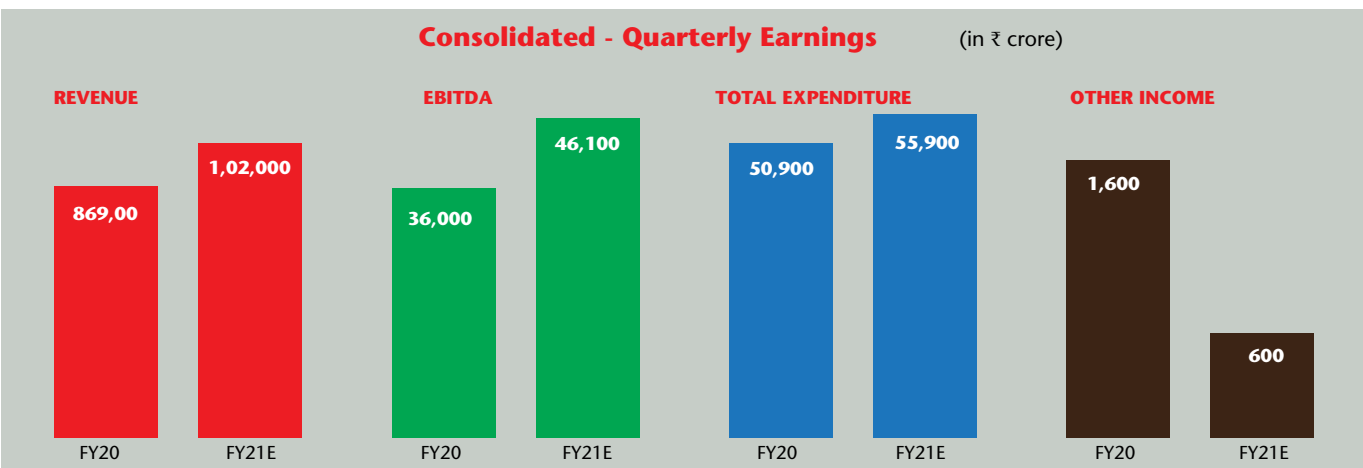
stop migration to Jio and acquire users from Vodafone Idea," he said.

Adding new pillars

A key point emphasised by the senior Airtel official we talked to is that the recent windfall, if that term can be used, has not simply stemmed from the company showing survival resilience of the highest order and benefitting immensely by just being there (with only a handful of players now being on the stage) when the cycle turned in favour of data-driven services. According to him, the company has seriously worked on a broader strategy, wherein, even while being embroiled in a price war in the pre-Corona years, it decided to offer quality as its USP. It also deliberately allowed nearly 40 million subscribers to go out of its loop since 2018. These were the customers who were not paying much to the company's kitty and were keeping its critical ARPU level under pressure.

"Emphasis on quality services has been a major part of Airtel's direct communication with consumers at large in recent years. It used to rely on celebrities for its ad campaigns especially in the 2000s. In recent years, its aggressive campaigns of superior services in connectivity and in responding to customers' grievances has been carried out by a relatively unknown model bearing a 'girl next door' image. And it has worked at a time when Reliance Jio is relying on star power in the old traditional style," says a senior advertising executive. The company's internet speed has also proven to be faster than much of the competition.

At the same time, the company has been gradually broadening its non-mobility services, adding new



E: Estimated Source: Motilal Oswal Report

Manesar data center: reaping the digital benefits

ones, especially on the digital platform. And many of these services are more prominent than ever before with data becoming the driving element of the business. Take the case of Airtel Xstream launched in 2019. A key offering from the company offering both DTH connectivity (its DTH service is number two in the country) as well as the fast-growing OTT content on broadband. "For leading telcos, the target today is not to hand you a mobile connection. Their singular focus is to garner a larger share of your wallet and for this they have a full range of services – home broadband, digital enterprise solutions, DTH, e-payment, cloud, etc. Most of these segments are slated to grow very big in the coming years," points out Tarwadi of India Ratings. According to Ankit Jain, a telecom analyst with ICRA: "Consumers were not willing to pay for many of these digital services in the past even as they liked them to be offered as a freebie or as a complementary service. The critical difference now is that they are showing an inclination to pay. And this is going to change the game for telcos."

Airtel today has a well-developed portfolio of these services and most of them are readily available in a standalone or bundled package. "Five years ago, our mobility business accounted for 82-83 per cent of our business. Today, it is down to 75 per cent. We have managed to grow our enterprise and home business rapidly. The former has been a jewel in our crown. We now have ₹20,000 crore business coming from the enterprise. It includes our international business – like submarine cable and data which we sell to international carriers and OTT companies across the world. Our home business is broadband and DTH. We have reconfigured our go-to-market strategy," says the company official. In the previous fiscal's (2019-20) annual report, Vittal had specified the platformization of key pillars – data and distribution (280 million mobile customers, over 18 million homes, 2,000 large corporates and over a million small businesses). With such a connectivity ecosystem in place, the company had claimed that 15 crore of its existing customers through the usual platforms now also engaged digitally to its Wynk, Thanks and Xstream apps. And considering the major uptick in digital services after the Corona-led lockdown last year, these numbers for Airtel are expected to shoot up significantly when the 2020-21 numbers are made public in the next couple of months.

Collaboration route

The Airtel Payment Bank (estimated to have a monthly throughput of ₹10,000 crore) is projected to grow manifold considering the growing numbers on the non-cash payment side. "Airtel Payments Bank so far hasn't appeared to be aggressive. But it has put together an experienced team and has a robust strategy. It may be ready to be part of the digital growth wave," says Mihir Gandhi, partner (payments transformation), PwC India.

Furthermore, the company may not exactly be offering opportunities to global and domestic IT and digital

Industry Parameters: Industry Shift to Data Centric from Voice Centric

Parameters	3QFY21	2QFY21	1QFY21	4QFY20	3QFY20	2QFY20	1QFY20
Telco-wise average monthly data usage (GB)							
- BAL	16.8	16.4	16.7	15	13.9	13.1	11.9
- VIL	12.3	12	11.1	9.8	8.9	8.3	7.5
- RJio	12.9	12	12.1	11.3	11.1	11.7	11.4
Industry-wide data subscribers (as % of total subscriber base)	62.8	61.4	59.5	57.7	55.8	51.7	49.4
Industry data tariffs (in ₹/GB)	-	11	10.6	11.2	8.5	7	7.7
Industry voice tariffs (in ₹/minute)	-	0.05	0.05	0.06	0.11	0.13	0.13

Source: Ind-Ra, TRAI, companies

Airtel has put together a holistic and expansive digital portfolio

services giants to join hands as small equity partners and be part of its future journey. But functional collaboration, in a typical 'win, win' style, to expand their respective reach and give an edge to the product offering is more of a norm than an exception. "We continued to drive deep collaborations to enable a world-class experience for our customers – be it Amazon, Netflix, Zee, Star, Eros, HDFC, Bharti AXA, Apollo Hospitals and a wide number of start-ups in the retail segment, as also the likes of Cisco, Zoom, Google, Microsoft and AWS in the enterprise segment," Mittal had maintained in his note to shareholders last year.

International footprint

Back in 1998, when its Indian business had just started converting into a bigger dot, Airtel had stumped many by its international foray into the Seychelles. But that small debut has now expanded into a footprint of 18 countries in Africa and also South Asia, becoming a key feather in Airtel's cap. Contributing nearly 25 per cent of the company's revenue today, its international strength has certainly added in positioning Airtel in the league of leading telcos. It turned out to be a big stake game, when Airtel acquired the number two player Zain in the continent in 2010 in an expensive deal of over $8 billion; nevertheless, the move has now started paying off in a major way. This was followed by a spate of smaller acquisitions – Warid Telecom in Uganda and Congo; YuMobile in Kenya; and Millicom International Cellular and Tigo in Rwanda. In between, it had started its innings much closer to home in the Sri Lankan market in 2009 and Bangladesh in 2010.

The big bet it had taken on its African operations in particular, has paid off as it has now become a robust business. In the nine-month period in 2020-21, its African subsidiary has reported an increase in revenue of 13.8 per cent to $2,870 million. Underlying the EBIDTA for the nine months was $1,297 million – up 16 per cent in reported currency, while constant currency underlying EBIDTA growth was 22.5 per cent. As of September 2020, the company had reported 116.4 million customers. "The last quarter witnessed good growth in our revenue to $1.03 billion, with year-on-year constant currency growth of almost 22.8 per cent. With continued improvement in our operating efficiency, this has led to an even stronger growth of 28.3 per cent EBIDTA margin to $485 million," Airtel Africa CEO Raghunath Mandava had earlier commented.

According to a former official of the company, after the multi-billion-dollar deal in 2010, it had taken more time for the African unit to begin delivering desired results than was expected by the top brass. But, around the middle of the last decade, things began to fall in place. Incidentally, it was around this time that Reliance Jio had turned up the heat in the domestic market with its price war strategy. Airtel's international business, meanwhile, has seen many feathers added to its cap in recent times, including the successful enlisting of Airtel Africa on the London Stock Exchange and the Nigerian Stock Exchange in 2019, helping the company raise $650 million. Incidentally, Robi Axiata, the private telecom major in Bangladesh (a joint venture between Malaysia's Axiata group and Bharti Airtel), also went through a successful IPO late last year at the Dhaka Stock Exchange, raising $62 million.

Airtel Africa seems to have become as happening a turf as India in terms of possible future developments. It has announced signing an agreement with Mastercard, which has agreed to invest $100 million in Airtel Mobile Commerce, a wholly-owned subsidiary of Airtel Africa. In another significant development, the company has announced selling its telecom tower companies in Madagascar and Malawi (over 1,200 towers in these markets) to Helios Towers, which is a leading independent telecom infrastructure company in Africa. The aggregate gross consideration for the transactions is expected to be about $108 million. "With these latest tower transactions, we continue to demonstrate strong execution of our asset monetisation programme," observes Mandava. "These transactions will also help to improve the mix of our debt and increase its tenure through long term leases, which are largely payable in local currency by our operating

Key Performance Indicators

Bharti India Wireless	FY20	FY21E	3Q FY21E*
ARPU (INR)	135	158	164
Total Subscribers (m)	284	314	297
Data Subscribers (m)	149	189	174
Monthly churn (%)	2.5	1.9	1.7
Data Traffic (b MB)	21,020	32,809	8,590
Data usage/sub (MB)	13,284	16,211	17,017
Airtel Africa			
Mobile Subs (m)	111	121	119
ARPUs (USD)	3	3	3
EBITDA Margins (%)	41.4	45.2	45.3
EBIT Margin (%)	9.7	15.4	16.2

*Estimated
Source: Motilal Oswal Report

Consistent innovation and new product offerings take Airtel closer to customers

entities, while reducing the foreign currency debt of the group."

Does the kind of success Airtel has notched, particularly in Africa, entail the company to move to newer geographies in the medium-to-long run? The senior Airtel official felt that the company's interest was more in consolidation in the medium term in the locations where it has carved a toehold.

Beyond telecom

There is an interesting element about Airtel's positioning. In terms of subscribers' volume, it is number two in India. But, when you add its international subscribers to Indian customers (about 458 million), it becomes number two globally, next only to China Mobile, which has 940 million users. And, for the kind of leap it has taken, observers cite consistent innovation and new product offering (not necessarily mouth-watering pricing deals for consumers, where neither Airtel nor Vodafone are considered to be initiators) as a key attribute. On this front, there is a big list of firsts which the company can boast of. Just to cite a few, it came up with India's first pre-paid card with lifetime validity (2005); it offered the country's first mobile banking platform 'Airtel Money' (2011); it became the first telecom operator to launch an over-the-top mobile network application with Wynk Music (2014); its Airtel Payments Bank became the first in the country to go live (2017); it launched a converged digital entertainment play, Airtel Xstreme (2019); etc. It has also effectively used the appeal of noted figures from Indian cricket and Bollywood (Sachin Tendulkar and Shah Rukh Khan) to engage its customers in the past. And, its signature tune, which music maestro AR Rehman composed for it in 2002, became the world's most downloaded mobile music ringtone.

For Airtel, past 25 years of journey has undoubtedly been quite eventful which also included extreme pressure moments in no small measures. "Airtel weathered three-four big crises, including disruption caused by launch of Jio in 2016, and has emerged out of market adversities in a healthy shape," Mittal said at the Amazon Sambhav event held last week. So, while the past 25 years of its journey have been quite eventful, the coming years or decades probably promise to be more exciting, with the telecom plus digital equation now gaining prominence. Market observers underline that both Reliance Jio and Airtel are well-prepared with diversified and converged digital architecture, with the former having as one of its major targets the strengthening of its gigantic retail business and the latter focussing more on providing a holistic set of services to its customers across the board. The company official we spoke to did not hazard a guess as to what could be the possible contribution of digital or non-mobile services to its revenue kitty five years down the line, but agreed that it was bound to go up. In a marketplace like India, with over a billion subscribers, the general perception is that the market is close to saturation point as far as new subscriptions are concerned.

The Airtel official also says the company is particularly keen to give a hard push to its 'business & home' segment, which will unlock new opportunities for the company, as he considers them to be worth ₹40,000 crore and quite fast-multiplying businesses, waiting to be harnessed mostly through bundled offerings. However, even as analysts are pointing at DTH services becoming unpopular and loss-making worldwide, Airtel still sees a future in them. "I think the structure of the DTH industry is such that it is still attractive in the medium to long term. The price structure in India on the linear television side is low, compared to most other markets. While in a market like the Philippines, an average consumer may end up paying $15 per month for 15-20 channels, in India, he can get about 200 channels for $4-5 per month. So, the cost of actually having linear entertainment in the home is pretty cheap in India," Vittal had reasoned, while dealing with analysts after the third quarter.

Meanwhile, to put its home services in top gear and spread them to 1,000 cities in India (now available in 120 cities), it decided to take the LCO route (making local cable operators partners for last mile connectivity).

Meanwhile, Airtel recently announced a new structure for the group which, among other things, also strongly signals its intent to harness its digital assets to the hilt. Its digital assets, spanning Wynk Music, Airtel X stream, Airtel Thanks, the Mitra Payments platform (used by a million retailers), Airtel Ads, Airtel IQ, Airtel Secure, Airtel Cloud and all future digital products and services will be controlled by the listed entity Bharti Airtel. Its telecom businesses will be controlled by a newly created entity, Airtel Limited – a wholly owned subsidiary of Bharti Airtel. Airtel Payments Bank will remain a separate entity under Bharti Airtel. The company's infrastructure businesses such as Nxtra and Indus Towers and existing international subsidiaries will

Armed with a best-in-class network and a robust spectrum portfolio, Airtel is well-positioned to capitalise on future opportunities

continue to operate as separate entities. "The new structure sets an exciting future course for Bharti Airtel and provides focus on the four distinct businesses – Digital, India, International and Infrastructure, each, in a razor sharp way. We believe this will provide agility, expertise and operational rigour to serve our customers brilliantly while providing flexibility to unlock value for our shareholders," Sunil Mittal commented.

By making these changes, Airtel has probably taken the Reliance Jio route of creating an integrated digital platform now, something that many believe should have been done earlier. This had enabled Jio to get the backing of the likes of Microsoft, Google, Facebook and others, and its valuation around the middle of the last year was quoted at a staggering $70 billion. Airtel with somewhat similar digital portfolio and intent would have been an equally attractive proposition for global tech giants. "This has intrigued me as well. Probably, prominent shareholders on the board in the past may not have agreed fearing dilution of their stakes. This window, however, remains open," Syngal said.

Chinks in its financial armour

Airtel's liquidity stress, however, has been considered a point of concern by most research firms. According to a research paper, while Airtel's operating profit has grown by a meagre 2.33 per cent over the last five years, its average return on capital employed has stayed at 6.37 per cent and its debt-equity ratio, at 2.69 times. Its valuation has been expensive and its scrip has been under-performing the market in the last one year – all visible chinks in its financial armour. "Return on capital is low for the entire industry. Our net debt to EBIDTA ratio is coming down every quarter. It is not a serious concern right now," said a company official when the pressures on the balance sheet were pointed out to him. Incidentally, last year, chairman Mittal in his note to shareholders had strongly emphasised the company's financial position being in fine fettle. "The year has witnessed massive fund-raising initiatives by your company, totalling over $8 billion, including rights issue ($3.6 billion), Airtel Africa IPO ($674 million), perpetual bonds ($1 billion), QIP ($2 billion) and FCCB ($1 billion). Now, with a strong balance sheet, accompanied by a best-in-class network and a robust spectrum portfolio, Airtel is well-positioned to capitalise on future opportunities."

Meanwhile, while preparing for its journey ahead, Airtel seems to have also taken the new route of opting for asset light models of operation, where possible. "Mobile towers and fibre networks traditionally used to be on the balance sheet of the leading telecom companies globally," points out Tarwadi of India Ratings. "But, now, many companies are spinning them off as separate SPVs to monetise these investments." And this is exactly what Airtel recently did in the Indian market, when it agreed to the merger of its tower business Bharti Infratel with Indus Towers. With this, its tower business has been taken off its balance sheet, and the deal paves the way for the creation of one of the largest mobile telecom tower companies in the world, with an estimated 169,000 towers.

The most speculated issue, however, in which Airtel also has to play a decisive role, pertains to the next tariff hike. The last hike (15-40 per cent) by the big three in December 2019 has already shown results in terms of appreciation of ARPU across the board (larger conversion to 4G being a major contributing factor) with Airtel being the biggest beneficiary. So, are the telcos talking to each other to strike again? Though the company official refused to answer, an analyst with a brokerage firm says Airtel may not fire the first salvo as, even without a further hike, its revenue has consistently gone up for the last five quarters; it has also garnered more post-paid and 4G customers. Probably, in this game of intense rivalry, the company has once again got back some 'advantage Airtel' levers. ◆

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The '3 Ns' of brand building

Build brands through good quality intentions, strategy and systems

Brand building and brand marketing are intricate processes and require good application of the mind and excellent execution. Here, I recommend my *trimurti*s – *niyat, neeti* and *niyam* – to build brands and have effective brand marketing.

Many a time, brand marketing goes off-track and is not able to achieve the desired results in the growth of brand awareness, its trials, repeats, sales, market share and profit. Why? The reason is that, though attempts are made to enable growth of reputation, top line as also bottom line, it is done without a cohesive plan.

My recommended *trimurti*s – the '3 Ns' – which should help sort out the problem are: good *niyat*, good *neeti* and good *niyam*. Good *niyat* means good intention. If work is begun with good intentions, it is a good start. In management terms, intentions can also be translated into objectives. If the objectives have good intentions, then you have already chosen the right path. Good news or good intentions means that you want to serve the consumers, you want to have transparency; have authenticity in your products or service; and have genuineness in your approach not only in the journey, but also for the destination. If the intentions are not good, then it is not a good start. Therefore, my first 'N' of the *trimurti* is *niyat*.

If the *niyat* is not fair, then any business or, for that matter, any function – be it marketing, finance, production or human resources management – can fall flat, because the start was not honest, appropriate and fair.

Therefore, organisations like the Council for Fair Business Practices (CFBP), encourages organisations to follow the business practices with good intentions and also rewards them for doing it on an annual basis. The starting point of any effective brand marketing activity has to be good intentions.

If the *niyat* is good and fair and pure, the year ahead would be prosperous for everyone. However, *niyat* or good intention should be thought through, whether it be for consumers, distributors, franchisees, vendors, retailers, online or offline deals or B2B or B2C or any other aspect of brand marketing. This starting point is critical in establishing the foundation (*neev*) of good brand marketing.

The second N of my *trimurti* is *neeti*, which means strategy. Strategy is the art of saying 'no' to many paths and choosing to say 'yes' to the one right path. Several companies could have the same desire to reach the same destination, but would choose different paths. That is when strategy comes into play. Strategy is defined and designed and refined to meet the objectives. Strategy is the core of any business plan and by extension, the core of any brand marketing plan.

JAGDEEP KAPOOR

It is critical that a strategy is well-thought-out, which is why I give a lot of emphasis to *niti*. This could be for the brand, advertising, pricing, distribution, promotion, customer service, sales, product and, of course, any other element in the brand marketing mix, which needs to be thought-out and be conceived, so that it is properly perceived by the customers and consumers. Whether it be *neeti* in brand marketing or *rann neeti* in war, strategy is critical to achieve success and meet the objectives set. Many a time, companies fall flat because they have no strategy or a wrong strategy.

This is an important ingredient of my *trimurti*, because, whether it be the intangibles or the tangibles in a brand marketing mix; whether it be strategy relating to positioning or segmentation; whether it be strategy relating to innovation or a unique pioneering – all need to be well thought-out.

