MATRIMONY IN A PANDEMIC

SURVIVING AND THRIVING IN COVID-19 TIMES

MAHINDRA HOLIDAYS AND THE LAST RESORT

PRICE ₹200
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Forbes INDIA

SHYAM VIRANI, the 24-year-old director of Balaji Wafers and next-gen of the founding family, has pan-India ambitions

REGIONAL GOLIATHS

HOW A BUNCH OF LOCAL CONSUMER BRANDS THAT CAPTURED ONE VILLAGE, ONE STATE, ONE REGION AT A TIME IS NOW AIMING FOR NATIONAL, AND INTERNATIONAL, GLORY

PLUS

THE VALUE IN BRAND TCS

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Chips Off the Old Block

When Minister of Finance Nirmala Sitharaman announced her budgetary proposal to make it easier to incorporate one-person companies, one blast from the past instantly came to mind: Karsanbhai Patel, who started as a one-person-on-a-bicycle, one-product-on-a-prayer brand builder in the late 1960s.

A chemist, Patel manufactured what Unilever had pioneered in the UK in the '50s—a detergent powder. He called it Nirma. The difference? For starters, it was yellow (as against the conventional white). The bigger differentiator of the packs that Patel started selling in his hometown Kishapur in Gujarat, though, was they were priced at roughly a fourth of the competition. Nirma slowly but surely gained ground in western India, and would go on to emerge numero uno in detergents pan-India. By then Nirma had created a comprehensive home personal care range, from soaps and detergents to shampoo and toothpaste.

CavinKare's Chik shampoo in the South and Ghadi detergent in the North are two other notable instances of regional street smarts getting the better of management-schooled marketing hotshots. The common thread running through these brands: They focussed on affordability and accessibility, and got their distribution and retailing act together in the region they knew best, before fanning out to the rest of the country. Chik, for instance, became accessible to millions, thanks to its 7 ml sachet for under a rupee. Ghadi became a market leader by focusing on just Uttar Pradesh, Bihar, Madhya Pradesh and Punjab, which are estimated to account for a third of the Indian consumer market.

Like Nirma, Ghadi and CavinKare once were, India is today home to hundreds of regional warriors holding their own against pan-India rivals—and with ambitions of their own to go national, and international. Rajiv Singh, *Forbes India*'s avid brand watcher, shortlisted a bunch of such Regional Goliaths with a similar DNA as that of yesteryear's brand warriors.

Consider what the Bansal brothers of Ludhiana's Raj Industries resorted to when retailers weren't buying into their new white perfumed laundry soap. If Karsanbhai had his cycle, Salil and Sahil thumped-thumped their way across the countryside on their Enfield Bullet to convince shopkeepers. As Singh vividly explains in 'Might of White', the Bansals rode from village to village with a bucket and two sets of soap—one of a rival and the other Raj Super White. For more on how that 'bucket challenge' panned out, turn to page 32.

On our cover is the next-gen of a family that has built a ₹2,300 crore-plus snacks behemoth. It was in 1974 that Chandubhai Virani and his brothers left their village in Jamnagar, Gujarat, and headed to Rajkot to build their fortune. Their story of how they began by selling wafers in a cinema hall, then progressed to manufacture them, and then took the packs to shopkeepers on their cycles—one village at a time—is one of guts, grit and eventual glory. Today, Balaji Wafers is present in 11 states, and has over 50 varieties of snacks, from nachos to noodles.

Staying with brands (and staying with Singh), *Forbes India* shines a light on labels that beat the odds in 2020. Almost a year after Covid-19 and the lockdowns ravaged economic prospects, Singh profiles businesses that were out for the count last March, before they rejigged their models, and regained lost ground (a few even gained fresh turf). The 'How we Survived' series begins on page 59.

STORIES TO LOOK OUT FOR

▲ (From left) Balaji Wafers' Shyambhai Virani, Chandubhai Virani and Keyurbhai Virani; (from left) Sahil Bansal, Sanjeev Bansal, Salil Bansal of Raj Industries

Brian Carvalho
Editor, *Forbes India*

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Best,

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ON THE COVER

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(Clockwise from top left) Balaji Wafers Directors (from left) Keyurbhai Virani, Chandubhai Virani and Shyambhai Virani; VKC Noushad, MD of Walkaroo International; (from left) Akash Goenka, Sudeep Goenka, Shubham Gupta, directors of Goldiee Masale; Srikumar Misra founder of Milk Mantra; (from left) Amit Kumat, Arvind Mehta and Apoorva Kumat of Prataap Snack; Vijay Bansal (seated) and Deepak Bansal of Cantabil Retail

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Yusra Mardini of Syria during a training session in Berlin

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TO OUR READERS
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SSVM® INSTITUTIONS
METTUPALAYAM & COIMBATORE

CREATING PROGRESSIVE LEARNERS WITH FUTURISTIC INSIGHT

SSVM Group of Schools since 1998 backed by an invigorating atmosphere, highly qualified faculty, global and creative curricula, and world-class facilities is a dedicated torchbearer of a quality education initiated by its founder visionary & Managing Trustee, Dr. Manimekalai Mohan. Over the years, the SSVM Institutions includes the Shree Sarasswathi Vidhyaah Mandheer (CBSE & Matriculation) at Mettupalayam, SSVM World School & SSVM School of Excellence at Coimbatore have become synonymous for world-class educational infrastructure and holistic excellence. Reeds World School functions under the aegis of SSVM Institutions. SSVM PREPVERSITY, an innovative wing widens the professional placements and provides career guidance for learners. SSVM INSTITUTIONS has 'Athma Seva', a Charitable Unit for the Differently-abled Children. The Open Schooling (NIOS) facility has also been extended at SSVM.

SSVM World School at Coimbatore will have its Campus well-equipped for the Cambridge Assessment International Education - Cambridge Early and Primary Years for the academic year 2021 - 22 and classes drive up to A level.

SSVM has thoughtfully created a healthy and green learning environment with strong values in all campuses to improve learners' well-being, character, productivity, attention span and enhance the uncompromising quality of learning-teaching approaches. The diverse arrays of academic and extra-curricular facilities and services ensure that learners surpass all pursuits of life. SSVM prepares students for the AISSE & AISSCE along with NEET & IIT Classes and has proved with remarkable achievements every year through the most incredible academic board results. SSVM is premeditated to fulfil the 21st Century learners' needs to encourage research-based, experiential and blended learning approaches to kindle their curiosity and nurture confident young learners. The students of SSVM Institutions have excelled in many National and International events. SSVM is creating a lasting record of milestones, events and successes for its learning community to look back on for years to come.

The Day cum Residential Campus at Mettupalayam provides a conducive environment for the boarding scholars with healthy and hygienic food, secured stay and positive learning space. "From foundation to fulfilment, guidance is the key to a life well-lived and to becoming the best that you can be"- opines Dr. Mohan. SSVM believes that proper guidance is a power generator to direct students towards long term well-being, to experience the motivation and encouragement that will lead them to become self-confident, innovative and insightful individuals.

SSVM is renowned for creating student-leaders with International mindedness and intercultural understanding to attain global citizenship

Dr. Manimekalai Mohan,
Founder & Managing Trustee, SSVM Institutions, Mettupalayam & Coimbatore, Tamil Nadu

> *"SSVM believes that the quality and nature of a learner's experiences in life set the foundation and brain development for the learning and demeanour that follows."*

through experiential and blended learning approach. The reputation earned over 22 years as one of the top Institutions exemplifies the success of SSVM's Educational Model as a school of International paradigm with Indian roots. The schools' state-of-the-art campuses, situated in Coimbatore and Mettupalayam, are homes to world-class 21st-century classrooms, Conference halls, a Jubilee hall for performing grandiose theatre, art and music, an indoor swimming pool, Language, science and technology labs, outdoor gardens, Rifle range, play areas, athletic fields, stunning open spaces for study and recreation and many more. These experiences groom students to gain real-world skills based on their unique interests, enhancing overall personality, social skills and time management, serving students to 'educe' their own potential and set targets for the future.

The schools provide the best child-centric teaching practice and constructivist pedagogy as the norm in all subjects. As a visionary, Dr. Mohan recognises the importance of equipping the country's future generation with core critical and analytical skills. SSVM shares a vision to 'Cultivate learners as Innovators.'

Focus On Infrastructure
The government has allocated record amounts to roads and railways P/10

Attracting Young Talent
Rajashree R of TCS on the company's soaring brand value P/14

Going Rural Everywhere
Zoho's Sridhar Vembu on getting the Padma Shri and starting a school in a village P/15

BANKING & FINANCIAL SERVICES

Privatisation Plans Raise More Questions Than Answers

The government will have to complete complex, lengthy processes before selling stakes

AS THE DUST SETTLES ON THE euphoria following Nirmala Sitharaman's growth-oriented Budget, it is becoming apparent that much of the proposed reforms in the banking, financial services and insurance sector are fraught with challenges, and could take years to be completed.

"Other than IDBI Bank, we propose to take up the privatisation of two public sector banks (PSB) and one general insurance company in 2021-22. This would require legislative amendments and I propose to introduce them in this session itself," the finance minister said in her Budget speech on February 1. She also spoke about publicly listing Life Insurance Corporation (LIC) in 2021-22 for which the requisite amendments will be made in this session itself.

Forbes India Budget 2021

What is unclear is whether the government will let go of complete management control in the two PSBs. It could well be that it wants to sell a small stake in those banks and allow private investors into them.

SHUTTERSTOCK

One option that can be considered is the 'bad bank' route preceding the privatisation. "Once the bad loans from all banks are transferred to a holding company, and managed by an asset reconstruction company, the PSBs will be leaner and their books cleaner, which will make their valuations more attractive to investors," says an official in a private bank on condition of anonymity. The process of setting up a 'bad bank' is expected to take some time. "What support the government will give to the new buyer also needs to be assessed, in terms of due diligence to the book, so that valuations are the best possible," adds the official.

The second option is to privatise IDBI Bank quickly, which will pave the way for privatisation of the other two PSBs. The government and LIC have a combined 94.7 percent shareholding in IDBI Bank, as of September 2020. The government will need to make amendments to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.

The government would like to privatise the weakest banks, but an investor/buyer would prefer to pick up stakes in the strongest PSBs. Of the 12 banks, excluding large bank State Bank of India, others such as Bank of Baroda and Punjab National Bank are among the largest, and have digested the mergers that took place in 2019.

These, along with Canara Bank, can be seen as good candidates.

"The privatisation of these banks will not happen tomorrow. It all depends on the willpower of the government to push for these measures," says Krishnan Sitaraman, senior director at Crisil. "The intention that the government has shown is strong and the language is clear. It appears to be fine with letting go of the management control" says Rupen Rajguru, head of equity investment and strategy at Julius Baer India. Both Sitaraman and Rajguru believe that the actual privatisation could move to the next fiscal year.

For listing LIC, amendments will have to be made to the LIC Act. The government will also need to consider how surpluses are paid. LIC currently pays 5 percent of its surplus to the government, and the balance to existing policyholders. This will need to be changed, say experts. The government is likely to offload around 10 percent in LIC, though this is yet to be fixed.

The size of the LIC IPO would be between ₹70,000 crore and ₹1 lakh crore, according to a previous note from Motilal Oswal Securities. According to the government's estimation, the LIC IPO valuation is pegged between ₹13 lakh crore and ₹15 lakh crore. However, most analysts estimate this figure to be around ₹8 lakh crore to ₹11.5 lakh crore, the note says.

There is speculation about which government-backed general insurer will be privatised. In previous years, there were plans to merge three state-owned general insurance companies—National Insurance Company, United India Insurance Company and Oriental Insurance Company—by the end of March 2020. But that is yet to take place.

Now the government has done a turnaround and decided to possibly privatise one of them, with the exclusion of New India Assurance, which is a healthier operating insurer.

• SALIL PANCHAL

HEALTH CARE

A Booster Shot

Increased outlays for health, ₹35,000 crore for Covid-19 vaccines to help cope with immediate needs in light of the pandemic and help prepare for future eventualities

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A medical worker inoculates a colleague with a Covid-19 vaccine in Mumbai

FINANCE MINISTER Nirmala Sitharaman earmarked ₹35,000 crore toward Covid-19 vaccines in Union Budget 2021. "I am committed to provide further funds if required," she said, adding that two more vaccines will be rolled out soon. Currently, India has granted emergency use authorisation for Covaxin, developed by Hyderabad-based Bharat Biotech, and Covishield, manufactured by the Serum Institute of India in Pune.

Experts say the fear of the pandemic and the way it ravaged the economy resulted in increased outlays towards health care prevention and surveillance. This includes strengthening the National Centre for Disease Control, its five regional branches and 20 metropolitan health surveillance units, which will be done over six years as part of the ₹64,180 crore centrally-sponsored PM Atmanirbhar Swasth Bharat Yojana.

"While the provision of ₹35,000 crore and focus on disease control and surveillance will help cope with the immediate needs brought forth by the pandemic, the setting up of [four regional] National Institutes of Virology, and integrated health labs and an updated health information portal will prepare us for such eventualities in the future," says Charu Sehgal, partner and leader, life sciences and healthcare at Deloitte India.

Apart from Covaxin and Covishield, other vaccine candidates that are in various stages of clinical trials in India include the ZyCov-D by Zydus Cadila, Russia's Sputnik-V manufactured by Dr Reddy's Laboratories, and those by Pune-based Genova and Hyderabad-based Biological E. Krishna Ella, chairman and managing director, Bharat Biotech, says the allocation signals a shift to preventive health care.

Forbes India Budget 2021

According to a Morgan Stanley report dated January 17, the cost to the government for procuring Covishield has been ₹200 per dose for the first 100 million doses, after which there will be a tender process. For Covaxin, the price is ₹295 per dose (excluding taxes) for 3.85 million while 1.65 million doses are being given free, bringing down the effective price to about ₹206 per dose. "The government is thus paying ₹2.3 billion for Covishield and ₹1.6 billion for Covaxin," the report says.

"It remains to be seen what is the share of vaccination expenditure the state governments will have to bear," says Srinath Reddy, president, Public Health Foundation of India.

He wonders to what extent this allocation will take vaccine diplomacy into consideration. "We are giving vaccines to other countries, some of them in soft diplomacy, free of cost. So how much of the additional cost will be only for India and, how much will be distributed to the states, how much will go abroad... all this will have to be sorted out," says Reddy.

• DIVYA J SHEKHAR

ECONOMY REVIVAL

Focus on Infra to Spur Spending

Record amounts allocated to roads and railways

SHUTTERSTOCK

The Budget provided an outlay of ₹118,101 for the ministry of road transport and highways

TO TURN THE ECONOMY AROUND from one of its most gruelling years, the government is looking to increase spending in the shaky infrastructure sector, which includes roads, railways, and ports. On February 1, Minister of Finance Nirmala Sitharaman announced measures, including the highest-ever capital outlay for roads. "I am providing an enhanced outlay of ₹118,101 crore for the Ministry of Road Transport and Highways, of which ₹108,230 crore is for capital, the highest ever," she said.

"The government's focus on restarting the economy is clear in its commitment to the time-tested Keynesian principle of spurring infrastructure to create jobs and channelise economy multiplier cycles," says Vivek Agarwal, partner, infrastructure, government and healthcare practice at KPMG in India.

Much of the government's focus on roads is in states where elections are due this year. These include Kerala, West Bengal, Assam, and Tamil Nadu, where the Bharatiya Janata Party (BJP) is looking to retain power or win elections for the first time. "FY22 remains a crucial year for two reasons," says Rajeshwar Burla, vice president, corporate ratings, ICRA, "the importance of government spending on infrastructure to revive the economy, and the significant catch-up required in the ongoing Bharatmala Pariyojana and allied programmes."

To create a 'future-ready' railway system by 2030, reduce logistics costs, and boost its Make in India initiative, the government has allocated a record ₹110,055 crore for the Ministry of Railways, which includes ₹107,100 crore for capital infrastructure. Much of this will be for the construction of new lines, electrification, overhauling of signalling and telecommunication systems, and station redevelopment. Dedicated freight corridor projects along the east coast, east-west corridors and north-south corridors were also proposed.

"The National Rail Plan 2030 will be critical for boosting and bringing investments into the railways sector," says Abhaya K Agarwal, partner, strategy and transaction, infrastructure & government and public sector, EY India.

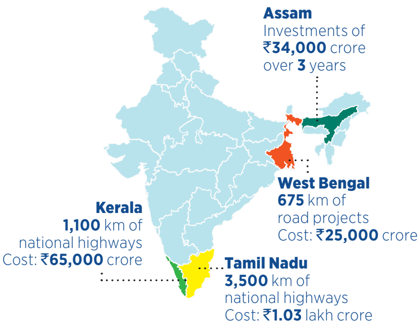
In continuation of plans to privatise the country's airports, the government is looking at airports in India's tier 2 and tier 3 cities. The government is also looking at moving operations of major sea ports to a model where a private partner will manage it for them. "For the purpose, seven projects worth more than ₹2,000 crore will be offered by the major ports on a public-private partnership mode in FY21-22," said the finance minister. The central government controls 12 major ports, and for long has been trying to corporatise them, but without much success.

For power distribution companies (discoms), the government is looking at a revamped reforms-based, result-linked power distribution sector scheme, which will be launched with an outlay of ₹3,05,984 crore over the next five years. It is also looking to put in place a framework to allow customers to choose their discoms, in an attempt to promote competition among them.

"Since the discoms operate as regional monopolies in their respective areas of supply, this framework will bring in private players and improve operational efficiencies, which will benefit consumers, by providing them choice for supplier selection," says Anish De, partner and national head, energy and natural resources, KPMG India.

• MANU BALACHANDRAN

Making inroads



₹1.75 lakh cr
Government's disinvestment target for FY22


SHUTTERSTOCK

BALANCING ACT

Government Ignores Fiscal Deficit Fears

A large portion of the increase in spending in FY21 and 22 is on capital expenditure

IN A YEAR WHEN ECONOMIC activity collapsed, balancing competing demands on expenditure was a tightrope walk. The end result was a significantly higher fiscal deficit number than the government had budgeted for. For FY21 the revised fiscal deficit stands at 9.5 percent of GDP, which would necessitate an extra borrowing of ₹80,000 crore in February and March 2021. For FY22 the deficit has been pegged at 6.8 percent of GDP and there are indications it may undershoot that target. Nominal GDP growth has been pegged at 14.4 percent or ₹222 lakh crore and the

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budget assumes a 14 percent growth in taxes. A nominal growth rate of 13-15 percent usually results in a tax buoyancy of greater than one and so the 6.8 percent fiscal deficit rate may not be reached. Similarly for FY21 the GDP target is ₹194 trillion but buoyant tax revenues (GST collections for January 2021 are estimated at ₹1.2 lakh crore) could result in that number being exceeded reducing the 9.5 percent deficit number.

In breaching the deficit the government chose to prioritise capital spending and maintained spending at ₹4.39 lakh crore compared to the ₹4.12 lakh crore they had initially planned for. For FY22 capital spending is slated to rise another 26 percent to ₹5.54 lakh crore with an increase in health and infrastructure spending. In addition, a disinvestment pipeline that includes two government banks should bring in ₹175,000 crore.

Finance Minister Nirmala Sitharaman has committed to a 4.5 percent deficit target in 2025-26 giving her the leeway to spend and get growth back on track. If growth doesn't recover meaningfully balancing the Budget will get a lot tougher.

• SAMAR SRIVASTAVA

ASSET MANAGEMENT

Disinvestment Target Lowered

Selling stake in state-owned enterprises remains key to bridging growing fiscal deficit

THE INDIAN GOVERNMENT desperately needs to kick-start the disinvestment process to raise capital to bridge its financial gaps. In her Budget speech on February 1, Finance Minister Nirmala Sitharaman lowered the government's disinvestment target to ₹1.75 lakh crore for FY22, compared to the target of ₹2.1 lakh crore in FY21. Meeting this target will be one of the key objectives of the government.

In FY21, the Department of Investment and Public Asset Management raised ₹19,499 crore in disinvestment receipts, one of the lowest in a decade. Some of the assets the government has been trying to sell include Air India and Pawan Hans Ltd. Sitharaman said that other


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than IDBI Bank, the majority stake of which is owned by Life Corporation of India (LIC), the government will sell stake in two public sector banks and one general insurance company. It is also hoping to undertake the mega public listing of LIC, and is hopeful of completing the sale process of Bharat Petroleum Corp Ltd.

"While the government was able to spend money on people who needed it, on the revenue side it lagged due to lack of priority. As the health crisis is starting to get resolved, the refocus on privatisation has increased, and we are expecting them to make a headway in the listing of LIC and other assets like IDBI. Meeting their disinvestment target this year may be achievable, but execution will be required at the end of the day," says Rahul Bajoira, chief India economist at Barclays.

As part of the Atmanirbhar package, the government has identified a new road map to categorise its assets into strategic and non-strategic categories. Under strategic assets, it will identify four central public sector enterprises; the rest will be privatised. It will also assess all loss-making, state-owned companies and seek their closure.

• POOJA SARKAR

EDUCATION

New Learnings

There's a significant drop in allocation for education, but a broad implementation plan for the NEP was announced

SHUTTERSTOCK

Allocation for education has reduced from ₹99,300 crore last year to ₹93,224 crore for FY22

DURING HER BUDGET SPEECH, Finance Minister Nirmala Sitharaman mentioned several key developments with the National Education Policy introduced by the government last year. The sector received a total allocation of ₹93,224 crore this year—a drop from last year's ₹99,300 crore. "We would like to see more investments and budget allocation for the education sector to enhance it with more trending technologies which will make education accessible to students in the farthest corners of the country," says Vamsi Krishna, co-founder, Vedantu, an online tutoring platform. Many key points laid out do not have an action plan, undermining the implementation of these proposed initiatives. The New Education Policy (NEP) is one of them. "More than 15,000 schools will be qualitatively strengthened to include all components of the NEP. They shall emerge as exemplar schools in their regions, handholding and mentoring other schools to achieve the ideals of the policy," said Sitharaman, adding that 100 new Sainik Schools will be set up in partnership with NGOs/ private schools/states. "I would have expected a clearer implementation plan for the NEP... there are so many provisions mentioned in the NEP document but the Budget saw no mention for most of them," says Shreya Sharma, an undergraduate student in Ludhiana.

Given how the Covid-19 pandemic disrupted schooling and education, the government intends to strengthen the digital education landscape with the setting up of a National Digital Educational Architecture. "The complete shift from using assessments to not only judge the cognitive levels of the learner but also as an opportunity to identify the unique strengths and potential is a student-centric approach that will lead to a holistic development of a child and provide them a greater edge, globally," says Krishna. While claiming to have trained more than 30 lakh elementary school teachers digitally during the pandemic, the government plans to train another 56 lakh school teachers through the National Initiative for School Heads and Teachers for Holistic Advancement this year.

The Higher Education Commission of India that was introduced in the 2019-20 Budget will be implemented this fiscal. Sitharaman also proposed the setting up of an umbrella structure to maintain synergy and improve standards of education being imparted. The government envisions 'a holistic progress card' to provide students with valuable information on their strengths, areas of interest, needed areas of focus, with the aim of aiding them in making optimal career choices. "It's good to see that this is being mentioned in the Budget, while our report cards are already structured this way... I think there will be an increased focus on all-round development now," says Sharma. Sitharaman also proposed the setting up of a central university in Leh, for accessible higher education in Ladakh. Industry experts, however, aren't too pleased. Says Akhil Shahani, managing director, Thadomal Shahani Centre for Management, Shahani Group and Ask.Careers, "A lot more could have been done to build India's education sector as per the goals set out by NEP 2020. For instance, increased allocation of funds up to six percent of GDP (as recommended by expert committees), opening the sector to private for-profit investors and allowing foreign universities to set up campuses in India were great opportunities which were missed in this Budget."

THE BUDGET PROPOSES SETTING UP A CENTRAL UNIVERSITY IN LEH

• MANSVINI KAUSHIK & NAINI THAKER

10%

Increase in customs duty on other inputs and parts of a mobile charger, up from nil last year

SHUTTERSTOCK

PLI SCHEME

Mobile Manufacturing Gets a Make-in-India Push

An outlay of ₹1.97 lakh crore announced under PLI scheme for 13 sectors

THE GOVERNMENT'S Production-Linked Incentive (PLI) scheme, implemented to boost manufacturing within India, will now cover a total of 13 sectors with an outlay of ₹1.97 lakh crore over five years. However, finance minister Nirmala Sitharaman did not specify which the 13 sectors are. Based on the Economic Survey 2020-21, and PLI scheme announcements made by the government over the course of 2020, it is possible that the 13 sectors are manufacturing of mobiles and specified electronic components, critical key starting materials/drug intermediaries and active pharmaceutical ingredients (API), medical devices, advanced chemistry cell (ACC) battery, electronic/ technology products, automobile and auto components, pharmaceutical drugs, telecom and networking products, textile products, food

KAREN DIAS / BLOOMBERG VIA GETTY IMAGES

products, high efficiency solar photovoltaic modules, white goods (ACs and LEDs) and specialty steel. Arun Sudarsan, an economist at the CivicDataLab, raised another source of confusion—when do/did the PLI schemes come into affect? "The finance minister mentioned that it's ₹1.97 lakh crore for 5 years starting FY 2021-22, while the scheme had already started in FY 2020-21."

Forbes India has reached out to the department of economic affairs for clarification. The government will also levy customs duty on the import of some parts and sub-parts of mobile phones and chargers. From February 2, the Printed Circuit Assembly Board (PCBA) and moulded plastic, which is used to make chargers and adapters, attracted a higher customs duty—15 percent instead of the existing 10 percent. Customs duty on other inputs and parts of a mobile charger were increased from nil to 10 percent.

• ADITI AGRAWAL

MISSED OUT

No Relief For F&B And Travel

FM's speech fails to mention the sectors among those hit the hardest by Covid-19

FINANCE MINISTER NIRMALA Sitharaman announced a slew of measures for a number of sectors, but failed to address three industries—hospitality, entertainment, and travel and tourism—that were among the ones hit hardest by the pandemic.