The third 'N' of my *trimurti* is *niyam*, which means systems. Even if intentions are good (*niyat*) and strategies, appropriate (*niti*), if they are not implemented well through good systems (*niyam*), objectives would not be achieved. It is important to understand that *niyam* completes the *trimurti*s, along with *niyat, niti*.

In any deal, implementation and execution are as important as intentions and strategy. And good implementation can take place only through good systems. The systems could be in the field of sales and distribution; or in the think tank of positioning, segmentation and even pricing strategies. The systems could even be in the field of creativity, because disciplined creativity gives better results than just *ad hoc* adjustments. Or, the systems could be in the field of customer service or promotions or even educating consumers about the benefits of the brand or about a new concept in the field.

Without *niyam* (systems), there cannot be effective implementation and, therefore, the entire process of the *trimurti*s of 'N's would remain incomplete. Precise implementation can happen only through proper systems and, therefore, just like the army, there has to be discipline, with systems properly followed, before success can be achieved.

So, to be successful in brand marketing strategy, I would strongly recommend my *trimurti*s of 'N's – *niyat, neeti* and *niyam*. One without the other two is incomplete and, hence, an integrated brand marketing strategy with the three Ns increases the chances and probabilities of success.

Happy brand building!

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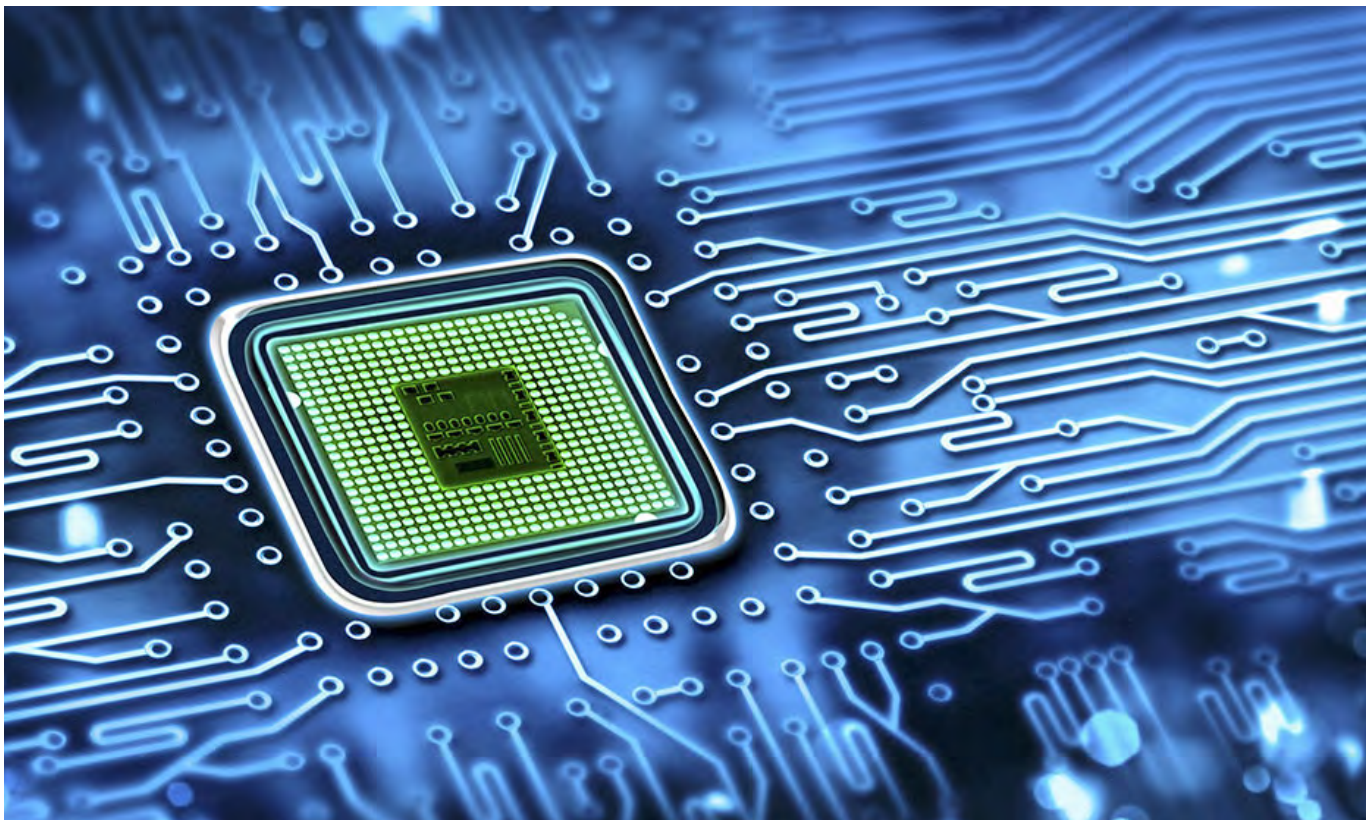
The hunt for semi-conductors



India now understands that being dependent on global supply chains for something as critical as chips is not wise

A recent news report by Reuters created a flutter in business circles: India is offering more than $1 billion in cash to each semiconductor company that sets up manufacturing units in the country. Such cash hand-outs, even for a government which goes by its own whims rather than the set rules, are rare. The agency quoted an unnamed government official saying that the government will be a buyer and there will also be mandates in the private market (for companies to buy locally-made chips). The idea, it was explained, was to build on India's success in the smartphone assembly industry and strengthen the entire electronics supply chain.

Following the success of mobile manufacturing in India, now only second to China, the Modi government believes it is time to set up chip fabrication companies in the country. Indian engineers are said to be good in semiconductor design but the country lags far behind others in manufacturing chips. The Modi government is now trying to rectify the situation. However, this isn't the first time India is trying to build semiconductors. "We have missed every bus instead of growing step by step," an observer puts it.

India has been goaded into action by the post-Covid crunch in semiconductors, which hit an array of industries after production resumed in factories last year, after the lifting of lockdowns imposed to fight the pandemic. Indeed, as economies worldwide started recovering from the pandemic-hit lows, they had no idea that another challenge was waiting for them. From electronic appliance makers to car manufacturers and mobile makers – all had to hold back the production after the $450 billion industry for semiconductors got ravaged by the after effects of the Covid-19 pandemic. A massive surge in demand for consumer electronics, globally, due to work from home practices adopted by firms and a sharp uptick in personal vehicle sales amid the virus fear caused the crisis. Bulk orders placed by Chinese smartphone maker Huawei to circumvent a ban imposed by the US also crippled the supply of essential components, including chipsets, to smartphone makers. In India, operations of domestic mobile set manufacturers like Lava and Micromax almost stuttered to a halt after their chipset supplier MediaTek, a Taiwanese company, ran out of stock. The acceleration of global 5G rollouts was also a contributing factor.

The shortages exposed the myth of India's self-reliance which began when the Indira Gandhi government set up the Semiconductor Complex Limited (SCL), which started a fabrication unit in Chandigarh in 1983. However, a mysterious fire in 1989 knocked out the fabrication unit (fab) until 1997. The cause of the fire is still unknown, but there are suspicions of arson, since SCL was

designing and developing technology for the military at the time. India's only major VLSI (very large-scale integration) fabrication facility was once eyed by global players like Motorola, STMicroelectronics and Matsushita. But government delays in finding a private partner or disinvesting the company resulted in lost opportunities. "Potential partners cannot wait for long. The proposal for a joint venture in design, for instance, could have given SCL a path into the global market. For a country with a growing design services industry, SCL is also hampered by its inability to retain experienced engineers. Pay revisions at SCL were scheduled to kick in during 1997, but impatient engineers began leaving for design houses in India or overseas at salaries that begin 150 per cent above those paid by the fab," recalls a former senior executive in SCL.

Successive governments wanted to rope in Intel but the American major refused to part with its latest generation technology. Intel was always willing to give technology that was one or two generations old. India wanted the latest, so Intel went to Malaysia. Texas Instruments recognised the value of India for global research and development (R&D) as early as in 1985. Attracted by the country's engineering talent, it established an R&D centre in Bengaluru, the first global technology company to do so. While chip makers like TI have been eyeing the growing local market in India, they had no plans to set up a manufacturing base here, primarily because a chip making facility or a fab is a very expensive proposition running into several billions of dollars.

Domestic efforts too faltered. In 2006, Bengaluru-based SemIndia signed a contract with the Andhra Pradesh government to set up a wafer manufacturing unit for which, it was allocated 1,200 acres of land, but the $3 billion project could not take off. The government suffered a loss of ₹300 crore.

For some time now, it has been reported that a consortium of investors led by Abu Dhabi-based fund Next Orbit Ventures has reportedly shown interest in setting up fabs in Andhra Pradesh and Gujarat. In 2017, Next Orbit Ventures announced the launch of $2 billion fund for building semiconductors and electronics fab ecosystem in India. Next Orbit then said that it intends to raise $1.5 billion from the Gulf region as feeder fund, the remaining $500 million has already been secured by Next Orbit Ventures Fund II from a consortium of investors involving both the Indian government and UHNIs. Later, it signed agreements with technology providers UMC (Taiwan), AMD (US), TowerJazz (US) and Centrotherm PV (Germany) as technology licensees for its projects. Yet the project is yet to materialise.

Mehrotra: agreed to partner the government


Saraswat: time to make investments

In the past, India's efforts to woo semiconductor players were deterred by India's wobbly infrastructure, unstable power supply, bureaucracy and poor planning. As such, India finds itself in a not-too-happy position in this regard. While it has a decent chip design talent, it never built up fab capacity. The ISRO has a fab foundry and the DRDO has one too. But they are primarily for the requirements of the respective organisations and also not as sophisticated as the latest in the world.

Tata too wants to chip in

Hence, the renewed government push to lure chipmakers to set up manufacturing facilities following the success of the smartphone industry. Moreover, domestic conglomerates such as the Tata Group, which have also expressed interest in moving into electronics and high-tech manufacturing, could also be won over.

In December last year, Electronics and IT minister Ravi Shankar Prasad met Sanjay Mehrotra, CEO, Micron Technologies, the US-based memory chipmaker and a major supplier to Apple. Micron agreed to partner the government in setting up a Centre of Excellence in memory and storage systems in India. Micron has front-end fabs manufacturing facilities in Singapore, Japan, Taiwan and the US. Its back-end manufacturing facilities are in Taiwan, Malaysia, Singapore, and China. Globally, there are only a handful of companies that actually do front-end leading-edge manufacturing at scale and Micron is one of them.

The dilemma of Micron, which plans to spend $9 billion this year, is the same as that of other chip majors. It shows the difficulty for semiconductor companies that choose to continue to make their own chips in multibillion-dollar fabrication plants. When demand shows, the plants are idled, or slowed to make fewer chips, but the cost to run them remains the same.

The meeting almost coincided with the Ministry of Electronics & Information Technology (MEITY) inviting expressions of interest for setting up or expanding existing semiconductor wafer or device fabrication facilities in the country or even semiconductor fabs outside India. According to officials, the response to the EoIs, with the deadline for these proposals now being extended up to 30 April, has been 'good' and shows "that we are really serious now". V.K. Saraswat, former head, DRDO & now member, Niti Aayog, says that previous attempts to establish chip fabs failed because the government's policy was to reimburse costs only after the private sector set up a project. "The government has realised that there is no way other than make upfront investments."


SANJAY BORADE


SANJAY BORADE


SANJAY BORADE

Chandrasekaran, Kalyani, Goenka and Vembu: part of the empowered committee for manufacturing in high technology areas

Raghav Gupta, investment specialist, Invest India, the promotion and facilitations agency for investors, adds that no successful semiconductor ecosystem has come up anywhere in the world without significant government support. However, as the Reuters story said, "how to disburse the cash incentives has yet to be decided and the government has asked the industry for feedback." The global majors being targeted include Taiwanese leaders Taiwan Semiconductor Manufacturing Co (TSMC), VIA Technologies Inc and United Microelectronics Corporation; US giants Intel, Micron Technology Inc, NXP Semiconductors, and Texas Instruments; and Japanese players Fuji Electric Co and Panasonic; apart from European players as well.

But, will the government's strategy work this time? Part of the problem has been investment required and the technology that needs to be mastered. The latest TSMC state-of-the-art fab unit costs over $13 billion to build. Even smaller and less sophisticated foundries would require several billion dollars of investment. Fab plants also require a lot of land, clean water, stable power and a highly skilled workforce. Above all, fab companies look at the long term – 10 to 15 years – when deciding on geography. They need policy stability, assured demand and long-term incentives.

Industry observers point out that many pieces of the jigsaw have been falling in place for some time now to form the ecosystem required to manufacture semiconductors within the country. Californian product engineering company INVECAS has planned to invest in design centers in Bengaluru and Hyderabad over the next few years. German semi-conductor firm Infineon Technologies has partnered with the non-profit National Skill Development Corporation (NSDC) to impart education and training regarding semiconductors to young talents for the purpose of developing India's electronics manufacturing ecosystem. US semi-conductor company Freescale merged into NXP Semiconductors in 2015. US engineering firm Aricent acquired Bengaluru's chip design services company SmartPlay for $163 million, making this the largest acquisition in the space in India. For the development of trade and technical cooperation in the semiconductor industries between India and Singapore, India Electronics and Semiconductor Association (IESA) and the Singapore Semiconductor Industry Association (SSIA) have signed a memorandum of understanding.

On the policy front, to give a boost to the semiconductor industry, the Union Budget 2017-18 had increased the allocation for incentive schemes, such as the Modified Special Incentive Package Scheme (M-SIPS) and the Electronic Department Fund (EDF), to $111 million. To ensure further investments in the industry, create employment opportunities, and reduce dependence on imports by 2020, the government amended the M-SIPS by approving new incentives for investors, worth $1.47 billion. The federal government has set up an empowered committee for manufacturing in high technology areas, which will be headed by the minister of Commerce and Industry, and notable people from the Indian industry, including Tata Sons chairman N. Chandrasekaran, Bharat Forge Chairman Baba Kalyani, Mahindra Group managing director and CEO Pawan Goenka, Zoho Corp CEO Sridhar Vembu, and semiconductor expert Anshuman Tripathi. In 2016, an electropreneur park was inaugurated at the University of Delhi's (DU) South Campus to incubate 50 early stage start-ups and lead to the creation of at least five global companies over a period of five years. The government has approved a Scheme for the Promotion of Manufacturing of Electronic Components & Semiconductors (SPECS) and a Production Linked Incentive (PLI) scheme for 13 critical sectors, such as telecom, automobiles, etc.

State governments have also pitched in. The government of Telangana has planned to launch T works, India's largest prototyping centre, in Hyderabad for the purpose of acting as a prototyping centre for semiconductors. The government of Gujarat has planned to set up a new electronics manufacturing hub in the state, following the launch of its electronics policy in 2016, and is expected to generate around 500,000 jobs in the electronics sector in the next five years. But it is MEITY's proposed push to provide the initial capital that is meant to attract more private players and push India to become a global hub for semiconductors.

The DNA of new age gadgets

What exactly is a semi-conductor and why is it in demand suddenly? At the core of any electronic device is the processor built from materials which have conductivity between conductors (generally metals) and insulators (such as most ceramics). Semiconductors can be pure elements, such as silicon or germanium, or compounds such as gallium arsenide or cadmium selenide. For example, temperature sensors used in air-conditioners are made with semiconductors. Rice cookers cook rice perfectly because semiconductors control

the temperature precisely. In short, semiconductors form the DNA of a wide variety of new-age gadgets like smartphones, computers, industrial equipment and cars. They are also sought for emerging markets of AI, computing and advanced wireless networks.

A chip manufacturing plant is a resource-intensive task but ultimately drives investment from various companies who use these wafers to make processors, GPUs, mobile SoCs and a lot more. India heavily relies on Taiwan for semiconductors; so, does the rest of the world. But a country like India has the labour to support a chip plant.

Governments across the world are subsidising the construction of semiconductor plants as chip shortages hobble the auto and electronics industries and highlight the world's dependence on Taiwan for supplies. The Taiwanese semiconductor industry evolved from being job-shops for other firms into a multibillion dollar industry. According to TrendForce, the global market intelligence firm, TSMC commanded 54 per cent of the global foundry revenues of $86.65 billion in 2020. Taiwan drew in 64 per cent. Taiwan (which China regards as its province and wants the world to avoid dealing with it as a sovereign entity) is being courted for its capacity to make leading-edge computer chips. The action centres around TSMC, the world's largest foundry and go-to producer of chips for Apple Inc, smartphones, artificial intelligence and high-performance computing. Taiwan's role in the world economy largely existed below the radar, until it came to recent prominence as the auto industry suffered shortfalls in chips used for everything from parking sensors to reducing emissions. With global carmakers including Volkswagen AG, Ford Motor Co and Toyota Motor Corp forced to slow down production and idle plants, Taiwan's importance has suddenly become too big to ignore. The US, European and Japanese automakers are lobbying their governments for help, as did SIAM with the MEITY early this year. They all wanted their governments to persuade Taiwan and TSMC being to step in and fill the breach. Though TSMC opened an office in Bengaluru in 2007, its primary mission is to locally support existing TSMC customers in North America, Europe and Asia.

PROJECTS ENCOURAGED

Category A: Well-established integrated device manufacturers (IDMs)/foundries/Indian company or consortium with Indian Industry partner

Having state-of-the-art mainstream complementary metal-oxide-semiconductor (CMOS) technology nodes for fabricating processors, memories, analog/digital/mixed signal integrated circuits

Desirous of setting up/expanding existing semi-conductor fabs in India (preferably with a node size of 28 million or lower, wafer size of 300mn and a capacity of 30,000 WSPM or more)

Category B: Well established Integrated Device Manufacturers (IDMs)/foundries/Indian company or consortium with Indian Industry partner

Having state-of-the-art compound semiconductor-based emerging technologies for fabricating high frequency/ high power/opto-electronics devices

Desirous of setting up/expanding existing semiconductor fabs in India (preferably a wafer size of 200 million or more)

Category C: Indian Companies/Consortia interested in the acquisition of semiconductor FABs outside India

India accounts for 5 per cent of global semiconductor demand. But, just how important this component has become is evident from the fact that the country's demand for 28 nm (a measure of the size of transistors in a chip) semiconductor nodes and higher ones are in excess of $25 billion. Experts believe that India's best opportunities are in what are called compound semiconductors those made of two or more elements, like allium nitride, allium arsenide, silicon carbide. These are used in a variety of media products, and these fabs cost much less set up than the traditional fabs. If India progresses in this direction, surely in the coming few years, India could indeed setup a semiconductor plant, which in turn will attract companies to invest in the soil. In a fast pacing digital world, this could be a game-changing move, if India somehow manages to do things in a right way possible.

However, aware that any large-scale dependence on Taiwan would be dangerous, India like the rest of the world is thinking anew. TSMC's chip factories could become collateral damage, if China were to make good its threats to invade Taiwan, if it moves toward independence.

New urgency

Taiwan's grip on the semiconductor business – despite being under constant threat of invasion from China – also represents a choke point in the global supply chain that's giving new urgency to plans from Tokyo to New Delhi and Washington to Paris to increase self-reliance. Last year, Chancellor Angela Merkel of Germany and President Emmanuel Macron of France discussed the potential for shortages and agreed on the need to accelerate Europe's push to develop its own chip industry. The European Union aims to bolster the bloc's 'technological sovereignty' through an alliance armed initially with as much as €30 billion ($36

Infineon: tie-up with NSDC to impart education and training regarding semiconductors

TSMC: the world's largest foundry and go-to producer of chips for Apple Inc

billion) of public-private investment to raise Europe's share of the global chip market to 20 per cent (without a target date) from less than 10 per cent now.

The US, under the Trump administration, had exploited the supply pinch to deny Beijing access to technology. By banning access to all US chip technology including design, it was able to cut off the supply of semiconductors from TSMC and other foundries to Huawei Technologies, hobbling the advance of China's biggest tech company. It also negotiated with TSMC to establish a $12 billion chip fabrication plant in Arizona. South Korea's Samsung Electronics Co is set to follow, with a $10 billion facility in Austin, Texas. The 'CHIPS for America Act' introduced to Congress last year aims to encourage more plants to be established in the US. News that Intel Corp, the one-time industry leader, was considering outsourcing production of some chips to TSMC under its former CEO underscored the need for a US player that can fabricate at the leading edge.

India also wants to establish reliable suppliers for its electronics and telecom industry to cut dependence on China following border skirmishes last year. Chips made locally will be designated as 'trusted sources' and can be used in products ranging from CCTV cameras to 5G equipment. The government estimates it would cost $5-7 billion to set up a chip fabrication unit in India and take 2-3 years after all the approvals are in place. Besides the cash handout, New Delhi is also said to be willing to offer companies concessions, including waivers on customs duty, research and development expenses and interest free loans.

Chip production is concentrated in the Asia Pacific region – Taiwan, South Korea, Japan, China and Singapore. Chip fabrication plants are running at full capacities but many analysts predict the shortage could go on till 2022 or longer because chip demand in every device is going up.

The chip business is segmented into integrated players such as Intel that design and manufacture their own chips; chip design companies such as Qualcomm; and pure chip fabrication foundries, such as Taiwan Semiconductor Manufacturing Co (TSMC), Global Foundries of the US or Semiconductor Manufacturing International Corporation (SMIC) of China. Some companies like Samsung design chips but also have huge fab capacity for other designers.

Chip nationalism

Chip nationalism – where countries with chip capacities are trying to ensure that they tie-up supplies and stocks for their requirements first – is going to create additional problems for those that do not have their own production facilities.

In the US, both Republicans and Democrats are worried enough about the chip shortage to propose a law that will allocate billions of dollars to increase development and manufacturing of chips in the nation and reduce outside dependence. President Joe Biden's recent meeting with CEOs of chip companies and auto giants was a step in this direction. Though the US has a lot of production capacity, its demand outstrips its supplies and lately, it has depended heavily on global suppliers in South Korea, China and Taiwan.

In China, the government is ramping up capabilities too. Till recently, China was considered to be lagging behind the US when it came to chip designs. And it was also behind Taiwan, South Korea and the US in terms of sophisticated fabs that churn out the most advanced chips. China has many foundries but Taiwan and South Korea's newest fabs are far more advanced.

One thing that has turned in India's favour is the growing consumption. While India currently accounts for 5 per cent of the world's chip demand, the country's consumption is growing at 25 per cent per annum. This could be attractive to a global fab manufacturer. But that alone might not be enough. The government needs to look at chip fabrication as a strategic industry where it needs to get involved and invest in, just as China is doing.

While the government plans to reduce its business footprint by divesting off most non-strategic Public Sector Enterprises (PSEs), it needs to remember that the original reason for setting up government-owned units in any country has been the need to build capacity and expertise in areas where the private sector was either unwilling or incapable.

The DRDO and ISRO foundries only cater to their requirements. The government could look at using one of the other PSEs – say, Bharat Electronics Ltd or Hindustan Aeronautics Ltd – to set up a foundry with the help of a global major. Allowing management a free hand in a joint venture where the global major has brought in technical expertise, as was done when Maruti was originally set up and providing long-term policy stability along with proper incentives could well lead to success where earlier attempts failed. Maybe the PSEs can finally play a role that will redeem their image.

India is only now understanding what the US, China, South Korea and Japan have long known – that being entirely dependent on global supply chains for something as critical as chips, which are at the heart of all modern machines, is not a wise policy. Better late than never! ◆

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The new normal for board meetings

Boardrooms could be VR versions of attendees sitting together around a virtual board table

Now that we know the Covid pandemic is a game changer in comparison with other crises that come and go, businesses and economies are talking of various alphabets from K to V and W to describe the different situations that are evolving in waves across the globe. Businesses have moved beyond cobbling together short-term solutions into long-term rethinking of processes and structures. Isn't this socially-distant sanitised form of business (or way of life, for that matter) our long-term reality – orthe new normal – evenwith vaccination?

Board meeting, as we know it, has changed in the last few quarters. The question is how this new normal would alter corporate governance. Remember the last proper meeting of your board – gathered around the table, flipping through your board book, the chair saying 'next item on the agenda', sitting through presentations, shooting comments back and forth?

Despite all the technology and speed that have reinvented global business over the decades, many of our corporate forms are still archaic. Read a 2020 legal brief, and the language and style are relics of the last century. Some of the world's stock and commodity exchanges still have shouters and runners on a crowded trading floor. But even before the Covid crisis, stock exchanges in most developed countries had gone electronic, and trades moved at the speed of light. So, what about the retro idea of gathering busy executives around a board table?

We are not the only ones who are wondering if a shift to virtual board meetings and to governance, overall, is the future. Online board sessions make the wired director a one-person network, tuned in to other members, presentations, resource materials, outside research and side chats – all at once. Even with board portals, the board 'book' is still largely designed as a single package of info, rather than as the hyperlinked document it could be.

We can't predict that the traditional 'sit down around a mahogany table' boardroom meeting is dead. Besides, virtual board meetings seem to be more efficient and cost-effective in many ways; so, why not continue with the same?

Virtual board and committee meetings are about to become our default, expected governance tool. In 2020, virtual meets were a clumsy substitute for "real" board meetings. By the end of this year, online will have become the *real* board format, and face-to-face will seem odd, and awkward.

However, the process is pointing towards the future – board meetings will be on-demand, modular, 'drip feed' affairs. The big, singular 'board book' a week before a discrete, day-long 'board meeting' will seem clumsy. Micro agendas, convening the board for 30 minutes at a time on one item, will be arranged by intelligent tech that checks and juggles each board member's schedule. Instead of holding up the board book mailing for last-minute items, each session will have its own board book, and a digital assistant will tell members when it is available, and use AI to point up important items.

Dr M. MUNEER

RALPH WARD

The board chair will also gain digital tools to help run meetings. What is the best way to prioritise agenda items? Who hasn't spoken up *and* who's dominating the discussion? The chair has allotted 15 minutes for this item on the agenda, but now it's pushing to half an hour. An AI timekeeper signals the chair on all of these, perhaps even giving a graph on which speakers have the most 'air time'. Meeting on for too long? The software can remind everyone, when it's time to get up and stretch.

Board meeting tech will become even more supportive (or creepy, depending on your viewpoint). AI monitoring of directors' facial expressions, posture and voice tone can tell who's bored or zoned out, when participation is lagging, or when a presentation is dragging. The chair will be able to gauge these "viewership ratings" in real time during the meeting. None of us like having our enthusiasm constantly graded, but the unique membership of the board could push back on any Big Brother abuses. If a member of the board finds your meeting content boring, the director isn't the one who's in trouble.

The new board tech should be able to keep members more focussed anyway. Rather than separate on-screen boxes with presentations, board book info, financials, etc, these items will be immersive, part of the total visual presentation on screen, and probably with virtual reality tools. The board meeting could include VR plant tours, on-site discussion with employees and customers, walk-throughs of production or logistics issues. The board should be able to have meetings on Mars, or see what really happens at the company's deep-sea oil-rig.

At the moment, your online board meetings consist of postage-stamp size images of attendees, who are all squinting at their screens. Background 'green screen' tools can make it look like you're sitting near the Taj Mahal or the Golden Gate, but these are distracting. *Next up* could be boardroom avatars with VR versions of attendees actually sitting together around a virtual board table. The chair really gets to sit at the head of the table, the CEO at her side, and so on. We regain the context and subtleties of an in-person board meeting and you can even be a cartoon character, if you want. Talk of getting younger in boardrooms! ◆

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Creating communities

Columbia Pacific Communities is all geared up to explore India's senior living space

Columbia Pacific Communities (CPC), a part of the Columbia Pacific group, has now decided to aggressively expand its base in India. Having entered India in 2017, CPC is already one of the largest and most experienced senior living community operators in India, with over 1,600 residential units under management in five cities and nine locations across south India. One of the foremost developers and operators of senior living communities in the US, Europe and Asia and the promoter of Columbia Asia Hospitals, a pioneering healthcare service provider, the group has 11 hospitals (over 1,000 beds) in India under the brand, Columbia Asia Hospitals.

As part of its newly-formulated strategy keeping in mind the growing demand for this new asset class going ahead, the Seattle-based group's Indian entity, with its corporate office in Bengaluru, is now firming up a comprehensive plan to launch four-five projects every year. In fact, the company is looking to ramp up its management portfolio to about 5,000 residential units in the next five years. As per an estimate, India will be home to over 173 million senior citizens by 2026 and 300 million by 2050. India sees seniors forming 8 per cent (100 million) of the population. With limited supply from Grade A developers, there is an urgent need to cater to this segment with well-designed and fully-serviced facilities. CPC has now decided to go pan-India – though, initially, the focus will be on Tier I cities.

While doing so, the company is also looking for partnering with local realty developers in India. Part of entrepreneur and senior living pioneer Dan Baty's Columbia Pacific, it has more than 40 years of experience and expertise in designing, building and managing senior housing communities around the world.

CPC has nine operational senior living projects, of which four are in Coimbatore, two in Chennai and one each in Bengaluru, Kanchipuram and Puducherry. The management of these nine projects came into its portfolio when it entered into senior living housing in India in 2017, with the acquisition of Tamil Nadu-based Serene Senior Care, which was managing these communities. While it is managing these projects, CPC has already launched its 10th senior living project in India named 'The Virtuoso Club and Serviced Residences' in Bengaluru. This is the first time the company is developing a project in India on its own.

Well-designed products

The company offers its projects under two brand names 'Serene by Columbia Pacific', which includes the legacy Serene properties and others that will be created for a mid-range price point; and 'Columbia Pacific Signature', which is the premium brand for the upper-middle-class consumer. Backed by a core team of professionals and a workforce of 650-odd employees, CPC is looking to add 350 people to manage four proposed projects in the current fiscal year.

"India is an emerging market for the senior living space and, at Columbia Pacific Communities, we are geared up to explore all opportunities," affirms Mohit Nirula, 55, CEO, Columbia Pacific Communities. "Our parent group has been in this business for more than four decades now and we want to replicate our global success stories in India as well.

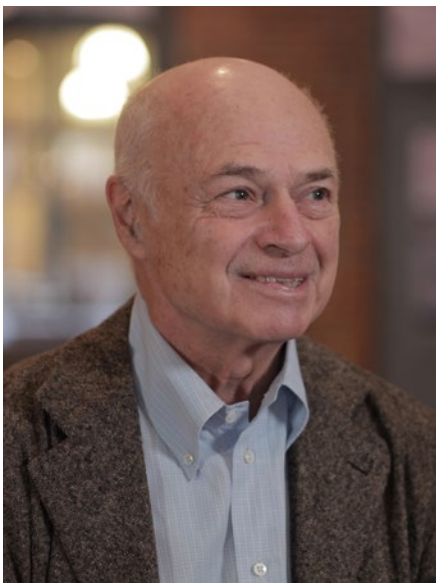
We benefit from our group's experience in designing, building and managing senior living communities and healthcare services across the world. In the last few years, we have built our capabilities and we are now ready to serve this market with our well-designed products for seniors."

"We started in the US, where we have built over 500 facilities, designed and operated for seniors," says Baty, 77, founder & chairman, Columbia Pacific Group. "We have also been one of the largest operators of senior housing in the country. Columbia Pacific has also been investing abroad for more than 30 years now, whenever a particular need, which no one else can fill, is identified. In the 1980s, it was senior care in the UK and France. In the 1990s, we built Columbia Asia Hospitals in South East Asia and India. Now, we are turning to Columbia Pacific Communities. We believe the opportunity for retirement living in India is vast. And, everywhere, we take pride in building and operating communities in which seniors can really thrive. It's so important to have social interaction as we age." Baty, along with his sons, Stanley and Brandon, had formed the holding company, Columbia Pacific Management (CPM), as a family venture in 1989. Apart from overseeing the group's international healthcare business, CPM also develops as well as operates hospitals, clinics and senior housing.

Looking at the demographic trends, Baty, who has been successfully investing in and developing private companies for over 40 years, established CPM's foundation of improving lives by assessing the healthcare and senior living needs of communities worldwide. Throughout its existence, CPM has delivered compelling investment results, while building a lasting legacy through companies such as Emeritus, Hillhaven, and Holiday Retirement. These companies have led the industry and set the pace for senior living worldwide.

In 2006, CPM launched Columbia Pacific Advisors, an alternative investment platform for the Baty family and a select number of outside investors. CPA manages investments across a range of real estate, opportunistic, direct lending and hedged strategies. In 2011, it was followed by the formation of Columbia Pacific Wealth Management, a comprehensive wealth management firm, with the ability to work closely with clients and develop tailored solutions to preserve, build, and transition wealth.

Nirula: exploring opportunities



Baty: building a lasting legacy

Betting big on India

CPC is now betting big on the Indian market. The company has tied up with Bengaluru-based Embassy Group, even as some more partnerships with other developers, including the Adani Group, Nyati Group of Pune and Kolkata's Ambuja Neotia group are in the pipeline. Experts are of the view that such partnerships will help CPC expand its base in India quickly in an asset-light model. While CPC is present across the value chain (designing, development and managing) of the senior living space, it will lay greater stress on the designing and managing of such communities in India.

"In India, senior living is an emerging area and, for CPC to pursue partnership models, is a strategic move as it will help expand its business quickly in the market," says Ambar Maheshwari, CEO, Indiabulls Asset Management Co Ltd. "Moreover, it will also help it focus on its core competencies, such as designing, operating and managing such communities. On the other hand, developers with development skill and local knowledge will get the opportunity to get into this new asset class in a more seamless manner."

"Our senior citizens seek a secure, caring environment to live in independence without the pressures of maintaining a full-fledged home," contends Aditya Virwani, COO, Embassy Group. "With the current pandemic and uncertainty, we are striving all the more to make the later years for our seniors rewarding and fulfilling, by providing them an enhanced lifestyle and peace of mind for their families, which is truly priceless. In line with our vision of 'Embassy Cares', our senior living spaces are focussed on building the entire ecosystem to meet their aspirations and safety needs. We are excited to bring in this new asset class and see our first project to fruition along with Columbia Pacific Communities."

"We are entirely committed to building and nurturing communities for seniors, as we believe that community living, and social engagement is the strongest antidote to loneliness and a wonderful enabler of 'positive ageing'", argues Nirula. "Residents can expect to find an environment that encourages them to remain physically fit, mentally alert and emotionally stimulated. Further, in an increasingly vulnerable world, communities are the safest and the most secure places for seniors to live in. The appreciation of having a community stand with and behind you provides peace of mind to the residents and a sense of relief to their families. We are delighted to be able to create such an environment with a credible partner such as the Embassy Group as this

Creating an environment that encourages seniors to remain physically fit and emotionally stimulated

association is to the ultimate benefit of our residents," Nirula adds.

"We are excited about embarking on this venture with the Embassy Group in Bengaluru," comments Carsten Belanich, lead, international senior housing, Columbia Pacific Management, Inc. "Our companies' strengths – across design, development, and operations – complement each other. The result will be an outstanding new option for seniors in Bengaluru, providing world-class comfort, security and – most importantly – a truly vibrant community in which to live."

CPC and the Embassy Group's first senior living project will be launched at Embassy Springs, Bengaluru's biggest and best-planned self-sustained community in north Bengaluru, spread across 288 acres. The first phase, to be launched by Q2 2021-22, will have around 250 units in 1-2 BHK formats, with unit sizes of 600-1,000 sq ft carpet area.

Embassy Group, backed by CPC, aims to make senior living a mainstream concept in India. The senior living facilities will be designed to meet international standards and offer the finest of amenities. In order to make residents live healthier for longer, the communities will offer a packed calendar of resident engagement events such as book readings, yoga and mindfulness sessions, drumming sessions, pottery and storytelling workshops, etc. Beside senior-friendly amenities and medical support, the communities will be fully serviced in providing food, housekeeping and 24-hour assistance.

"The evolving lifestyle in urban centres has created a need for self-sufficient and socially engaged communities, where the superannuated can lead a healthy and contented life," adds Virwani. "Embassy is keen to serve this segment with a vision to expand to Chennai, Hyderabad and Mumbai, with 3,000 units by 2023."

International standards

"The joint venture with the Embassy Group is a strategic collaboration to bring world-class senior living communities into India, with fully serviced residences designed to international standards," contends Nirula. "CPC has pioneered the concept of community living for seniors across the world and has already brought to the country its first senior living community designed to international standards."

He believes there has never been a more apt time than now for senior living communities. The post Covid world will see an increased demand for community living, because it's a community that stands by you in times of crisis. A senior living community is not only self-sustained, but it also caters to the immediate needs of its residents, including healthcare and other essentials, in a highly controlled and sanitised environment.

Moreover, Nirula is of the opinion that it is always better to create these kinds of communities within an integrated development/township and that is the reason CPC is also looking for the JV route with reputed developers. This also provides more resources for designing, managing and operating the properties (rather than developing), something where CPC is a global leader.

"For us, senior living is not real estate but more of hospitality and healthcare play," adds Nirula, who started his career in hospitality with The Oberoi Group in 1986. Since 1996, he has been in leadership roles, heading hotels across brands (Novotel, Trident, Oberoi); geographies (India, Mauritius, Egypt); and a diverse range of responsibilities in operations (openings, renovations and restorations). In February 2018, he joined CPC as CEO and has, since then, been leading a dynamic team of people engaged in designing, building, selling, opening and operating communities for elders. A hotel management graduate, he has over 30 years of experience in the hospitality business.

"Our focus is to provide a lifestyle that is enabling, active and stimulating, while enveloping our residents in an environment of genuine warmth and care," says Nirula. "While managing and operating, we are also known for our services in healthcare to our elders. As a group, we are also a leading player in the healthcare space."

CPC has partnered with 1mg, India's leading digital healthcare platform, to offer curated healthcare benefits to its residents. 1mg will be the official e-healthcare partner of CPC for all its present and future communities, going forward. Through this partnership, senior residents of CPC will have effortless access to over 250,000 authentic medicines and health products at 1mg at special prices, along with a complete portfolio of diagnostic tests, medical advice from leading experts, Covid-19 testing and support, and much more. The partnership will also result in residents enjoying specialised engaging programmes such as health webinars, health camps, and ask-me-anything sessions with doctors and healthcare experts.

"Senior citizens are a vital part of our ecosystem and it is important that we recognise their unique needs and provide them personalised and easy-to-access healthcare," remarks Vikas Chauhan, co-founder, 1mg, commenting on this new association. "We always strive to offer the best user experience

for all customers – and we are excited about the opportunity to serve this important segment, and the difference we can make to the lives and lifestyles of residents of CPC."

Nirula feels that healthcare for seniors cannot be generalised. It requires a certain degree of personalisation, compassion and attention to detail. So, leveraging a specialist healthcare platform gives them the access to quality services almost instantly, within the comfort and safety of their homes. "We are delighted to partner with India's leading digital healthcare platform, 1mg, as it will empower our residents, amidst uncertainties, to get access to best-in-class and round-the-clock healthcare services. With this partnership, we are strengthening our promise of helping seniors live healthier for longer, which is an extension of our brand philosophy of 'positive' ageing," he adds.

Meanwhile, while CPC now manages nine projects under its portfolio, it has already launched its 10th senior living project in India named 'The Virtuoso Club and Serviced Residences' in Bengaluru. This independent senior-living community project, with 158 residential units (price range: ₹39 lakh-1.1 crore), is coming up in Budigere Cross, Old Madras Road, Bengaluru, and is expected to be ready by the end of 2023. This will be the first project in India, where the company is developing the project on its own.

Amenities at this project are tailor-made for an independent senior-living environment. It includes a fully equipped clubhouse, landscaped gardens, gymnasium, swimming pool, recreation club, terrace lounge & rooftop amenities and wellness centre. There are plans for available services to include housekeeping, three meals a day served in a restaurant setting, and a concierge for activities and fitness. Most importantly, well designed health care support will also be part of CPC's offering, including a nurse on call, a nearby hospital, and an ambulance. The project features the best in CPC's luxury living segment.

While CPC has entered India, the market for senior living here is also taking shape with local players like Pune-based Paranjape Athashri (eight senior living projects in Pune, Bengaluru, Vadodara); south-based Covai Care


Helping seniors live healthier for longer

(11 projects in Coimbatore, Bengaluru, Mysuru, Pondicherry); Delhi-based Ashiana Senior Living (four projects in Bhiwadi, Chennai, Jaipur, Pune), south-based Bahri Estates (four projects in Kodaikanal, Bengaluru); Oasis Senior Living (three projects in Pune, Bhopal) and Max India's Antara (two projects in Noida, Dehra Dun). Moreover, there are traditional realty developers like Tata Housing (one project, Bengaluru) and Brigade Group (four projects in Bengaluru) which have also entered the space.

Policy support

"The trend of nuclear families has seen a steep surge in the last few decades and led to the emergence of the concept of 'senior living'," says Ankur Gupta, JMD, Ashiana Housing. "The Covid-19 pandemic has disrupted the lives of senior citizens living independently and expedited the focus on senior living facilities like never before. With improved regulatory and policy support from the government and adequate investment from industry peers, the senior care segment will provide a huge fillip to India's economic development in the near future."

Experts are of the view that senior care during the pandemic has shifted the narrative from these communities being hospitality-driven to health-care-driven. The segment addresses the most vulnerable age group and, therefore, requires providers to enhance health care offerings – something more than just being a retirement home.