"Liquidity support at this stage would have been like an oxygen to us and would have helped us save many businesses and jobs," says Anurag Katriar, president, National Restaurant Association of India.

Gurbaxish Singh Kohli, vice president, Federation of Hotel and Restaurant Association of India, says: "We stand by and come through for the government in its every need...but we are surprised that the sector could not find even a mention in the budget." Professionals from the travel and tourism industry were also surprised that nothing came their way. "Given the industry is one of the largest revenue- and employment-generators, contributing to nearly 10 percent of the country's GDP, we expected budgetary allocations to

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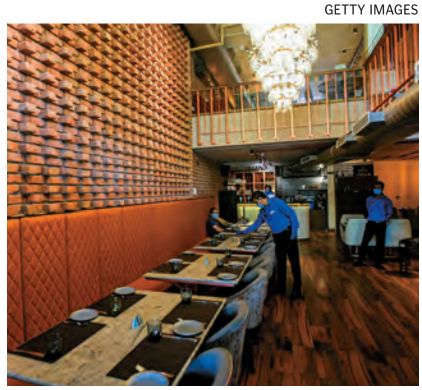


increase at least by 50 percent," says Gaurav Aggarwal, founder, Savaari Car Rentals, an online cab booking aggregator. The entertainment sector too had pinned its hopes on the Budget. "We were hoping to see significant relief measures for the film industry but that did not happen," says Kailash Gupta, chief financial officer, INOX Leisure Ltd. "We hope the robust Budget and the reforms aimed at pushing manufacturing and modernisation increase personal incomes and subsequently induce spending on cinema and entertainment." Says Abhik Choudhury, chief strategist and founder, Salt and Paper Consulting, a consulting firm. "One of the biggest hits was taken by the events industry where many were defaulting in their huge commercial rents. The year you quote Tagore in the Budget shouldn't be the year art and culture is overlooked."

• ANUBHUTI MATTA
WITH INPUTS FROM RUCHA SHARMA

INTERVIEW

'We Have the Ability to Reinvent Ourselves'

Rajashree R, chief marketing officer of TCS, on the company's soaring brand value, attracting young talent and reinventing during Covid-19

TATA CONSULTANCY SERVICES (TCS) saw its brand value soar by $1.425 billion in a challenging year, according to the *Brand Finance IT Services 25 2021* report. This, at a time, when the brand value of IT companies collectively dropped by 3 percent. Rajashree R, chief marketing officer of TCS, speaks to *Forbes India* about the increasing importance of technology, and how the company navigated the pandemic. Edited excerpts:

Q TCS's brand value increased by over 10 percent despite a challenging year. What would you attribute this growth to?
Brand is a representation of the trust and faith that customers have in you as a company. During the pandemic year especially, there has been a strong appreciation of the fact that TCS has played an important role in helping businesses across the world handle the pandemic, grow and recover. Also, the importance of technology has been greatly established in the last 12 months... it is a key enabler for businesses. So it's a combination of all these factors that has helped the brand grow.

Q What role does brand play in attracting IT workers, and what is the differentiator for TCS for talent?
Today's generation, in particular, likes to work with companies that are purposeful, value-based and making a difference to society, businesses, and industries. A 21-year-old wants their life to be meaningful and TCS offers that opportunity to make a difference with their career and life. That positions us strongly in the marketplace as far as talent is concerned. We are probably one of the highest recruiters and largest public service employers in India... our attrition rates, historically, have been the lowest.

Q How big is the challenge to stay relevant and compete with much younger players?
While we have been in the business for more than 50 years, we've also been number one for the last 50 years. So that is an assurance that we continue to be relevant to our customers, markets and associates... that is also a financial validation. But more than that, we have the ability to reinvent ourselves again and again. Every five years, we have transformed ourselves.

Last year we launched the Secure Borderless Workspaces (SBWS) operating model; it is not easy for a company with 470,000 employees to adopt this kind of a model as rapidly as we did.

Q Tell us more about SBWS.
SBWS is a transformative operating model about how businesses should work in the future and we are the first adopters of this model. SBWS creates a technology backbone—cloud, automation and digitally enabled—that allows an organisation to operate in an open environment. This model is taking organisations to the cloud in some sense. It's making the entire infrastructure accessible to associates anywhere in the world.

Q What is the correlation between market value (on the stock market) and brand value?
The most topical conversation in today's world is about how financial metrics and brand goals of an organisation need to come together. Most of the brand evaluation agencies are bringing the financial and brand metrics together when they do valuations.

There is a correlation; it might not be a direct one, but more and more of these matrices are coming together in most of the organisations, especially when brands are being evaluated. So you will not find a situation where a company is performing badly, but the brand is going up or vice versa.

Q How much of the increase in brand value is because of the upside during the pandemic?
The overall interest and importance of technology, which has gone up significantly in the last 12 months, is an important contributor to the race of the brand, not just TCS but tech brands across the world. We see technology right now being the most important part of any boardroom conversation. Technology is an important driver for our near future, at least in the next few years.

• NAANDIKA TRIPATHI

INTERVIEW

'We're Going Rural Everywhere [in the World]'

Zoho Founder and CEO **Sridhar Vembu** on being honoured with the Padma Shri, launching a new instant messaging app, and starting a school in a village

DAYS AFTER BEING CONFERRED the Padma Shri, founder and chief executive of software development firm Zoho Corp Sridhar Vembu speaks to *Forbes India* about the company's new instant messaging app Arattai, privacy concerns over WhatsApp, and a new school initiative in Tenkasi, Tamil Nadu. Edited excerpts:

Q What was your reaction on learning about being conferred the Padma Shri?

It was a complicated feeling because I'm a little shy about receiving awards like this. To be honest, I have been amply rewarded. The reason why I'm giving back to India is because India has given me so much. But I do accept the award, in humility. There are social workers and others who deserve this type of recognition, because they are selfless servers who have given up a lot to serve the country. I'm a business person and that's why I want to give back to India.

Q What is your take on WhatsApp's recent privacy policy?

We [informally] launched Arattai, an instant messaging app, which is still in the trial phase. We're not launching it because of WhatsApp's privacy policy concerns. But in India, we need to develop the technological know-how, expertise, which includes instant messaging, and a variety of technology, not just in software. We believe that Facebook cannot really keep its promises. Their business model requires them to break a user's privacy. So it is better for most people to migrate away from Facebook, WhatsApp and applications like these.

Q How will Arattai be different from other messaging apps?

First is the strong emphasis on privacy. Our business model never relies on advertising and that's why we can make the commitment. Arattai came from our technology roots, Zoho Cliq—it's a platform like Slack for internal company communications, and the same technology is used in Arattai. This app will be formally launched in a couple of months.

Q How was business for Zoho last year?

Between March and April, there was a little bit of downturn, but we recovered quickly. The rest of the year was better than I expected. The recovery was possible because of the extreme monetary policies around the world, particularly in the US, and trillions of dollars poured into monitoring the financial system. But I believe there will be payback for it. So I always caution our employees, in particular, to be prepared for an extended downturn.

Q Tell us about your school initiative in Tenkasi?

The school happened due to the pandemic. The kids weren't going to school, and there's no concept of online classes for village kids, because most of them don't have computers or even smartphones and no broadband connections. I decided to teach them in my spare time. That's how it started, and ballooned from three to 10 kids, and they brought more kids. Fortunately, some of my colleagues stepped up and now we have a very good professional setup and 120 kids are enrolled. We keep innovating our teaching methods and don't give them any homework. The kids are enjoying so much that they ask us to keep the schools open on Sundays as well and I tell them that we teachers need a break from you [laughs].

• NAANDIKA TRIPATHI

COURTESY: ZOHO

In Focus

Will India's Vaccine Diplomacy Work?

Though its setbacks in South Asia need specifically defined strategies, sending vaccines to neighbouring countries offer an opportunity to improve ties

By **MANU BALACHANDRAN**

It's been a diplomatic coup of sorts. And, it certainly hasn't gone down very well with China.

But that's precisely what the Narendra Modi government could have expected after it unveiled Vaccine Maitri, an initiative to send millions of doses of India-manufactured Covid-19 vaccines to neighbouring countries, and even nations as far as the Middle East and South America.

India had earlier supplied hydroxychloroquine, Remdesivir, and paracetamol tablets, as well as diagnostic kits, ventilators, masks, gloves, and other medical supplies to a large number of countries during the pandemic. This time, however, even as the country rolled out what's touted as the world's largest Covid-19 vaccination programme, it also deftly moved to send vaccines to neighbouring countries.

Quite importantly, the move comes at a time when no other country has delivered free vaccines to other countries. Even the United States, where the Pfizer and Moderna vaccines are being made, is yet to send vaccines to developing nations hit hard by the Covid-19 crisis.

"Immunisation programme is being implemented in India, as in other countries, in a phased manner to cover health care providers, frontline workers and the most vulnerable," said India's Ministry of External Affairs (MEA) on January 19. "Keeping in view the domestic requirements of the phased rollout, India will continue to supply Covid-19 vaccines to partner countries over the coming weeks and months in a phased manner. It will be ensured that domestic manufacturers will have adequate stocks to meet domestic requirements while supplying abroad."

As of February 4, India has managed to vaccinate some 4.1 million people, since the nationwide vaccine rollout began on January 16, one of the fastest in the world. The country also sent over 5 million vaccine doses to countries including Bhutan, the Maldives, Bangladesh, Nepal, Myanmar, the Seychelles, and Mauritius.

Besides, doses have also been sent to Brazil and Morocco, and more supplies are planned for South Africa and Saudi Arabia. India has approved two vaccines that are currently manufactured in India: Serum Institute of India's Covishield, popularly known as the AstraZeneca vaccine, and Bharat Biotech's indigenously developed vaccine, Covaxin. Several more vaccines, manufactured by Serum

"India's vaccine diplomacy is an important way for New Delhi to show regional and global leadership."

DANIEL MARKEY
ACADEMIC DIRECTOR, GLOBAL POLICY PROGRAMME, SCHOOL OF ADVANCED INTERNATIONAL STUDIES, JOHNS HOPKINS UNIVERSITY

Institute of India, Zydus Cadila, Dr Reddy's and Biological E, are likely to be ready over the next few months.

"We have so far supplied vaccines to Bhutan, Maldives, Bangladesh, Nepal, Myanmar, Mauritius, Seychelles, Sri Lanka, the UAE, Brazil, Morocco, Bahrain, Oman, Egypt, Algeria, Kuwait and South Africa," a spokesperson for the MEA said on February 4. "Supplies made under grants amount to 56 lakh doses and commercial supplies amount to over 100 lakh doses."

India is also planning to supply 10 million doses to Africa and 1 million to UN health workers under the Global Alliance for Vaccines and Immunisation (GAVI).

"India's vaccine diplomacy is an important way for New Delhi to show regional and global leadership," says Daniel Markey, the academic director of the global policy programme and senior research professor in international relations at Johns Hopkins University's School of Advanced International Studies. "It shows that India has resources and capabilities of critical importance to the world, which is an important message for New Delhi to send to often-sceptical audiences."

The move to send vaccines, many of them to India's neighbours free of cost, is in line with the government's plan to reclaim some lost ground in diplomatic relations and in championing the Neighbourhood First policy, a cornerstone of the Indian government's diplomatic relations under Modi since 2014. India, however, hasn't offered to send vaccines to Pakistan.

India's move also comes at a time when there had been a studied silence from India's neighbours amidst its recent military confrontations with China at the borders. In June 2020, tensions between India and China had escalated after the death of soldiers in the disputed Galwan Valley, following a confrontation. Troops on both sides had engaged in a fierce hand-to-hand combat, with over 60 casualties in total, marking one of the most serious military conflicts between the two sides in decades.

For long, India and China have been aiming for regional dominance, something that China has been aggressively pursuing with its One Belt One Road Initiative, a global infrastructure development strategy to invest in nearly 70 countries. While Pakistan is an important ally of China, Asia's largest economy has been steadily ramping up its influence in the region, making total investment commitments of more than $150 billion in Bangladesh, the Maldives, Myanmar, Pakistan, Nepal, and Sri Lanka. China is now also the largest overseas investor in the Maldives, Myanmar, Pakistan, and Sri Lanka. In Pakistan, China is helping build the China-Pakistan Economic Corridor, a collection of infrastructure projects under construction since 2013, and passing through the disputed Pakistan occupied Kashmir (PoK).

Can vaccine diplomacy help?

"The programme is aimed at bolstering India's diplomatic relations in three important ways. The first

AMANDA PEROBELLI / REUTERS

India's ambassador to Brazil Suresh Reddy, Brazil's foreign minister Ernesto Araujo, health minister Eduardo Pazuello and communications minister Fabio Faria prepare to receive 2 million doses of Covishield at Sao Paulo International Airport in Guarulhos, Brazil is in advancing its Neighbourhood First policy, which has faced some setbacks in recent years as China has made inroads in the region," says Aman Thakkar, the JB and Maurice C Shapiro Scholar at St Antony's College at the University of Oxford and an adjunct fellow with the Wadhwani Chair in US-India Policy Studies at the Center for Strategic and International Studies. "The early prioritisation of Bangladesh, Nepal, and Bhutan are indicative of this desire for India to maintain strong ties with countries in its immediate periphery."

For nearly five years now, India-Nepal relations have been strained, particularly due to border disputes, and amidst growing resentment within Nepal against India. In 2020, Nepal's parliament had even cleared a Constitution Amendment Bill that endorsed the country's new map that includes territories within India. With Bangladesh, however, even though India managed to end a long-standing boundary dispute, the contentious Citizenship (Amendment) Act passed by the Indian Parliament in 2019 had strained relations. Bangladesh's Foreign Minister AK Abdul Momen and Home Minister Asaduzzaman Khan had subsequently cancelled their planned trips to India in the aftermath.

However, on January 27, soon after the first shipments of the vaccine reached Kathmandu, Nepal's prime minister KP Sharma Oli thanked India for providing the vaccines, particularly for sending them within a week of their rollout in India. On January 22, Sheikh Hasina, Bangladesh's prime minister, said, "I thank Prime Minister Narendra Modi for sending the vaccine (batch) as a gift."

"The second way is advancing India's Indian Ocean Region strategy, particularly with pivotal island states such as Maldives, Seychelles, Mauritius, and Sri Lanka," adds Thakkar on how the vaccine diplomacy is helping bolster India's diplomatic relations. "Finally, beyond its geographies, its wider engagements

PRAKASH MATHEMA / AFP


A consignment of Covishield, the Covid-19 vaccine made by the Serum Institute of India, is unloaded in Kathmandu, Nepal

with countries such as Brazil and Morocco underscore India's desire to continue to be a leading voice within and for the 'Global South' or the group of developing countries. In this context, India's vaccine diplomacy not only plays a role in advancing India's regional strategy in South Asia and the Indian Ocean Region but bolsters its image as a responsible voice for the developing world."

Brazil's President Jair Bolsonaro tweeted an image of Hindu god Hanuman carrying a mountain of coronavirus vaccine to Brazil, after India began commercial exports and sent 2 million doses of Covishield to Brazil. India is currently the world's largest manufacturer of vaccines, and Serum Institute of India, which manufactures vaccines including those for diphtheria, tetanus, pertussis, Hib, BCG, r-Hepatitis B, measles, mumps, and rubella, estimates that at least 65 percent of the world's children have received at least one vaccine made by the company.

"The China factor certainly looms large in this story," says Michael Kugelman, senior program associate for South Asia at the Woodrow Wilson International Center for Scholars in Washington, DC. "Beijing, mainly through the Belt and Road Initiative (BRI) investments, has deepened its footprint in India's neighbourhood. Vaccine diplomacy offers a way for New Delhi to push back, especially because Beijing's own efforts to provide vaccines abroad have lagged. This is one of the rare areas where India has a leg up on China in a strategic competition where Beijing tends to hold the broader advantage."

Perhaps that's precisely why China hasn't quite been appreciative of the initiative under way. "A vaccine is supposed to be the last fortress against the raging novel coronavirus pandemic," an article in the Chinese newspaper *Global Times* says. "In the eyes of India, however, it has become a lever in its tool kit to compete with China."

The Chinese government, meanwhile, was quick to dismiss the concerns and said that there shouldn't be any vicious competition, and "certainly not confrontation".

However, despite that, it may not be easy for Beijing to ignore India's move in the region, especially when it comes at a time when countries are desperate to find some reprieve from the pandemic. "It's certainly a risky gambit for India to ship so many vaccines abroad when it's struggling to take care of the huge demand at home," adds Kugelman. "But it makes good sense from a diplomatic and soft power standpoint. India, as a major global supplier of vaccines and chief medicines, can leverage its comparative advantage and seek to earn goodwill with its neighbourhood at a moment when New Delhi is experiencing tensions with several small states in the region, and not just Pakistan." Since the initiative began, the World Health Organisation and even the United States have lauded India's efforts in sending vaccines to other countries.

To do all this, the government is of course banking on Serum Institute of India and Bharat Biotech, who have been stockpiling vaccines for the past few months. Serum Institute of India has stockpiled between 40 million and 50 million doses, and the government purchasing the vaccines for neighbouring countries is different from its earlier purchase of 11 million doses for vaccinating the Indian population.

Bharat Biotech has stockpiled nearly 20 million doses and has plans to manufacture some 700 million doses this year.

Going beyond South Asia

India's gamble to export vaccines comes at a time when Chinese vaccines have faced criticism, both in terms of efficacy and supply constraints. Currently, three vaccines made in China, by Sinopharm, Sinovac Biotech and CanSino, are under development.

"While India must receive full credit for undertaking this important initiative to supply vaccines under grant assistance to its extended neighbourhood, it is important to remain cognisant that the delivery of these vaccines will not erase the setbacks India has faced within its neighbourhood," adds Thakkar.

"Many issues—ranging from the border dispute with Nepal in Kalapani, to the impact of the Citizenship (Amendment) Act and the proposed plans for a National Registry of Citizens—will need to be addressed with a well-crafted and well-executed diplomatic strategy," says Thakkar. "While its vaccine diplomacy can help India regain some favour with its neighbours, it is not a panacea."

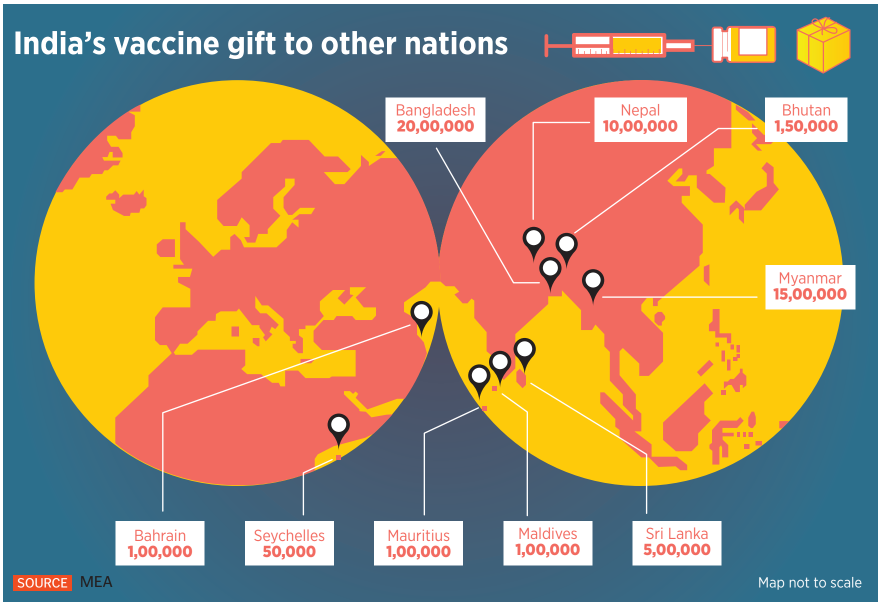
Yet, vaccine diplomacy certainly offers a much needed opportunity to improve ties, even if India still has a long way to go in carving out its status as a regional behemoth. Over the past few years, China's trade relations with many of India's neighbours have grown significantly, and in some cases even surpassed India's. Alongside, China has also been ploughing money into the energy, defence and transportation sectors across South Asian countries.

"India's place as a regional superpower will depend on its performance, along with a variety of dimensions," adds Markey. "Initiatives like vaccine diplomacy cannot alone make up for the much smaller overall size of the Indian economy or military, relative to China's, or entirely counteract China's global initiatives like BRI. But such Indian efforts are important nonetheless, as they begin to demonstrate how India can transform itself into an essential, although not exclusive, partner to other states."

That's perhaps why India's vaccine diplomacy gamble could be a timely move in cementing Modi's Neighbourhood First policy. "India and China have arguably done more than any other country—including the US—to try to spearhead coordinated global responses to the pandemic," adds Kugelman.

"During the early days, New Delhi and Beijing pursued efforts to organise regional and global conferences focused on the delivery of medical supplies and the planning of policy responses. This isn't a surprise, as China and India are in a global competition for power and leadership, and they are led by nationalist governments for which building influence abroad is a core foreign policy priority. To this point, Beijing has had an edge, due to its relative economic and military advantage, over New Delhi. That's why India's more robust vaccine delivery programme to this point is so significant."

Perhaps, one crisis is the best opportunity to solve another crisis.



SAMEER PAWAR

In Focus

Tatas' (Second) Retail Tryst

As Tata Sons puts in place plans for an aggressive retail rollout, it would also need to put in place firm guardrails

By **SAMAR SRIVASTAVA**

A necessary purchase. A repeat purchase. An essential purchase. Combine these three and it's not hard to see why retail businesses make a bold promise. Get a critical mass of consumers (and their data), persuade them to buy regularly and a 25-to-50-percent-a-year growth for the next decade is there for the taking. Few businesses hold such potential.

The latest to be snared into retail's charms is the 153-year-old Tata Group which plans to make retail businesses and the consumer a key ingredient of its growth strategy over the next decade. It promises steady growth with stable cash flows and, if executed well, a high price-to-earnings multiple. Within Bombay House, work on an app to link all of Tata's consumer brands is underway. Also on the cards, according to media reports, are plans to buy out online grocer BigBasket and pharmacy e-retailer 1mg. If the deals don't go through, an entry into grocery retail is still on the cards, but an organic roll-out would take longer to execute.

A large part of Tata Sons' earnings come from businesses that are cyclical. While Tata Steel and Tata Motors gorge out disproportionate amounts of cash in an upcycle, a downcycle is equally brutal. Both require long investment cycles. In contrast, once consumers are hooked, retail has the potential to generate high returns with low incremental capital. Given this it's hardly surprising that N Chandrasekaran, who took over as chairman of Tata Sons in February 2017, has chosen to keep the consumer at the core of his new businesses.

India's retail market is valued at $700 billion, according to the Boston Consulting Group, with organised retail—of which online retail is a subset—accounting for 10 percent and growing at 10 to 12 percent a year. Package-carrying delivery boys have become part of the urban landscape. "What excites the market now is the heavy overlay of tech in these businesses," says Krishnan Thyagarajan, president and COO of DataWeave, a company that works on data analytics with retailers. According to him, given the spread of 'Tata' branded products, it will be extremely beneficial for them to take a meaningful seat at the table.

Also, in the last year, Reliance Industries [owner of Network 18, the publisher of *Forbes India*] had seen its valuation surge as it leveraged the strength of its telecom and retail consumers. The two businesses saw investments of ₹152,056 crore and ₹47,265 crore respectively, taking Reliance's valuation to ₹12 lakh crore. This, say industry watchers, prompted the Tatas to consider taking a seat at the table. If all works according to plan, the Indian online retail industry could coalesce around Reliance, Amazon, Walmart and the Tatas.

While the heavy overlay of tech makes it quicker to scale retail offerings (there is no need to scout for properties, negotiate with landlords and spend a decade building a national network of stores), it also dramatically increases the complexity and intensity of the competition.

All competition is now national and against competitors who are willing to burn vast sums of money

N Chandrasekaran, who took over as chairman of Tata Sons in February 2017, has chosen to keep the consumer at the core of his new businesses to acquire customers. They can match pricing online on an hour-by-hour basis. However, while competition has increased, there still remains no profitable way of delivering low margin items across urban agglomerations. (New delivery models are being tried in the West and should in time make their way to India.) This is on account of low bill amounts and bulky order sizes. The Indian consumer has proved resistant to being weaned off free delivery.

These are some of the challenges that Chandrasekaran, who—via a spokesperson—declined to be interviewed for this story, will face. In the past, there has been resistance from Tata companies towards group-wide projects. Tata insiders say since Chandrasekaran has put his weight behind this project, they'll have no option but to fall in line. Add to that the spotty record that the Tatas have in executing new business and they'll need all the help they can get.

2000s Redux

The last time Bombay House made a bold bet with new businesses was in the late 1990s. Tetley's acquisition had brought Ratan Tata his first flush of success. They

DANISH SIDDIQUI / REUTERS

were now a household name at our erstwhile colonial masters.

To an impartial observer, there was little that could go wrong. With cash to spare, the Tatas laid claim to two exciting new ventures that would define the group's aspirations in the businesses of tomorrow—retail and telecom.

Trent, started by Noel Tata, was an entry point into retail. At a time when organised retail was restricted to Shoppers Stop and the soon-to-be-defunct Future Group, Trent—which chose to eschew the discounting route—has seen its private label strategy pay off. Tata Teleservices had set up fixed line services and although the group had been caught napping in the mobile telephony space, its entry into telecom with its vast potential wasn't seen as late.

Fast forward to 2020 and little seems to have gone according to plan. In the industry, Trent, with a ₹24,000 crore market cap, is seen mostly as an also-ran. Faster, nimbler rivals—Avenue Supermarts, Reliance Retail, Amazon and Flipkart—have raced ahead and captured a larger share of the consumer wallet.