"Further, senior care should be seen as essential infrastructure by the government after the current pandemic crisis as families struggle to cope with both access to infrastructure and health care facilities," says Ajay Sharma, managing director, valuation services, Colliers India. "Further, the industry should be highly regulated with norms laid down, and to promote this the government should provide tax subsidies to going concerns created by investors and developers of such communities."

To safeguard the rights of seniors, the Central ministry for social justice & empowerment has defined models for operating and monitoring retirement homes. While the framework is based on regulations and guidelines for residential real estate, of which senior living is a part, the norms acknowledge that senior living developments differ from conventional housing and have special requirements.

"Due to the rise of nuclear families, increased life expectancy and people living across geographies, 'independent seniors' are becoming a new demography," says Anuj Puri, chairman, Anarock Property Consultants. "Such seniors do not settle for traditional old-age homes as they prefer – and can afford – autonomy and the company of age peers in well-equipped retirement communities. A recurring theme of this pandemic has been seniors living alone, struggling for basics, managing without house help and anxious about existing and potential medical issues. The need for homes in a setting where these factors are taken care of is now undeniable."

With all these developments in place, senior living is all set to emerge as one of the promising asset classes within the realty space. Though still at a nascent stage, all the factors are quite favourable in this regard and a player like CPC, with its experience in this field, will play a significant role in shaping up this business in India where the rise of nuclear families and other social-economic factors are turning out to be a trigger. Senior living is not just a real estate play but is a specialised business and that is where companies like CPC will have an edge over other players. With its decades of industry experience, it can set new benchmarks in a market where the pie is getting larger. ◆

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Back on the highway

A software company signals return to the growth road, chalking up impressive results on the home stretch of 2020-21

Pandit and Patil have taken KPIT into high-gear growth

The Pune-headquartered KPIT has arrested a recent slide in its fortunes with a growth in net profit of nearly 50 per cent in the third quarter of 2020-21, registering a 6.7-per-cent growth in its revenue in dollar terms. The independent software developer, which has been concentrating on its role as an integration partner to the global automotive industry, has reported a net profit of ₹41.8 crore for the quarter – up smartly from ₹27.9 crore in the earlier quarter. High cash conversion also continued during the quarter, making it the eighth consecutive quarter of increase in net cash with DSO (day's sales outstanding) at an all-time low of 58 days.

"Our depth and experience in electric powertrain, autonomous driving and digital cockpit areas are helping us gain traction within our strategic clients," says Kishor Patil, co-founder, CEO & MD, KPIT. "The automotive and mobility industry is prioritising investments in new-age technologies, where we are at the forefront."

"We continue to deepen our strategic engagements with our top 25 clients, with emphasis on creating tremendous value for them through leadership in our practices – via platforms, tools and accelerators – as well as delivery excellence," adds Sachin Tikekar, president & whole-time director of the company. "Our operating performance is also trending in the right direction on the back of larger strategic engagements and overall productivity improvements."

Over the years, Patil explains, KPIT has chosen a more focussed approach for leadership in automotive and mobility rather than being generalists with a higher scale in the short term. It has thus witnessed significant growth in the space of embedded software in the automotive sector. "We have been investing as well as growing in this area for a long time. As vehicles are becoming more software-defined, we felt this is the time to focus and build a global leader in this area. Also, with the investments growing in this area, we feel we can scale in the medium term."

KPIT, a global technology company with software solutions that will help mobility 'leapfrog towards an autonomous, clean, smart and connected future', works to accelerate development and integration of software components and software functionalities in the 'connected, autonomous, shared & electrification' (CASE) area. To achieve this, it has invested over the years in platforms, accelerators and tools that allow it to do this 'better, quicker and efficiently' for its clients.

"From prototype and software development to validation and testing, we ensure that software works as conceptualised in production," says Patil. "We understand the challenges in engineering and various nuances that can determine production-ready software." With the automotive industry in urgent need of deep software competence from the twin perspectives scale and expertise, KPIT has made just this its value proposition. This, he points out, is exactly the company's business: to accelerate the development of software on one hand and making it ready for production on the other. What comes to the fore, he says, is the team's deep understanding of the automotive industry and a strong understanding of the CASE domain, better than most other software companies.

Explaining that KPIT has acquired its domain know-how through its sharp focus on the automotive industry and deep relationships with its clients, he points out that these clients are all leaders in their own areas. "We conceptualise features that their end-consumers need most. We understand what these clients need – not only the OEMs, but also their Tier I customers – and deliver solutions that are tailored precisely to each one's requirements." These skills and domain knowledge are not readily available, so the company is a net talent creator – and will continue to be one. Investing 'significantly' in infrastructure, training and competency development, it has delivered software for numerous production programmes.

Global clients include big names

like power management company Eaton, which in 2019 chose KPIT to support the development of next-generation electrified mobility technologies for its e-mobility business unit. With the Southfield, Michigan-headquartered company's collaboration with the Indian company will focus initially on developing and deploying technologies, software solutions and platforms for several of its components, including inverters, on-board chargers, DC-DC converters and power distribution modules. "Eaton continues to build competencies to solve complex problems in e-mobility, which OEMs consider critical and transformative," said its e-mobility president Jeff Lowinger at the time. "KPIT is our extended team in this approach, with its sharp focus on mobility and years of experience in electric powertrain technologies. Our strategic alliance brings valuable capabilities and technologies to enable manufacturers to develop vehicles that are cleaner and safer and deliver value."

Adds Patil: "The strategic alliance resonates with our vision of reimagining mobility with our customers, partners and people. With our complementary strengths in the automotive domain and electrification technologies, we are geared to address some of the most complex challenges involved in the development of electric vehicles and pave the way for Eaton to leapfrog the competition in the electric mobility space."

Eaton's e-mobility business unit for electrified vehicles, set up in 2018, focuses on three primary areas: intelligent power electronics, power systems, and advanced power distribution and circuit protection. The global vehicle electrification market is projected to grow to 15 million pure battery-electric vehicles by 2030.

Tikekar: creating higher value for top clients

The integrated charger

Last year, KPIT announced the signing of a large-scale order spread over several years with BMW group. The combined power-train co-ordination unit is designed to power the next generation power electronics architecture of BMW Battery Electric Vehicles (BEVs) and involves software development, integration, and maintenance. The integrated charger unit is an onboard charger that is combined with the vehicle control unit.

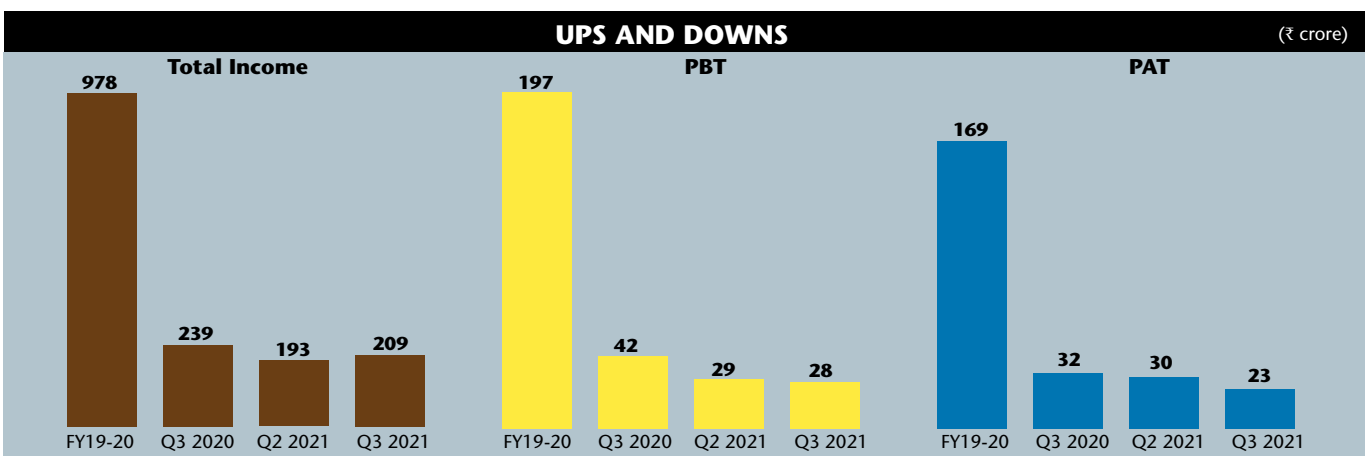
MicroFuzzy, a KPIT group company that specialises in vehicle electrification engineering, is working with KPIT's electric power-train team to execute this strategic software programme. The strategic collaboration nominates the Indian company as the single-source software integration partner for the next-generation 11 kW combined charging electronics programme powering the upcoming BEVs. MicroFuzzy and KPIT are responsible for the complete development, integration, validation and series software maintenance, to accelerate the technologies a future electric vehicle requires.

In October 2018, the BMW group had selected KPIT as a partner to press ahead with its scalable autonomous driving platform and develop higher-level functions like Highway Pilot and Urban Pilot. "Tackling this immense challenge calls for an all-embracing approach," according to Elmar Frickenstein, senior vice president fully automated driving and driver assistance, BMW AG Munich. "This includes building strong alliances that allow us to gain valuable know-how and also speed things up. In order to achieve our objective in 2021, we are collaborating with the best technology partners in the world."

Beyond CASE, Patil says, KPIT will emerge prominently as an independent software integrator and partner for OEMs and Tier Is. "We believe that is where we have our strength and leadership position," he asserts.

With defect-free software set to play a more important role than before, the time to market needs to be reduced, ensuringat the same time that the software works in production the same way it did in the prototype stage. The quality of software and the software-hardware integration is key to this. All this requires time and experience. Hence, the need for a software accelerator and integrator will increase.

Taking into account the fact that a vehicle is typically in use for about 10



KPIT Pune campus

KPIT software engineering center Europe

to 15 years, sometimes even longer, electronics now enables the introduction of new features via Over the Air updates. This makes it possible to achieve good revenues despite falling cyclical sales of new cars. End consumers need new features, which in practice mean new software. "This may lead to different business models for higher life-cycle revenues and monetisation of data and services," he adds.

Explaining why KPIT has done well despite Covid-19, Patil points out that, though the Covid-19 pandemic did bring some disruption in the industry in the medium term, both the industry and its business fundamentals are strong. "We needed to be nimbler, adapt more quickly and innovate to respond to client needs during this time so that we could contribute to their success," he says. "Mainly, our focus was to help our clients to make progress on transformation inspite of the Covid impact." More, this proactive approach towards the ever-evolving situation even enabled the company to win a few long-term deals.

"Since the company bags nearly 70 per cent of its revenues from innovative technologies, it will be a good long-term bet, because of the thrust on elective vehicles in the US and Europe," says Anand M.S, analyst & co-founder, Investor Relations Society. "Moreover, KPIT's healthy cash reserves and its zero-debt status, especially during the pandemic, make it look attractive."

Meeting customer commitments

KPIT enabled almost its entire global workforce – 98 per cent, Patil quantifies – to work from home by the beginning of April 2020, as its top priority was employee safety, while meeting client commitments. "Our road map on meeting customer commitments was strong, with a clear focus on Zero Defect Delivery and increasing productivity. We focussed strongly on employee well-being and employee satisfaction, ensuring skill utilisation, up-skilling and managerial support to enhance our IT systems and infrastructure."

KPIT and the Silicon Valley-based lifelong learning platform Udacity are also partnering to upskill and build the engineering talent ecosystem for autonomous technology, including self-driving cars and autonomous flight. This partnership accelerates scalability by providing training and competency in AI, self-driving car engineering, data engineering. "Partnerships with top employers like KPIT are essential to delivering on our mission to democratise education," says Sebastian Thrun, founder & executive chairman, Udacity. "Self-driving cars engineering is a field with incredible job opportunities and the power to save lives."

With 6,000-plus 'Automobelievers' around the globe, specialising in embedded software, AI and digital solutions, KPIT enables customers to accelerate implementation of next-generation mobility technologies, Patil says, adding: "Our development centres in Europe, the US, Japan, China, Thailand and India enable us to work with leaders in mobility and is present where the ecosystem is transforming."

Along the way, KPIT hosted a virtual panel discussion with women leaders in mobility to discuss 'the perfect blend of diversity' for the industry. This was vital, says Jayada Pandit of KPIT, who moderated the discussion, because women designing these vehicles are fewer than 30 around the world, though women influence 85 per cent of all car purchases globally, worth more than $80 billion. The participants discussed a variety of issues from right opportunities, right mentoring, to being at the right place at the right time – from perseverance and passion to people skills. "The panel discussed inspiring insights, thoughts and experiences with industry expert women leaders in the field of mobility," she adds.

Beyond business, KPIT has taken its exclusive focus on the mobility and automotive industry to run its annual 'KPIT Sparkle' programme, which brings industry and academia together to shape the innovations of the future. This offers a platform to faculty and students of undergraduate, post-graduate and Ph D courses from the science, engineering, design and management streams of colleges and universities all over India. This year, more than 21,000 students from over 950 colleges registered, while 2,700-plus teams came up with idea prototypes.

It also runs a 'Chhote Scientists' programme, with experiment-led sessions by KPIT employee volunteers and Jnana Prabodhini volunteers, who teach basic concepts of science using easily-available material. It has so far covered 57,388 beneficiaries in 200 schools. "This has been a fulfilling programme, especially it allows KPI-Tians to actually participate by spending personal time," Patil says. ◆

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The rise of private labels

In the FMCG brands' race, 'brand loyalty' matters, but it's the fittest that survive

FMCG businesses are only about 'brands'. The hard work put in to the brand to earn consumer loyalty sometimes culminates in the brand becoming synonymous with the category. Today, the rise of private labels in e-commerce and retail chains poses a new challenge for incumbent FMCG brands. It will be interesting to watch and see how FMCG brands evolve and employ new ways to attract consumers – especially, the so-called new millennials who, in time, will decide whether decades of trust and loyalty in brands will survive or perish.

The battle is now being played at a different level, as the FMCG brands hang on to their pan-India distribution across the 'mom-n-pop' grocery stores, while the private labels of e-commerce and retail chains try to attract their captive consumers and lure them at a faster speed. Private labels of e-commerce and retail chains have an advantage over FMCG brands, since they can place the goods in front of consumers at no additional cost and push their products, while FMCG brands have to relay their story through media and in-store marketing routes for consumers to get to know their products. Generally, the 'private labels' strategy is to offer a 'me-too' product at a price less than the established FMCG brand. Generally, no innovation is carried out and their USP is offering price value to consumers. For them, riding on the success of established brands is easy, but offering anything unique to the consumer is challenging.

Needless to say, all large e-commerce and retail chains in India have launched their private labels, mostly in staples and foods, followed by a 'home care category', as there is less consumer involvement in the purchase of these products. As the brands go higher up in the value chain in 'personal care' or 'cosmetics category', the bar rises in research & development and this is where the decades-long trust of FMCG brands scores over private labels.

Behemoths score The FMCG companies follow a 'distribution-heavy model', where their field force act as the primary driving force in pushing their products to consumers, aided by marketing and advertisements. Going forward, with the e-commerce boom and rise in consumer spending habits on online and mobile platforms FMCG companies are expected to adapt a multifold strategy, including selling their mid/high-ticket size items in bulk packs on e-commerce websites and retail chain platforms. They are increasingly integrating with local merchants for home delivery-based models through in-house websites and apps. People will prefer to shift to private labels, only if they are given discounts as baits, or they experience ease in ordering and receiving goods.

SANJAY AGARWAL

The author is CFO, Jyothy Ltd, an FMCG company. The thoughts expressed here are his personal views

- The FMCG companies have in-depth understanding of each category; hence, they ably fill the need of consumers. They successfully launch new products, as consumers' trust of the brand comes from the house of established FMCG companies or strong brand endorsers. On the other hand, private labels generally push the products from their arsenal to their captive audience either in store or on their websites and generally spend less on endorsers.
- The jury is out to see if the power of selling FMCG brands has shifted from motley retail shops to large retailers/e-commerce companies. However, the cash hasn't …and if the cash hasn't, the power can't be. Today, all FMCG companies in India have been posting record turnover with high margins versus retail chain and e-commerce companies still have some distance to cover before they reach comparable profitability.

Advantage of private labels It can often be easier for e-retailers to get to know customers faster because of the vast amounts of data tracked online. E-commerce, for example, is able to employ its loyalty programme, cookies, cloud services and an app, among other tools, to track exactly when a customer begins shopping, and what they're looking for. E-commerce websites place their private labels at the top of the listing and, hence, it is easy for a consumer to choose those brands. Product features and the benefits of private labels, shown on the website, are easy to induce consumers to 'buy', keeping old-age FMCG brands next to it.

- Similarly, consumers in the large retail stores shop differently. They tend to make more impulse purchases and the longer they're in a shopping environment, the more money they're likely to spend. Retail stores prefer showcasing their own private labels and their marketing representative educates the consumer, which often creates a sense of obligation and results in an immediate purchase.
- Regional tastes and variants are offered, where global and national brands may not have had anything to offer.

The road ahead… Many FMCG brands today are 'stuck in the middle', trying to figure out what they want to be. But the successful companies will decide to 'pick sides'. What is at stake is the decades of trust and loyalty of consumers and the research & development of FMCG companies, which are difficult to replicate. 'Brand loyalty' matters, but it's the strongest and the smartest that invariably survive. ◆

Emerging from the shadows

GR Infraprojects comes out as an EPC company with quality, speed and sincerity

Vinod: roads bring in prosperity

Just out of his junior college in Jodhpur in 1977-78, young Vinod Agarwal was sent by his civil contractor father to Bangalore to study engineering. Enamoured by the urban culture, and more by the cinema halls of Bangalore, the Rajasthan rural-bred Vinod spent more time watching films, than checking for engineering colleges. Having exhausted all the money given by his father, Agarwal returned home to join the family business and script his own blockbuster GR Infraprojects Limited (GRIL) which, over the years, has emerged as a major EPC company, having done over 100 projects worth over ₹35,000 crore across 15 states in India.

Vinod's father, the late Gumani Ram Agarwal, a grain merchant, hailed from Sahawa village in Rajasthan's Churu district, known for its extreme winters and summers. Sahawa, surrounded by sand dunes, did not have any connectivity. It was then, way back in 1965, that the idea of building roads entered Vinod's mind. He got his business registered with the state government and executed the first road project at Jaisalmer amid the gathering Indo-Pak war clouds.

"Our family made their home wherever my father got contracts and thus we – our parents and five brothers – travelled across Chittor, Dongharpur, Jodhpur and later to Udaipur," says Vinod Agarwal. Newly married in 1984, he moved to Kanbai village in Udaipur's hilly region. "My wife is from Delhi and she happily came with me," he adds.

Though Vinod had remained content by looking at engineering college buildings at Bangalore, his younger brother Ajendra Kumar completed his civil engineering degree from Jodhpur University. Ajendra, as the managing director, now oversees the company's overall functioning, especially the operational and technical aspects.

"The major break in our business came post 2000, when the Vajpayee government launched PPGSY (Pradhan Mantri Grameen Sadak Yojana), the Golden Quadrangle and East-West Corridor projects," says Vinod emphasising that the past seven years had witnessed even further dramatic growth and transformation in roads and highways. On 1 March, road transport & highways minister Nitin Gadkari announced the achievement of the target of constructing 11,000 km of National Highways, one month ahead of schedule.

"The Ministry of Road Transport & Highways (MoRTH) has achieved another milestone by constructing 12,205.25 km of National Highways in 2020-21 (till 22 March 2021), at 34 km per day," the minister said. "This is almost three times of the rate of construction of highways of about 12 km per day in 2014-15. This is also 1,205 km more than the target (11,000 km) fixed for the current fiscal."

The National Infrastructure Pipeline is a first-of-its-kind initiative to provide world class infrastructure across the country. The idea has been expanded to cover more than 7,300 projects with a revised investment of ₹111 lakh crore by 2025. "Projects worth ₹44 lakh crore (40 per cent) are under implementation and projects worth ₹34 lakh crore (30 per cent) are at conceptualisation stage, while projects worth ₹22 lakh crore (20 per cent) are under development," said Gadkari.

Strong balance sheet

"The infra focus is a great opportunity for companies such as GRIL," says Vishal Tulsyan, co-founder & chief executive officer, MOPE Investment Advisors Private Limited. MOPE, when founded in 2006 with Motilal Oswal Financial Services Limited being the sponsor, was flooded with proposals to invest in infrastructure projects but the company could not find many worthwhile opportunities and rejected 35 investment proposals.

Cash management appeared to have been a major issue with many

of these projects. But, says Tulsyan: "MOPE discovered that GRIL had a unique, strong balance sheet, year-on-year growth and absolutely no cash-flow issues. It was love at first sight," he recalls. And: "MOPE invested ₹50 crore through its funds in GRIL in 2011."

Asked about the unique features, Tulsyan says: "GRIL historically was (and is) an income tax paying company, paying its suppliers in time (and sometimes even in advance) and the way they do business with simplicity and honesty is the hallmark of GRIL."

"IDFC, too, invested ₹30 crore in GRIL and made handsome gains of ₹68 crore after about five years, when we bought back the share," says Vinod. MOPE plans to exit soon, as and when GRIL embarks on its IPO.

Infra watchers say that, with a small and humble beginning in 1995, GRIL has established a storied history of engineering excellence across segments, such as road EPC projects, Hybrid Annuity Model (HAM) projects, BOT projects, highways, bridges, culverts, flyovers, airport runways and railways, delivering over ₹6,000 crore in revenues and going strong. Backward integration has been one of the key strengths for GRIL, including manufacturing bitumen emulsion, thermoplastic road marking paint and road signage, fabrication and galvanisation of metal crash barriers, high mast pole and lightening poles, OHE and PEB fabrication, all of which is helping them to deliver projects well ahead of time.

"The company, having been incorporated in December 1995, has gradually increased its execution capabilities," says Ajendra Agarwal. "For

Ajendra: increasing execution capabilities

example, one of the first road projects we executed was for the public works department, Rajasthan, in 1997, with a bid project cost of ₹265 crore, whereas the project recently awarded by NHAI, the Vadodara-Mumbai expressway, involves an expense of ₹2,747 crore," he says.

"We don't get into business unless it is clean and we do not compromise on ethics at any cost," says Tulsyan. Machinery and equipment valued at over ₹18 crore has been burnt at Hazaribagh in Naxal-hit Jharkhand, but GRIL did not compromise with the extortionists.

GRIL began its journey outside Rajasthan with Shillong bypass and quickly spread to Manipur, Meghalaya, Bihar, UP, Andhra Pradesh. "You cannot remain in one place as roads take you to other states," says Vinod as the company bid for projects in Kerala and Tamil Nadu too. GRIL is also exploring opportunities in J&K.

India has the second-largest road network in the world, spanning 6.5 million km. Road transportation, the most frequently used mode of transportation in India, accounts for about 86 per cent of passenger traffic and close to 67 per cent of freight traffic. Although Indian national highways span nearly 1,36,440 km, constituting just 2 per cent of road length, they accounted for about 40 per cent of total road traffic in fiscal 2020. The secondary system of roads comprises state roads and major district roads, which accounted for the remaining 60 per cent of traffic and 98 per cent of road length.

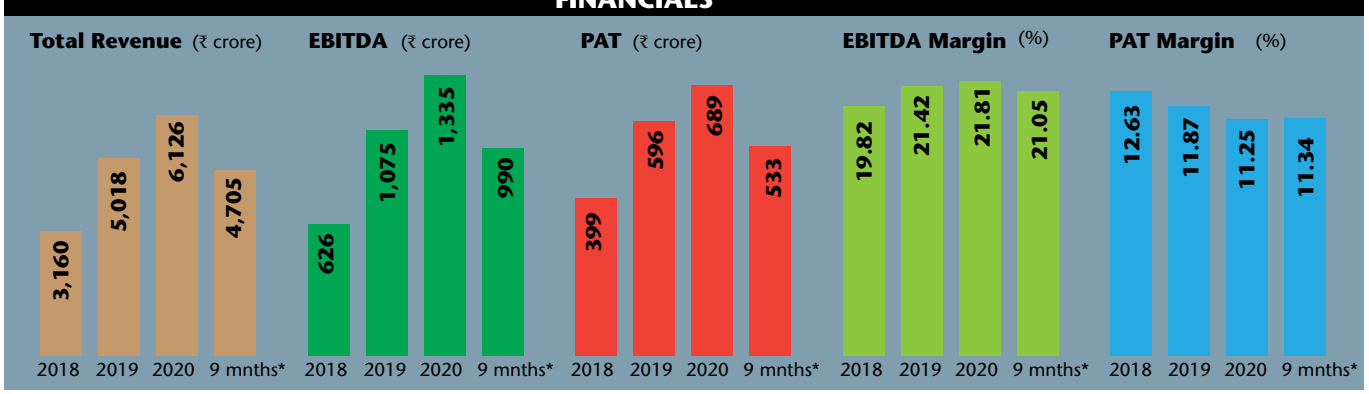
"Roads bring in prosperity," explains Vinod. "The success of PMGSY can be seen from the flow of two-wheelers, cars and other mean of transport. Connectivity is no longer the issue. We are talking about better roads now." The upcoming Delhi-Mumbai Corridor, for instance, is bound in bring in another industrial revolution.

Hybrid annuity model

CRISIL Research expects private construction investments in national highways to increase two times to ₹1.5 trillion over 2021-25, compared with the previous five years. This is expected to be mainly through the hybrid annuity model, as the build-operate-transfer (BOT) toll model may have only a few takers.

Is all business hunky-dory? "Some projects, which I shall not name, and which won merely on the basis of L-1 in government tenders keep languishing," says Vinod. "The government suffers if projects won on the basis of purely L-1 are delayed due to the contractors' inability to complete them.

FINANCIALS



*9 months ended December 31, 2020

Bad roads lead to accidents, deaths and everybody suffers." Tulsyan concurs and says the government should also look at the contracting companies' capability, background and quality and maintain a fine balance "It is after all, the tax payers' money with which we work," Vinod points out. "Even the poorest of the poor pays taxes when they buy something." Hence, he says: "We must work with sincerity."

Over the years, GRIL built its capabilities, despite the business roller-coaster. The ISO 9001: 2015 certified company has over 15,000 employees, six in-house manufacturing facilities with captive transportation at Udaipur, Guwahati, Lucknow and Ahmedabad, and 6,500 construction equipment and vehicles. As on 31 December 2020, the aggregate gross block value of the company's property, plant and equipment was ₹1,774 crore.

The company undertakes its construction business in an integrated manner, as it has key competencies and resources in-house to deliver a project from conceptualisation till completion. "Our in-house integrated model is facilitated by the timely transportation of key raw materials like bitumen and diesel from our manufacturing facilities and refineries to project sites, for captive consumption by tankers owned by us that are fitted with GPS tracking devices, which we believe reduce pilferage and adulteration," says Vinod.

"While we continue to focus on development and construction of road projects, as part of our growth strategy, we intend to diversify into, and will continue to bid for, projects related to the railways sector," explains Ajendra. GRIL aims to consolidate its position in the infrastructure sector and effectively leverage its experience in executing EPC projects.

The winner of several awards of excellence, GR Infra Projects has earned high appreciation from Air Force station, Jodhpur, for completing the resurfacing of a runway in a record 10 months – eight months ahead of schedule. "Leadership and staff at GRIL displayed considerable discipline and professional competency and ensured that high-quality standards were maintained while adhering to security and flight safety norms," says SB Deo,

Tulsyan: no compromise on ethics

Air Commodore & Air Officer Commanding of the Air Force Station.

Investments in highways

Despite lockdowns and labour-related issues, a faster-than-expected recovery in construction of national highways, coupled with a policy push and mitigating steps by the government, would sustain the roads & highways sector through the pandemic. CRISIL Research estimates investments in national highways will increase nearly 1.7 times over the next five years compared with that of 2016-20. These investments in national highways will grow 8-10 per cent in 2020-21 on the back of a faster-than-expected recovery in the pace of national highway construction (especially in October) and a large share of high value expressways being constructed.

CRISIL Research estimates that awarding of tenders by the NHAI could touch 3,700-4,200 km in fiscal 2021. "We expect 3,500-4,000 km to be awarded in 2021-22 and an average of 4,000-4,500 km over 2023-24 to 2024-25, due to a strong pipeline of projects under Bharatmala," the agency says. The NHAI awarded 3,211 km up to March 2020, with only 30-35 per cent of projects under HAM, nil under build, operate-transfer (BOT) and the rest under engineering, procurement and construction (EPC) mode. The authority had already awarded over 2,100 km up to October, achieving more than 45 per cent of its target of 4,500 km. The NHAI has also floated tenders for about 7,000 km over the past six to seven months.

GRIL has the rare distinction of completing 100-plus projects since December 2006 across 15 states – having completed most of them much before the deadline and getting bonus payments of over ₹247 crore on that score. GRIL plans to go public and has just filed its Draft Red Herring Prospectus with the market regulator SEBI, targeting to raise about ₹1,000 crore. The issue is an offer for sale of over 10 million equity shares with a face value of ₹5 each by promoters and investors. The promoter entities include Lokesh Builders, Jasamrit Premises, Jasamrit Fashions, Jasamrit Creations and Jasamrit Construction. The investor part includes MOPE's India Business Excellence Fund I and India Business Excellence Fund, apart from Pradeep Kumar Agarwal's share. The company will not receive any proceeds from the issue. The price band and other details will be finalised later.

"Today, L&T is known as the torch bearer of the EPC industry. I do see a clear possibility of GRIL emerging as the next L&T," says Tulsyan, pointing out that the Vinod Agarwal-led company has all the characteristics, capabilities and business culture to be qualified for this feather in its cap.

Meanwhile, on the CSR front, the company has created the GR Infra Welfare Trust to carry out CSR activities with an emphasis on four areas – animal welfare and wild life sanctuary, healthcare, education and cultural as also rural development. It has built a community health centre at Sahawa, which has been ranked as Rajasthan's number one in a Union government survey. It has decided to construct a college building at Sahawa, which the government will manage. The company has also undertaken the renovation and installation of medical equipment and maintenance of a children's hospital, The Maharana Bhupal Government Hospital, in Udaipur. ◆

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PHOTOS: SAJAL BOSE

The innerwear brief

P.R. Agarwala, with his brothers K.B. and G.P. Agarwala: trend-setter in the innerwear market

Hosiery major Rupa firms up position in the market

Every household, be it poor, middle-class or rich, uses the ubiquitous ganjee/banian. And, a revolution has been evolving in the undergarment segment over the last two decades, as is evident from the ever-growing popularity of the cotton single vest (banian, as it is popularly known).

One of the first signs of improving prosperity among the rural population is the use of the banian. And, the slightly better off increasingly uses the warm vest or knitted cotton thermal underwear – ideal for Indian winters. There has been a similar revolution in women's innerwear too.

The Kolkata-based Rupa & Co Ltd has been well-known for its advertisements. Two decades back, the company had roped in the then popular Bollywood star Govinda for its TV commercials, in which the actor flaunted his vest on a train and said: *ye aaram ka mamla hai*, which had become quite popular. "We set the trend for TV commercials in the economy segment of the innerwear market, which changed the market dynamics," claims P.R. Agarwala, 81, chairman, Rupa & Co. "Soon, others started following us".

Celebrity endorsement for hosiery products is a common practice today in the segment. Rupa has reaped the benefit of investing in television imagery over the years. Currently, big names like Ranbir Kapoor, Ranveer Singh and Anuskha Sharma are the ambassadors for Rupa's brands. The company was also involved in the cricket extravaganza, IPL as a sponsor for six years, being associated with teams such as Rajasthan Royals and Sunrisers Hyderabad. Brand advertising is a game-changer. "We spend 7-8 per cent of our revenue for advertising," says Vikash Agarwal, president, Rupa, & a second-generation family member.

Normally, hosiery goods are sold in small stockists' shops, along with a wide range of similar goods. And, its market is driven by dealer margins and credit policies. But the shortage of yarn and its price rise has now put the hosiery industry in a difficult state. "Since October, the yarn price has gone up by almost 50 per cent," says K.B. Agarwala, managing director, Rupa & also president, Federation of Hosiery Manufacturers' Association of India (FOHMA). The hosiery manufacturers are forced to pass on the price hike to the consumers. Agarwala blames the spinning mill owners for prioritising exports for better profit margin, causing a domestic supply squeeze.

Rupa, the ₹975-crore listed entity, is among the top four organised players in domestic hosiery goods sale, with Page Industries, Lux and Dollar being the other three in the segment. Indian innerwear market is guesstimated to be about ₹30,000 crore and expected to grow at a CAGR of 6 per cent in the next five years. At present, only 40 per cent of the segment is organised. Page, with brand Jockey, is the clear market leader in the premium category. After Page, several brands entered the premium segment in India but with limited success. Lux, Rupa and Dollar are primarily into the mid-to-economy hosiery segment. Though post-GST, there was no immediate shift from unorganised to organised sector, that is likely to change

soon. However, unorganised players will always be there in the segment, P.R. Agwarwala feels.

Significant player

There are about a dozen categories of cotton hosiery goods in India – the vest, hosiery briefs, bras, panties, warm thermals, socks and a growing segment of knitted, lounge wear, tees and crew shirts. Over 65 per cent of sales in the sector come from vests, briefs and trunks.

"We are among the significant players in the mid and mass segment, which constitute 65 per cent of our revenue," says Vikash. "At present, over 50 per cent of the company's sales comes from non-urban and rural market".

P.R. Agarwala set up Rupa in 1968, when he was 28, after learning the trade tricks from his father's hosiery goods shop in Burrabazar area. The name of his brand Rupa is derived from rupo (silver) in Bengali. Agarwala's business acumen and product innovation helped Rupa to make impact in the market.

In the 1970s, the company launched elastic strap underwear for men – a first in the mass market. PR was later joined by his younger brothers G.P. and K.B. Agarwala. PR then took over the business of Binod Hosiery and converted into public limited company.

Calcutta used to be the centre for the hosiery business, producing almost 95 per cent of the nation's output. However, the hosiery business in the city declined dramatically in the 1970s, due to the infamous labour militancy, which forced the industry to develop a new manufacturing base in Tirupur, Tamil Nadu. The weather in Tirupur had the right humidity; the water allowed good dye quality; textile machinery was easily available; and a favourable work

Vikash: emphasis on premium segment

culture prevailed there. Even today, the biggest players in Tirupur have their origins in Kolkata. And, despite all odds, Rupa continues to run its units in Calcutta though, like other players, it has also set up production facilities in Tirupur. The three brothers have knitted the business well and turned Rupa into a leading innerwear manufacturer in the country. Now, the second and third generations of the family have entered the business and are successfully nurturing the growth of the company.

Today, Rupa has diversified its product portfolio in the segment to include men, women and kids' wear in its range. It has over 7,000 SKUs and 18 sub-brands catering to diverse socio-economic classes. Frontline, Macroman, Euro, Macrowoman, Softline, Femmora, Bumchums and Torrido are some of the prominent brands of the company. But Frontline is Rupa's highest selling brand, with a 30 per cent sale record.

"Rupa is one of the oldest players in the segment," says Vinod Gupta, managing director, Dollar Industries. "Its products are good and have wide acceptance in the market. We are in close completion with them".

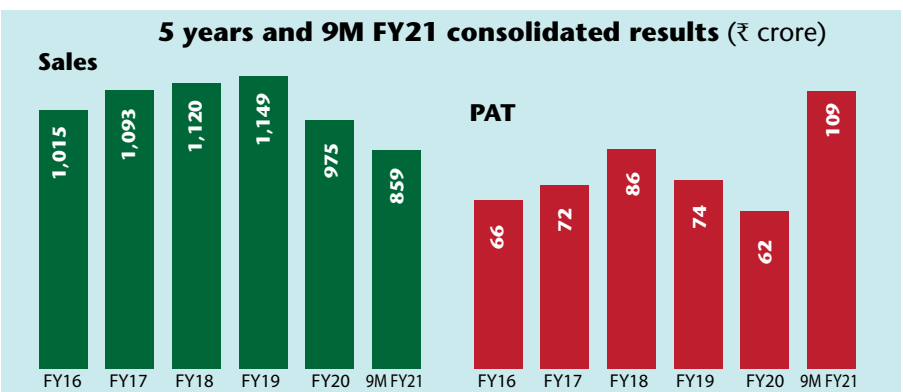
Innerwear industry suffered last year due to the lockdown. Rupa's sales too declined from ₹1,150 crore in 2018-19 to ₹975 crore in 2019-20. The net profit too fell from ₹74 crore to ₹62 crore during the same period. But, for the nine month period ended September 2020, the overall performance and profitability of the industry have improved. Rupa's revenue has risen from ₹795 crore in September 2019 to ₹860 crore in September 2020, with the PAT for the period too growing significantly from ₹66 crore in September 2019 to ₹109 crore in September 2020 – a growth of 65 per cent.

"Our performance is an indication of the company successfully building a resilient business capable of performing even in the most adverse conditions," says Dinesh Lodha, CEO, Rupa. The management expects the revenue to increase at a CAGR a 30 per cent in the next three years. The company has also seen good traction in winter wear sales, with strong pent-up demand surfacing in Tier II and Tier III cities.

Rupa's promoters hold 73.3 per cent of the company's stock, while DIIs have 1.5 per cent. The remaining 25.2 per cent is with the public. The promoters are open for more dilution, if needed. Rupa's shares are trading at ₹295 today, contributing to a market cap of ₹2,380 crore.

The volume of business in the mass segment is mind-boggling, with premium and super premium segments covering 15 per cent of it, driven by the value and higher margin. "About 15 per cent of our products are in the premium and super premium ranges," explains Vikash. "It is catering to the brand-sensitive Indian youth, aspiring towards super premium product categories. Our target is to increase the share to 20 per cent in the next 2-3 years time". Rupa had acquired licence from FCUK of the UK and Fruit of the Loom from the US to produce and market these brands in India.

The company now has four manufacturing bases – in Domjur near



Lodha: strengthening the markets

Kolkata, Tirupur, Bengaluru and Ghaziabad – and produces 1 million pieces per day innerwear and outerwear for men, women and children. The unit in Ghaziabad and Bengaluru are for lingeries. Domjur is the main manufacturing base for Rupa and produces 50 per cent of the company's total output. It has large integrated operations, which consist of knitting, dyeing and cutting. The unit does fabric bleaching and dyeing of as much as 25 tonnes of yarn. The Domjur facility can knit for specifications of 13-42 inches diameter. The four Italian high-speed, computer-numerical cutters have the capacity to cut 320,000 pieces per day, which is highest in the industry, claims Rajendra Kumar Singh, GM, production. But what Domjur facility needs most is suitable house-keeping.

Rupa is setting up a sewing line in Domjur, with the capacity of 400,000 pieces per month, at a cost of ₹50 crore – to be commissioned by next year. The company-controlled sewing line is largely for export production.

Rupa's army of experienced and skilled workers produce high-precision, zero-waste designs, which are shipped out to thousands of units with sewing machines in Kolaghat. The stitching cluster at Kolaghat has over 1,000 sewing vendors dedicatedly working for Rupa. "We organise training for them in association with the local government and also help them to get bank loan to buy sewing machine," Singh says. Domjur produces the flagship brands like Frontline vests, Jon and Macroman, while the Tirupur facility produces the company's Euro and Bumchums brands.

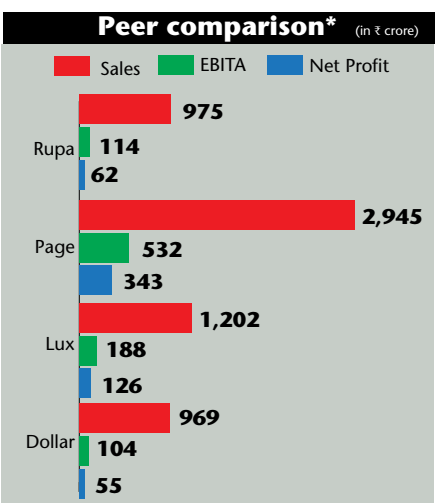
Fine products, trendy designs

The company employs over 500 people directly, with 30,000 more involved indirectly, through contract manufacturing. "Our products are made from fine fabrics with trendy designs and are price friendly," says K.B. Agarwala. The finished goods are inspected, packed and sent out through its network of over 1,200 dealers and 125,000 retailers and 11 exclusive stores across the country. "We also sell through big retail chains and large e-commerce platforms like Amazon, Flipkart and Paytm, as well as our own website," adds Agarwala.

Moksh, an exclusive distributor for Rupa in Bengaluru, has been associated with the company for the last seven years. "Rupa has a strong brand recall in the segment," says Shantinath Gandhi, who owns the dealership. "Its large product basket, across all price ranges, meets the customer's requirements.

Rupa, which was in the leadership position in the mass segment, has lost its position to Lux. P.R. Agarwala admits that it is due to lack of right planning but he quickly adds that the company is working to regain it. Rupa has charted few growth strategies – expand new markets, focus on high-margin business, increase outerwear products, drive on the exports revenue, grow thermal wear business and build strong distribution and expansion of exclusive showrooms.