Telecom burnt through an estimated ₹60,000 crore before the Tatas exited it completely. Now, as the industry—in which the Tatas have no chance of re-entering—consolidates, there is a chance that the incumbents Jio, Bharti Airtel and Vodafone Idea could see healthy profitability in the next decade.

All in all, retail and telecom hold a cautionary tale for Tata Sons on how new-age opportunities can often burn through significant amounts of capital without having anything substantial to show for it. (There is also aviation that Tata Sons plans to increase its bets on with the acquisition of Air India, which has the potential to burn capital.) This is something Tata Sons will have to be extremely careful about as it prepares to roll out its new retail juggernaut. For now, it's clear that having decided on using an acquisition-led strategy, it is clearly in a hurry.

Getting the Nuts and Bolts in Place

The seeds of India's retail build-out were sown over the last decade by two very distinct and contrasting forces. Locally, the industry came of age with retailers understanding what it takes to win. The country now has a large warehouse network, consumer companies serve retailers quickly and on time, leading to high inventory turns, and the software for planning systems on how to execute deliveries or stack warehouses efficiently is in place. Anyone setting up shop now has the benefit of this infrastructure build-out that has taken place.

Globally, the decline in interest rates has meant that capital is available for long periods of time as companies showcase their value proposition to an Indian consumer who is fickle. After being largely shut out from China, Walmart and Amazon are willing to do whatever it takes to win in India. In effect, the Tatas, who have decided against an organic build-out, would be up against an infinite wall of capital. "In this business, there is no difference between product and prices. So, the only difference is in execution and the ability to support losses longer," says K Vaitheeswaran, founder of Again Drinks, who had earlier set up Fabmart.

So how do the Tatas plan to go about this? The first step is linking all their consumer brands across an app or super app that is designed to keep consumers within its ecosystem. The problem is that apart from China, nowhere have super apps succeeded. Net neutrality rules require providers to grant the same access to all apps.

Within the app, consumers need to be kept within its confines through a feature like chat or payments. In India, no company has been able to come up with a chat feature to take on WhatsApp. Jio Chat, which was billed as a homegrown alternative, failed to take off. The payments space once dominated by Paytm has now become more democratic with GPay and PhonePe competing furiously for customers. The net result: A consumer willing to move across apps to find the best deal.

In addition, the integration of various businesses is likely to prove to be a problem as well. There is the issue of integrating the various tech aspects and making systems across group companies talk to each other. On a smaller scale, this has been tried before—in 2012, an attempt was made to roll out a common loyalty programme across the group. It ended in failure.

An insider who worked on that project points to the several issues they faced. First, there was a lack of commitment from companies. Second there was a genuine lack of cohesion. What did a person who stayed at the Taj have in common with a person who bought a Nano? Third, sophistication across group companies varied. Technology platforms were different and integrating them was a challenge. Fourth, timing. Not everyone saw its relevance then. "I believe things are different now as everyone realises the need for this and the direction is coming from the top boss. But pulling the tech bit off will be a major challenge," he says.

Once the technology integration

Tata's Consumer Plans

- Tata Sons' talks to acquire BigBasket would make them a prominent player in India's rapidly growing online retail marketplace
- A key challenge will be in building operational excellence that can be monetised through an IPO
- Attracting customers across the group's varied retail brands through an app will be an important metric to track
- Delivering profitably remains a key pain point for all online retailers. The Tatas are up against a formidable wall of capital from Amazon and Flipkart who are ready to outspend their rivals

NISHANT RATNAKAR

is in place, the biggest challenge is likely to get the customers to the app frequently. In the absence of a chat or payments feature, this is most easily done through a grocery offering on account of the high repeatability of the purchase. Vaitheeswaran, who has spent time in the grocery trade, explains “the biggest inhibitor in ecommerce is free shipping”. Consumers hate to pay for shipping and usually end up stacking their carts in order to get free delivery. JioMart has changed that game by offering free delivery. Depending on how JioMart scales it could prompt other companies to also offer free delivery, prolonging and increasing their losses.

Delivery across urban centres is another pain point that for now no one seems to have cracked. Groceries are bulky and orders vary between ₹600 and ₹1,500. These are usually low-margin items. In physical stores, while customers walk in to buy groceries, their carts are also stacked with higher margin crockery, linen and electronics. This allows retailers to achieve a blended pre-tax margin of about 8 to 10 percent.

Online, there is no compulsion to shop for higher margin items in the same order. Instead, the customer could easily go to a rival site and buy a set of six plates or a television on account of a price promotion. The chief executive of a large Indian retailer has publicly said “home delivery of groceries is the fastest way to bankruptcy”. As a result, it is the only retailer to have gone slow on an online roll-out.

“In this business, there is no difference between product and prices. So, the only difference is in execution and ability to support losses longer.”

K VAITHEESWARAN
FOUNDER, AGAIN DRINKS

Industry veterans *Forbes India* spoke to say they were disappointed that a potential BigBasket deal was being spoken about at a 1 to 1.2 times multiple to sales. It implies a distress valuation. “Look at the delivery companies quoting such high multiples. The low BigBasket multiple is an implicit admission of the fact that the buyer will have to burn capital for many years to come,” says a former employee of a grocery retailer. He estimates an annual cash burn of as much as ₹2,000 to ₹2,500 crore for BigBasket on account of its national network.

For now, most players, including Amazon, Flipkart and JioMart, have added delivery staff to cater to this demand. But in the West, several companies have realised that delivery is a specialised skill in itself and tie-ups work better from a financial perspective. Companies like Deliveroo and DoorDash have seen their valuations soar to $7 billion and $60 billion respectively.

“Delivery is a separate discipline—from building logistics to building an efficient pick-up network from stores,” says Thyagarajan of DataWeave.

As the Indian online grocery market evolves, it is likely that retailers—after putting up with years of losses—decide to tie up with delivery companies. That would change the game overnight.

First, regional grocers and kiranas with access to delivery staff could digitise and deliver quickly across certain urban zones, increasing competition for Amazon, Flipkart, JioMart and the Tatas. It is a trend seen in some pockets of the US where smaller retailers like Krogers have been able to compete head-to-head with Amazon in the areas they have their stores in. Second, there is nothing stopping a Swiggy or Zomato from accepting orders directly from customers and then picking them up from across grocers and delivering them. Either of these moves could result in the balance of power shifting to the delivery companies and a significant valuation dust-up for online retailers resulting in a write-off for the Tatas.

All participants *Forbes India* spoke to say a grocery offering is the glue to a super app. Even though the cost of switching is very low for the Indian consumer, not having it on the app would mean the project would never take off. "In effect, the price being paid for BigBasket is for its customer data and network of warehouses and delivery infrastructure, which would otherwise take 18 months to build organically," says the former employee.

For Indian companies, the cost of acquiring a new customer outweighs profitability. As a result, discounts tend to be high. (In the West, the game has moved to customer retention.) According to DataWeave, the average discount across daily use items like soaps, snacks and edible oils across Amazon, Flipkart, Grofers, JioMart and BigBasket ranged between 16 and 20 percent. Add free delivery and it becomes a good tool to attract users. The discounts also tend to be sticky. During non-sale periods, BigBasket only tinkered around with prices for one to three percent of products. The number rises to 10 to 14 percent of products during sale periods.

Price and assortment are the key levers to growth and developed markets took long to figure this out. One doesn't always have to be the lowest price, but the perception that the customer is getting the best deal is important. Avenue Supermarts, which follows an everyday low price strategy, does this well. As a result, consumers believe they are getting the best deal even though that may not be the lowest price across all products. At present, this crucial niche online is up for grabs as consumers regularly switch among retailers based on the deals they are offering.

Lastly, maintaining tight control on the stock keeping units (SKUs) offered is important. Online retailers, with access to more warehouse space, tend to increase the number of SKUs they stock, which leads to an accumulation of slow moving inventory. Across five everyday categories surveyed, DataWeave noticed that BigBasket stocked 1,845 SKUs while JioMart had only 151.

Keep Costs in Check

At one end of the Tata Consumer empire is the process of showing a promising turnaround. Last year, it brought in Sunil D'Souza, an FMCG veteran, to turn around Tata Consumer Products. Saddled with enormous goodwill costs on its balance sheet since the Tetley acquisition, the company had largely been languishing. In the almost one year that D'Souza has been at the helm, its market cap has doubled to ₹53,000 crore giving the group the confidence to throw its weight behind other consumer business.

> **"BigBasket would be a good investment if they show operational efficiency and monetise a part of their retail businesses in the next few years."**
>
> **VENUGOPAL GARRE**
> MANAGING DIRECTOR, SANFORD BERNSTEIN

As things stand, Tata Sons would have to put firm guardrails and spending parameters in place for its retail offering. It would also need patient capital, which is now abundantly supplied through its 72 percent stake in Tata Consultancy Services. While the industry holds great promise, corporate India's record of entrants in sunrise sectors hasn't been great. Aviation felled several formidable entrepreneurs. Telecom saw a shakeout that from over a dozen five years ago left only three players standing. And while retail makes good operating cash flows after investments in fixed assets, there is very little free cash left to distribute to investors.

With a super app, the Tatas would need to clearly understand how much incremental business a money-guzzling grocery operation can add to, say, Croma or even Westside. Do the customers see them as one common entity and will a common loyalty programme attract them?

Getting unit economics right for the grocery business is one key metric industry watchers will be looking at. "Even if you have the most efficient operation, the best sourcing deal and good private label brands... Amazon and Flipkart will always be there to outspend you," says an industry veteran who declined to be named. This is a bit like the airline business (Tata Sons has bid for Air India) where success is not always dependent on the strength of the operation alone. Competitors undercutting fares and fuel prices are variants out of one's control. "It would be a good investment if they show operational efficiency and monetise a part of their retail businesses in the next few years," says Venugopal Garre, managing director at Sanford Bernstein. Media reports of a BigBasket initial public offering in two to three years post the Tatas' acquisition have suggested this.

As India Inc gets past the pandemic and Chandrasekaran puts in place the buildings blocks for the next decade of growth, he realises that aviation and retail could shape his legacy. Equally, a botched roll-out that sucks in a few billion dollars with nothing to show for it could mar the prospects of the group for the next decade and leave it starved of the much-needed growth capital. While looking ahead, it would be best if he keeps a close eye on the rear view mirror as well. F

THE DIGITAL EDUCATION REVOLUTION, IT'S TIME TO INVEST IN DIGITALIZATION

By Maxime Medina, Chief Operating Officer, EHL Group

Email, Whatsapp, Facebook. Instagram, Tiktok, YouTube. Smartphone, PC, tablet. Today's student scrolls, clicks and swipes their way through the day, acquiring and sharing information faster than ever before. Students are changing and it is essential that the education sector keeps pace with this digital education revolution.

Covid-19 has created an extraordinary opportunity to accelerate digitalization and create a new learning environment that is a much better fit for today's student. Any organization failing to embrace digitalization risks obsolescence, as a new wave of education start-ups is waiting to grab the baton. Investing in the digital education revolution today is an important priority for all education providers. Ecole hôtelière de Lausanne (EHL) is known around the world as a pioneer in hospitality education. It is with great pride that I count our transition to digital education as a strong example of our innovation, as we aim to always deliver the best learning experience for our students, on campus or at home, wherever they are in the world.

Disruption is here: are you ready?

The education sector is being disrupted and for now, it is technology companies that are leading the way. For the traditional education providers, our pedagogic heritage is perhaps one of our biggest barriers to digital transformation – but it can and must also be our greatest strength. We have been educating students in much the same way for a hundred years or more; we are experts in education, not technology, so full-scale transformation is no small challenge. But this is not about starting from scratch. The techniques that have worked for a century still work, but should be complemented with hi-tech capabilities. It is time for our industry to embrace change and use our advantage to create a digital transformation revolution that is driven by education, supported by tech, and not the other way around.

Distance learning is not digital education

Organizations must not be misled into thinking digital education can be achieved through small changes and tinkering with new tools in online environments. Whatever we change must enhance quality. Many organizations imagine that putting lecture videos online is enough, but there is a huge difference between distance learning and a truly digital education setting. Distance learning is typically an extension to a traditional in-person course, with key videos and resources made available online, for added flexibility. Conversely, digital education requires providers to totally rethink their content and the way students interact with it. At EHL we are seeing the difference. Our longstanding 80 % online MBA in hospitality has been extremely popular for students seeking a more flexible learning approach. On the other hand, last year our Bachelor in Hospitality had to convert quickly and unexpectedly to enable distance learning during the pandemic.

We have seen huge success with the use of gamification and virtual reality (VR) to motivate and engage students in a digital setting. Our shift towards these interactive formats began before Covid-19, but we are accelerating our investment in these areas following the successful feedback received from students and faculty. Our Housekeeping VR course allows students to experience first hand the best and worst of hotel housekeeping examples. We are now exploring immersive virtual reality, to enable students to be part of the world they see, and to interact with one another in that virtual world – an exciting opportunity. Now, our ambitions are even greater, as we strive towards a truly integrated digital education offering.

Digital education is a high-value investment

At EHL, we are still at the start of our digital transformation journey, but we have already seen the benefits, in strong student engagement, inspired and motivated faculty, and simpler, streamlined processes. Investing in digital education is an essential move for the industry, not for the financial gains, but for the education gains it brings. EHL is proud to maintain its heritage as a pioneer, innovator and leader in education, and our digital transformation project is helping us to deliver motivated, curious, entrepreneurial students, who go on to thrive in successful careers. By sharing our experiences and working with education institutions around the world, we hope to help the whole education sector grasp the opportunity of digital education, for the benefit of students everywhere.

ZERO TO ONE

They started with zero, and kept adding one, to build distinctive and differentiated brands

By RAJIV SINGH

In 1974, when Chandubhai, Bhikhubhai and Kanubhai Virani bid goodbye to their village in Jamnagar and landed in Rajkot scouting for work, the brothers had zero business experience. Paucity of rain forced the Viranis to migrate from their ancestral land. All they had was ₹20,000 handed over to them by their father after selling the parched land. The trio quickly exhausted the kitty when their maiden venture in farm equipment and fertilisers bombed.

With the entrepreneurial dream snuffed, the brothers started working at a movie canteen in Astron Cinema. Chandubhai didn't mind serving potato wafers and snacks at the theatre, which was playing Amitabh Bachchan-starrer *Kabhi Kabhie* in 1976. "I loved movies. I still love movies," recalls Chandubhai, breaking into a crisp laughter. A year later, in 1977, when the brothers got the contract to manage the movie canteen, little did they know that they would inadvertently be part of a future blockbuster.

Fast forward five years. The first scene started from a small one-room house from where the trio started making potato chips. The product first got sold at the theatre, which had struggled with wafers' shortage due to irregularity of the old salesman supplying them. The Viranis founded their own brand—Balaji Wafers—and started putting it on the shelves of the nearby kirana store. Next, the brothers loaded wafer bags on their cycles, and moved deep into the hinterland… one shop at a time, one village at a time, and one region at a time. Balaji Wafers was slowly, but steadily, moving from zero to one.

Cut to Jodhpur, Rajasthan. Almost 25 years later, Hemant Jalan was starting from a scratch. "I started absolutely with zilch," recounts Jalan, who was making a modest beginning from a rented small industrial shed. "I didn't come from a wealthy background, nor did I have any bank loan," he says. Undeterred, Jalan took a stab at manufacturing cement paint, a low-end product that didn't require much capital. Paucity of money made him keep his focus intact on one state with his product, Indigo Paints. "We started with West Bengal," he says. Every year, the company kept adding one differentiated product, and entered one new state.

Meanwhile in Ludhiana, Punjab, Sahil Bansal started hunting for his silver bullet in 2006. After finishing his MBA from the UK, the second-generation entrepreneur joined the family business of soaps and detergents in 2002. Two years later, younger brother Salil too joined him.

The duo hoped to scale the five-decade old business. There was one small problem, though. The venture was not going anywhere. Started by their father Sanjeev Bansal in 1956, National Soap Mills, which sold laundry soap and detergent brands Saheli and Raj, struggled to grow, crawling to some ₹40 crore by 2002.

Over the next four years, the business stagnated. The duo knew the problem: There was no innovation in the product. Their laundry soap was a me-too product, quite like any other soap bars, which were usually blue, brown or yellow. "We wanted one big differentiation," recalls Sahil. The duo ended up adding two: A white soap, which was perfumed. Rolled out in 2010 in the hinterlands of Punjab, Raj Super White was a bold gambit by the brothers. The beauty, as well as a potential problem, of being the odd one out is that the outcome can be disproportionately odd: A massive hit or a huge flop. The brothers were one step away from knowing their destiny.

A decade later in Kanpur, three young directors at Goldiee Masale were brainstorming to change their destiny. While the spices brand had amassed a turnover of ₹648 crore in FY19, missing for the two-decade old company was recognition and respect outside its biggest state, Uttar Pradesh. Started in 1980 by friends Som Goenka and Surendra Gupta, Goldiee had grown at a fast clip in the Hindi belt; now the second generation entrepreneurs—Akash Goenka and his brother Sudeep, along with Shubham Gupta—were confronted with a unique problem. The baggage of Kanpur—famous for leather and textiles and infamous for pollution and illegal firearms—was too heavy to shed, and was turning out to be a huge impediment in their aspirations to build a pan-India brand. Enter Bollywood actor Salman Khan as brand ambassador in 2019, a first for any spices brand in India.

Cut to 2021. The zeroes of yesteryear are now number 1 in a few states. Let's start with Balaji Wafers, which has morphed into a ₹2,374 crore-brand. It has punched above its weight to become much bigger than rivals PepsiCo and ITC in Gujarat, Rajasthan and Maharashtra, and is now expanding its national footprint. Indigo Paints has become the fifth biggest in the decorative paint industry in terms of revenue. Its IPO was subscribed 117 times recently, and the scrip got listed at ₹2,607.50 apiece on BSE, a 75 percent premium over its issue price of ₹1,490.

Goldiee Masale is now the biggest in Uttar Pradesh, Madhya Pradesh and is getting a warm reception outside its bastion. Raj Group has whitewashed Punjab and Rajasthan with its white perfumed laundry bar. Discount apparel retailer Cantabil has mushroomed across tier 3 cities and beyond in a few North Indian states as well as Maharashtra. VKC Group, a Kerala-based footwear maker, which had a sales of ₹50 crore in 2005, has morphed into a ₹2,100-crore giant, operates a battery of 14 brands, and gets 70 percent of its revenue from South India.

BHARAT HAS EMERGED AS THE BREEDING GROUND FOR GOLIATHS; GOODS ARE UNABLE TO KEEP UP WITH ASPIRATIONS

India is in the midst of a regional churn. The old narrative of one David popping up in one of the states to take on the might of a big player is dead. Davids have become Goliaths. Aspirations of consumers across smaller towns and rural India (Bharat) for value-for-money brands (neither cheap nor copycats) have fuelled the rise of regional superpowers who are fearless in their ambition. They have bold dreams, they want to rule every state, and they are smartly going about their plans by unleashing the power of one… one village, one town, one region, one state, and 1 percent market share.

Jessie Paul decodes what 1 percent means. In most industries—soap, FMCG or paint—branded players own around 60 percent of the market share while the balance is taken by various small and local players, usually dubbed as 'unorganised'. The paints industry, for instance, is estimated at ₹78,000 crore. "Grabbing even 1 percent of the market share would create a large company of ₹780 crore," says the CEO of Paul Writer, a marketing advisory firm.

Bharat has emerged as the breeding ground for Regional Goliaths. Paul explains: India is a scarcity market, with availability of goods unable to keep up with aspirations. This is because of the high growth economy, albeit on a low base, coupled with a young demographic. Capital is relatively scarce, limiting scaling of production, and distribution challenges erect a barrier around cities and states. This created an environment for the rise of companies catering to the tastes and aspirations of the upwardly mobile outside the metros. Their playbook is distinctive. They make a humble beginning, with access to less capital and in small towns. Then come superior products, but at a low price. Next is building a solid distribution network through personal relationships and a reputation for reliability. The focus then shifts to adjacent markets. "Once they are big enough in revenue terms [1 to 10 percent of market share], they invest in a celebrity and mass media to build visibility and brand preference," says Paul.

Forbes India takes you through the fascinating journey of a clutch of brands that were born local but started rubbing shoulders with big national and foreign rivals to emerge as Regional Goliaths. Interestingly, for all, it's still Day One. F

BLUE CHIP

How the Rajkot-headquartered Balaji Wafers built formidable fortresses in four states that national foods giants haven't yet been able to breach

By RAJIV SINGH

2014, RAJKOT (GUJARAT)

The chips were heavily stacked against Chandubhai Virani. And he knew it. On one side of the table was Balaji Wafers, a homegrown snacks maker that had hustled over three decades to clock ₹1,000 crore revenue in 2014. Chandubhai and his brothers—Bhikhubhai and Kanubhai—started Balaji Wafers by making potato chips from a small room in Rajkot in 1982. At the other end of the table was the Goliath, a multinational snacks and beverage maker, multiple times the size of Balaji.

The foreign company played its cards. The offer on the table for the Virani brothers was over ₹4,000 crore for selling out. "It was a lot of money," says Chandubhai, but he was not surprised.

For the snacks industry, 2014 had started on a crispy note. In January, WestBridge Capital Partners picked up a 25 percent stake in DFM Foods reportedly for ₹64.5 crore. The Delhi-based company, which had blockbuster ring brand Crax, primarily catered to markets in north, west and central India. Two months later, private equity fund Lighthouse bought around 12 percent stake in the Rajasthan-based Bikaji Foods. The suitors were on the prowl.

Back in Rajkot, Chandubhai was not impressed or overawed by the offer. "I have never feared anything or anybody," says the founder and

Keyurbhai (left), Chandubhai (centre) and Shyambhai Virani of Balaji Wafers at their Rajkot factory. The company is in the midst of a pan-India push

BHUMIL SOOCHAK FOR FORBES INDIA

director of Balaji Wafers. “If they thought they could intimidate me with their size, they were wrong.” And he had the wind in his sales. Balaji had emerged as the biggest wafers brand in Gujarat and Rajasthan, and was among the top three in Maharashtra and Madhya Pradesh.

The perception in Rajkot, though, was different, at least among other regional brands there (including Rajasthan). One of them called up Chandubhai and impressed upon him the need to sell. “You know, companies are like daughters. After a particular age, you need to get them married, and send them to their new home.” Chandubhai stayed stoic. “This company is my daughter and my son. And I don’t sell my family,” was his retort. The offer was nipped in the bud, and the Virani brothers, along with the second generation, got back to work.

Six years later, a lot has changed. Balaji is the undisputed leader in four states and present across 11, and in the midst of a pan-India push. And revenue almost doubled to ₹2,374 crore in this period (till FY20).

What persists is the stubbornness and passion of Chandubhai to keep building the company, and not to sell out or even dilute the family's holding. "Why an IPO?" he asks. "I don't need money. I never needed it."

Back in 1974, when the Virani brothers were forced to migrate from their village in Jamnagar and come to Rajkot in search of a job, all that they wanted was a 'name' for themselves. "We never left our homeland in search of money," says Chandubhai. Due to paucity of rain, his father sold the parched land and gave ₹20,000 to his sons to start a new life by moving out of the village. The trio started a small venture in agricultural products and farm equipment in Rajkot. It flopped after two years, and the brothers started working in Astron Cinema's canteen. "My salary was ₹90 per month," Chandubhai recalls. "And in 2014 I was offered ₹4,000 crore to sell my company," he laughs.

At Astron Cinema, Chandubhai was dreaming big. Two developments helped him see the larger picture. One, getting the contract to manage the cinema canteen. The second was the popularity of the wafers sold at the theatre, with demand outstripping supply week after week. The Virani brothers decided to make potato chips at their tiny, one-room home. The Virani variety found takers, not just within the cinema hall but outside, too.

Balaji Wafers—the brand name inspired by a small glass idol of Lord Hanuman kept in the room of the Viranis—stepped out of the reel world.

The real world started with one big lesson: There is nothing called instant success. The Viranis spotted their first villains in a few retailers who either defaulted on their payments or cheated them by claiming that the packs sold were soiled. Undeterred, the brothers decided to widen their appeal, and reach. Loading bags of wafers on their cycles, and later on bikes, the brothers started moving from one hinterland outpost to the other. The quality and taste were garnering enough appreciation for Balaji to become the talk of the town over the next few years.

In spite of the initial success, Chandubhai was not willing to step into multiple territories. "One area at a time. One fight at a time," says the 64-year-old. The progression has followed a fixed pattern. In terms of footprint, the first priority was to build 'Fortress Balaji' in Gujarat, Rajasthan, Maharashtra and Madhya Pradesh over close to four decades, and only then stepping out in the adjoining areas.

That's not a strategy multinational food companies, with financial and marketing muscle, are known to follow. For many of them, India is one humungous market on a global stage. "*Woh dimaag se kaam lete hain* (They use their brain)," grins Chandubhai. "They have a fixed set of rules, a bunch of defined procedures, and fixation with business and profit. We are just the opposite. *Hum dil aur dimaag donon istamaal karte hain* (We use both: Our heart as well as brain)," he says. The heart part, Chandubhai underlines, comes from not having any sales or revenue targets. "We never chased targets. We never had one," he says. The only thing the company cares about is how to bring happiness to its stakeholders: Consumers, retailers, distributors, and employees. "Can a PepsiCo CEO work on a potato farm? I can. I am still grounded. That is the biggest difference," he says. The next generation at Balaji, he points out, has introduced the level of professionalism needed to keep Balaji modern and traditional. "Profit doesn't give you business," he says. "Business gives you profit." The next generation at Balaji, he says proudly, understands this philosophy.

Shyambhai, the second generation entrepreneur, joined the family business in 2019 after studying economics from Clarke University in the US. "We are the only FMCG company in India that has zero targets," smiles the 24-year-old, who started his stint with the sales and marketing department and now looks after future projects, including expansion. Ask the youngest director in the company how the machinery works without a target, and quick

Name And Game

BALAJI WAFERS
Rajkot, Gujarat

Wafers | Noodles | Extruded snacks | Namkeens

Revenue (FY20)
₹2,374 crore

Brands

Balaji Wafers | Stack Up | Crunchex
Gippi Noodles | Chataka Pataka | Wheelos

Regional Dominance

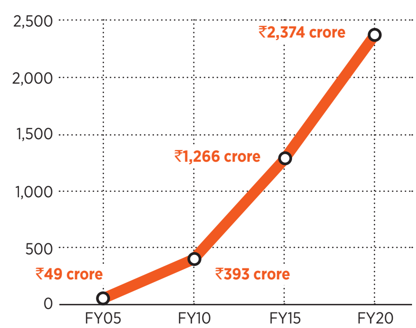
Biggest wafers player in Gujarat, Maharashtra, Madhya Pradesh and Rajasthan

Big Rivals

PepsiCo | ITC | Haldiram's

What Has Worked So Far

Steady growth in revenue over the last two decades



Focus on one market at a time

- Started with Gujarat, then moved to adjoining states
- Now present across 11 states

Heavy investment in manufacturing

- Has four factories at Rajkot, Valsad, Vadodara and Indore
- Makes over 50 varieties of products from wafers and nachos to noodles

INFOGRAPHICS: SAMEER PAWAR

comes the one-word answer: Pull. "We just focus on quality, which is the biggest pull for consumers."

Though Balaji might not be pushing its products, the company is definitely pushing its frontiers in terms of expansion to new geographies. "We are now going pan-India," says Shyambhai, outlining the expansion blueprint. The first thing, he stresses, is to set up manufacturing facilities across the country. Balaji can't supply to the new regions from the four plants it has across Gujarat and Madhya Pradesh. "A new plant is coming up in Uttar Pradesh," he informs. Next would be Delhi-NCR, South and East India. In terms of new products, wafer biscuits would be coming soon, apart from some ethnic snacks.

Balaji, reckon industry analysts, is only desi in name. In terms of the way the Rajkot-based company has run its operations, it's nothing less or ever better than an MNC. "Material cost is at a staggering 78 percent, which clearly translates into delivering great value for money for consumers," says KS Narayanan, a food and beverage expert (the average for the industry is 65 percent). Despite a 78 percent material cost, other costs are just 9 to 10 percent, showing it's a well-run tight-knit operation, leading to about a 10 percent-plus profit margin on a consistent basis. Moreover, on an average, there are about 50 to 80 percent more wafers per pack. Selling and distribution costs—below 0.5 percent of sales—are a case study in efficient distribution management, he contends.

The other bright spot in the report card is the inventory turnover ratio, which is in the range of 25 (the industry norm is 15). This means an efficient management of finished goods (on an average about 15 days only), which has ramifications on stock freshness and inventory ageing. "These are critical for a category like foods and snacks," says Narayanan. Trade receivables for Balaji, he points out, are almost next to nil averaging one to three days. This is staggering for a company of this size and magnitude. "The journey has been nothing short of spectacular."

The road ahead, though, might throw a fair bit of new challenges for Balaji. The biggest is the move to enter new states in its quest to become a pan-India player. Marketing experts sound a word of caution. "There can't be a one-country potato snack," says Harish Bijoor, who runs an eponymous brand consulting firm. What helped Balaji, he points out, in having an undisputed reign in four states was the proximity of the states and the time the company took to crack taste, and distribution: Three decades. New states will not only have established players, but also new sets of local variation in taste buds. "If the four states are bigger than many European countries in size, then what's the need to explore new frontiers?" he asks.

Chandubhai, for his part, contends that the move is not driven by greed. "We have never chased market share. All we want is a share of consumers' love," he says, adding that the company started with a vision to make a name for itself. "We never dreamt that we would come so far." Balaji indeed has. Chandubhai, and the company he built with his brothers, reinforces one cardinal truth about desi Goliaths: It is easier for a small guy to see a big dream than a big guy to see one small dream.

The Likely Challenges

- As it moves outside its turf, it will have to contend with the local players and tastes, and the big players that dominate
- Expansion would mean tackling logistics, which can be a nightmare for a regional player

The Journey

1974
- The Virani brothers—Bhikhubhai, Chandubhai and Kanubhai—come to Rajkot looking for a job
- Start working at the canteen of Astron Cinema, and soon get the contract to run it

1981-88
- Start making wafers at home; brand it Balaji, and start selling them in the canteen
- Over the next few years, the brand reaches neighbourhood retailers

1989
- Set up a semi-automated plant in Rajkot

1995
- Set up a fully-automated plant
- Extend the line of products to namkeen and other snacks

2002
- Launch a new state-of-the-art manufacturing plant in Rajkot
- Widen distribution network across Maharashtra and Rajasthan

2008
- Set up a plant in Valsad, one of the biggest in Asia
- Build units for namkeen and other snacks, enter Madhya Pradesh

2015
- Set up a plant in Indore to serve northern and western India

2020
- Range of over 59 products and 120-plus SKUs
- Takes the dealer network count to over 1,000
- Second generation looking after various divisions: Keyurbhai and Mihirbhai (sons of Bhikubhai) look after R&D and marketing, respectively
- Pranaybhai (son of Chandubhai) takes care of liaisoning and development
- Shyambhai (son of Kanubhai) is the youngest director and looks after sales and marketing

"THERE CAN'T BE ONE INDIA, ONE POTATO CHIPS BRAND. BALAJI WAFERS NEEDS TO KEEP THAT IN MIND AS IT EXPANDS."

HARISH BIJOOR
BRAND STRATEGIST

MIGHT OF WHITE

How Raj Super White, a white perfumed laundry soap—the flagship product of parent company Raj Group—helped the Bansals whitewash Rajasthan and Punjab

By RAJIV SINGH

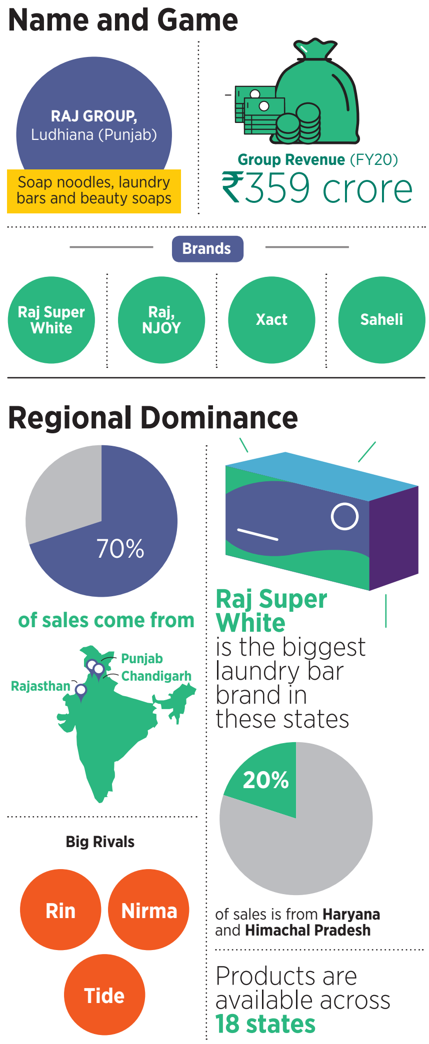
In 2010, Sahil Bansal and his younger brother Salil had only one item on their bucket list: Raj Super White. After two years of extensive research and hard work, the duo from Ludhiana developed a white perfumed laundry soap that they took to the market as Raj Super White. The excitement of the second-generation entrepreneurs who came back to Punjab after an MBA from the UK—Sahil in 2002, and Salil two years later—was palpable. Started by their father Sanjeev Bansal in 1956, the family business of laundry soap and detergents under the name National Soap Mills had stagnated.

After five decades, turnover was at ₹40 crore in 2002, and consumer reach of their local brands Saheli and Raj was nothing much to talk about. Nothing changed even after four years. The revenue hovered around the same mark. For the brothers,

The Bansals of Raj Group: Salil (left), director, Sanjeev (centre), chairman, and Sahil, who is managing director

the crisis was an opportunity to take fresh guard, and start from zero. “Raj Super White was one silver bullet we were looking for,” recalls Sahil. The product was rolled out, and the sales team fanned across the state to whitewash the market.

There was a glitch, though. There were no takers. The first problem was colour. ‘Who makes white soap?’ retailers and distributors asked the brothers. They had a point. Punjab, and India, was used to coloured laundry soap and bars: Brown, yellow and the most predominant colour, blue. ‘Is white soap for bathing or washing?’ asked some curious kirana



owners. They too had a point: Raj Super White was a perfumed soap. And the last gripe was the most potent one: The price of the white soap was two times of what was available in the market. ‘Are you serious? It’s a soap, and you are charging the cost of detergent,’ quipped others.

The soap’s chances of success were fast dissolving. The Bansals dreaded the possibility of staying confined to being a B2B player. Four years after coming back from the UK, Sahil entered the business of supplying soap noodles to big FMCG players in 2007. The business had money, but no visibility, no name. “We always wanted to start our own brand, and make it big,” says Sahil. Raj Super White was the Great White Hope.

As the sales team of Raj Super White drew a blank in the first few months, the brothers decided to take things in their own hands. Sahil dusted off his red Bullet lying in the garage for over two years, and Salil rode pillion with a bucket and a few packs of soap. The duo hit the country roads, reached out to the old dealer network that their father had cultivated over the last five decades, and dared the shopkeepers to take the bucket challenge. Salil filled the bucket with water, and dipped the white soap and a rival bar (blue or yellow) in it. The perplexed store owners, along with their families, stayed glued to the bucket for a few minutes. “Then the magic started,” recalls Salil. While other soaps started dissolving, the white one stayed in shape. The elder brother upped the ante. “The soap is perfumed, not harsh on your hands, and it is more effective than the ones you are using,” was Sahil’s fervent pitch. For a month, the brothers continued with their bucket challenge.

The gambit paid off. Raj Super White, the flagship product of parent company Raj Group, was starting to show its might. The first year brought in sales of ₹5 crore, the fourth year ₹22 crore, and by FY20, the soap crossed the three-digit mark with ₹112 crore. The brand is the biggest laundry soap in Chandigarh, Punjab and Rajasthan. The big move by the Bansals, though, came in the pandemic year when Raj Super White became one of the sponsors of *The Kapil Sharma Show*, a comedy programme aired across the country.

The timing seemed perfect. The brand had achieved scale—over 1.5 lakh retailers and 2,000 distributors across a few Northern states—and was looking for a big push to expand its play. Visibility on national TV worked. The brand is set to cross sales of ₹155 crore by March. “The show worked brilliantly,” says Sahil.

What also worked for Raj Super White was a slew of low-cost marketing campaigns. From

INFOGRAPHICS: SAMEER PAWAR

advertising in cinema halls to wall paintings and from free samplings across rural haats (markets) to in-shop branding and populating every possible out-of-home hoarding space, the Bansals painted the town white with their soap brand. There was one more masterstroke: Free soaps to kids in school. The magic worked. "The mothers used it, and they got hooked to the brand," says Salil. The tagline of the soap—if you use it, you will end up advertising it—stayed true to its claim. For the first five years, the brand grew on the back of word-of-mouth advertising.

What also spread the reach of the brand was the move to enter the hinterlands first. The reason: Rural India is more open to experimenting with a new product. "Who would have given us a chance against Rin or Tide or Surf in tthe op cities?" asks Sahil. The city consumers, he lets on, are brand conscious, and a new brand would have met a premature death. Also, the Bansals didn't have the financial muscle to fight the big boys on their turf. In their fortress—Punjab and Rajasthan—the duo was silently building another moat, without catching the attention of the big rivals.

Egged on by the performance of the white laundry soap, the Bansals launched beauty soap NJOY in 2017. The idea for a toilet soap, though, came from the distributor and retailer network. The logic was simple: Ride on the distribution footprint to peddle NJOY. The move has seen early success in sales: From ₹20 crore in FY18 to ₹28 crore in FY20. "Now we have two weapons in our arsenal," says Salil. The biggest, he underlines, is Raj Super White.

Marketing experts decode what helped the Bansals crack the laundry market. Regional brands have a unique tenacity, entrepreneurial spirit and understanding of the local consumer, reckons N Chandramouli, CEO of TRA Research, a brand rating and consumer analytics company. Hundreds of such brands, he explains, give a bloody nose to the 'so-called' national brands in their own regions, having built an impregnable moat of consumer-confidence and trust. The Bansals, Chandramouli stresses, have taken a leaf out of the playbook of their famed predecessors Nirma and Ghadi.

"Building pockets of influence to begin with helps in keeping national brands at bay," he says. Brands driven by entrepreneurs can only think of doing something unpredictable, like a bucket challenge. "Who does it? Would a big brand do it?" he asks. The move to launch a laundry soap, and not powder, was equally smart. The penetration of washing machines in India is still low, while laundry soaps have takers across the country and socioeconomic divide. The success of a brand, priced more than the rivals in rural areas, shows that consumers are eager to give a premium to value products.

The going, though, might not be easy. For regional brands, stepping out of their traditional bastions is rife with problems. "Geographies and demographies react very differently," says Chandramouli. Then there is the problem of a sea of lookalike local brands that might gate-crash the party by playing price warriors.

The Bansals are aware of the pitfalls. The biggest plus for Raj Super White was a differentiated product. Being a me-too or a copycat brand doesn't have any future. "Innovation gave us success, and this remains our edge," says Sahil. The move to not aggressively push NJOY beauty soap underlines the need to play to their strengths. "There is no innovation in NJOY. It's just like any other beauty soap," confesses Salil. Competing in a highly competitive market, he explains, calls for loads of advertising dollars. "We can't match a HUL or Godrej in advertising budget," he says. While the aspiration to become a national brand exists, the Bansals will wait for the right time. "The bucket list has to be realistic as well," he smiles. The younger brother chips in. The brand will penetrate deeper into its strong states and then think about other regions. "Being a regional giant is a badge of honour that we would love to enjoy for now," he says.

The Journey

Sanjeev Bansal started National Soap Mills in **1956**

The company sells **laundry soap** and **detergent** under **Saheli** & **Raj brands**

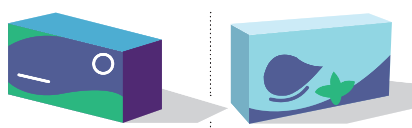
Revenue and PAT of National Soap Mills

FY20
₹47.07 crore
and
₹4.82 crore

FY21
(Till December 2020)
₹39.72 crore
and
₹3.02 crore

Second generation Sahil and Salil Bansal started Raj Industries in 2007

Raj Industries makes



Raj Super White (laundry soap)

NJOY (beauty soap)

Sells **soap noodles** to **top FMCG players**

Revenue and PAT of Raj Industries

FY20
₹312 crore
and
₹40.82 crore

FY21
(Till December 2020)
₹302 crore
and
₹35.89 crore

Brothers start PAOS Productions in 2020

- The company is into contract manufacturing of soaps for FMCG majors
- Launched dual-colour laundry bar XACT in January 2021

What has Worked So Far...

- Over five decades of experience in manufacturing soaps and soap noodles
- A differentiated product, positioning and marketing for Raj Super White
- Staying away from top cities; keeping sharp focus on the hinterland
- Leveraging wide and deep distribution reach

...And the Likely Challenges

- Deep pockets and might of big rivals in top cities and other states
- Limited marketing and advertising spend of Raj Super White and NJOY
- Stepping out of its bastions will drain limited resources, and bring it under pressure on home turf

MEGHA श्रेय

GRITTY, SOCIAL ENTREPRENEUR – MS. SEEMA SINGH

Meet this inspirational woman who is on a mission to empower the lives of the underprivileged.

Seema Singh, Founder, NGO MeghaShrey

Ms. Seema Singh is a prominent Social Entrepreneur in Mumbai. She is the founder of NGO 'MeghaShrey,' which works towards the betterment of underprivileged people and to feed the hungry in India.

As a Homemaker turned Social Entrepreneur Seema was prompted to set up a NGO in the year 2000 to work with the underprivileged children, youth and young women and their families with an aim to build a better future for them, with the promise of a stronger India.

She has made a significant contribution to humanity at large through her contribution and operation of the NGO 'MeghaShrey,' which has been working in the areas of children's education, women empowerment, food donation and much more.

Currently Seema has organized a unique initiative of a fitness marathon for underprivileged kids. The goal of this campaign is to promote 'healthy living' through a fun marathon run amongst the needy children. These kids have fewer resources to participate in such events. This campaign will boost kids enthusiasm while encouraging them to stay fit by running. Team MeghaShrey are also excited about the upcoming Fitness marathon for Kids. Seema has organized practice session for participating kids. Children are practicing in the ground and having fun too.

Since her early days, she always wished to bring about a positive change in the society and make the world a better place to live in by helping the needy people. To fulfil her mission in life, she started various social initiatives 15 years ago. Over the years MeghaShrey NGO has organized many food distribution drives, education related initiatives, sapling distribution drive, blanket distribution drives and conducted many other social activities.

Seema is deeply blessed to have a family who not only supports but also contributes to her cause of making a difference in the world in their own small way. She has always received immense support from both her children in all her social activities.

Seema and her team at NGO MeghaShrey are working on their mission to develop a better and brighter future of Young India.

HOT AND SPICY

Kanpur's Goldiee Masale lords over the Hindi-speaking belt in North and Central India. What's next for this Salman Khan-endorsed spices brand?

By RAJIV SINGH

In 2002, when Akash Goenka was asked to return from the UK to join the family business in Kanpur, he understandably knew little about the family business of spices. His father, along with childhood buddy Surendra Gupta, had started Goldiee Masale in 1980. In two decades, the company had reached a reasonable scale: ₹60-crore turnover, and a decent spread across Uttar Pradesh and Bihar.

After completing an MBA from Cardiff Business School, Goenka had joined British Gas, where he had completed eight months. "I was well settled in London," recalls Goenka. A transition from a big global brand in London to a local brand born out of the largest city in Uttar Pradesh wasn't going to be easy. The second-generation entrepreneur had to grapple with the usual set of issues in the family business, the biggest being transforming it into a professional entity. The venture lacked automation, the sales force was alien to technology, and taking on the might of the 'Big Boys' of the spices world—Everest, MDH and Ashok—was on top of the agenda. "I was not prepared for the grind," Goenka tells *Forbes India*.

There were other irritants as well. Implementing an enterprise resource planning (ERP) software to manage the business, and importing power generators from Japan was done on

(From left) Akash Goenka, Sudeep Goenka and Shubham Gupta, directors of Goldiee Masale, have taken the brand into new markets and products war footing to fix some of the nagging issues. Meanwhile, Goenka's brother Sudeep joined the business in 2006. The following year Shubham, son of Surendra Gupta, followed suit. Though the trio had much on their plate, the determination to make Goldiee big in scale, size and sales made them hustle relentlessly over the next decade.

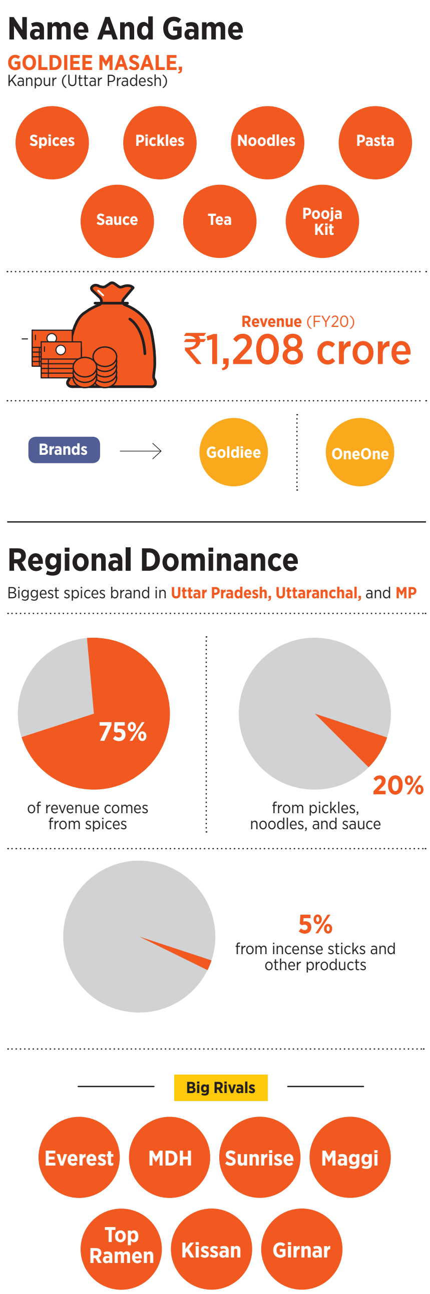
The efforts started to pay off. In FY18, Goldiee posted revenue of ₹591 crore, became debt-free, and had a presence across 18 states. Though the top line had almost doubled in six years—from ₹275 crore in FY12—it masked two crucial problems. One, sales had virtually stagnated in the FY16-18 period. Two, although Goldiee had spread itself wide, the three states of Uttar Pradesh, Madhya Pradesh and Uttaranchal accounted for most of its revenues. Goldiee was still struggling with the 'stigma' of being a regional brand.

Mumbai, circa 2010: Akash got to know the taste of being dubbed a 'regional' brand. One of the top supermarket chains refused to stock Goldiee Masale. "We were a non-entity for them," he recounts. The Goldiee name sounded dubious. "They thought we are a fly-by-night operator." Sudeep explains the second reason. Kanpur, he underlines, was more known for leather and textiles. Shubham lists out the last factor. Maharashtra already had its big brand—Everest—and MDH too was a household name across the country. For any new player, breaking into the top cities was almost ruled out.

Cut to 2019. Salman Khan becomes the face of Goldiee Masale. The image of the Bollywood actor was pasted on every SKU of the spices brand. "It was a blockbuster move," says Goenka. Sales almost doubled—from ₹648 crore in FY19 to ₹1,208 crore in FY20; entry into other states became easier, with big supermarts in Maharashtra and Karnataka welcoming the brand. "In one go, we became nationally recognised," smiles Shubham. Nobody cared about the Kanpur origin. All

"ROPING IN SALMAN KHAN HAS GIVEN US WIDER ACCEPTANCE, RESPECT AND ENTRY OUTSIDE OUR STRONG STATES."

AKASH GOENKA
DIRECTOR, GOLDIEE MASALE



that mattered now was Salman Khan on the pack. The move helped in two more ways. Big retail distributors across the country started queueing up to get hold of the brand. "They were willing to do business on our terms and conditions," says Sudeep. Goldiee Masale as a company, he adds, never did business on credit. "It has always been 100 percent advance," he says. Even in UP and other strongholds, the brand found more acceptance.

The success of Goldiee Masale, say industry analysts, highlights another crucial acceptance: Branded spices becoming a way of life. Over the last few years, the country has been moving towards branded spices, which is no longer a commodity. From salt to turmeric to chillies, every ingredient has got branded, and has increasingly made its way into kitchens across cities, towns and villages as Indians turn aspirational.

With 85 percent of the spices market still unorganised and unbranded, the headroom for growth is massive. Forget top cities. "Bharat is hungry for brands," contends Jaspal Sabharwal, a private equity veteran and CEO of TagTaste, a sensory analytics and product development platform. Usually, the big brands that have emerged out of hinterlands or smaller towns and cities are the ones from 'boring' and 'normal' segments. "But that's where the success is," he explains.

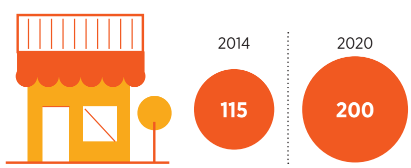
The past 20 years' analyses of success and failure in India's food domain indicate that small-town success stories often start with a very basic idea. They cannot imagine anything that could replace the magic of the little joys of food that transcend culture and borders. "Spices, ethnic beverages, breakfast batter are some of the categories where they find success," says Sabharwal. Even if brands don't go national, they have nothing to lose. India's potential is within every immediate 250 km radius. "Tap that and you go into the next 250 km and so on," he adds.

INFOGRAPHICS: SAMEER PAWAR

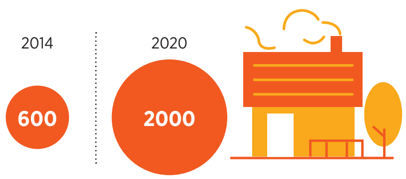
What Has Worked So Far...

Started by two friends— **Som Goenka** and **Surendra Gupta**— in Kanpur in 1980, Goldiee has expanded its footprint, and grown at a fair pace

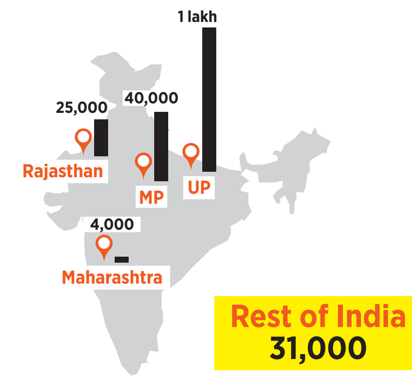
Presence across number of outlets (in thousands)



Rural distributors (units)

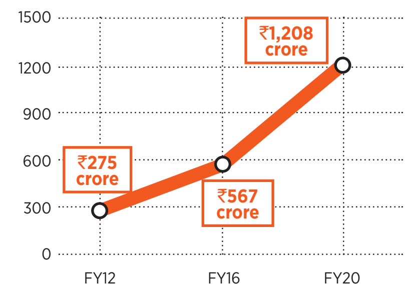


States with most outlets



Map not to scale

Revenue has grown at a fast clip



...And The Likely Challenges

- Well-entrenched rivals in Delhi, Maharashtra and other states
- Aspirations to have a sizeable play across India might spread it thin
- Diversifying into more categories might take a toll on core brands

For the young guns at Goldiee, though, staying regional was not out of choice. "A national brand is what we aspire to be," says Goenka, adding that the contract with Salman Khan has been extended till 2023. What has also helped Goldiee scale its business is its presence in a wide range of products apart from spices—pickles, noodles, pasta, sauce, tea, and pooja kits. A diversified presence turned out to be a blessing in the pandemic year. OneOne noodles, Red Gold tea and tomato ketchup sold like hot cakes as people hoarded whatever they could during the lockdown months. The biggest collateral advantage was not skyrocketing sales, though. "People got to try the brands, and this happened with zero marketing spend," says Akash.