'The company's 17-18 EBOs will go up to 100 in the next two years," says Lodha. "This will help us to grow premium products". Women's innerwear segment is ruling 64 per cent of the total market, where Rupa is set to increase its share. Export is another area the company has a strong focus on. Currently, exports to the Middle East, Africa and Russia bring in only 2 per cent of its turnover. The company has now taken a challenge to double it in the next two years' time.



*2019-20


Domjur: the main facility

"Rupa has strong bouquet of brands," says Nikhil Saboo, senior analyst, SKP Research. "With its product portfolio and extensive distribution reach, it is well-positioned to benefit from changing customer preferences towards quality-branded products, particularly amongst the growing and affluent mass. But the company should focus on improving its working capital. It is a bit stretched at the moment".

The Agarwala brothers have grown the company with almost native intelligence. The new generation believes that their network and brands must be extended into larger basket of allied goods. They realise that, with increasing competition, they need to seriously study their brand strategies; and are therefore shopping around for marketing consultants. However, the challenge now for the extended new generation in the business is to keep the family business united. ◆

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Let content creators evolve too

Newsrooms have not always been eager to try AI. Will AIs take over our newsrooms?

We have technological tools like artificial intelligence (AI) and machine learning (ML) across all major industries today. We have been trying to learn ways to work with technology, so that we can have quality results. The newsrooms certainly have also had the time to develop and find ways to interact with technology for maximum results. In journalism, technology is super-efficient and helps in more ways than one.

What we need to understand is that this evolution in technology is a result of the change in content consumption. The way we look at news has changed. The expectations, the interface and even the mode of consumption have gone through several shifts. Therefore, it is crucial that newsrooms embrace this change to proactively engage with their consumers.

Newsrooms use AI primarily in three areas – news creation, production and distribution. According to the global survey by *New Powers, New Responsibilities*, researchers found that only 37 per cent of newsrooms had an active AI strategy. This shows that, while newsrooms are interested in the output brought up by AI, they aren't actively making use of AI – not to its complete potential.

Big league news media organisations like AP, Washington Post and Reuters have been making good use of automated content creation tools. Tools like these can be used for stories that run primarily on number data and help detect trends that help give content ideas to the editorial team. This works especially well for analytical stories – popularly, sports or business news.

Helping subscriptions How does AI help with subscriptions? While publishers can use tools that provide information about trending and engaging stories on the web, tools like Bertie can be made use of to provide reporters a draft or story template. The MittMedia, a Swedish paper, stated that they got over 1,000 digital subscribers through such automated content. The automated system had helped them publish over 480 stories.

AI can be used to keep track of subscribers and frequent users of a website who can then be targeted for conversion.

AI and ML will also keep track of genuine users and help publishers manage that activity without being in the dark about the engagement their website is getting. This can be helpful for regulating user behaviour and for studying it.

AI can be used to manage auto-posting your content. Schedule completed articles on the go without having to keep tabs. Technology now allows publishers to have all their social media accounts linked for easy management and push stories as well as notification across all platforms. The publishers have complete control over the messages, the alerts and if anything, personalisation has only been accentuated.

CHIRDEEP SHETTY

Curation on a person's interest – newsrooms operate in ways that ensure that their target audience is content. AI and machine learning can be made use of to achieve maximum readership by pushing the right content to the right user by studying the search and retention behaviour.

AI can also be used to keep track of audience feedback. User generated content isn't uncommon for websites and it can be tough to regulate it without help. UGC tends to be a problem for large, user-driven sites. Publishers can now pre-moderate spam-like comments.

Not replacement Whenever we talk of AI, people have this painted picture of robots taking over the humans, a classic scene from the movies. We have the fear that if we get comfortable with AI perhaps it'll take out the human element out of our content. While publishers can get numbers and figures for stories, the analysis needs to be done by journalists. This is why journalists will never be out of relevance. Opinion pages or editorials carry the essence of the papers. These stories can never be done through bots. Stories that require creativity, intuition and critical thinking can only be carried out by quality journalists. AI can help with verification of facts, get relevant data and get better visibility but that's about it.

Fighting fake news Using AI tools to verify statistics and report claims is a quick way to find out fake news. This helps ensure that there is no miscommunication on the website. You can even run a separate section for fact checking with the right AI tools wherein users can verify the data they receive. This helps publishers stay relevant and establish themselves as an authentic news source.

We have to understand that technology backing up journalism will only enhance the efforts taken by journalists. It's time we make use of AI for tasks that only slow down content creators.

As we progress as an industry, it's important to invest in tools that help us in return. Sometimes taking the risk is worth it and the fear of trying something new can be what's weighing you down. As content consumption evolves, it's time content creators do as well. ◆

The author is CEO, Quintype, a data-driven publishing start-up

Velamakanni: enhancing efficiency

Leaving its mark

Fractal Analytics positions itself strongly in the fast-growing AI space

Founded in 2000, Fractal Analytics (FA) is today one of the leading players in the Artificial Intelligence (AI) space. Headquartered in New York, the company is a strategic analytics partner to the most admired Fortune 500 companies globally, and helps them power every human decision by bringing analytics and AI to the decision-making process. It is present in 16 locations including the US, the UK, Australia and India.

FA, which has its regional headquarters in Mumbai, has consistently been rated as one of India's best companies to work for by The Great Place to Work Institute. It is also featured as a leader in the Customer Analytics Service Providers Wave 2019 by Forrester Research and recognised as an 'honourable vendor' in the 2019 magic quadrant for data & analytics by Gartner.

The ₹1,000-crore entity, serving more than 100 Fortune 500 companies with its AI, data and analytics-driven business strategies, has grown at a CAGR of 35 per cent in the last 10 years and is looking to grow at a CAGR of over 40 per cent, going ahead. The company, which has raised more than $300 million from institutional private equity investors, provides services and solutions in consumer-packaged goods, insurance, healthcare, life sciences, retail and technology, and the financial sector.

Looking at the growing demand for its products and services during the pandemic, the company added over 700 people to its workforce, taking the total count to 2,100 people. Of these, 1,300 employees are based in India, where the company has offices in Bengaluru, Gurugram and Mumbai.

Apart from helping businesses with its innovative AI data and analytics tools during the recent challenges, FA, through its one of the product lines (Qure.ai), deployed AI-powered pandemic response solutions for Covid-19 management. Qure.ai transforms how radiologists make diagnostic decisions. Qure's qXR solution is the first AI-based chest x-ray interpretation tool to receive CE certification.

qXR uses a combination of deep-learning models to detect common types of lung abnormalities. Trained on more than one million chest x-rays, qXR detects 15 of the most common chest x-ray abnormalities with an accuracy of more than 90 per cent. To retool it, FA worked with a panel of experts to review the latest medical literature and determine the typical features of Covid-induced pneumonia, such as opaque patches in the image that have a 'ground glass' pattern and dense regions on the sides of the lungs. FA-incubated Qure.ai raised $16 million in a funding round led by Sequoia India and MassMutual Ventures Southeast Asia, the investment arm of US-based life insurer MassMutual.

"Our tools and services help enterprises in their decision-making processes and significantly enhance their overall efficiency," says Srikanth Velamakanni, 47, co-founder, group chief executive & vice-chairman, Fractal Analytics. "We consistently look to develop new products and platforms to help clients adopt and implement AI and analytics expediently and leverage best-in-class AI/ML-based solutions in their business process to realise large benefits."

The four pillars

As the Covid-19 pandemic presented an unprecedented challenge to governments and policy decision-makers worldwide, FA also envisioned a governance model to manage and contain Covid-19 in India and other parts of the world. "FA's model is based on data-driven, decision-making outlines – the four pillars that analytics and AI can support. These pillars include managing the spread of the disease, managing healthcare outcomes, resuming the economy, and citizen engagement," adds Velamakanni.

Velamakanni co-founded Fractal along with his other IIM, Ahmedabad alumni, Pranay Agrawal, Nirmal Palaparthi, Pradeep Suryanarayan and Ramakrishna Reddy at a Mumbai flat. Out of the five co-founders, three left early, while Velamakanni and Agrawal have been instrumental in taking the company where it is today. Currently, both of them together hold the majority stake, while the remaining is with the investors.

Velamakanni is B Tech in Electrical Engineering from the Indian Institute of Technology, Delhi and holds an

MBA in management from the Indian Institute of Management, Ahmedabad. Prior to co-founding Fractal, he was an investment banker working (worked with ANZ Investment Bank, ICICI Bank, etc) on structured debts and collateralized debt obligations.

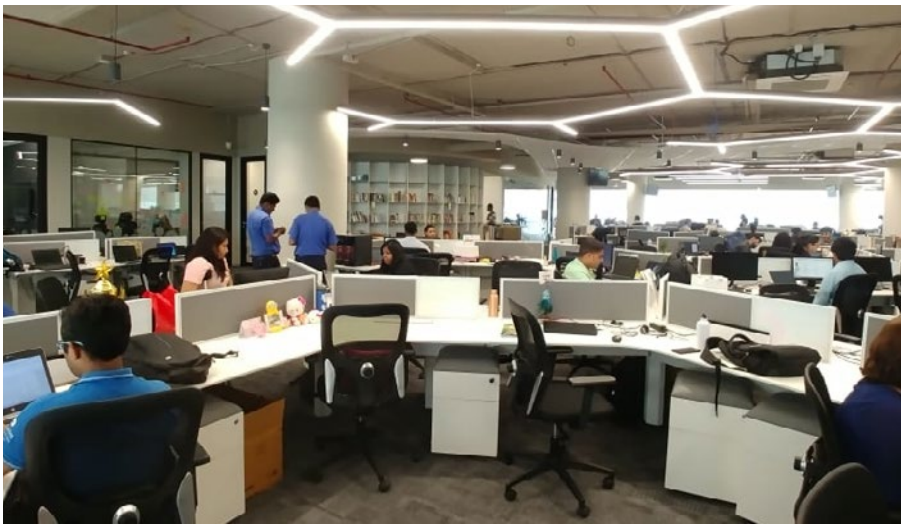
"We are making progress on our goal to build a $1 billion-revenue company in the AI space thanks to our relentless focus on serving Fortune 500 companies globally in enabling an AI-led digital transformation in their businesses," says the Fractal group CEO with confidence.

Velamakanni is also co-founder and trustee of Plaksha University, with a strong academic focus on core engineering, AI/ML and mathematics. Additionally, Plaksha promotes interdisciplinary learning by bringing together science and the liberal arts.

A member of the NASSCOM Executive Council, he serves as a subject matter expert on data and AI. His passion for AI and analytics has made him a thought leader in the space and an admired public speaker. He considers himself a lifelong student of mathematics, behavioural economics, neuroscience and consumer behaviour. He reads an average of 40 non-fiction books a year on the aforementioned subjects. He also enjoys memoirs, biographies and books on leadership.

Under his leadership, FA has developed several product lines/subsidiaries within the company including Cuddle.ai, Eugenie.ai, Theremin.ai & Qure.ai. While Qure.ai assists radiologists in making better diagnostic decisions, Cuddle.ai assists CEOs and senior executives make better tactical and strategic decisions, whereas Theremin.ai improves investment decisions and Eugenie.ai discovers anomalies in high-velocity data.

FA acquired AI solution provider Zerogons to strengthen its cloud AI business and further accelerate the 'data to decisions' journey for its Fortune 500 clients. In the past few years, it has brought in a range of innovative solutions, such as providing intelligent solutions, assistance in store-level forecasts, real-time monitoring, and much more. The company has been building up its capabilities through the inorganic route as well. In August 2016, it partnered with KNIME, an open-source data analytics firm, while, in June 2017, it acquired the Chicago-based strategy and analytics firm, 4i Inc. In September 2017, it partnered with Final Mile to combine data science with behavioural science and finally, in March 2018, it acquired Final Mile.



FA develops new products to help clients adopt AI and analytics expediently

Growing rapidly

The company's business model has generated significant response from investors. Private equity firm Apax Funds in 2019 invested $200 million in the company for a significant minority stake. The investment valued FA at about $500 million. It also marked the exit for Malaysian sovereign wealth fund Khazanah Nasional Bhd and TA Associates. Apax's investment also includes primary fund infusion into the company. Khazanah had invested $100 million in FA in 2016, while TA Associates invested $25 million in 2013.

"The data and analytics sector is attractive and growing rapidly as companies increasingly see it as a core strategic function of their business. We are delighted to partner with Fractal Analytics who are extremely well-regarded in this space due to their cutting-edge advanced analytics and AI capabilities which help their blue-chip client base solve complex problems. Srikanth and Pranay have done an excellent job building a differentiated company with a clear vision. We look forward to working with them to scale the business further," states Rohan Haldea, Partner at Apax Partners.

"The demand for AI is surging across the enterprise. Our AI solutions and globally-recognised team of experts empower these organisations to realize and maximize their full potential. The investment from the Apax Funds will accelerate our ability to scale and meet this rising demand globally. It also establishes Fractal Analytics as one of the world's most well-funded AI providers," says Pranay Agrawal, co-founder and CEO, Fractal Analytics.

The global artificial intelligence market size was valued at $39.9 billion in 2019 and is expected to grow at a CAGR of 42 per cent during 2020-2027. The continuous research and innovation directed by the tech giants are driving the adoption of advanced technologies in industry verticals, such as automotive, healthcare, retail, finance, and manufacturing. However, technology has always been an essential element for these industries, but AI has brought technology at the centre of the organisations.

For instance, from self-driving vehicles to crucial life-saving medical gear, AI is being infused virtually to every apparatus and program. AI is proven to be the significant revolutionary element of the upcoming digital era. Tech giants like Amazon, Google, Apple, Facebook, IBM and Microsoft are investing significantly in the research and development of AI. These companies are working for making AI more accessible for enterprise use-cases. ◆

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'Delicious and wonderful'

Whisky brand Glenmorangie approaches Indian consumers via a new campaign

If it's a Miles Aldridge campaign, fluorescent colours, glamour and cinematic images with a heightened experience of living life large is *de rigueur*, isn't it? It's no surprise then that the latest campaign by 1964-born British photographer for Glenmorangie Highland Single Malt Scotch Whisky amply reflects his hallmarks.

Created in partnership with DDB Paris and Miles Aldridge, the campaign, with the tagline – 'It's kind of delicious and wonderful', invites global audiences to view the world through Glenmorangie's eyes. Designed to welcome more people to share the simple joy of Glenmorangie's delicious whiskies, the campaign reimagines six everyday experiences as wonderful moments, in technicolour of course.

"There is a simple joy in sharing Glenmorangie's delicious whisky," explains Caspar Macrae, director, marketing & business development, The Glenmorangie Co, part of the Louis Vuitton Moët Hennessy group. "Inspired by the brand's signature orange colour, the new campaign is a visual feast that throws open the wondrous world of Glenmorangie, for all to explore. We hope it will welcome more people to experience the delicious and wonderful way we look at life."

While it is a global campaign, Sophia Sinha, head, marketing, Moët Hennessy India, explains how the campaign connects with India. "Glenmorangie remains committed to creating delicious whisky for people to have wonderful moments with it," she acknowledges. "Stemming from this desire, the brand's new campaign is young, unpretentious, and inclusive, thereby portraying the simple joy of its whisky in such a colourful and unique way."

Simply pleasure

Aldridge's style and precision is evident throughout, each colourful scene enriched by playful visual clues to the brand, including tributes to its spirit animal. The campaign is peppered with little 'Easter eggs', little things to find throughout – from anagrams of Glenmorangie: 'A Ginger Lemon' in the train and 'Mango Reeling' as a neon, to the recurring motif of the giraffe, appearing in each of the stills, like little games, almost cameo performances, the campaign is contrary to the usual representation in whisky campaigns.

"I was an integral part of the team that developed the campaign and I would like to think that my philosophy of whisky-making kicked the campaign off," says Bill Lumsden, director, distilling & whisky creation, The Glenmorangie Co, who has just completed 25 years with the company. "I've always said to people when I'm out in the market, 'I can give you a two-hour lecture on the intricacies of biochemical degradation of starch in the mash tun, if that's what you really want, but the main thing is what does it actually taste like?' Please don't worry too much about the technicalities, just enjoy the fact that it's absolutely delicious. It is a truly wonderful whisky, so I like the fact that the brand campaign has taken that idea and elevated it to a global to appeal to different consumers around the world. The new campaign is meant to help people understand that the primary reason to drink single malt Scotch is pleasure.

Moet Hennessy India will roll out a 360-degree campaign staggered across the coming months in line with this new campaign. While the campaign will appear globally in print, digital, digital out-of-home and social media, the strategy for the Indian market will differ on the basis of local restrictions, with a mix of digital and social media, retail and trade visibility, events and activations in travel retail. ◆

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Sustainability initiatives

LT Foods' sustainability initiatives help conserve millions of litres of water

Improving the farmers' income

"We have saved nearly 30 per cent water and the yield of paddy has increased, leading to an additional revenue of nearly ₹10,000 per qila of land. All this has been possible since we began following the sustainability initiatives of LT Foods, since 2016," says Madan Pal, a 50-year-old farmer from Dhand village in Haryana. Madan Pal has nearly 12 acres of land and alternates between growing basmati rice and wheat in his fields.

LT Foods, which sells rice under the brand Daawat, is a ₹4,500 crore company. It has introduced sustainability farming practice amongst the farming community across India. They work with 60,000 organic farmers, cultivating 80,000 hectares of land. The objective is to help in conserving water and improving farmers revenues.

Their efforts have led in conserving 48 billion litres of ground water, 30 per cent less greenhouse gas emissions, due to combined effect of water and fertiliser reduction through use of water-saving technologies like laser levelling, micro-irrigation, alternate wetting & drying (AWD) and direct sowing. Farmers' incomes have improved by 15 per cent.

The company has spent over ₹50 crore on their sustainability initiatives during the last five years. Their annual spend is in the range of ₹12 crore to ₹13 crore. This is in addition to what they spend on CSR annually.

"I own about 6.5 acres of land and my yield has improved drastically," says a 39-year-old farmer Ram Nivas. "We have also been made aware of the types of pesticides we should use and we buy the most reliable brands, thanks to LT Foods". There is a proprietary mobile app, remote sensing, drones and machine sprays for pest management - amongst a host of other things that is helping these basmati rice producing farmers.

Introducing best practices

LT Foods claims that their efforts would have added an additional ₹60-70 crore annual income to organic farmers. These are small farmers with less than one hectare holding, which would translate into at least an extra income of ₹8,000.

To monitor and control the farming practices, a team of 45 field officers, who are graduates in agriculture, are allocated certain tracks of land, responsibility of certain villages and farmers for one-on-one interactions to ensure that the output confirms to pre-determined requirements. Each field office handles 70-150 farmers and 3,000 acres of land.

"Our objective is to make the farmer aware of the best practices – which will help them conserve natural resources like water and improve their production," says Vikram, a field officer in Dhand village. He says he is always a phone call away for any queries raised by the farmer. They have distributed AWD pipes to all thefarmers they work with, free of cost in Dhand village. Besides, masks and PPE kits too are given away for free.

LT Foods has become the first company globally to be certified with the highest level of certification – L3 – by a UN backed Sustainable Rice Platform (SRP) ecolabel. They can now use the SRP verified logo on the packs of rice produced by verified farmers growing sustainable rice. This endorses their commitment to sustainability in all aspects of business from 'farm to fork.'

Nearly 50 per cent of LT Foods' business comes from export and their objective is to cover all export quantities from sustainably grown paddy. Almost 10,000 farmers (cultivating basmati rice on 150,000 acres) have already adopted SRP practices. "We recognise and believe that maintaining a symbiotic affinity with natural resources is important part of long-term sustainable business vision of our company," says Ashwini Arora, MD, LT Foods. "Our Agri extension programmes integrates sustainable rice farming practices with socio-economic well being of farmers, whilst making our supply chain more resilient and providing complaint food products to our customers across the globe".

All farmers affiliated with LT Food' Agri programme are connected digitally with an app called 'Daawat farmers app' for two-way interactions between them and the company via different modes. The field officer visits their set of farmers regularly to capture and record data through a tab using patented software, right from sowing stage to the harvesting stage, as a protocol. This data gets audited by the SRP auditor at the end of the year.

With a strong focus on quality, costs, profitability and digital transformation, LT Foods has increased its market share in India and abroad. All the LT programmes are 100 per cent traceable through mobile app. ◆

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'Things look positive for us, as of now'

We were slated for a tete-a-tete, but the upsurge in Covid-19 positive cases converted that into an online interaction. Here, Murari Lal Jalan, lead member, Jalan Kalrock Consortium (JKC), the new owners of Jet Airways, in a free-wheeling interview with Yeshi Seli, speaks about how they are optimistic of getting an NCLT clearance during the course of this month, following which they would begin to work on getting Jet Airways airborne again after a two-year hiatus

By when do you expect Jet Airways to be airborne again?