A wide product portfolio, say marketing experts, also helped it stay differentiated. "Even if you have one strong horse in your stable, it's never a good bet to be a one-trick pony," says Ashita Aggarwal, marketing professor at SP Jain Institute of Management and Research. For a spices brand, especially not a big one, the biggest challenge in expanding the distribution footprint is the absence of that 'extra' that every retailer and dealer asks for. Goldiee, she underlines, always had an answer. Retailers love to push a company with multiple product offerings.

Som Prakash Goenka (left) and Surendra Kumar Gupta founded Goldiee Masale in 1980

Goenka agrees. Usually, in a kitchen, a new pack of spices is emptied into a bottle or jar for use. "The brand name and the pack disappear once the spices enter the kitchen," he says. Now, what if the brand stands tall on the dining table or kitchen shelf in the form of a sauce bottle, or more products? "The pooja kit precisely does that. It keeps the brand alive and visible," he adds.

For the dealers and retailers, too, it's not only about more products. Goldiee, he explains, has built a special relationship across the states. The bond has got cemented not only due to attractive margins but also out-of-the-box promotional schemes such as cars and bikes as prizes in lucky draws. "Dealers, retailers and shopkeepers are part of the Goldiee family," he says. Salman Khan, he adds, is the new member in the family, which is now expanding furiously. "We definitely want to be the biggest spices brand in India," says Goenka. F

NIPS HOTEL MANAGEMENT INSTITUTE'S ALUMNI MAKING WAVES INTERNATIONALLY

Ranked among top 90 colleges in World, NIPS proves itself to be the Best Hotel Management College for Placements

Vivek Pathak,
MD, NIPS Hospitality Group

Founded in 1993 by Mr. Vivek Pathak, NIPS Hotel Management College has consistently maintained its position as the de facto leader in the field of hospitality education. NIPS alumni have been known to easily reach and prove themselves at the top National and International levels with the knowledge and skills that they acquire while pursuing their Diploma, Bachelors and Masters Degrees in Hotel, Hospitality and Culinary courses at NIPS.

The World Association of Chefs' Societies has awarded NIPS the recognition of Quality Culinary Education Program. Coming from the highest body of the global network of more than 100 chefs' associations representing chefs at all levels and across all specialties worldwide, this award and recognition has seen NIPS join the top 90 hotel & culinary schools of the world which consistently deliver quality culinary education. No wonder then, that placements are one of the key strengths of NIPS and its alumni find it so easy to make their names on international platforms.

One of the alumni of NIPS, Priyam Chatterjee, was recently awarded 'Chevalier de l'Ordre du Mérite Agricoleto' by the government of France to recognise his contribution towards reinventing the gastronomic scene in India. He is the first Indian Chef to receive this honour and establish NIPS' reputation among the European countries. NIPS has held the best alumni career development record for the past several years.

"At NIPS, we are extremely proud of the individual or collective achievements of our students, be it during their studies while at the institute, or at the industrial training, or after the completion of their course. Our alumni have always added glory to the college by their outstanding performance while on the job in India and across the world and maintaining a happy and healthy family life as well as career growth," says Vivek Pathak, Managing Director, NIPS Hospitality Group.

The international reputation of NIPS Hotel Management Institute is based on its world-class teachers and academic programs combined with high-quality industry internships in India and abroad. NIPS is devoted to excellence in teaching, learning, and research, and to developing leaders across disciplines who make a positive difference in the world. NIPS takes pride in educating students to cultivate their personal networks to shape their professional journey, rather than simply placing them in jobs.

NIPS has an exemplary placements and internships record since its inception in 1993. NIPS Placement department is headed by none other than its Deputy Director, Celebrity Chef Joseph Uttam Gomes, who personally streamlines the recruitment process for national and international companies. Chef Gomes personally looks at each student's potential and guides him or her to choose the right path to reach the leadership stage.

The track record of NIPS' alumni proves that NIPS is the Best College for Graduate employability. The institute has created a legacy of producing some of Industry's best Directors, Vice President, Executive Chefs, General Managers, HOD's, Entrepreneurs, Mixologists, Wine Experts, Captains, Cruise Managers, Food & Product Experts, etc. Many of the students are either working abroad or settled as a permanent resident in countries like the USA, England, France, Canada, Germany, South Africa, Mauritius, Maldives, Seychelles, UAE, Qatar, Kuwait, China, Thailand, Singapore, New Zealand, Australia, Russia, etc. It's evident that NIPS' students reach top positions in their chosen field, making it the Best Hotel Management College for Placements.

NIPS Hotel Management Institute is home to many famous celebrity Chefs & Experts. Internationally acclaimed Master Chef Judge, Chef Kunal Kapur is a faculty member at NIPS and imparts his expertise as Chef de Specialiste. Other prominent names at NIPS include Chef Gomes (Chef of The Year for three consecutive times), Ranabir Ray, Asst. Director, and Samrat Dutta, Academic Head, Chef Moumita (a prominent face on television), Arjun (Master Mixologist), Bakery Chef Afaque (Celebrity TV personality) among others, all of whom contribute towards making every student a true professional. The strong bond between the teachers, students and alumni of NIPS is one of its key strengths that make it the best institute to study for placements.

Teachers' experience is the key formula to NIPS students' success. NIPS students are trained through exciting and interactive Master Classes, where experts share their wealth of knowledge and experience. This helps NIPS students in familiarising themselves well with their subjects and practice their skills and hone them to perfection. NIPS helps each of its students to prepare for exciting career paths ahead.

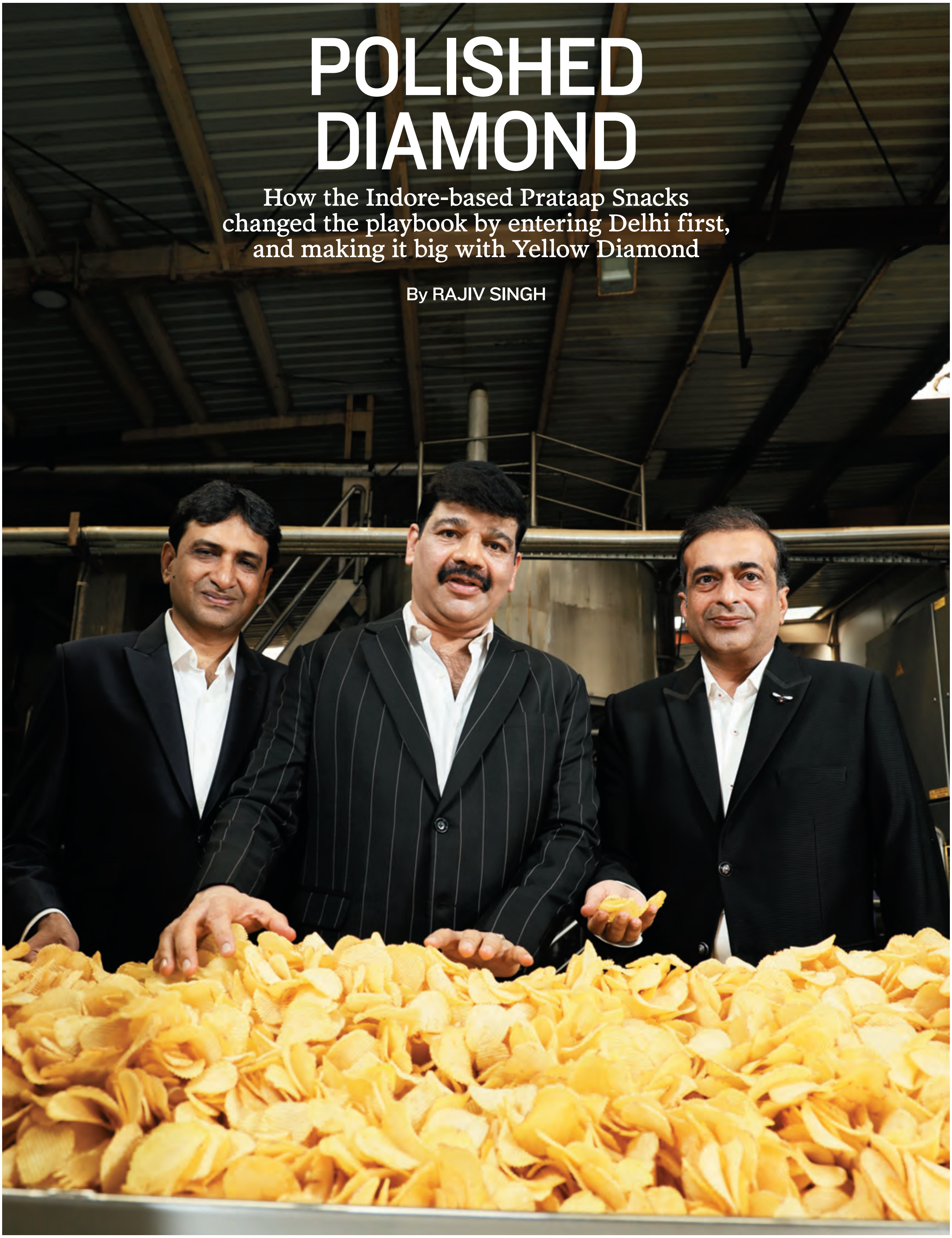
For more information on NIPS Institute or the courses it offers, please log on to www.nipsgroup.in

REGIONAL GOLIATHS

POLISHED DIAMOND

How the Indore-based Prataap Snacks changed the playbook by entering Delhi first, and making it big with Yellow Diamond

By RAJIV SINGH



(From left) Amit Kumat, MD & CEO, Arvind Mehta, chairman & executive director, Apoorva Kumat, executive director (operations), Prataap Snacks

AKASHDEEP VERMA FOR FORBES INDIA

It was a question of 866 km versus 35 km. The preferred option, and the easiest one, for Amit Kumat would have been Mhow, a cantonment area, some 25 km from his production unit in Indore. Kumat, however, opted for a destination 866 km away—Delhi—to sell his brand of cheese balls and fried flatbread under Yellow Diamond, the flagship brand of Prakash Snacks, in 2004.

For the man with a master's degree in science from the University of Southwestern Louisiana, US, there was a method in the choice of the national capital: The per carton freight cost to Mhow was higher than that of ferrying goods to Delhi. "It was a no-brainer," recalls Kumat, who had run three failed ventures for six years before teaming up with his brother Apoorva and friend Arvind Mehta to start Prakash Snacks from a 100 square-feet room in Indore in 2004. The street-smart entrepreneur spotted an opportunity in long trailer trucks carrying Maruti and Hyundai cars from Delhi to Indore. The trucks, Kumat noticed, would go back to Delhi empty. In a win-win for the drivers and Kumat, the entrepreneur loaded the truck with his cartons of snacks. In one go, a local brand from Indore was catapulted to the national capital where it started rubbing shoulders with much bigger rivals such as PepsiCo, Haldiram's, ITC and DFM Foods (of Crax fame).

Coming to Delhi, though, was the easy part. Surviving in the national capital over the next few years was not. Deep-pocketed rivals with wide distribution power muscled out the fledgling brand, which was getting products made from a third party in Lucknow and Bhopal. In 2006, Kumat took control of the production and launched a potato chips unit in Indore. A year later, the trio started Prataap Snacks, and the old company Prakash got merged with it.

Meanwhile in Delhi, the chips were still down for Kumat and Yellow Diamond. Prataap couldn't match the rivals in terms of advertising and retail footprint; and its chips and random extruded snacks under the brand Chulbule—a lookalike of PepsiCo's Kurkure—was not gaining traction. There was only one way to survive. "You need to be different from others," says Kumat, the managing director and CEO of Prataap Snacks.

To take on the heavyweights, He started punching much above his weight. He loaded his ₹5 pack with more chips—30 gm—compared to 22 gm offered by the rivals. Besides, while keeping his focus intact on Delhi, he started moving deep into Haryana. The gambit worked. Consumers lapped up the brand and Prataap Snacks started to establish itself in north India.

Now it was the turn of the West. Buoyed by the initial success in Delhi and Haryana, Kumat advertised for the first time in 2007. It was not a product commercial, though. The print ad in a leading national daily—Kumat shelled out ₹5 lakh for it—was to seek distributors and super-stockists in Pune. Kumat expected hundreds of applications, but got only one from Pune. But the applicant, it turned out, neither had money to buy goods nor a place to stock products. He stayed in a small room close to the railway station, had recently quit his marketing job and wanted to get into distribution. Kumat took a leap of faith.

The bold bet again paid off. Prataap made a promising entry into Pune and Mumbai; the brand grew at a decent pace overall and reached ₹172 crore in revenue by FY12; and Sequoia invested in the company. The success whetted the appetite of Kumat who now thought of doing something adventurous: Moving outside the cluttered wafers market, and taking on the market leader in Delhi in the rings category, DFM's Crax. The plan bombed. Reason: In the ₹5 pack, Prataap had inserted a small toy for kids. There were few takers. Disappointed, Kumat sent all the stock—100 cartons—to his distributor in Assam, with one message: Sell if you can, else burn the stock.

As luck would have it, Assam made Prataap lord of the rings. The demand was so massive that Prataap had to

Name And Game

PRATAAP SNACKS
Indore (Madhya Pradesh)

Rings | Chips | Extruded snacks | Namkeens | Sweet snacks

Revenue (FY20)
₹1,393 crore

Brands → Yellow Diamond | Avadh | Chulbule

Regional Dominance

50% sales from **Delhi, Haryana, Maharashtra, West Bengal,** and **MP, 15%** from **South India;**

Leader in 'ring' category of snacks, a **₹1,000-cr** segment

Big Rivals

Lay's Kurkure | Bingo

The Journey

FY04
- Prakash Snacks starts operations, debuts with selling cheese balls

FY05-07
- Sets up a plant to manufacture potato chips in Indore; Starts Chulbule plant at Prakash Snacks in Indore in 2007; Sets up Prataap Snacks and merges Prakash's business with it

FY10
- Prataap Snacks gets incorporated, sets up potato chips plant in Indore

FY12
- Sequoia invests ₹62 crore

FY13-14
- Commissions rings and namkeen plant in Indore; doubles the capacity of potato chips plant at Indore to 12,000MT per annum; sets up plant in Guwahati for rings and Chulbule

FY17
- Faering Capital buys 2.9% stake, another plant is set up in Guwahati

FY18
- IPO gets oversubscribed 47x; launch of Kurves, Nachos in salty snacks and YumPie in sweet snacks; enters into third-party contract manufacturing in Ahmedabad, Kolkata and Bengaluru

FY19-20
- Buys Avadh Snacks in Gujarat; starts third-party contract manufacturing at Karjat, Kashipur and Hisar; launches Cup Cake; concludes merger of Pure N Sure

INFOGRAPHICS: SAMEER PAWAR

set up two manufacturing plants in consecutive years. Kumat now started advertising on kids' channels across India, including Delhi. The kids loved the product, and the toys. There was no turning back for Prataap, which roped in Salman Khan as brand ambassador in 2016; it got listed the next year, closed FY20 with revenue of ₹1,393 crore, and now gets 35 percent of sales from rings, making it the biggest player in an estimated ₹1,000-crore category. "We are the biggest toy consumer in India," smiles Kumat.

He is not kidding. Prataap sells around 40 lakh packs of rings every day and has a separate division designing toys for kids. The company gets 50 percent of its sales from five states—Delhi, Haryana, Maharashtra, West Bengal and Madhya Pradesh—and 15% from South India *(see graphics)*.

GV Ravishankar, managing director at Sequoia India, explains the magic of regional giants like Prataap. Superior understanding of regional preferences and the ability to tailor products to the primary consumer base have led to certain brands faring better in certain parts of the country. Take, for instance, spice brands, which have seen regional dominance because Indians tend to have varied palates depending on location. "This effect may be slightly subtle when it comes to personal care products," he says. But even there, Ravishankar lets on, ingredients like turmeric and sandalwood may be more popular in the south.

Launching sharp local media campaigns has also worked for regional brands. They are able to target consumers through focussed campaigns as compared to 15-20 years ago, when there were no regional channels of scale to make this a viable option. Sun TV, for example, created a significant dent in the south, and local brands could choose to focus their TV campaigns only on Tamil Nadu if they wished, points out Ravishankar. These channels are also

Prataap At A Glance

11 million Packets of snacks sold every day

100 plus SKUs

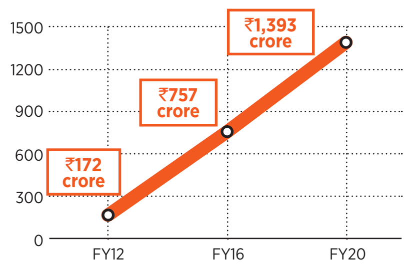
14 Manufacturing plants (five owned, 9 contract)

Market leader in Ring category

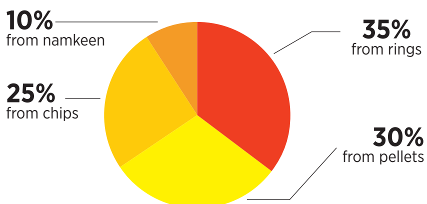
4,100 Distributors

1.7 million Retail outlets

Steady growth in revenue



Share of each category in the pie



What Has Worked So Far...

- Identifying a niche—ring category in snacks—and build a strong moat around it
- Aggressively building and pushing Rs 5 packs helped in deep penetration into smaller towns and villages
- Offering more bang for the buck: ₹5 packs offer 25% more than what is sold by rivals
- Offering a wide range of toys in the 'rings' products helped in wooing kids
- Roped in Salman Khan as brand ambassador in 2016 to widen appeal and reach

...And The Likely Challenges

- Fight from local brands who have rolled out lookalike products and are playing price warriors
- Entering into new categories and regions might diffuse the focus

more affordable than English or Hindi, and led to several regional brands successfully marketing and scaling their businesses to a local consumer base. "Stronger consumer awareness and targeting has subsequently led to deeper consumption markets aided by better purchasing power," he adds.

Back in Indore, Kumat contends that a deeper consumption market happened by design, not by default. The strategy to go deep into one state, make it a stronghold and then move to the neighbouring region had worked for the brand. So did the plan to have a slew of innovative products. "You can't play price warrior anymore. You need to have more differentiated products," he says. The move came handy during the pandemic year.

For a company, which gets a significant portion of its sales from the ₹5 pack—an impulse category—2020 was turning out to be a horror year. The bestseller was out of action, sales of rings and chips tanked, and the company was staring at hard times. There was a silver lining, though: Take-home packs of namkeens. The smallest performer in the class—Prataap gets just 9 percent of revenue from salted snacks (namkeens)—turned out to be the shining star. There was a learning as well. Kumat started making more take-home packs and aggressively pushed the production of namkeens. More steps were taken to cut production, distribution and transportation costs. Oil content was slashed, cartons were redesigned to squeeze in more, and labour cost was rationalised. "Crisis teaches you more," he says.

Kumat had a big learning even during normal times too. In 2016, Prataap launched sweet snacks. The idea was to use the same retailer network to push the new product—a layered cake with gems and choclolate—but it died a premature death. Reason: Shopkeepers used to hang the packs outside the shop, and the product used to melt in the heat. After two years, Prataap pulled the plug.

Fast forward to 2021. Kumat is again trying to make a dent in the sweet market with cupcakes and sandwich cakes. Will he finally find his sweetheart? "We live up to our brand philosophy: *Dildar hain hum* (we are big-hearted)," he smiles. F

MEET JAYAPRAKASH M. THE BUSINESS TROUBLESHOOTER

Mr. Jayaprakash M is referred to as a Troubleshooter in the business circles he moves in. "Every growing business has issues, problems and bottlenecks. I help my clients deal with them, effectively and efficiently."

Mr. Jayaprakash M. is a highly sought-after consultant for projects in the Oil & Gas Retail Industries, FMCG, Telecom Sector and SEZ Parks across India. He has been helping big companies like for Shell India Markets, Bharat Petroleum, Hindustan Petroleum, Indian Oil, ONGC-MRPL, GAIL, Indian Oil – Oil Tanking, Reliance Petroleum, Nayara Energy (formerly Essar Oil), Aegis Gas, Leader Gas, Total ELF Gas, AGP, NHAI, Kapci Coatings India (Subsidiary of Kapci Coatings, Egypt), WIPRO, Shell Technology Centre Bangalore, Millipore (India), Nestle India, Reliance Infocom, Airtel, Himalaya Drug Company, Tata Teleservices, Citycom Networks / Spectra Net (Punj Lloyd Group), Finetech Commercials (Reliance Group), Indus Media and Communication, JICA (Japan) ODA Loan Project, Goa, Medreich, MEP – Olbo India, Mitsuba Sical India, Mott MacDonald, Sinclair Knight Merz Consulting, VRL Logistics, Water Resources Department, Goa, Phoenix Cars India (Volkswagen Car Dealers), Alcott Town Planners, Continental India, amongst hundreds of other organizations with issues that are critical to their business or projects and helping them resolve the same in a timely and efficient manner.

His firm Jay Jay Consultants offers high value consulting and project management services to these companies and provides comprehensive analysis, creative strategies and reliable, pragmatic solutions to its clients. He has even worked on projects from the Bhabha Atomic Research Centre and Nuclear Power Corporation Limited.

"India is a vast country and to be able to successfully run a business is not easy. One has to be aware of all applicable laws and have necessary clearances for any project to be executed. This is one area that no big business is ever fully prepared for. This is even more true when these businesses venture into a new geographical area or a new line of business altogether and this is where we come," adds Mr. Jayaprakash M.

The list of services that he offers to his clients include, but are not limited to, Site Surveys, Feasibility & Due Diligence Reports, and all kinds of Permits, Permissions, Licenses & No Objection Certificates (NOCs) from various government agencies for different kinds of business and projects. He offers 24/7 support pertaining to any issues related to the licenses that he assists his clients procure for their business or project.

"I have been doing this for over fifteen years now as a consultant for big businesses. Whenever they launch a new project, I am called in for my expert advice and services. I can foresee the hurdles that they might face as I study the applicable laws and local administrative issues very carefully. I tell my clients what needs to be done for the project to be successful. Efficient and timely execution of their projects depends very much on the permits and licenses that I help them procure. This not only helps in keeping them on the right side of the law but also in ensuring there are no unnecessary stoppage due to local Statutory issues," Mr. Jayaprakash M. further elaborates.

Apart from oil, gas and energy projects, Mr.Jayaprakash M. has also worked with a number of companies in the Real Estate sector including Godrej Project, SPL Housing, Fortune Builders & Developers, Monarch Property, Lily Realty (Pashmina Developers), Sattva Developers, Salarpuria Real Estates, Kirloskar Business Park, Brigade Enterprises, Azur Developers, Prestige Developers,

"Show me a business that doesn't have any problems and I will show you a business that is stagnant," says Mr. Jayaprakash M.

Esteem Group and Lakepoint Builders.

Mr.Jayaprakash M. has also worked extensively with leading hospitality companies like, TAJGVK Hotels and Resorts, McDonalds, KFC, Pizza Hut, Tata StarBucks, Inter Globe Hotels, Tata Cha, Tata Cliq, BuSaGo, Artiraa, Tablez, Shadow fax, Brown House Baking (Onesta), Barbeque Nation Hospitality, Savis Retail (KWIK24), Hungry Wheels, Hypercity Retail, Paradise Food Courts and more.

Mr. Jayaprakash M has recently started working for popular global brands like Gloria Jeans Coffee, Tapout, Applebee's Grill + Bar, Juicy Couture, Lonsdale London and Playboy to set up their retail presence in India, and for Marie Claire for Boutique Hotels and NDK Swiss Life for Business Hotel across India. Going forward, it will be no surprise if he adds more such brands to his list.

With such an illustrious career as a business troubleshooter and the long list of big clientele, Mr. Jayaprakash M. is moving in the right direction. His own business has seen multiple times of growth over the last decade and he manages several business entities including Jay Jay Consultants (Proprietor), J S Associates (Managing Partner), Jay Jay Consultants Ltd, Mauritius (CMD), Jay Jay Capital & Investments Pvt. Ltd. (CMD), CRESCO Design Studio Pvt Ltd. (CMD) and Qualatus Limited, Mauritius (MD).

BIG CHEESE OF THE EAST

Milk Mantra has disrupted the dairy market in Odisha with its premium products. Can it find greener pastures outside the state?

By RAJIV SINGH

In 2011, it all boiled down to booth capturing in Odisha. Milk booths dotted the rural and urban landscape across the eastern state, including in its capital city of Bhubaneswar. There was one big entity controlling the booths—the state milk co-operative—which were the only way of doing dairy business. Every morning, people used to walk up to the booth to buy milk. Srikumar Misra, whose last stint was with Tata Global Beverages as director of mergers and acquisitions in London, was looking for ways to beat the booth.

The first-time entrepreneur founded dairy startup Milk Mantra in Bhubaneswar in August 2009 and spent two years raising funds from 22 angel investors and Aavishkaar Venture Capital. The goals were clear: Disrupt the traditional ways of doing business in the dairy sector. For one, the low-margin, high-volume nature of the game had to be changed. And this called for an infusion of technology. With these two guiding beacons, Misra flagged off the Milky Moo label.

> "BY BUILDING THEIR STRENGTH IN A SPECIFIC REGION, MILK MANTRA HAS CREATED ITS COMPETITIVE MOAT AND A SUSTAINABLE BUSINESS."
>
> **VINEET RAI**
> CEO AND MD, AAVISHKAAR VENTURE CAPITAL

The proposition was compelling: No more boiling, just open the milk pack and drink. The claim came on the back of a tech innovation. A unique three-layer 'Tripak' packaging, with a black inner layer, prevented light damage, and kept the milk fresh for a longer period. For consumers hooked onto the conventional practice of boiling the milk before consumption, 'no more boiling' was a big hook. That the milk was priced 20 percent higher than the rivals didn't matter. "There were takers for a mass premium brand. One just needed to show value," says Misra, who decided to go for ethical sourcing of milk in a transparent manner. A logical differentiated product extension was preservative-free, long-life Milky Moo paneer (cottage cheese). Both the items clicked.

The next disruption: The way milk was supplied. Misra went hyperlocal, arranged a fleet of 40 delivery boys, and reached out direct to consumers in the city. "There was no app. It was a nightmare. But it helped us go beyond the retail chain," says Misra. Milk Mantra, he lets on, started by delivering to 600 households every day. Cycles crisscrossed the city, word of mouth spread wide into the hinterland, and the brand found its success mantra. From ₹4 crore revenue in FY12, sales jumped 11 times in two years to ₹44 crore in FY14. Over the next three years, revenue crossed ₹150 crore; and in FY19, Milk Mantra became a ₹200-crore company. In FY21 (ending

Milk Mantra founder Srikumar Misra at a factory in Puri, Odisha

SWAYAM SWAIN FOR FORBES INDIA

March), it is all set to post its first profit of just under ₹10 crore.

Misra explains why it took a decade to post profit. There is a cost that comes with an effort to become one of the best governed and tech-enabled brands in the dairy industry, which is infamous for running a non-structured business and cutting corners in quality and procurement. “Highest levels of governance comes with a price,” he says.

The choice for Milk Mantra, Misra underlines, was clear: To become profitable from Day 1 or build a company with highest levels of governance, transparency and ethics. “We opted for the latter,” he says.

Backers are happy with the performance. “What Milk Mantra has built could potentially be a model for launching and scaling disruptive consumer brands in India,” reckons Vineet Rai, CEO and managing director of Aavishkaar Venture Capital. As a pioneering entrepreneur in conscious capitalism, Rai explains,

Srikumar has managed to set new benchmarks for the industry with the belief that doing good and being profitable need not be exclusive. Dairy is a unique sector and, by building their strength in a specific region, Milk Mantra has created, along with a competitive moat, an impactful change for the stakeholders in the community, he adds.

Milk Mantra's challenger brand strategy, driven by innovation in mass product categories, turned out to be a game-changer. Disruption, coupled with sustained social impact, requires resolve and patience, says Prem Pavoor, partner and head of India at Eight Roads Ventures. Milk Mantra has stayed the course to emerge as a socially responsible and market-leading food brand in the region. The move to go deep as against wide worked out well, he adds.

For Misra, going wide was never an option. Not because of lack of capital. The entrepreneur always had the backing of marquee investors such as Aavishkaar Venture Capital, Fidelity Growth Partners, Neev Fund, Eight Roads Ventures and US DFC. What stopped him from spreading the company thin was his business ideology. "India is not a market where you can just throw capital, expand and grow furiously," he says.

In FY2014, Milk Mantra learnt the harsh lesson that 'speed thrills, but it might also kill'. "We grew absolutely brilliantly, but didn't expect money to run out," he recounts. Milk Mantra couldn't pay vendors on time; even salaries got delayed. "Fortunately, we took some bridge debt and managed to close funding," he says.

Two years later, Misra had tryst with another learning. This time, the crux was that even well-planned and capital-intensive strategies might bomb.

In 2016, Milk Mantra rolled out functional ready-to-drink healthy milk beverage MooShake. The move was bold, the brand was piloted in Bengaluru and Hyderabad, and a lot was spent in marketing. Consumer feedback too was encouraging.

There was one problem, though. The venture was turning out to be a cash-guzzler. "We didn't want to burn a lot of capital. So we pulled back," he recounts. The product, he explains, needed to be present in a dozen cities to reach some scale.

The lesson was to keep pushing and growing inside the home market, build an impregnable fort and then think of moving out. The learning came handy when Milk Mantra was exploring the option to aggressively scale its presence in Kolkata, a market where it had a minuscule presence in 2018. The blueprint was ready, the team had hit ground zero, and the brand was all set to fan out. At the last moment, Misra resisted the temptation.

"We took a conscious call that let's turn profitable first, reach a double digit Ebitda margin, and then look at growth," he recalls. The decision helped.

Now, he claims, the company is better placed to push ahead with its wide regional play. "Fifteen percent market share in one state is always better than 1 percent in multiple regions," he says, adding that there is no bragging point to score in being pan-India or a national brand.

For regional players, who often get tempted or pushed to explore new pastures, Misra has a word of advice. "Stick to your playbook," he says. An ITC, Britannia and Amul might have had a different strategy. But again it took decades to achieve that scale. "My game is to build a regionally strong brand and take it ahead," he says.

The company recently rolled out subscription app Daily Moo and is again going direct to consumer with more options, including breakfast. The plan now, he underlines, is to woo more users and build East India's largest subscription-based food app. "It's time to woo, and moo," he smiles. F

Name And Game

MILK MANTRA,
Bhubaneswar (Odisha)

Milk · Curd · Buttermilk · Cottage cheese

Revenue (FY20)
₹226 crore

Brands → Milky Moo | MooShake

Regional Dominance

Market leader in premium dairy foods in Odisha, from where it gets over 95 percent of revenues; ramped up presence and share in Kolkata

Big Rivals

Amul · Britannia · State co-operatives

Milk Mantra At A Glance

Founded in **2009**
started production in **2011**

Offers **25+ plus** SKUs;
has two manufacturing plants

Sells **200,000** milk packs
35,000 curd packs

8,000 cottage cheese (paneer) packs every day

72% of revenue comes from milk
17% from curd
10% from cottage cheese
1% from desserts

What Has Worked So Far

- Deep focus in one geography—Odisha--for a decade
- Wide reach: Caters to 3 lakh households every day
- Swelling farmer network: Works with over 70,000 farmers
- Backing from a battery of marquee investors such as Aavishkaar Venture Capital, Fidelity Growth Partners, Neev Fund, Eight Roads Ventures and US DFC
- Steady uptick in revenue: From ₹4 crore in FY12 to ₹226 crore in FY20; on track to post its first profit in FY21

...And The Likely Challenges

- Dairy is a volumes game; differentiated products do create niches but restrict mass appeal
- Unlike other segments, consumer loyalty and stickiness in dairy is hard to break so expansion in other states will take time

INFOGRAPHICS: SAMEER PAWAR

CANTABIL RETAIL

DELHI'S DISCOUNT KING

Apparel maker Cantabil Retail has grown by fanning out across tier III and beyond in north and west India. Can Bharat help it expand its empire based on discount?

By RAJIV SINGH

Vijay Bansal rolled up his sleeves in 2006 and got down to tackle the looming threat. The founder of Cantabil had little choice, thanks to the frightening pace of the growth of Koutons, a rival apparel brand in Delhi. Bansal opened the first outlet for his menswear brand Cantabil in 2000, and it grew at a sedate pace over the next five years, to touch ₹10.4 crore revenue, profit after tax of ₹8 lakh and 25 stores by FY05. Cantabil, Bansal explains, was launched to provide value-for-money products to consumers who wanted an 'aspirational' brand without burning a hole in their pocket. In order to live up to the billing, Cantabil was positioned as an 'Italian international clothing' brand, outlets were opened only at prime locations in Delhi, and products were sold at MRP (maximum retail price). Everything was going according to plan. Till the competition came calling.

Rival Koutons ramped up at a furious pace. Revenues jumped from ₹58.1 crore in FY05 to ₹403.6 crore in two years. The number of exclusive brand outlets during the same period leapfrogged from low single digits to close to 1,000. The growth came on the back of two factors. One, Koutons had positioned itself as a 'knock off' brand. At times, the discount was as high as 80 percent. Two, over 95 percent of the stores were owned by its franchise partners. Bansal was left with little choice. He had to fight fire with fire, and discount with discount. "We never wanted Cantabil to be a discount brand," recalls the chairman and managing director of Cantabil Retail.

The results of hopping onto the discount bandwagon, though, were encouraging. In four years, Cantabil had grown to ₹137 crore (FY09), and opened 300 outlets. Next year, it added 140 outlets. Meanwhile, Koutons, which got listed in 2007, was fast slipping into trouble. In 2010, the year Cantabil got listed on the bourses, analysts pressed the alarm button as Koutons slipped into self-destructive mode. While the debt mounted six-fold—some estimates reportedly put it at ₹1,300 crore—inventory too piled up. A year later, the discount retailer went for corporate debt restructuring. Brutally cut to size, Koutons finally paid a price for its hyper-aggressive growth. A couple of other Koutons-lookalikes too disappeared over the next few years.

> "WE GRADUATED FROM A LOCAL PLAYER TO A REGIONAL MAJOR."
>
> **VIJAY BANSAL,**
> CHAIRMAN AND MANAGING DIRECTOR, CANTABIL RETAIL

A decade later, Cantabil is having the last laugh. The discount apparel retailer posted revenue of ₹338.04 crore, a PAT of ₹22.88 crore, and had a store count of 301 in FY20. The brand survived, and so did the 'discount' tag, albeit in a diluted manner. "Heavy discounts like 80 percent are a thing of the past," quips Bansal. The brand now offers low discounts apart from regular 'end of the season' sales. "I don't mind the discount tag," he says.

Neither do Indian consumers. A boom in ecommerce, largely driven on the back of hefty discounts by etailers, has whetted the appetite of consumers. Discount is no longer a dirty word.

There's another label that Bansal wears as a badge of honour: That of a strong regional player. "We graduated from being a local player to a regional major," he says. Five states—Delhi-NCR, UP, Rajasthan, Maharashtra and Haryana—are the biggest money-spinners for the brand. While 64 percent of revenue comes from the north, 29 percent is the contribution of west, and 3 percent each comes from central and south India.

Cantabil's emergence as a strong regional player, point out brand experts, is largely because

CMD Vijay Bansal founded Cantabil Retail in 2000 in Delhi. Second generation Deepak Bansal, director at Cantabil, has taken the brand to tier II and tier III cities of four reasons. First, the name is aspirational, reflecting international appeal. Second, it has a wide range of formal wear, semi-formal wear, casuals, ultra-casuals and party wear, attracting men, women and kids. Third, despite an upscale look and feel, the brand is reasonably priced, leading to vibrant trials. And last, its reach across tier III and beyond helped it meet the unmet aspiration of consumers yearning for good quality at an affordable tag.

"A regional brand with an international image has led to great mindshare and market share," says Jagdeep Kapoor, chairman and managing director at Samsika Marketing Consultants.

Cantabil's choice to go deep into the hinterland and smaller towns over the last five years is not surprising. In a report last year, market researcher Euromonitor highlighted that regional companies are more prominent in tier two and three cities. "As these cities become lucrative pockets for further growth, regional companies are becoming a natural competition to the multinationals," it underlined. Besides, regional companies are starting to expand their nationwide presence, after securing a presence in local regions and are going to threaten the expansion of MNCs, especially in tier two and three cities, the report pointed out.

Take, for instance, V-Mart Retail. "Focus on offering affordable fashion, along with providing a modern retail experience, is helping it win in Real Bharat," Euromonitor pointed out in its report titled 'Regional brands in India drive the Bharat (non-metro) consumption.' The reasons are not hard to find. V-Mart is strategically present only in tier two and tier three cities across northern and eastern states of India, which have a high population density. The price points offered are at least 30-50 percent lower than some of the national department store chains. "This strategy connected well with consumers in tier II and III cities whose disposable income is almost half that of consumers in tier I," the study underlines.

Back in Delhi, Deepak Bansal, the second-generation entrepreneur who has aggressively moved Cantabil into tier III and beyond over the last six years, is pleased with the growth. "The real consumption story is happening in Bharat," he says.

Though the brand started with Delhi and survived fierce competition in the city, the big market was always outside the top cities. "For any brand that doesn't cut corners on quality, the headroom to grow is always massive," contends the director at Cantabil Retail.

Senior Bansal chips in. "Growth has to be sustainable as well. That's the most crucial thing," he says. The priceless learning comes from a bitter experience. In the heady days of discount wars, Bansal started another brand—La Fanso—to take on his rivals in 2008. Over the next two years, the brand furiously ramped up its presence: 150 stores by 2010. Though sales grew, Bansal got alarmed. The business model was not sustainable, the company was burning cash, and having two menswear brands from the same stable meant cannibalisation. There was another learning. A predominantly franchisee model of business is a recipe for disaster. This is what happened with rival Koutons. Bansal smartly took his foot off the pedal, and started focusing on company-owned stores. The discount retailer now has only 81 franchisee stores out of a total tally of 301.

What next for the discount king? "We need to take the brand deeper into the hinterland," says Bansal. While offline will expand, the big focus will be on ecommerce, a learning from the pandemic year. "The growth will keep coming, but not at the cost of discounting basics," he says. F

"A REGIONAL BRAND WITH AN INTERNATIONAL IMAGE HAS LED TO GREAT MINDSHARE AND MARKET SHARE FOR CANTABIL."

JAGDEEP KAPOOR,
CHAIRMAN AND MANAGING DIRECTOR, SAMSIKA MARKETING CONSULTANTS

Name And Game

CANTABIL RETAIL
Delhi

Menswear · Womenswear · Kidswear

Revenue (FY20)
₹338 crore

Brands → Cantabil; Crozo | Lil Potatoes | Kaneston

Regional Dominance

- Gets 64% of revenue from north, 29% from west, 3% each from east and central India
- Delhi, UP, Rajasthan, Maharashtra and Haryana are the top five states

Big Rivals

Ecommerce players like → Myntra · Amazon

What Works...

- A deep presence in tier III and beyond across north and western India
- Positioning of an affordable brand with value-for-money products
- Making a transition from a menswear to a family wear company with multiple brands such as Crozo (womenswear), Kaneston (men's accessories and innerwear brand), and Lil Potatoes (kidswear)

...And The Likely Challenges

- Still an offline-heavy brand
- Since the model works on discounts, it's a volume game, which means margins are wafer-thin
- Big brands with deep pockets too have got into the discounting game

MADHU KAPPARATH; INFOGRAPHICS: SAMEER PAWAR

HYBRID ARCHITECTURE – A NECESSARY TOOL FOR A HIGHLY REGULATED FINANCIAL SERVICES MARKET

The financial services industry is fast realising the need to modernise their IT and is turning to cloud technologies to find the right balance of flexibility and inter-operability. At the Forbes India Innovation Dialogues, powered by Nutanix, BFSI experts reimagine the future of financial services with hybrid cloud in the digital India era.

Anup Purohit, CIO, YES Bank

Satvik Sharma, Head - Global Delivery, FIS

Shiv Kumar Bhasin, Chief Technology and Operations Officer, NSE

Sachin Goel, EVP & CTO, Tata AIA Life Insurance

Ashok Singh, Executive Vice President and Head - IT Infrastructure Projects, Kotak Mahindra Bank

Sankarson Banerjee, CIO, RBL Bank

Anantharaman Balakrishnan (Bala), Vice President and MD, Nutanix India

Rajesh Krishnia Head of BFSI, Nutanix India (West)

The financial services industry has changed dramatically in the past decade. With changing consumer demands, threats from leaner FinTechs and emerging financial risks or cyber threats, digital transformation has been the key for financial service providers that need to stay competitive and relevant for tech-savvy consumers. The IT evolution is fast resulting in a "cloud-first strategy" – hybrid cloud built on a private platform, implemented with hyper-converged infrastructure (HCI) and managed from a single control plane. With digital disruption, BFSIs transitioning into a hybrid IT environment will be here to stay.

The inherent agility and hyper-scalabiity of hybrid cloud makes it ideal for financial services players. A hybrid cloud approach offering a mix of public cloud flexibility and private cloud security is a necessary tool for this highly regulated and sensitive market. By powering digital transformation with the cloud, BFSI players are preparing for a dynamic, mobile-first future.

At the Forbes India Innovation Dialogues, themed "Reimagining the future of FSI with hybrid cloud", BFSI experts engaged in a discussion on how hybrid cloud empowers organisational experiences. Hosted by Gautam Srinivasan, the dialogue centred around the use and impact of hybrid cloud in India's financial services industry, spanning banks, exchanges and insurance companies.

Shivkumar Bhasin, NSE; Anup Purohit, Yes Bank; Sankarson Banerjee, RBL Bank; Ashok Singh, Kotak Mahindra Bank; Sachin Goel, Tata AIA; Satvik Sharma, FIS; Anantharaman Balakrishna, Vice President and Managing Director, Nutanix; and Rajesh Krishnia, Head of BFSI, Nutanix India; were a part of this executive discussion.

Hybrid cloud – the preferred solution

As digital transformation drives profound changes in financial services, digital technologies are fundamentally changing the industry's competitive landscape. As this happens, there is a need to respond with clear strategies to deliver improved growth, speed, efficiency, innovation, security, and regulatory compliance. According to Balakrishna of Nutanix, the key challenge with legacy systems is heavy lifting needed in making the transition into a digital era, or to the cloud, In addition, organization need the right skill-sets, consider the workloads that are ideal for cloud, as well as be cognizant of regulatory and economic implications.

As the BFSI industry navigated the Covid-19 pandemic, Nutanix witnessed an uptake in end-user-computing and hybrid cloud solutions that facilitate customers in ensuring business continuity as well as inducing better performance from proprietary systems, thereby achieving positive business outcomes, explained Balakrishna. With this, Nutanix has solved the critical and peculiar problems on the infrastructure side faced by its BFSI customers. A sophisticated hybrid cloud strategy enables financial institutions scale up and down as needed, providing both instant and long-term flexibility which lets them adapt and move with constantly changing conditions. Since the financial services industry players had to deliver shorter response times and ensure efficient data management, the adoption of hybrid cloud was crucial to augment end-customer experience. With increased competition from fintech companies, banks and insurance companies have been making customer experience their key priority.

Hybrid cloud helps banks scale their data needs in real time and makes their operations more efficient. YES Bank, one of the early adopters of cloud, is a prime example. The Bank has kickstarted its journey of migrating customer-facing apps and digital banking platform onto cloud, enabling it to improve customer service and respond to shifting customer demands. Its key processes such as the statementing system, corporate loan origination system, ABLRS system, HR application and NLP engine have already been moved to cloud. Tata AIA is another example of a financial services provider which leveraged cloud for better customer experience. Goel of Tata AIA substantiated how cloud facilitated the insurance company become more agile and improve speed to market, flexibility, resilience, scalability and security.

Raking in the benefits

BFSI companies typically have large sets of structured and unstructured data. A key challenge they face is that of providing structured data at the same speed on cloud, thereby marrying structured and unstructured environments on the same platform. And this is where Nutanix has a clear advantage. Its vision, according to Krishnia, is to assist its customers move their data from an on-premise private cloud environment to one that truly favours a hybrid cloud of environment.

To understand this better, while RBL Bank's unstructured data is already on cloud, it is in the process of moving its structured data also on cloud in order to benefit from speed and scale. "As our data requests shoot up and need to be processed parallelly, being on cloud enables us with infinite stretch sideways," illuminated Sankarson Banerjee. Cloud is a pre-requisite at RBL Bank as it's fraud or sophisticated AI-ML analytics translates into millions of records per transactions. These need to be architected and moved to cloud in order to gain benefits on cost and performance.

"The onset of COVID-19 changed everything—accelerating the use of digital channels by customers, while causing huge volatility in transaction volumes. The legacy systems were clearly not built for this kind of a world, and hence Nutanix and its efficient solutions have a quintessential role to play in the post-COVID-19 economy," stated Banerjee.

Addressing challenges

The National Stock Exchange (NSE), which processes half-a-million orders per second and owns one of India's largest market infrastructure, also faced several challenges while deploying multi/hybrid cloud model. With "Work from Home" having become the new normal during the pandemic-induced lockdown, NSE kickstarted its digital transformation program to leverage a multi-cloud environment. It carried out development processes, fast prototypes and ran digital garages and synchronised between hybrid and private cloud.

With this, the exchange enabled 200+ developers working from individual locations on a complex program, and identified 50+ customer journeys for remarkable customer experiences. It has also placed its market research repository and corporate data on cloud. However, a key challenge the exchange faced was in terms of multi-skilling. "Our key challenge was in building skill-sets that could manage multiple curves and different sets of environment and being cloud-savvy for differentiated services," noted Shivkumar. There were other challenges too, including as cyber security, setting up of multi-factor authentication and convincing internal IT security teams on cloud.

Re-architecting applications

The need of the hour was a platform that had the capability to address the challenges, while simultaneously automate database management and also run business as usual. As BFSI players explored such a platform, they reiterated that rearchitecting applications was a better approach than a 'lift-and-shift model'.

Nutanix offers a significant advantage as its solution places the lift-and-shift workload on a bare metal in either AWS or Azure. It works seamlessly with AWS and and parallelely builds a team with similar application for crowd sourcing, Balakrishnan explained. Satvik Sharma seconded the point, adding that BFSI players needed a simple application, one that could be quickly migrated to cloud or re-architected to cloud native architecture. The Nutanix solution manages all the emerging issues of legacy and open source databases and also provides automation of database management and consistency, while giving out quick data as the business moves, explained Balakrishna.

Automating legacy systems

Migration to hybrid cloud brings forth the issue of proprietary hardware. Kotak Mahindra Bank is a classic example which migrated to public cloud with an on-premise system of records, even as its core and legacy systems continued to operate as usual. The Bank's new applications such as digital, analytical and machine learning have been hosted on cloud, and its existing applications will be migrated too, notified Ashok.

Krishnia from Nutanix, was in complete agreement that automation of core systems poses a challenge as these are hosted on traditionally-run hardware and proprietary operating systems. As several banks have now moved their critical applications onto cloud, it is imperative to make them hybrid cloud-ready. In addition, databases can be a real challenge for FSIs. Some banks, such as RBL Bank, have simplified DB management with Nutanix HCI platform for databases and Nutanix Era, thus reducing DBA workloads and enabling faster response times.

Yet another way the cloud journey helps BFSI players is by reducing their dependency on niche skill sets meant for siloed infrastructures. "By moving from proprietary to commodity infrastructure running on a platform, the players reduce their dependency. A software-defiined architecture and HCI is the foundation for a truly hybrid cloud world," explained Krishnia.

FIS, which is well established for providing modern banking and capital market solutions, commenced its transition towards a hybrid world several years ago. It consolidated its data centres and enabled security resilience across platforms. That was indeed a good investment – one that truly paid it rich dividends. "With our preparedness for a hybrid world, we made our platform available 24/7 even during the pandemic," quantified Sharma of FIS.

Migration to cloud has also facilitated India's insurance industry in obtaining maximum value and making itself available 24/7. This was the precise reason why Tata AIA, as its employees worked from home during lockdown, acquired collaboration technologies to ensure zero impact on its operations.

Delivering security features

It is not just customer expectations driving digital transformation at BFSIs. Security is also compelling banks to adopt hybrid cloud as it can keep data more secure by identifying and addressing cyber threats. A prime challenge for organisations with RoBo offices (Remote office, Branch office) has been to protect remote sites from ransomware attacks or natural events. That is another edge offered by Nutanix – that of being equipped with a "security-first" design in all the software developed. Whether it is data at rest or in isolation at the micro-segmentation level, security is the first concern.

This explains why several security agencies in the United States use Nutanix today, as security is a part of its ingrained culture. "That's the credence and credibility Nutanix brings to the table as it provides cloud-native solutions for RoBo kind of scenarios," corroborated Balakrishna. In a centralised management system, the Nutanix solution can eventually be consolidated and managed at the data centre level through a single pane of glass. With this, Nutanix democratising the cloud and ensuring customers are not chained to a particular cloud provider.

The Nutanix solution creates a landing zone on the cloud and implements all security features, making it as secure as the data centre. To illustrate, NSE's native data centre is well protected by technology, and the exchange has chopped security zoning, which is identical for on-premise and the cloud. Tata AIA also has created land zones for the cloud, which insinuates security, data encryption and a cyber security sock for continuous vigilance.

A hybrid cloud model is the way forward for banks. To illustrate, RBL Bank moved towards Nutanix as it is cloud-ready. Despite being functionally rich, several apps today are built on traditional architecture and aren't cloud-ready. "Modern languages are faster, lighter and easier to build," noted RBL Bank's Sankarson. YES Bank also faced a similar issue as technologies in the BFSI industry were not 'cloud-ready'. As banks are unable to make core banking platforms cloud-native, it is advisable to build micro services, container apps and Micro UI.

Building blocks

As the conversation moved towards the key building blocks required for creating a highly resilient platform, Sharma agreed that specific functions truly needed to be scaled up. While security and consistency are significant, elements such as identity management, encryption, tokenisation and authorisation are clearly the order of the day. What is needed is a clearly-defined and sophisticated cloud strategy from the perspective of efficiency, scale and flexibility, while the key imperative for digital transformation is a highly automated hierarchy. Besides "business as usual", a keen focus on innovation-led business is a pre-requisite.

More digital disruption is on the way for financial services. And that is where Nutanix delivers value to its BFSI customers. Cloud is fast becoming a key element for BFSIs to impart focus on improving agility and innovation, achieving cost savings and securing access to emerging technologies.

As more and companies move towards improvising their IT systems, cloud computing is fast becoming a part of mainstream IT. Today, several BFSIs are implementing a hybrid cloud environment to modernise and improve business operations, to deliver innovation, customisation and security, and to generate unique competitive advantages. ■

STEPPING UP

Kerala-based VKC Group took some bold bets to become one of the largest homegrown footwear manufacturers. It is now banking on overseas tie-ups to leave a global footprint

By MANU BALACHANDRAN

VKC Noushad hopes to sponsor the Indian cricket team one day. If Nike could, Noushad certainly sees no reason to think otherwise. The 50-year-old is the managing director of the VKC Group, a Kerala-based footwear maker—among one of the largest homegrown manufacturers. “We are targeting the masses,” Noushad tells *Forbes India* over a Zoom call from Coimbatore. “We will definitely be looking to sponsor the Indian team one day, but as a common man’s brand.”