We are optimistic about getting the National Company Law Tribunal (NCLT) clearance during the course of the ongoing month. Within six months of that, we will be airborne again. Things look positive for us as of now.

Why did you consider investing in an airline?

Aviation has been an area of interest for me ever since I can remember. We were actually looking for an opportunity in this sector all along. Interestingly, despite the pandemic, we got an opportunity to make inroads into the sector by investing in Jet Airways in October 2020.

Do you intend to buy brand new aircraft into the existing fleet? If so, why?

Yes, we do intend to buy 25 new aircraft, which would include 20 narrow-bodied aircraft and five wide-bodied ones. We are looking at both Boeing and Airbus. Once the NCLT's clearance is in, we will firm up our orders. We would like to fly them internationally, as also in the domestic sector.

Are all the previous routes Jet operated on available for flying?

We have invested in Jet Airways due to its legacy and have submitted a plan to Directorate General of Civil Aviation (DGCA) and the Ministry of Civil Aviation, expressing our desire to fly on all the earlier routes. We don't see any challenges in getting all the earlier slots.

What about the erstwhile employees of Jet Airways? Are they likely to be reinstated in the organisation?

The earlier employees of the organisation are assets and we intend to recruit as many as possible, depending on merit and operational requirement. We may recruit an additional team too, if we shortlist buying Airbus

Fact file

Murari Lal Jalan was born in Ranchi on 1 August 1964. His father had a paper trading business. He is said to have got involved in the business when he was just 13 years old. He contributed and assisted his father in the paper trading business in Ranchi for a few years. In 1980, he invested in a photo colour lab and began travelling extensively all over India on work. Sometime later, he became a distributor of paper for companies like ITC.

In 1987, Jalan brought two photo processing labs in Ranchi and then went on to acquire more of them in the neighbouring states of Odisha, Bihar and West Bengal – bringing the total number of processing labs to 20.

He saw an emerging business market in Russia and moved to Tashkent in 1992. As Russia was a big hub for the photo imaging industry, it was an opportune time for Jalan to invest there. He soon became the distributor of Konica Minolta in Russia and other CIS countries, besides Brazil and Eastern Europe. Within a span of 10 years, he had become the world's largest distributor for Konica Minolta.

Meanwhile, his interest in paper processing, especially in the photo imaging sector continued. He invested in three paper mills in India – one each in Uttar Pradesh, Madhya Pradesh and National Capital Region (NCR). These mills produce writing and printing paper.

In 2006, Jalan moved to Dubai and ventured into real estate. He set up a company called MJ Developers. He also made inroads into the real estate sector in Uzbekistan. Real Estate was booming and MJ Developers ventured into making low-cost housing in Uzbekistan. Nearly 15,000 people are staying in the houses made by MJD in Uzbekistan. The company intends to invest in a smart city project in Kolkata too but the clearances are pending so the management is yet to make an announcement.

In 2010, Jalan invested in an eye-care clinic in Uzbekistan. As the dynamics of the photo imaging segment was changing, the shift to other segments became more viable. In 2015, he invested in Medanta Medicity in India and became a shareholder.

Meanwhile, in 2016, the first democratically elected government was formed in Uzbekistan, which led to the creation of more opportunities, as new policies favoured investments.

In 2018, MJD decided to invest in four hotels across Uzbekistan. At present, nearly 32 million sq ft area in Uzbekistan is being constructed by M J Developers. In October 2020, the company, along with an investment company Kalrock from UK, won a bid to acquire Jet Airways. Jalan loves to travel and it's this fad for travelling that led to his understanding of the civil aviation sector and generated a deep interest in the same.

He loves cricket and is also an avid reader. He likes to read whenever he gets time between work and travel. ◆

We have invested in Jet Airways due to its legacy and have submitted a plan to DGCA and the Ministry of Civil Aviation, expressing our desire to fly on all the earlier routes

aircraft, as the pilots would have to be different from the earlier ones.

Do you intend to change the look of the airline? Perhaps a new logo!
We have no intention of making any changes. So, nothing will appear any different from what it was in the past.

Are there any changes that one would notice onboard?
We intend to be more youth-friendly -- which would include services like the Internet in the Skies and also in-flight programmes, to attract the youth and also keep them entertained.

Will you consider setting up a separate cargo fleet or would you fly combo flights?
We are considering setting up a separate cargo vertical. We can consider utilising the older fleet for the same. But all these are just options we are mulling over at the moment. When the time comes we will make a specific announcement to that effect.

Jet Airways is now going to be headquartered in Delhi. What made you consider Delhi?
National Capital Region (NCR) is more convenient at present; so, yes, our corporate headquarters will be in Delhi/NCR. Besides, with most things going virtual these days, it doesn't really matter where one is based. Everything is available at the click of a button now.

Where did you grow up? Can you share a brief on your background?
I was born in Ranchi and began to work there, till I moved to Kolkata for a few years. From there, I shifted to Russia, as I saw a lot of business opportunity there. I later moved to Dubai. At present I have business interests across many continents. ◆

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A glimmer of hope

Signum Hotels announces major investments

KOT DUNARA, JODHPUR

Sharma: We will be running hotels across the country

With the economy in a tailspin, discretionary spends down and the travel & tourism sector going through its worst phase, the news that a player is looking to grow at the moment should be a surprise. Signum Hotels & Resorts, a relatively new name in hospitality, along with its joint venture partner and real estate player, IQI India has announced an investment of ₹1,100 crore ($150 million) to develop hotel assets across the country and also globally, over the next five years. "We will be running hotels across the country," says a confident Mehul Sharma, founder & CEO, Signum Hotels.

"We have six operational hotels, and are aiming for 40 in Year One and 65 by Year Two, with about 2,500 keys, employing 5,000 people," says Sharma. "We will get into the untapped market across metros, Tiers II and III cities in India to promote domestic as well as inbound tourism to experiential destinations, pilgrimage, getaways and key places of interest. We have identified 42 cities across India, where we are exploring acquisitions, mergers and property investments. The investment is going to be in the form of debt convertible into equity in a span of about eight to ten years. We have identified which hotels will see a thrust in the next couple of months and will be a healthy mix of business and leisure destinations."

Aggressive expansion

"It's a tough phase we are going through," admits Pankaz Jaiin, chairman & managing director, IQI India. "Our team's experience of decades in the Indian real estate and retail market, coupled with our access and network through more than 200 cities across India, has fostered our confidence in the Indian hospitality market and we are eyeing an aggressive expansion in commercial real estate segment". Sharma feels the sweet spot for them is destinations where there is travel, as also the demand and supply situation that can have ARRs of about 4,500 and 65 per cent occupancy.

"This joint venture will capitalise on IQI's global real estate prowess to identify and develop the right assets," Sharma adds, commenting on the partnership. "The partnership, which took about six months to fructify, according to Jaiin, will invest only in hospitality, while IQI is separately investing in Indian real estate. Jaiin, who mentions seeing several cycles of growth and decline in the sector, says this is when "we see an opportunity as there is a lot of distressed real estate in India and there are great deals on offer and we can innovate. We are looking at not just running a hotel, but participate with a hotel owner for a better valuation of the entire property."

Sharma admits that the industry is making adjustments to cater to a purely domestic and leisure skew of guests though he points out that the long-term plan is to have a mix of leisure, business, MICE and wellness focus in the hotels.

While expansion in the Indian market will remain the focal point of this collaboration, opportunities to expand overseas will also be explored given IQI's considerable international presence, the partners stress. Regions in South East Asia such as Singapore, Bangkok and Indonesia, significant parts of Europe and the Americas will remain of particular interest for any expansion opportunities. Besides its hotels in India, Signum also operates residences in London, as also hotels in the US, Bosnia and Greece. Given that Indian hospitality industry is at an ebb, any new investments and openings could only act as a beacon of hope. ◆

ST. MARTINS HOTEL

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Hats off to JD

J.D. Majethia relaunches 'Wagle ki duniya' in a new avatar

From 1988 to 1990, 'Doordarshan National' aired a popular television show, a sitcom titled *Wagle ki duniya* about the issues of a middle-class Indian. This show, which starred veteran actors Anjan Srivastav and Bharati Achrekar, impressed the Indian audience, as the entire plot acknowledged the trials and tribulations of Indian middle-class life, with a storyline laced with relatable humour and wit. In one of the episodes of this show, Shahrukh Khan, then an upcoming actor, had acted in a cameo role.

Last year, RK Laxman's daughter-in-law, Usha Laxman was contacted by JD Majethia (popularly known as JD in the entertainment industry), a well-known producer in the Indian television industry, to re-ignite the nostalgia and reboot *Wagle ki duniya* in a new 'avatar', but under the same name, for a present-day audience. It proved to be a wise business decision by JD, as today, the newly launched *Wagle ki duniya* on SAB TV has enjoyed immense popularity across the globe amongst Indian audiences since its launch in February 2021. And, both actors, Anjan Srivastav and Bharati Achrekar, portray important characters in this relaunched show too.

The new sitcom *Wagle ki duniya* has added to the long list of hit television shows produced by JD under the banner of his production company 'Hats Off Productions'. Originally, it was the name of JD's theatre group, which ventured into the production of Gujarati commercial plays in 1994.

"I always wanted to become an actor," says JD. "And, creativity had remained my passion during the formative years of my career. After completing an MBA from Mumbai University, I had joined the client servicing department of a leading advertising agency in Mumbai. Simultaneously, I started acting in a commercial play, *Suryavanshi* in 1989. It was my debut in the world of the performing arts," JD adds.

In 1992, JD bagged his first modelling contract in India to promote Optonica television – a famous Japanese brand then owned by the Sharp Corporation. In the same year, JD also participated in a talent contest organised by Stardust Acting Academy – an acting school launched by publisher Nari Hira.

JD, who attempted to float an OTT platform in 2017 , has massive expansion plans to position 'Hats Off Productions' as Asia's leading entertainment content producer

'I had a dream'

"Somehow, I couldn't successfully contest the Stardust talent hunt," reminisces JD. "It deeply saddened my heart. I quit the lucrative advertising job in 1993 to become a full-time actor and, thereafter, wrote an emotional five-page-long letter addressed to me! I had a dream, was passionate about acting and had an urge to strive for excellence in the field of performing arts. Eventually, a blueprint of 'Hats Off productions' was laid". 'Hats Off productions' started producing Gujarati commercial plays in 1994. Some of the prominent plays produced by 'Hats Off' include: *Thank you Kokila, Ladakvaya, Ek bijane gamta rahiye, Avjo vhala fari malishu*, etc. The Hindi film *Waqt: The Race Against Time,* starring Amitabh Bachchan, Akshay Kumar, Priyanka Chopra and Shefali Chhaya, produced in 2005 by Bollywood director Vipul Shah was inspired by JD's Gujarati play *Avjo Vhala Fari Malishu*.

JD's life went through ups and downs, as he struggled to get a firm foothold in the glamorous world of Bollywood. Fortunately, he was given an opportunity to exhibit his acting ability in a 'Star Trek' contest, organised by Amitabh Bachchan Corporation Limited, an entertainment, film production & event management company, in 1995.

"I started dabbling in stock market investments and also saved a substantial corpus from the revenues generated through shows of Gujarati commercial plays produced by me," says JD. "I then received financial support from veteran actor Paresh Rawal to fulfil my dream and eventually my friend and business partner-writer Aatish Kapadia and I co-produced a Hindi sitcom, *Khichdi* in 2002 for Star Plus television channel, in association with UTV Software Communications Limited, owned by Ronnie Screwvala." He also co-produced 220 episodes of the daily soap, *Babul ki duayen leti ja,* in association with producer Shobhna Desai for Zee TV. Thereafter, 'Hats Off Productions' came up with many hit television shows, such as: *Sarabhai vs Sarabhai; Baa bahu aur baby; Mahisagar; Jasuben Jayantilaal Joshi ki joint family; Ek packet umeed; Sukh by chance; Byaah hamari bahoo ka; Bhakharwadi*, etc.

JD, who attempted to float an OTT platform in 2017 and had strategized the productions of six Gujarati films in 2011, has massive expansion plans to position 'Hats Off Productions' as Asia's leading entertainment content producer. "At an appropriate time, I will certainly list our company on the bourses," he affirms. The career growth of JD reminds us that, through determination, grit, and a little bit of luck, anyone can overcome their circumstances and achieve extraordinary success. ◆

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'Diversify your portfolio'

Amitabh Verma, partner, Fission Wealth Services, has been in the banking and financial services industry for over 22 years, occupying leadership positions at DBS Bank and HSBC. A partner of an AMFI-registered mutual fund distributor, he is an engineer by training from IIT Kharagpur, with an MBA from IIM Lucknow. Fission Wealth, an entrepreneurial venture led by Verma, is based on the ethos of creating wealth for its clients by aligning life goals to investment options. It started its journey in 2010 and has been growing well over the last few years. "Committed client base without any attrition is the key contributor for this growth," says Verma, in conversation with **Lancelot Joseph**. "Focussed approach of customised solutions, seamless execution and superior service has been the bedrock of our client satisfaction", says he

With several states resorting to partial lockdown, the volatility in the market is up. What is your suggestion to investors during this phase?

The uncertainty of the second Covid wave means higher volatility in the near term. However, surplus liquidity does not seem to be going away soon and medium-to-long-term outlook remains intact.

So, what should the investors do? They should not panic. Funds, which are not needed in the short term, should be held to ride this volatility. Use strict asset allocation and stay within one's risk appetite. For fresh allocation, take advantage of the market fall. We recommend a staggered entry (of 3-6 months) into equity from these levels. On debt, one need to reconcile with lower levels of returns than what has been accruing over the last few years, as the interest rate regime is likely to remain soft (some small spikes excluded).

The fourth quarter results have started coming in; what is your assessment and what is your outlook for sectors?

The fourth quarter results are likely to be better but may disappoint those with high expectations from the reopening of the economy. The stronger players continue to gain market share and repair balance sheets, which would aid sustained growth in the future. Sectors such as technology and healthcare would continue to show growth in a post-pandemic world (with some breather after a scorching pace) and have a good run over the next few years. Cyclicals (including metals) may gain, as they are aligned to the global commodity prices run-up. Chemicals and other sectors would benefit from government PLI initiatives. Infrastructure could have a positive play, but one needs to be careful on debt-heavy players. The stutter because of Corona's second wave would mean that the consumers facing industries, such as airlines, hotels and consumer goods, would have a dull quarter.

> The fourth quarter results are likely to be better but may disappoint those with high expectations from the reopening of the economy

What is your advice to retail investors?

Our advice is to keep things simple and invest in what you understand. Second, follow strict asset allocation in these volatile markets; re-balance portfolio regularly, booking profits where needed and topping up, where needed, to maintain asset allocation; SIP/STP are good modes for long-term investing keep emergency kitty, so that exigencies do not derail your financial plan. Use advisors you trust. They can help you think longer term, especially when the markets are volatile.

In terms of asset allocation, is it time to diversify the portfolio? Please share your thoughts...

Yes. Diversification into uncorrelated asset classes is important. For example, an international exposure has different performance-characteristic, even though it may be within the same equity asset class. As different parts of the economy respond differently during Covid's second wave, this would help balance risk and reward.

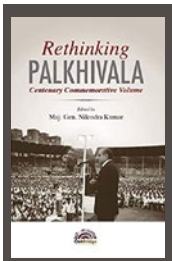
Some good diversifications include, geographically, domestic versus international; asset class-wise equity versus debt versus gold; diversification within asset classes, such as large cap/mid cap/thematic, etc; and within equity or long duration/short duration or accrual/government bonds within debt.

Risk management is an important aspect of wealth management. One must look for any triggers, which may lead to liquidity being sucked away from the market (significant rise in interest rates in US for example) and use them as early warning for long-term positions.

It is important that we focus on the same, so that we can enjoy fruits of the wealth we create. Also, as we look at the damage a pandemic can create, get your retirement planning, wills, nominations in order so that you can continue to breathe easier, going forward as well. ◆

Celebrating a phenomenon

The volume explores the influence Palkhivala has had on the Indian Constitution through his interpretative skills



RETHINKING PALKHIVALA Centenary Commemorative Volume

Edited by: Major General Nilendra Kumar (retired)

Publisher: Oakbridge Publishing Pvt Ltd

Pp: 328; ₹796

Rethinking Palkhivala: Centenary Commemorative Volume has been conceptualised under the guidance of its editor Nilendra Kumar, who retired as Judge Advocate General of the Indian Army. The book celebrates the legend, the veritable renaissance man that Nani A. Palkhivala was, and compiles his legacy and lessons for the next century.

Published on 31 January, the volume chronicles the year-long Birth Centenary Celebrations of Palkhivala (16 January 1920-11 December 2002) that were organised by Lex Consilium Foundation, of which Kumar is founder-director. Through the lectures, panel discussions, debates, quizzes and articles that comprise this volume, readers will find that the words and thoughts of Palkhivala are still relevant and provide guidance on the numerous issues and topics that are covered.

A remarkable feature of the volume are the speeches, lectures and reminiscences concerning Palkhivala by 55 eminent persons, who include legal luminaries Soli Sorabjee, Sanjay Hegde, Prashant Bhushan, Salman Khurshid, Abhishek Singhvi, Madan Lokur, Kurian Joseph, D.Y. Chandrachud, Indu Malhotra, Iqbal Chagla, Dipak Misra, K.K. Venugopal, Aishwarya Bhati, Arjan Sikri, Janak Dwarkadas, Upendra Baxi, and Tushar Mehta, the late Home Secretary, Comptroller & Auditor General, and Governor of Karnataka and Kerala, T.N. Chaturvedi, economist, author and former journalist and politician, Arun Shourie, chairman of the Economic Advisory Council to the Prime Minister, Bibek Debroy, diplomats Lalit Mansingh and Mohan Kumar, former Army chief Ved Malik, Parliamentarians Sumitra Mahajan and Vinay Sahasrabuddhe, and Swaraj Abhiyan and Jai Kisan Andolan convenor Yogendra Yadav. This volume will thus be of value to law practitioners, tax professionals, judges, jurists, diplomats, academicians, policy makers, students of law and any person inclined to learn more about the Indian constitution.

The volume also explores the diverse roles played by Palkhivala and his lasting impact on the landscape of Indian polity as a legendary lawyer and jurist, corporate leader, diplomat, erudite scholar, persuasive orator, public rights activist, eminent writer and a great philanthropist. The influence that Palkhivala has had on the Indian Constitution through his interpretative skills, especially the Basic Structure Doctrine, has left an indelible mark on the political and legal fabric of this country.

NANI A. PALKHIVALA

Overcoming stammering Palkhivala strode like a colossus across the Indian legal arena. Born in a modest Parsi household in then Bombay's Nana Chowk precinct, Palkhivala had his schooling at the nearby Master's Tutorial High School and then did his Master's in English literature at St. Xavier's College. His brilliance shone through already in those days, and through sheer willpower he overcame his initial handicap of stammering.

He took up music in his younger days, playing the violin reasonably well. But he was destined for higher callings. He applied for a Lecturer's post at the Bombay University, but to his utter regret, a Parsi girl was selected instead. With admissions to most other courses closed, he enrolled at the Government Law College, Bombay. Had he secured the Lecturer's post, he would certainly have blossomed into a brilliant professor, but the world of law and public life would have lost a legal titan. To express his gratefulness to the young lady who snatched his job, he invited her to dinner.

After a brilliant academic career, Palkhivala quickly became one of India's most sought after lawyers and remained at center stage for five decades. Famous for his phenomenal power of concentration and persuasive advocacy, he was a supremely successful lawyer. Early in his career, he authored one of the finest commentaries on the law and practice of Income-Tax. His reputation as a constitutional lawyer was formidable, having had the privilege of arguing nearly all important constitutional law cases before the Supreme Court between 1965 and 1995: Golak Nath, Bank Nationalisation, Privy Purses, Kesavananda Bharati, St. Xavier's, Mandal Commission and Election Commission. He also represented India in three major international disputes.

A man of many parts and strong opinions, Palkhivala's critical speeches on the annual budget probably grew more important than the Union Budget itself, attracting audiences in excess of 1,00,000. Amazingly, he spoke extempore. He gave generously, but unobtrusively, to charitable causes.

"What was the aim and purpose of this book?" asks Kumar, and himself answers: "It is an effort to revisit the work and contribution of Nani a little more objectively and having regard to the later case law. A need to bring a publication of all the speeches had been expressed by a number of well-meaning persons..... The younger generation and especially the students would benefit from the compilation highlighting the topics and issues that had attracted the attention of Nani Palkhivala also."