The goup, founded by Noushad’s politician father VKC Mammed Koya, runs a business that comprises over 20 manufacturing units spread across eight states. It operates 14 brands, and counts Bollywood superstars, including Aamir Khan and Ajay Devgn, as brand ambassadors. From a paltry revenue of ₹50 crore in 2005, the group boasts revenues of over ₹2,100 crore annually today.

The VKC Group comprises three entities—the umbrella brand that traces its root back to 1984, and two divisions run by Noushad and his brother VKC Abdul Razak. While the siblings take care of the company’s flagship products—VKC Pride, VKC Lite and VKC Stile—jointly, they have also clearly demarcated their business. Division one is run by Noushad and comprises the Walkaroo brand that contributes 50 percent to the group’s turnover. Razak runs division two that comprises brands such as Blue Tyga and Vestire.

Almost all the brands are focussed on footwear, and businesses are now being diversified into apparel and school bags, among others. “We are focussed on the democratisation of fashion,” says Noushad. “The Indian customer is demanding the latest products and fashion compared to earlier times. We want to cater to that... the opportunity is massive. If we don’t do that, the market will be taken over by multinationals and Chinese products.”

India’s footwear industry is highly unorganised with nearly 15,000 micro and small industries, according to the Council for Footwear, Leather & Accessories (CFLA), an industry body set up under the aegis of the commerce ministry. India is the second-largest producer of footwear in the world, accounting for 13 percent of the global footwear production, after China (about 67 percent).

“Whenever we fail to bring an element of technology or fashion into our business, or if we miss key trends... import happens very fast,” says Noushad, who is also vice president of the Confederation of Indian Footwear Industries. “As an association, we are trying to bring new technologies to India to ensure that we all grow together.”

> **“THE INDIAN CONSUMER DEMANDS THE LATEST FASHION, PRODUCTS. WE WANT TO CATER TO THAT... THE OPPORTUNITY IS MASSIVE.”**
>
> **VKC NOUSHAD,**
> CHAIRMAN, DIVISION ONE, VKC GROUP

WOOD TO FOOTWEAR

The VKC Group started as a wood and timber business entity in Kerala in the late 1960s.

With his two friends, VKC Mammed Koya started a company that supplied raw materials to matchstick industries. Taking the initials from their surnames, the company was named VKC. Koya is currently a legislator in Kerala and was the former mayor of Kozhikode.

The company started with manufacturing matchsticks and though business flourished for a decade, it had to deal with stiff competition thereafter. “Initially, there were only two industries in our area,” says Noushad. “By 1984, there were 162 units, and we realised we would have to shut it down because it wasn’t going to be sustainable.”

Around the same time, Kerala began to see a huge demand for ‘Hawai’ chappals. That prompted Koya to venture into the footwear market by manufacturing ‘Hawai’ chappals since the Southern state had a robust rubber industry. The company set up one unit near Kozhikode to cater to the North Kerala market and Koya went to the Rubber Research Institute of India in Kottayam to understand the business. He also took up numerous trials at the institute to build the right quality of rubber sheets to manufacture the chappals.

“There were a few pain points that my father wanted to solve,” recalls Noushad. “While slippers were being used for daily use, there were also labourers working in construction or farming. They needed something sturdy and we offered that along with unique colours and packing. From then on, there was natural growth and acceptance in North Kerala.” The company started producing about 600 pairs of chappals a day.

Back then, labourers in Kerala came from adjoining states, including Tamil Nadu and Karnataka, and many were instrumental in introducing the product to other states. Around the same time, Koya began educating his children about the footwear industry. Noushad studied chemical engineering at the Thrissur Engineering College before going on to do his master’s in polymer technology. It was a time when the industry began to see excess capacity as manufacturers ramped up production. Noushad, meanwhile, underwent training at the Rubber Research Institute, and spent time in New Delhi and Batanagar, West Bengal, to understand the business.

By 1994, Noushad decided to focus on virgin quality polyvinyl (PV) footwear in Kerala, which had begun to replace rubber slippers. “I was quite fascinated by the business, and even enrolled for a PhD at IIT-Madras, before quitting to focus on the business,” he says. Technology, however, was fast-evolving and, by 1998, Noushad began focusing on microcellular polymer footwear with Taiwanese machinery to stay ahead of the market.

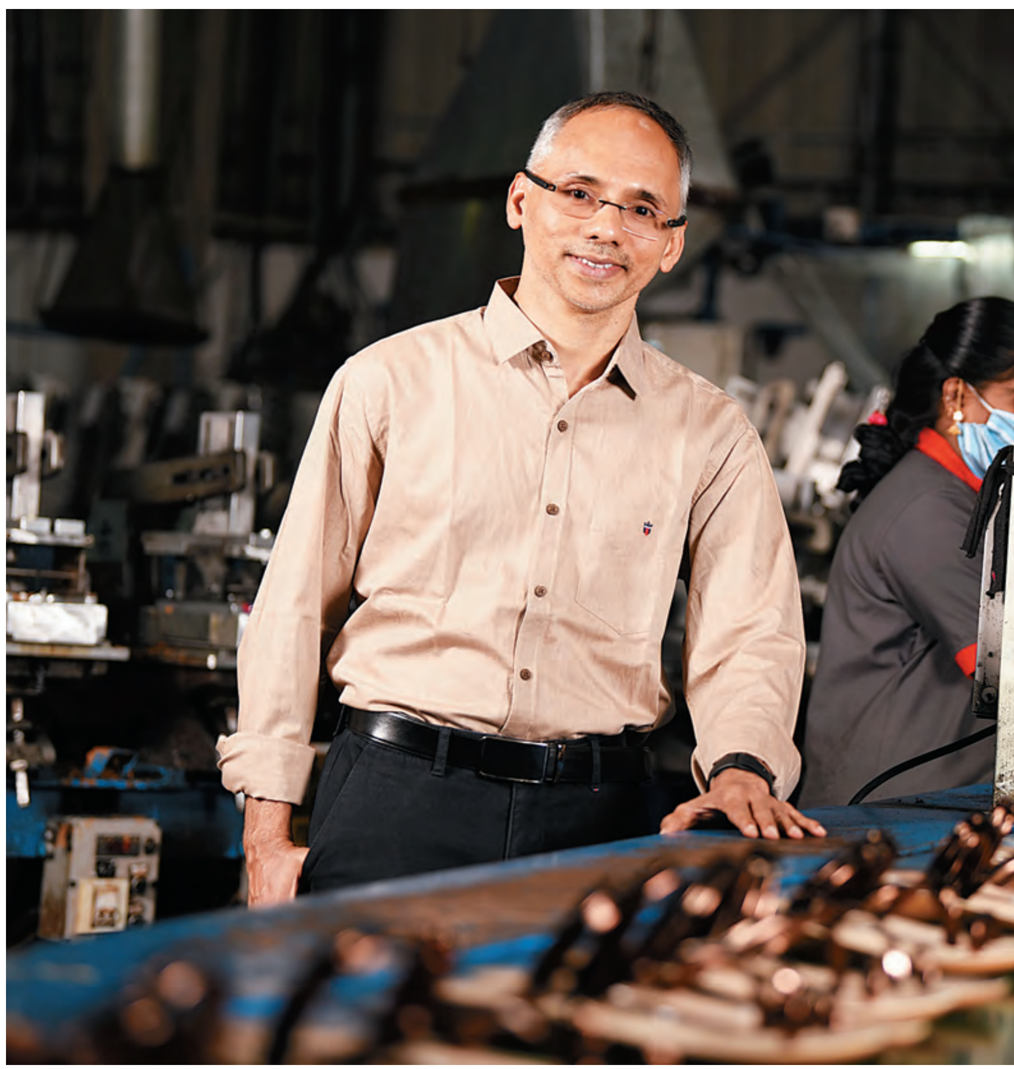
“We were still a small business with an SME mindset, with 50 people,” says Noushad. “We were afraid to deal with complexities. We started small units for every technology.” By 2000, air-injected PV with synthetic leather had caught on, and the company set up two additional units. “We were only in Kerala... but we had different brands based on different technology,” explains Noushad. The group had a revenue of ₹20 crore by the end of the millennium.

THE BIG GROWTH

By 2003, the company started an EVA (ethylene-vinyl acetate)-injected unit, a technology for soles that makes them soft, flexible and weather-proof. “That was a turning point in our business,” says Noushad. Around the same time, he had visited Coimbatore in pursuit of expanding the family business that had largely remained within Kerala. The company started with one unit. “Initially it was extremely tough. In Kerala, we had good distributors. But in Tamil Nadu, dealers were keen on more margins and higher credit. They would take our products and didn’t sell them. We were in trouble,” he adds.

By then, the company had a turnover of ₹50 crore in Kerala. “My thinking was that if we didn’t succeed in Coimbatore, we will go back to Kerala,” says Noushad. “We got a few dealers, but they were not showing our products to retailers.” Taking things into their own hands, Noushad and team travelled across Tamil Nadu—with a map they had purchased for ₹10—convincing retailers with their catalogues. “We found some retailers who were willing to sell,” he says.

In 2008, the company approached a management consultant to restructure the business, especially since there were numerous small units under it. The group’s turnover stood around ₹70 crore, and with some nudge from the consultant, VKC decided to bet heavily on its business. “Initially we thought we would grow to some ₹250 crore in five years,” Noushad says. “But the consultant had a lot of questions for us and told us to be ambitious.” Soon enough, the company decided to set up



VKC Noushad, chairman, Division 1, VKC Group a manufacturing facility in Karnataka, importing machinery from Europe, and by 2014, the group's revenues grew to ₹800 crore. Today, nearly 70 percent of the company's revenues come from the southern states.

"We started new units and expanded our existing units," says Noushad. "By 2013, we began focusing on the pan-India market." By then the group also consolidated nine brands into three to improve visibility. In 2013, the company started Walkaroo, a brand with a focus on the youth with cricketer Rohit Sharma as brand ambassador. Today, Aamir Khan is its brand ambassador.

"Footwear as a product is built on trust," says N Chandramouli, chief executive officer of TRA Research, a Mumbai-based marketing and branding agency. "VKC has been a dominant player in the South and has been successful in expanding its business into newer segments and categories. Even in the southern market, it went to each of the states, and was able to build a distinct identity. Now as it looks to expand pan-India, it will have to be cautious and look towards building that trust."

WALKAROO AND BEYOND

While Noushad looks after the Walkaroo brand, Razak handles an arm that manufactures footwear, apparel and school bags. These include brands such as DeBongo, Strabo Bags and Blue Tyga. "When the number of units increased, we decided to look after a few brands between us," Noushad says.

Division one contributes about ₹1,500 crore to the group's revenue while the rest comes from division two. Of this, Noushad reckons that almost ₹1,200 crore comes from Walkaroo. The company has also set up a manufacturing plant in Bangladesh. "We are joining hands with European design houses and some design centres in China as well," says Noushad.

The group currently has a production capacity of 5.5 lakh pairs of footwear a day, with division one's capacity at 4 lakh pairs daily and division two at 1.5 lakh pairs.

The Indian footwear industry is estimated to be between ₹40,000 crore and ₹80,000 crore, of which the branded non-leather market is about ₹18,000 crore. India is the second-largest producer of footwear globally, producing 220 crore units annually, behind China which manufactures 1,420 crore units a year. Despite this, the per capita footwear consumption in India is very low at 1.7 pairs, compared to six in developed nations, according to CFLA. "VKC has been able to build up a huge distribution network, and has been targeting the mass market with much success," says Ankur Bisen, senior vice president at consultancy firm Technopak Advisors. "Its products cater well for the price-sensitive market, and it has been successful in building functional products."

Noushad, meanwhile, reckons other countries, including Thailand and Vietnam, have begun to give India serious competition in footwear manufacturing. "We need to improve team work and the industry should move together," he says. The company—with around 550 distributors and 1.5 lakh retailers across India—is currently in the midst of ramping up its online sales. For now, Noushad feels the group is rather profitable, and isn't in a rush to attract private equity funding. "We want to move faster into newer categories and segments," says Noushad. "We have to remain up-to-date to stay on top of the market."

Perhaps, it's this obsession that will help VKC to sponsor the Indian cricket team one day. F

Name And Game

VKC GROUP,
Coimbatore (Tamil Nadu)

Footwear mostly

Recently forayed into apparels

Revenue (FY20)
₹ 2,100 crore

Brands

VKC Pride | VKC Trendz | VKC Stile | VKC Lite | Walkaroo | Skalino | Vestire | DeBongo

Regional Dominance

- 65 percent from the South, West 15 percent, East 12 percent, North 8 percent
- Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Telangana are the top states

Big Rivals

Relaxo | Paragon Footwear | Bata | Khadim

In Focus

Now Trending: Made in India Apps

The ban on Chinese apps has homegrown alternatives flaunting their Indian-ness, but their popularity might be short-lived without quality services, experts say

By MANSVINI KAUSHIK & AISHWARYA NK

Like most people his age, Shaurya Sharma, 25, from Ludhiana is glued to his phone throughout the day. "I don't think anyone would shy away from saying that they're constantly on their phones... and social media takes up a better part of our time," he says. Today, the world spends more than 10 billion hours per day using social media, which equates to more than one million years of human existence, according to the Digital 2020 October Global Statshot Report by Hootsuite and We Are Social.

Sharma, who runs his family's transport business, was an avid TikTok user before it was banned on June 29, 2020, along with a slew of other Chinese apps following skirmishes at the border. "I was introduced to the short video platform in 2016 and was actively using it till it was banned. Then I switched to Indian alternatives such as Mitron, Chingari and Roposo, to name a few, that offer regional content and are like TikTok in many ways. It's great to see so many Indian applications offering content that is at par with their mainstream alternatives. If you have to spend time on apps, why not let those be Indian?" he says.

The Indian social media landscape has long evolved, with Facebook and Instagram still taking up the chunk of the Indian user base. India has the largest number of Facebook users (300 million), as of 2020. And, according to a report published by SimilarWeb, Facebook leads the monthly active user count in India, closely followed by ShareChat, a Bengaluru-based social media platform—one of the many desi apps Indians have warmed up to in recent times.

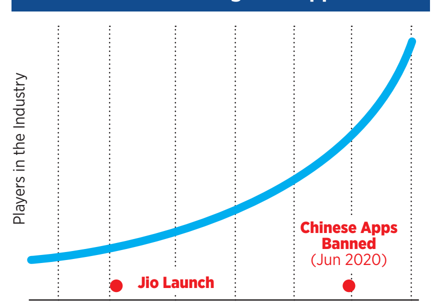
India And The Internet

As per a report by consulting firm RedSeer, every second person in India is an internet user—of these, 45 percent are consumers of the increasingly popular short-form video content wave. As a result, India is now the second largest internet-using population in the world.

- India has the second largest smartphone-using population (560 million) after China (900 million). The US is next with 275 million, according to data for FY20

- Indians spend the most amount of time on social media every day (288 minutes) followed by China (264 minutes) and Canada + Russia (210 minutes each), figures for FY20 show

Proliferation of Homegrown Applications



The proliferation of Indian social media applications can be traced back to the launch of Jio's broadband connectivity that gave millions of Indians the opportunity to access content that they couldn't have before. This rise in homegrown applications has been amplified with the ban on Chinese applications in June 2020

SOURCE RedSeer report

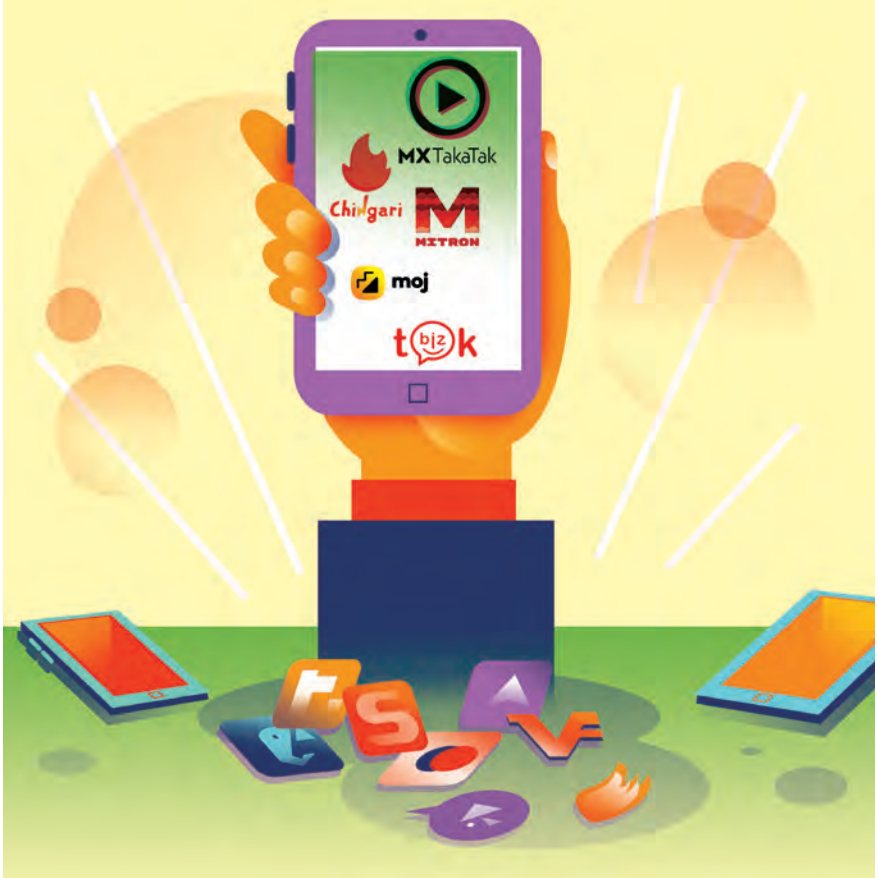
Indians have been trying to make it big on the social media landscape for years, but have always been judged against international giants that dominated the market in the country as well as globally. But there are winds of change. "It is said that no social media platform can be popular in India if it is not already popular in the US or China. However, that has changed in the past few years," says Shivank Agarwal, founder, Mitron.

An increase in the number of people who can afford technology and the government's Aatmanirbhar Bharat initiative have resulted in a rapid growth in the number of homegrown apps and those looking for relatable content. The ban on Chinese apps has proved to be a blessing in disguise as well, making the market one of the most saturated battlegrounds in India.

Since the increased focus on everything Indian, there has been a rise in the number of Indian startups across fields. For every startup that was heavily-funded in the US, around 50 me-too startups came up in India in 2020, vying for investors' attention, according to Tracxn, an analytics firm that tracks startups. The rise in the user base of homegrown apps stems from the fact that they are 'Indian'.

These apps brand themselves with the 'Made in India' tag on Google Play Store. For instance, there's 'ShareChat–Made in India', Mx

INFOGRAPHICS: SAMEER PAWAR



TakaTak and Moj are titled 'Snack on Indian Short Videos | Made in India', Mitron calls itself 'India's Original Short Video App | Indian', while TokBiz is branded as 'First Indian Social Media App'. A few Indian apps that have amassed huge popularity in recent times include:

ShareChat

One of India's pioneering vernacular platforms, ShareChat—launched in 2016—has successfully created a place for itself on the social media landscape in the country. It has done so by doubling down on vernacular content and providing a platform for people who like to interact with their communities in a language that they feel most comfortable with. "Our founders (Ankush Sachdeva, Farid Ahsan and Bhanu Pratap Singh) realised that there was a need for a content ecosystem in a language other than Hindi or English. People in rural India desire a space where they can easily communicate in their language," says Berges Y Malu, director, ShareChat, explaining the problem that the app aimed to solve.

Most of ShareChat's users converse in Tamil, Telugu, Malayalam and Kannada. Malu credits the app's success to the lack of political content on the platform. Instead of being an alternative to industry giants like WhatsApp or Facebook, ShareChat positions itself as a complementary platform that facilitates quick and easy sharing to other platforms that their consumers may use, including WhatsApp.

As of November 2020, ShareChat crossed 160 million monthly active users speaking 15 Indian languages, according to a company report.

Moj

ShareChat's Moj is one of the many applications that emerged following the ban on Chinese apps last June. Conceptualised and built in just 30 hours, Moj aims to capitalise on the gap left by TikTok in the short-video market.

Along with Mx TakaTak and Josh—other similar short-video platforms—Moj was one of the most downloaded applications on Google Play Store in Q3 2020. As of February 3, Moj has surpassed over 100 million downloads in just seven months.

Moj has over 80 million active monthly users. One of them is content creator Prateek Bhardwaj, who claims to have gained over a million followers in just three months due to Moj's wide reach and quick response rates. The app, like TikTok, supports the use of creative filters, effects, animations and licensed music and content, making it popular among the youth.

TokBiz

TokBiz founder Pankaj Salunkhe had a vision of creating something Indian and inclusive. Though launched in 2017, work on the app started in 2015. "We've built an app that eases the social media experience for people who face problems with other apps," says Salunkhe. The app, with over 187,000 users, is an amalgamation of the features of WhatsApp, Facebook and OLX. "It was hard to get investors... all the companies we approached looked down on us for being Indian and trying to develop a social media application," adds Salunkhe, who built the app with 10 others. "We had a small team and lacked support from investors, so

The Indian Network

- Mitron, a short video platform launched in April 2020, has over 10 million downloads
- ShareChat, a vernacular social media platform, has over 160 million monthly active users
- Mx TakaTak, a short video arm of streaming platform Mx Player, has over 100 million downloads
- Moj, a short video platform, was one of the most downloaded applications on the Google Play Store in Q3 2020. It has over 100 million users
- TokBiz, an Indian chatbot that was launched in 2017, has 187K users

SOURCE Company Data

ILLUSTRATION: CHAITANYA DINESH SURPUR

conceptualising and building the application took long... however, today, it is well-received by people comfortable in their mother tongue."

Being a hyperlocal app is one of the primary reasons for its success. Salunkhe says because of the Chinese app ban, traffic on TokBiz has increased manifold. "After the ban on Chinese apps, there was a massive surge in users on the platform. We're still relatively young in the market and the massive inflow now calls for enhancing the server to demand, which we're working on," he adds.

Mx TakaTak

Mx TakaTak, the short-video arm of streaming platform MX Player, is another app that has benefited from the ban on Chinese apps. "It was right after the ban that the team worked day and night, and rolled out the app within six days," says Karan Bedi, CEO, MX Player. "We had been planning on extending to a short-video platform for long, but it was the ban that finally made us capitalise on it."

"While being Indian could be a good marketing technique, the success of an app depends on a lot more beyond that. By the time we entered the market, everything was Indian, so to stand out, we worked towards creating a seamless user experience that lacked in our competitors' apps," says Bedi.

He claims that of the top 1,000 Indian creators on TikTok, 700 now depend on TakaTak that also offers support in regional languages, including Gujarati, Marathi and Punjabi.

Mitron

Launched in April 2020, Mitron has positioned itself as India's go-to short-video content platform. Founder and CEO Shivank Agarwal says the rise in internet penetration in India resulted in a mobile revolution in the country, and in the wake of this revolution, there was a growing need for platforms that prioritised mobile usage. "We combined video with the mobile computing device to create Mitron, a mobile- and video-first social media platform." As of February 3, Mitron has seen 10 million downloads on the Google Play Store.

"After the ban, we rolled out the app within six days. While being Indian could be a good marketing technique, an app's success depends on a lot more."

KARAN BEDI
CEO, MX PLAYER

Shortly after its launch, to address consumers' need to use and support more homegrown apps, Mitron launched an application called Atmanirbhar Apps that listed all India-based apps. This platform was downloaded over a lakh times in the first 15 days of the launch. "We want our users to know that if they have talent they wish to display, we have Mitron... and if you wish to create another application, we have Atmanirbhar Apps, to be your guide," says Agarwal.

Atmanirbhar Apps

Atmanirbhar Apps is one of several applications online that has emerged as a direct result of growing nationalism among internet users in India. This platform lists applications across sectors such as health care, security, utility and entertainment, among others. Some of these apps include PMO India, Ludo King, TVFPlay, Jiva Health App and Aarogya Setu.

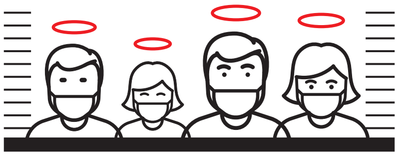
Many of the above-mentioned apps were popular even before the Aatmanirbhar Bharat mission took shape. However, they too have changed their messaging strategy to emphasise the Indian-ness of their platforms, and appeal to nationalist sentiments.

The Anti-China Wave

The growing discontent against anything related to China following tensions at the border have helped homegrown apps in multiple ways. The Aatmanirbhar Bharat initiative not only aided the growth of local platforms, but also strengthened the anti-China discourse in India. "In the last few months of TikTok being active in India, all we heard about the app was that it was Chinese and had privacy issues. A few of my friends even uninstalled the app along with other Chinese ones well before the government ban," says Sharma.

The anti-China sentiments also led to the creation of multiple applications that claimed to detect and delete any application of Chinese origin from the users' phones. Some of these applications included Chinese App Detector, Remove China Apps, Detect Chinese Apps and China Apps Scanner, many of which were eventually taken down by Google Play Store.

The popularity of homegrown apps, believe experts, will only be temporary if they ignore quality concerns and don't better user experience continuously. "If you are blindly copying TikTok or any other application, you are bound to be redundant in the future. But if you have managed to carve your own niche within the Indian market, your platform will be unfazed, ban or not," says Mitron's Agarwal. F



HOW WE SURVIVED

Survival Instinct

A bunch of companies thought out of the box and wrote a new playbook to survive, and thrive, during the pandemic

By **RAJIV SINGH**

Last April, when the country was in the midst of a stringent lockdown, one of the segments that bore the harshest brunt was food and beverage. Most of the outlets were shut, and the ones who managed to keep them running in some form or the other—like Gurugram-headquartered tea retail chain Chaayos—were as good as being closed. Reason: The fear of stepping out of homes and contracting the coronavirus was widespread among people. As the danger of the business slipping into the 'zero sales' zone became distinct, Nitin Saluja, founder of Chaayos, scrambled for safety. The entrepreneur, interestingly, found his solution inside his outlet. The Chaayos team rolled out a 'safe tea' campaign. The idea was to reach out to its loyal set of consumers and reassure them regarding the safety of the tea served by the brand. The innovative bet paid off.