This book may be seen as a tribute to a man who, according to the late President, A.P.J. Abdul Kalam, was "indeed a great human being and also an advocate of advocates".

◆ SAROSH BANA

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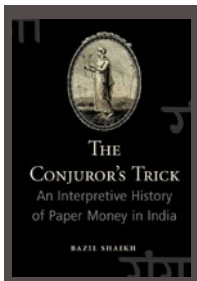
A measure of value

Money isn't everything but not having it is!



THE CONJUROR'S TRICK: AN INTERPRETIVE HISTORY OF PAPER MONEY IN INDIA

By Bazil Shaikh

Supported by BNP Paribas

Pp: 248; $25

In India, cowries were used for centuries as money: gorgeous, durable and impossible to counterfeit. They came from the Maldives and were accepted from Arabia and Africa across SE Asia and China. *The Conjuror's Trick: An Interpretive History of Paper Money in India* by Bazil Shaikh is the first Marg publication about the history and contemporary debates around paper currency, its functions and aesthetics. A delightful aspect is the designs, symbols, royal portraits, deities, national heroes, heritage, flora and fauna, used on currency. Shaikh looks at little known paper notes from Kashmir, Hyderabad, the Prisoner of War tokens and more, and what led to past forms of value and today's changing needs. This complex, painstaking work, written with wit and style, shows major research and covers the cultural aspects of paper money. It mentions free banking, (where banks are free to issue their own notes without special regulations, insurance or deposits, ie with rules similar to most enterprises), and discusses local currency, usually made to keep money within a community.

The book covers money's changing forms from metal to fiat money, central banking and the principles now deemed essential to support note issue. It looks at 'the life of a nation' through notes depicting colonisation, war, independence, Partition, the green revolution and industrial developments, satellite launches, demonetisations and alternative transactions like 'labour notes, time banks, Gosaba experiment, khadi hundis, cryptocurrencies and even anecdotes on money and erotica, (fairly early in the book!), shipwrecks and forgeries'. In the 17th century, banks were set up to issue notes and 'conjured it out of thin air, introducing the unique alchemy in money's transition' from the concrete to the abstract. While paper money is an essential part of daily life, its worth is tied not to paper's intrinsic value but to mutual belief, trust and knowledge. The problem with paper or coin currency is its cost, safety and purity. And forgeries!

This has shaped money and our transactions. Shaikh describes the history of paper money in India from the 1770s to the present, covering finance, history, public policy, philosophy, art, and the changing roles, systems and iconography of currency as needed by civic life and governance. He examines contemporary debates and innovations that will impact value transactions in the future. This wonderful book has numerous entertaining and informative stories about history and paper money and also its predecessors.

Everywhere Shaikh brings us stories, eg Jagat Seth or 'Banker to the World' was given that title by the Mughal emperor. His family had helped to establish Murshidabad, which Clive described as extensive, populous and rich as London, with the exception that people here owned more property.

As former Reserve Bank Governor YY Reddy writes, money has been reimagined over time. Paper money commenced when 'from a physical medium possessing intrinsic value, such as gold and silver coins, to tokens which derived their value from underlying coins and then the tokens themselves assumed value without having to represent any underlying commodity'. The value is from the issuing authority or fiat and the public confidence in the central bank and the nation's stability. The idea that the central bank is the best authority is now being challenged and money is becoming 'memory as digital tokens that exist in an immutable register'.

Bazil Shaikh, author and former central banker, has worked in trade, exchange rate management, rural development and governance, amongst others. He headed the team which created and curated the RBI Monetary Museum, Mumbai. His major publications include 'The Paper and the Promise' and 'Mint Road Milestones: RBI at 75'. This attractive book is a great resource for policymakers, bankers, lawyers, historians, students and notaphilists interested in heritage. ◆

SWAPNA VORA

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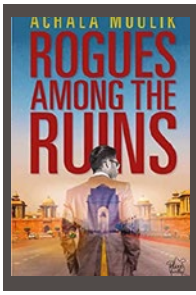
And on many other sites

A fictional history of the goings-on within the Archaeological Society of India, as also of civil servants wedged between ideals and high ambition



ROGUES AMONG THE RUINS

Author: Achala Moulik

Publisher: Niyogi Books, New Delhi

Pp: 312
Kindle edition ₹268.45
Paperback ₹398

A retired veteran bureaucrat who had served as India's Education Secretary and as Director General of the Archaeological Survey of India (ASI), Achala Moulik distils her vast experience into her latest offering, *Rogues among the Ruins*, a fictional history of the goings-on within the ASI, as also a portrayal of the conflict of civil servants wedged between ideals and burning ambition.

The daughter of a diplomat father, 1941-born Moulik schooled abroad, and after spending what she recalls was an idyllic youth in Washington, New York, Rome and London, came to India to join the Indian Administrative Service (IAS). "The transition was not easy," she writes, adding that her parents asked her to accept all "misadventures" and record the profiles of people, sights and sounds of her new world. "That was perhaps when this book began," she conjectures.

Moulik's literary endeavours were also encouraged by her civil servant and writer husband, Mohandas Moses, resulting in her authoring more than 20 books on culture, art and architectural monuments, as well as on Indian and foreign literature and heritage.

Rogues among the Ruins, her newest novel, is in two parts. In the first part, titled 'Life among the ruins', she turns a sharply critical light on the ham-handedness of India's postcolonial bureaucracy in not just failing to safeguard the country's magnificent archaeology and cultural heritage, but also in actively perpetrating the disappearance of numberless invaluable relics. Underscoring this plunder was a deplorable absence of an astute ethical culture and accountability. This wantonness compounded an already sordid situation where the British had brazenly carted away historical treasures that eventually ended up in their museums, art galleries and homes.

Moulik's book takes us to the late 1940s, when the fictional renowned archaeologist, Dr Julius Norton, arrives in India on deputation as the Director General of the ASI. In his unshaking commitment to his calling, he tries to hold himself above the politicking of the day, deflecting the Viceroy's secretary's attempts to make him operate as a secret agent of the Raj. In his view, archaeology is the handmaiden of the Quest for Truth.

As imperial Britain withdraws from India in 1947, Norton plans to leave India, though perhaps reluctantly. The novel's narrator, Elangovan, the son of an ASI official, notes the dedication and professionalism with which Norton had discharged his duties, even in the end selecting monuments of historical and cultural importance for conservation by his staff.

Role of bureaucracy However, things don't go as he had planned, and archaeological finds become suddenly vulnerable as rogue elements within the ASI seek to enrich themselves at the cost of these treasures. The smuggling of antiquities by India's own people had begun in earnest.

Elangovan's son, Raman, a morally indifferent bureaucrat, chronicles the later era in the second part, titled 'Romance among the Ruins', where the novel explores the role of bureaucracy in the post-Emergency period, the politics of rural development and, importantly, the politics of civil service neutrality, competence and dedication.

The Emergency years, 1975 to 1977, were an inflection point when governance was weakened and the civil service lost its neutrality and professionalism. Transgressions of the rule of law and the stifling of the country's democratic traditions became the rule of the day. When the Shah Commission subsequently examined the excesses of the civil and police services, the disclosures and admissions by these authorities who testified before the commission revealed their complicity.

A report in 1969 by the Union Home Ministry had warned that the Green Revolution would turn into a Red Revolution, unless there were far-reaching changes. The report was ignored by State governments, leading to the centralisation of government strategy to tackle the emerging Naxalite movement in rural India. The author was then in the Union Rural Development Ministry and witnessed developments at a close range. Present as she had been at an international conference that had prominent Indian participation, she brings out the lack of professionalism of the participating Indian delegation.

> A report in 1969 by the Union Home Ministry had warned that the Green Revolution would turn into a Red Revolution, unless there were far-reaching changes

An expert in Russian history with several Russia-oriented works to her credit, Moulik admires the legendary Russian writer Leo Tolstoy's inclination for placing his stories within a framework of actual events and characters in order to heighten the realism of his novels. Moulik perhaps is doing something similar in *Rogues among the Ruins*, as also adopting the style of great masters like Nikolai Gogol and Miguel de Cervantes who, in their search for truth, evoke laughter through tears. ◆

SAROSH BANA

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Allamanda Terrace

The lit-up terrace creates a happy ambience

Allamanda bushes have dark green, shiny leaves and big, gorgeous yellow trumpet-like flowers. Happy colours! On Mumbai's loved Marine Drive at the Marine Plaza Hotel, the roof terrace with its gorgeous pool has opened up recently and is named after the blossoms. The lit-up terrace, the soft sound of the nearby sea, the dark expansive sky above – all create a happy ambience, elegant and romantic, and for once one can forget the awful, claustrophobic Covid pandemic which changed our world. Yes, masks, sanitizers, social distancing, all the alien terms that have now become common currency, are there in full force but at least one can breathe and feel as if one is outdoors. A rare precious feeling today for us city folk!

The Allamanda offered good Punjabi type food the evening we went there and we had juices with it. The menu, we were told, is changed frequently and reflects diverse Indian and regional cooking styles. The quality of the food was good and the smoky tandoori preparations, especially a delectable broccoli, were really well made. There were fat khumbi mushrooms and that inevitable Punjabi necessity: paneer. Hot, thin nans, with chopped garlic and loaded with butter, tasted delicious on a cool evening. (One hopes they make them with freshly ground whole wheat soon.) The kali dal was excellent, the yellow dal was, well, also tasty. Dessert on the set menu was rasmalai and gulab jamun: hot, pleasant and rich. The food was good but the real charm of the evening lay in the beautiful rooftop terrace with its brightly coloured mosaic floor, a well-appointed alcove for musicians, the blue pool and the nearby sea. Drinks are offered with the menu: juices and some fruit punches. Or mocktails as they are called today. Our companion did find the drinks very expensive.... So Punjabi nourishment accompanied by soft breezes! Punjabi food is the one cuisine that travelled worldwide and came to be known as 'Indian food'.

The Allamanda Terrace is at The Marine Plaza, Marine Drive, Mumbai. One hopes it will soon have lots of allamanda blossoms. ◆

SWAPNA VORA

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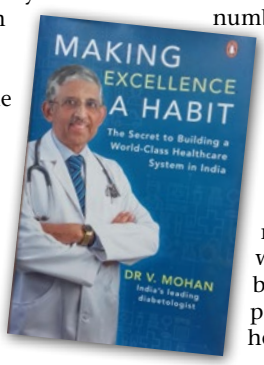
Targeting birds

Shooting pictures of birds helps him to keep his mornings occupied and 'provides a commercial break' from his work, says **Rezwan Razack**. "I do bird photography twice a week early in the morning," says Razack, co-founder & joint managing director, **Prestige Group of Builders**, headquartered in Bengaluru. "I have been doing this for the last 10 years." Twelve of Razack's bird photographs provide the visuals of the group's 2021 desk calendar. "The rest of my time after work is spent in research on Indian paper money, which is an ongoing phenomenon," he says. "I also write articles on this for national and international numismatic publications." His most recent article, *Portrait notes of Queen Victoria*, won the International Bank Note Society (ISBN) literary achievement award for 2019 – the Fred Philipson Award – from the IBNS journal. Razack, a universally acclaimed expert on currency notes, also has a museum devoted to them occupying an entire floor of the group's headquarters building, Falcon Tower. ◆

Poetry is his soul

When he was a boy, **S. Mohan** wanted to be a poet. Instead, he became a doctor and set up what is now Asia's largest group of diabetes institutions, the eponymous **Dr Mohan**'s which has 52 clinics in 32 cities all over India. "I came home on the last day of school with a stack of English classics to read during the summer holidays," he remembers. "My father opened the door and asked me to meet him after dinner, so we could 'talk'." That meeting changed the 14-year-old's life. His father, M. Vishwanathan – a professor, who had already established himself as the 'father of diabetology' in India – advised him not to try to make a career out of English literature as he deeply desired to, but to go into medicine. He had a ready response to the teenager's expressed abhorrence of 'using a knife on someone': "Become a physician." Over the years, he continued to write poetry, but channelled his writing abilities into research papers: Mohan has what his autobiography: *Making excellence a habit – the secret to building a world-class healthcare system in India*, describes as a 'prodigious' number of publications to his name, with over 1,300 articles, research papers and chapters in textbooks. "The dreams of a romantic teenager, who wanted to become a writer, are partially fulfilled!" he adds. ◆



Twice as good

Energy conservation evangelist **P.K.C. Bose** has become the only Indian to be inducted for a second term as a senator in Germany's **Senate of Economy.** "It was a great honour to be made a senator even the first time, when I became the first Indian to be inducted as a senator," says Bose, who is also a certified member of the Climate Reality Leadership Corps, trained by Al Gore, former US Vice-President. An alumnus of Indian Institute of Management, Ahmedabad, Indian School of Business, Wharton Business School and Kellogg School of Management, US, Bose earned his Ph D from Washington International University. He also possesses M Phil in labour studies as well as a master's degree in labour management. With nearly 30 years of experience in the corporate world, he has been featured twice consecutively in *Forbes* Magazine – in 2011 and 2012. He was invited to participate as a VIP guest for the 2018 Nobel Peace Prize Forum in Oslo, Norway, and to discuss renewable energy policies at the Norwegian Parliament the same year. Looking at his earlier hat-tricks – having successfully commissioned three reputed German corporations – SEW Eurodrive, Saertex and Enercon – in their fields of business in India – he seems poised for another one as a senator, too! ◆

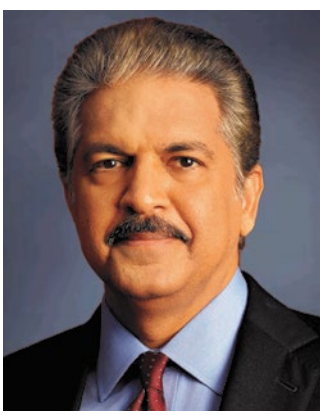
Honouring generosity

Sheikh Mohamed Bin Zayed Al Nahyan, the Crown Prince of Abu Dhabi, has honoured Indian-origin businessman **Yusuffali MA** and 11 other individuals with Abu Dhabi's top civilian award for their noble and charitable contributions to the community. Yusuffali, 65, chairman & managing director, **LuLu group**, based in Abu Dhabi, operates hypermarkets and retail companies in many countries. "The UAE's values continue to reflect the deeply-held faith of our Founding Father, Sheikh Zayed bin Sultan Al Nahyan, who believed in the kindness, humanity, and generosity of people," Sheikh Mohamed said, on the occasion. "And today, we celebrate 12 extraordinary individuals who chose to practise these values every day through their noble and charitable work, making our country and communities stronger." These individuals were honoured for a wide range of contributions, including efforts in the healthcare field, community service and volunteering, humanitarian work, as well as culture, heritage and environmental preservation. "This is indeed a proud and emotional moment for me. I am happy to receive Abu Dhabi's highest civilian award from the blessed hands of HH Sheikh @MohamedBinZayed, Crown Prince & Deputy Supreme Commander of the UAE Armed Forces," tweeted an elated Yusuffali, whose net worth stands at $480 crore. The awards, which were given at the 10th edition of the Abu Dhabi Awards held at Qasr Al Hosn, a historical landmark and the oldest stone building in Abu Dhabi, celebrate compassionate individuals who have selflessly devoted their time and effort to spreading goodness and serving the community. ◆

Keeping the mind happy

Ashok Soota, executive chairman & promoter, Happiest Minds Technologies, has announced the creation of **SKAN**, a not-for-profit entity, exclusively for medical research on ageing and neurological disorders. Its strategic partner for neurological research is the Centre for Brain Research (CBR) at Indian Institute of Science, Bangalore (IISc). The centre is putting together a consortium to handle the first project on Parkinson's disease. SKAN's strategic partner for ageing is the upcoming St John's Geriatric Centre (SJGC), to be located on the St John's Hospital campus. Soota has agreed to fund the setting up of the Centre for Research in Ageing & Geriatrics (CRAG) at the SJGC and to support joint projects. "It will take 10 years to build a world-class institution for ageing and neurological research. I am grateful to two eminent leaders, who have agreed to take charge as chairpersons for the two divisions," said Soota. He also announced a commitment of ₹200 crore for SKAN. Out of this, ₹100 crore is earmarked for partners such as St John's, Centre for Brain Research (CBR), IIT-Roorkee, NIMHANS and any new partners which may be added. And the other ₹100 crore is earmarked for investments in SKAN and direct projects within it. ◆

Helping hand



Recently, **Anand Mahindra**, chairman, Mahindra & Mahindra, took to twitter to confirm that Coimbatore's **Kamalathal** (also known as Idli Amma) will get her own house-cum-workspace to continue to feed her customers. Mahindra, who is active on social media, shared how he got to 'play a small part' in the inspiring story of Idli Amma. "Only rarely does one get to play a small part in someone's inspiring story and I would like to thank Kamalathal, better known as Idli Amma, for letting us play a small part in hers. She will soon have her own house-cum-workspace from where she will cook and sell idlis", he tweeted. Team Mahindra has already registered the land and Bharat Gas Coimbatore has helped her by supplying the LPG cylinders for this purpose. Kamalathal uses a wood-burning stove to make about 1,000 fluffy idlis every day. She is a one-woman army, as she does everything right from making the batter to steaming idlis and grinding chutneys on her own. She sells these idlis for only one rupee each, thus making it affordable for daily wage labourers, their families and tourists. ◆

'We plan to work towards revival'

The real estate sector is passing through one of its most difficult times, says Harsh Vardhan Patodia, president, CREDAI National. In conversation with Arbind Gupta, he enumerates the challenges and the measures required to handle this scenario

Given the second wave of the pandemic setting in, how is the real estate sector placed atpresent?

The Indian realty industry has faced many hurdles. Real estate has been resilient to challenges it has faced over the last few years. The focus now is to bring business back and further consolidate on the positioning of `Real Estate' as the most preferred investment option. The resurgence will take a couple of years, but in this version 2.0 of CREDAI, we shall adapt a more pro-active approach to the issues at hand. The first quarter this year has witnessed a robust 44 per cent growth as per the Knight Frank report, but the recent surge in Covid-19 infections in the country and fear of a second wave might hamper the recovery in the real estate sector, witnessed in the last six months. If logistics and supply chain support are available and migrant labour is on site, there will not be a problem. In case of a complete lockdown, the buyer's sentiment may get impacted. We hope things will get back to normal soon.

How has the last 12 months been for the industry?

The Indian real estate industry was on the verge of a transformation in early 2020. Having undergone several structural reforms in the preceding years, the sector was finally beginning to bear fruit until Covid-19 hit India. Construction activities were brought to a sudden halt in the first quarter due to the Covid-19 induced lockdown and the uncertainty over jobs and livelihoods robbed the market of its potential buyer-base, leading to near-zero demand. While the housing sales numbers improved in the fourth quarter of 2020 on the back of low-interest rates, pent-up demand and the festive season, the year-on-year sales numbers were at least 47 per cent less than the pre-Covid-19 sales graph.

The proactive government initiatives, contactless financing to home-buyers by the finance industry, and renewed NRI interest were all pointed towards recovery in the sector. But the key to its early recovery was the industry's quick adjustment to the post-Covid world, with technology playing a key role in reaching new customers. CREDAI members across the country have collectively donated more than ₹150 crore for relief of construction workers hit.

Going forward, what are the measures the industry is likely to take in overcoming the challenging times?

The Covid-19 situation has increased focus on the installation of collaborative technology and PropTech for business. Sensing this, CREDAI has decided to back start-ups in the real estate industry, including those helping in technological advancement. The safety of the workers from the virus is too important in the current situation. Our developers are following all the necessary Covid-19 guidelines to contain the spread of the virus, at sites. CREDAI has also announced the free vaccination drive to 25 million construction workforce at its member developer sites.

The situation is again becoming tough. What are your expectations from thegovernment in terms of policy measures and other sops?

The year 2020 was full of challenges for livelihoods and the overall economy of the country, sparked by the Covid-19 pandemic. The economic and policy reforms and stimulus packages announced by the government do not meet the scale and size required for the recovery of the sector, which needs many more interventions that shall propel both demand and supply. The government should consider increasing tax sops on the purchase of residential units that would help create a ripple effect on the overall economy. Allowing GST input tax credit for both housing and commercial segments, faster environment clearance and easier credit availability would help in positive and upward growth of the sector. It is high time that the government steps in and controls the steep hikes in the prices of construction raw materials including cement and steel.

How is CREDAI as an industry body positioning itself in the given situation?

CREDAI, as an apex body, is rebooting itself post the Covid-19 pandemic lockdown. We plan to consolidate and work towards the revival of the sector, engage with the government for further rationalisation of the tax regime and secure infrastructure status for real estate. CREDAI shall also focus on encouraging start-ups in the sector and plans to strengthen its data assimilation strategy and position itself as the rightful industry leader.◆