Saluja was not alone in thinking out of the box. A bunch of entrepreneurs across the country and segments fought the pandemic by writing a new playbook. *Forbes India* brings a list of such warriors, and their survival tales. Get immersed, and inspired.

Kavinder Singh, MD & CEO of Mahindra Holidays & Resorts India, created a '5C' framework to survive the pandemic

Ace of Club

How Mahindra Holidays & Resorts rode the Covid storm on the back of its resilient business model and spunky approach

By **RAJIV SINGH**

For Kavinder Singh, the first quarter of every fiscal—especially March—has always started with a bang. Look at the members that Mahindra Holidays & Resorts India, which has Club Mahindra as its flagship brand, has added over the last few first quarters: 4,371 in FY20 and 4,577 in FY19. Singh, managing director and chief executive officer of listed entity Mahindra Holidays & Resorts India, hoped for a similar big-bang performance during the same period last fiscal. "March," he explains, "is big for us." The month is special because of three reasons: Resort occupancy reaches its peak; most schools are shut for annual holidays; and the sales team goes on an adrenaline overdrive to get new members.

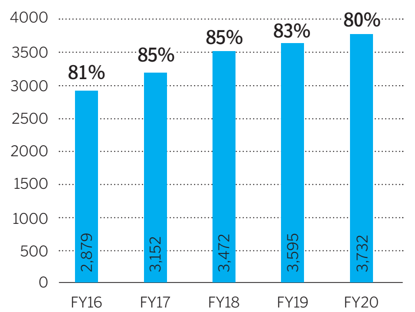
Last March, though, was different. In fact, it was alarming. In the second week, the World Health Organization declared Covid-19 as a ‘pandemic’. The writing on the wall was clear: India too would get hit. By mid-March, the occupancy at Mahindra Holidays & Resorts was already at 80 percent, and the company gradually started shutting down over 60 resorts it has across the country. Safety advisories were issued to the staff; temperature checks and sanitisation measures were put in place well ahead of the lockdown, and eventually everything came to a grinding halt after the official lockdown. During the first week of April, Singh was staring at the big question of how to survive.

Survival of the organisation, though, was a no-brainer. The company had enough oxygen—it has been debt-free and has enough liquidity on the books. Singh knew the company wouldn’t be gasping for breath. The twin challenge for him, on the operational and people’s front, was how to ensure the safety of employees and customers whenever they would be back at the resort; and how to continue with the business in a safe manner. Here lay the problem. The sales team, which makes good money by achieving their target of adding new members in the month, was not able to go out and sell membership. The big question, and dilemma, was ‘how to sell’.

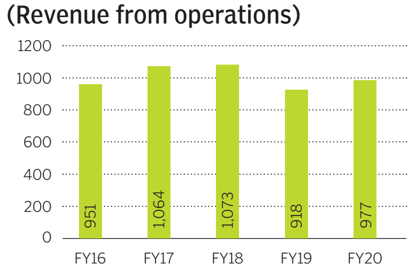
The answer was quickly provided by one of the sales team members. “He was not even a coder,” recalls Singh. The solution, he alludes, was nothing short of fantastic: Selling membership virtually. While the world resorted to WhatsApp, Zoom and Microsoft to stay alive and kicking, Singh’s team quickly created a video-selling tool using an open-source software. It worked. In the first quarter of FY21 (April-June), the sales team managed to add 1,270 members. No mean feat given the context: Resort occupancy was zero, and income from resorts was a paltry ₹2 crore. Things improved in the next quarter—July-September. Occupancy was at 30 percent, income from resorts increased to ₹7 crore, and the new membership count doubled: 2,681. “We created a 5C framework to survive the pandemic,” says Singh. Drawing on the traits of service, quality, warmth and attentiveness, Singh drafted the 5Cs and discussed them with his team in a virtual town hall in April. “We are in this crisis together,” he assured his team, “and we would come out victorious.”

Strong And Steady Growth Till Fy20

(Room inventory in units and occupancy in percent)



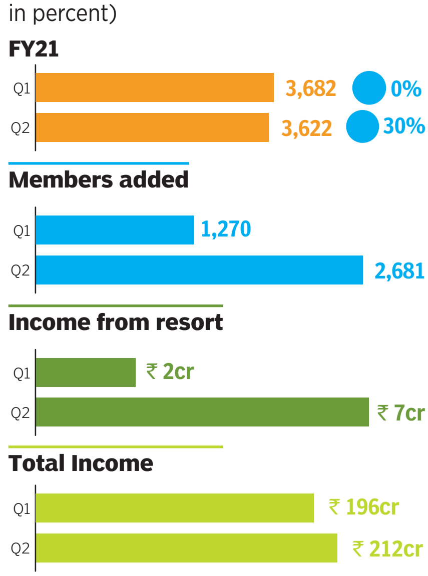
(Revenue from operations)



Figures are in ₹ Crore; Numbers rounded off

Then The Massive Fall After Lockdown

(Room inventory in units and occupancy in percent)



Call it the power of symbolism, the fightback had to start with C. “Corona starts with C. And we came up with our answer with five Cs,” he says, explaining his new playbook. The first C, he points out, stood for compassion, and it started with team members. Understanding the limitations of each member and working out a solution was made a priority. The second element was being ‘creatively restless’. A digital campaign was rolled out—21 days of family moments—for the members. The idea, Singh informs, was to engage with them in a creative manner. From coffee painting and make-up workshops to rolling out a three-year membership product—GoZest—the company pulled out some creative hacks to engage with its consumers. The third and fourth elements were staying ‘connected’ and ‘conserving’ cash.

Staying connected meant doing the regular business in a not-so-regular way. The company rolled out a ‘Travel with Confidence’ campaign, a door-to-door solution, to allay the concerns of the travellers. From discounted Covid tests and certification to offering Covid travel insurance for stress-free holidays, discounts for renting a car, offering services such as sanitisation of cars through Mahindra First Choice Wheels and flight bookings, Singh offered a comprehensive solution to ensure people packed their bags again and hit the road (*see box*). The last element of 5C, he lets on, was building capabilities. “We embraced a digital way of life,” he says.

What helped in the rebound was firmly keeping an eye on the larger picture: Pandemic or no pandemic, the headroom for growth is massive in India. Singh explains. There are at least 17 to 20 million households in India with an income of ₹15 lakh and more. Now contrast it with the number of households that own vacation ownership: Around 3.5 lakh. “This translates to a meagre 2 percent penetration,” underlines Singh. With three types of membership tenures—three, 10 and 25 years—the brand is in a position to serve the needs of a growing demand for an experiential holidaying product that suits every pocket.

What also served Mahindra Holidays & Resorts best was its unique business model. “We are not a traditional hospitality player. Our business model is very different and resilient,” Singh underlines, adding that there is predictability to the revenue stream. He explains. A sizeable member base of over 2.6 lakh—till the end of last September—generates three broad multiple revenue streams. First comes vacation ownership income, which is a membership fee. Then there is annual subscription fee. And the third one is the resort income, which comes when people holiday at resorts.

Singh breaks down the three components to explain how the model is different from a traditional hospitality player. Let’s start with the membership fee. If one becomes a member and has to pay ₹100 as a fee, the company can only recognise ₹4 as income. The rest—₹96—gets pushed over to 24 years. “In my books, I have ₹5,300 crore of deferred revenue which is sitting over there with usually approved income on the vacation ownership revenue,” he says. So the vacation ownership income comes from the deferred revenue pool, which has grown and continues to grow.

Annual subscription fee too has been consistent and predictable. Even during the pandemic, the members continued to pay. “Though there were some delays, there was never a question of not paying,” he says. The track record of maintaining a high occupancy of above 80 percent at resorts, he points out, has ensured continuous and consistent resort revenue growth. With a strong balance sheet, a deferred revenue pool of over ₹5,300 crore—which keeps accruing over the years into the vacation ownership income—and regular cash flows and free cash of ₹791 crore, the business is indeed built on a model which is self-sustaining. Add to it ₹1,596 crore of receivables, and it provides the company liquidity in excess of ₹2,000 crore. Despite Covid-19 and significantly lower resort revenues, Singh asserts, the company has been able to deliver a robust operating performance.

Improved profitability came on the back of substantial cost-saving measures. While total costs were cut by an estimated 29 percent, sales and marketing expenses were slashed by 36 percent.

What helped in tandem was a rising share of referrals and digital: It was at 53 percent of the total member addition in the second quarter of last year as compared to 40 percent during the same period in 2019. The company also managed to get hefty waivers on lease rentals for resorts and branch offices. Other expenses too—resort consumption, energy and travel expenses—came down by a good 41 percent. All the initiatives, Singh underlines, helped in staging a gritty rebound.

The rebound, and the future of travel and holidaying, will only gather pace and look promising. Singh offers three reasons. First, the desire to explore, wander, and experience new destinations will not go away. “This can’t be satisfied virtually,” he says. Second, the desire to bond with friends and family too will stay intact. Lastly, the desire to belong to a club or being affiliated to a community will survive. “These three things will hold us good even after the pandemic,” he says.

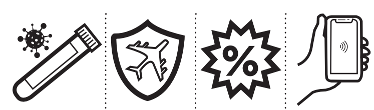
For the time being, though, with the vaccination drive underway across the country, Singh can hope for a V-shaped recovery. The magic, he signs off, is in clubbing together and staying clubbed. F

What Helped In Survival

1. **Zero-debt company**, aided by a resilient business model
2. **Robust deferred revenue:** ₹5,376 crore is income earned and deferred. This will be recognised over the tenure of the membership
3. **Strong cash position:** ₹791 crore by the end of H1 FY21
4. **Partnering with Bureau Veritas**, a global leader in testing, inspection and certification of ‘Covid safe’
5. **A solid membership base** of over 2.6 lakh by the end of September last year

The Bounceback

Rolls out ‘Travel with Confidence', a door-to-door solution, to allay the concerns of consumers. Some of the features are:



DISCOUNTED COVID TEST AND CERTIFICATION
Tie-ups with national labs to facilitate discounted testing at home

TRAVEL INSURANCE AND COVID INSURANCE
to ensure stress-free holiday

DISCOUNTS FOR RENTING A CAR
Members can rent a car for their holidays to a Club Mahindra resort with exclusive ‘member only’ discounts and cashback offers

CAR SANITISATION
Facility to sanitise the car before the travel journey at a discounted rate, through Mahindra First Choice Wheels

FLIGHT BOOKINGS
Members can avail exclusive benefits like flexible cancellation, date change on most major airlines within India, free seat selection and other privileges

TWEAKED RESORT EXPERIENCE
Contactless service delivery at check-in, check-out; re-engineered menus with in-room dining services

DESPITE COVID-19, THE COMPANY HAS BEEN ABLE TO DELIVER A ROBUST OPERATING PERFORMANCE

THE RISE OF INDEED- INDIA'S NEW AGE CSR CONSULTANCY

Haresh Nayak, COO, Dentsu International, Media Brands

"Our philosophy has been to create a Brand led CSR approach & help our clients Invest Responsibly, Indeed uses an in-house data and analytics platform (VAULT) to identify the right kind of beneficiaries, geographies and sectors for a given corporate. VAULT deploys algorithms by using multiple data sets from public and private domains to map the right theme and beneficiary for a given project area, or approach. This data driven approach helps us in creating high impact social projects giving maximum social return on investment (SROI) to our client".

Sahil Arora, Vice President, Indeed - Dentsu

"We realise that in the wake of compliance, there has been widespread interest showcased by companies to use CSR as a strategic lever for social impact, political unlocks and achievement of Sustainable Development Goals (SDGs) and the potential in the space also calls for a new view on corporate governance which can be exercised by having the right CSR strategy and projects".

We are past the age where corporate organisations used to operate for the purpose of maximizing shareholder value and due weightage was not given to corporate responsibility. Today, board rooms face continuous struggle and are ensnared to keep a healthy relationship between the firm and the society. Corporate Social Responsibility (CSR) has emerged as an important filler to bridge this gap and is being given due weightage by corporate leaders as a strategic lever to drive broader societal goals.

The CSR sector has witnessed unprecedented growth in the past few years especially in the sub-continent which became the first country in the world to mandate social responsibility as a law. The sector in India stands at a yearly valuation of Rs. 18,000 crores mandating more than 15,000 companies to comply and invest in social activities recognised by the act. Initially, the companies were facing teething issues and were not able to comply with the law due to multiple reasons such as non-existence of CSR policy, not being able to find suitable implementation partner or identify projects etc. earmarking the need of consulting partners in the space who could guide companies to abide by the law and invest responsibly

The law also gave birth to a plethora of NGOs and consultancies which tried to address these challenges and help companies cope up with the new regime, but it was only done to achieve compliances. In the past few years, the compliance and reporting percentage has significantly improved however, the "consultancy" required for realizing the intention of the law has not been provided creating a huge gap in the expectation and delivery. On the contrary, even companies have not enjoyed due credit because of haphazard CSR policies and haywire fit to purpose CSR projects.

Realising the need of a new age CSR Consultancy, Dentsu International- World's leading advertising giant launched its CSR Advisory and Consulting Practice Indeed which focusses on Brand Led CSR, a concept which helps companies not only to invest responsibly but develop their societal image and brand value. Indeed serves as a 360 degree CSR Consultancy providing turn-key and be-spoke solutions to corporates for creating and implementing their CSR strategy on ground. The consultancy leverages the strength and capabilities of building brands from its parent company Dentsu providing innovating brand led CSR projects backed by solid desk research, data and technology

Haresh Nayak - "Our philosophy has been to create a Brand led CSR approach & help our clients Invest Responsibly, Indeed uses an in-house data and analytics platform (VAULT) to identify the right kind of beneficiaries, geographies and sectors for a given corporate. VAULT deploys algorithms by using multiple data sets from public and private domains to map the right theme and beneficiary for a given project area, or approach. This data driven approach helps us in creating high impact social projects giving maximum social return on investment (SROI) to our client.

Dentsu's new baby is 4 years old and has seen unprecedented growth since its evolution. Indeed has become one of the fastest growing CSR consultancies supporting projects worth 90 crores not only in India but in 7 International markets. They have managed a sustained client base of 70+ corporates and a team of 150 committed professionals across the globe.

Sahil Arora, Vice President & Head- Indeed states "We realise that in the wake of compliance, there has been widespread interest showcased by companies to use CSR as a strategic lever for social impact, political unlocks and achievement of Sustainable Development Goals (SDGs) and the potential in the space also calls for a new view on corporate governance which can be exercised by having the right CSR strategy and projects"

Betting Big on Buses

As trains came to a halt during the lockdown, IntrCity RailYatri's bus business, with an emphasis on quality and service, has driven growth and a rebound

By RAJIV SINGH

April 2016. Nandan Nilekani boarded the train. The co-founder of Infosys and former chairman of UIDAI (Unique Identification Authority of India) decided to back RailYatri, a startup providing analytics-based real-time rail travel information—ticket availability, delays, possibility of ticket confirmation for waitlisted passengers—to users. Nilekani had identified a unique venture—already backed by a bunch of big venture capitalists (VC) such as Helion Ventures, Omidyar Networks and Blume Ventures—which had recently rolled out the option of pre-booking meals for commuters. "This is a new-age product made by Indians for Indians," Nilekani reportedly said. The prospects looked exciting.

April 2019. Three years later, the train comes to a screeching halt. The Delhi High Court reportedly declares the business and operation of RailYatri as unauthorised. In a complaint filed in 2017, the Indian Railway Catering and Tourist Corporation alleged that RailYatri was providing illegal bookings and meals on trains. The verdict in the case, which dragged on for over two years, came at a terrible time. RailYatri had doubled its business: Revenues jumped from ₹5.5 crore in 2017-18 to ₹12.2 crore in 2018-19. Ironically, the startup, which specialised in making analytics-based predictions, failed to predict the mishap. The prospects looked bleak.

Fast forward to December 2020. "The litigation made us realise that we had put all eggs in one basket," recounts Kapil Raizada, co-founder of IntrCity RailYatri. The learning was profound. Raizada and his team hunted for another basket. A month after the verdict, RailYatri rolled out IntrCity SmartBus, a fleet of inter-city bus services. The name of the

Journey So Far

Manish Rathi and **Kapil Raizada** start RailYatri, a train information venture, in 2014

In **2019**, RailYatri adds a new vertical of **inter-city buses—IntrCity SmartBus**

Last year, changes name of the company to **IntrCity RailYatri**

Report Card

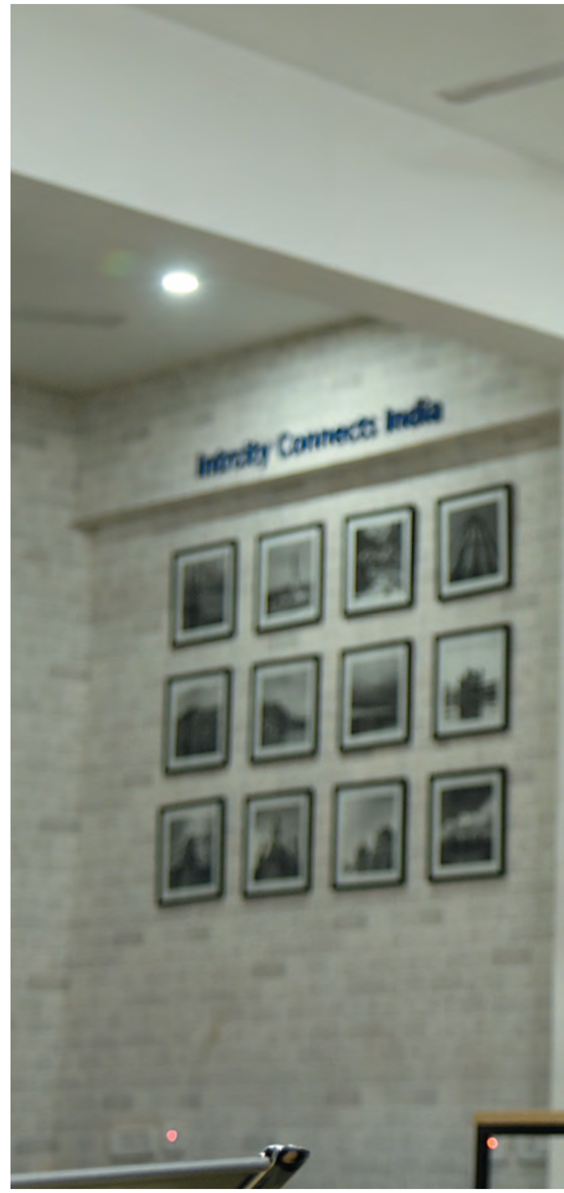
Revenue: March-ended fiscal (₹ cr)

2017-18	2018-19	2019-20
5.5	12.2	51.5

Funding

$30 million
Funding raised so far

$15 million
Last round led by Nandan Nilekani and Samsung Venture Investment. Omidyar Network and Blume Ventures also participated



Kapil Raizada, co-founder of IntrCity RailYatri, believes in five years, the Indian bus industry should be on a par with international standards

ILLUSTRATIONS: CHAITANYA DINESH SURPUR

company was changed to IntrCity RailYatri, reflecting the new reality and identity. In February last year, IntrCity raised funding of over ₹100 crore, led by Nilekani and other investors such as Samsung Venture Investment, Omidyar Network and Blume Ventures. Buses were primed to drive the growth. And they did. For the March-ended fiscal 2019-20, revenues jumped to ₹51.5 crore. The bus vertical contributed 75 percent to the revenues. "We had pressed on the accelerator," he says.

At the peak of acceleration, though, the venture hit the Covid wall. Nine months into the pandemic, though acceleration is missing, buses and business are back on the road. "Buses have been driving the growth, and the rebound," says Raizada. With train services shut down during the initial months of the lockdown, buses helped in staging a comeback. The lesson of 2019—not putting eggs in one basket—came in handy for Raizada as his team and he have coped and survived the torrid months post the lockdown.

For any startup, the biggest survival hack would be to brutally cut expenses. "In our case, the biggest operational cost was running buses," recounts Raizada. With buses not running at full steam during the first few months, there was nothing to worry about in terms of bleeding operationally. What was 'slaughtered' next was advertising and marketing spend. "It came down drastically," he says. Other variable costs were also pruned. What also came in handy was a funding round of ₹100 crore that happened in February, a month before the lockdown last year. "The fact that we had a fair bit of corpus with us gave us the confidence to survive," he says.

What was needed most to survive though was strict discipline and loads

HEMANT MISHRA FOR FORBES INDIA

of patience. “We always had these qualities in-built in our DNA,” claims Raizada, who failed to anticipate the severity of the Covid impact. “I got a heads-up from my investors early last year that a storm might be coming our way.” Disbelief was the first reaction. Denial followed it. The entrepreneur was taken off guard. Towards mid-April, things turned messy. There was no end to the lockdown in sight. “We went back to the drawing board and made a contingency plan,” he recalls. A crucial element, he lets on, was to reboot the system. “Covid gave us time. It was an opportunity,” he says. The fleet management system was upgraded; analytics, pricing algorithms and agent network automation were also looked into; and an exhaustive consumer survey was undertaken to understand the needs of travellers in the ‘new normal’. The concerns were just one: Safety.

From using sanitisers, thermal scanners, verification of travellers and replacing blankets on buses, to training staff and partner operators in cleaning, steps were taken to allay all apprehensions. It resulted in a slight increase in the cost of travel. But commuters didn’t mind paying the extra bucks. There has been a change in the mindset too: Quality, which was looked upon as a luxury, became a necessity. “It would have taken us millions of dollars and years to change the consumer habit. The pandemic made it happen for free,” he says. Quality, he lets on, is now in the driver’s seat.

Back in 2016, there was another ‘quality’ issue that Raizada was grappling with: Failed travel.

The Brake, And Acceleration

Pre-Covid

Fleet size and cities covered: 100 buses and 228 cities

Bus tickets: 1 to 1.2 lakh per month

Train tickets: 1.2 to 1.3 lakh per month

Post-Covid

Fleet size and cities covered: 90 buses and 228 cities

Bus tickets: 1 to 1.2 lakh per month

Train tickets: 1.2 to 1.3 lakh per month

Thousands of users were finding it hard to get confirmed train tickets. Interestingly, the failed travel was most between cities which could easily be covered by road. The huge waitlisted passenger list turned out to be a blessing in disguise. Raizada offered the option to commuters to switch to bus. There was one glitch, though. Passengers didn’t switch. The reasons were plenty. First, there was a lack of definitive boarding points for buses. Second, buses were not perceived to be safe. Third, the experience while travelling inter-city was nothing great. There was nobody to ensure discipline among unruly commuters. Buses didn’t have toilets. For overnight travel, it was a pain.

Three years later, in 2019, when RailYatri rolled out its fleet of buses, all these pain points were addressed. Bus lounges were rolled out; a bus steward was stationed inside buses to maintain discipline; toilets were introduced; on-time tracking devices and CCTVs were installed. “The buses were made smart,” says Raizada.

FOR THE MARCH-ENDED FISCAL, REVENUES JUMPED TO ₹51.5 CRORE. THE BUS VERTICAL CONTRIBUTED 75 PERCENT TO THE REVENUES

IntrCity RailYatri now covers 228 cities; has over 90 buses; and books 1-1.2 lakh bus tickets every month.

Investors are impressed with the performance. IntrCity SmartBus, reckons Siddharth NautiyalI, investor director at Omidyar Networks, was an outcome of deep domain insights from its founders who had invested several years in the Indian mobility domain. The biggest reason behind IntrCity’s growth, he explains, has been that the company understood the pain points of travellers and was able to craft a mobility product offering that directly addressed those. Omidyar Networks, the VC underlines, invested in IntrCity to address the issues around standardisation, safety, convenience and on-time intercity travel built with the lower and lower middle-income consumer in mind. “IntrCity’s technology-first approach backed by strong consumer insights has helped them grow over 10x over the last two years,” claims NautiyalI.

Post-pandemic, too, IntrCity is best suited to make the most of the revival in travel demand. “We are seeing stronger-than-expected recovery of inter-city mobility amongst lower and lower middle class Indians,” says NautiyalI. Another strong trend that has emerged is a clear shift in travellers’ awareness and preference towards hygiene, cleanliness and social distancing. “This is helping the professionally-run mobility brands to scale faster than the industry,” he says.

Raizada, on his part, too bets big on the future of organised and branded bus services in India. “In five years, the Indian bus industry should be at par with international standards,” he says. While the industry has not received adequate attention, technology and funding, the script will change over the next few years. “India still needs one national brand which one can trust and board anytime and anywhere,” he says. For IntrCity RailYatri, though the train might keep chugging, the bus will keep driving the growth and business. F

Little Chaos, More Chaayos

How tea retail chain Chaayos managed to keep its brew intact by surviving chaotic months. All it banked on was safe-tea

By **RAJIV SINGH**

Last February—after eight long years—Nitin Saluja managed to put all the ingredients in place. The IIT-Bombay grad was finally ready to brew a perfect masala cuppa at his tea retail chain brand Chaayos, which he co-founded with fellow IITian from Delhi, Raghav Verma, in 2012. Saluja was understandably excited. "One ingredient somehow always went missing in the past," Saluja recalls, alluding to what held back Chaayos from growing aggressively. He explains. At times, a 'solid' team was lacking; then there were years when the fledgling brand didn't have

Chaayos founders Nitin Saluja (left) and Raghav Verma believe that the business of tea has taught them patience and tenacity

AMIT VERMA

sufficient outlet heft to press on the gas pedal; and intermittently, capital was elusive for Chaayos. For eight years, there was some or the other slip between the cup and the lip.

For once, Saluja thought he had cracked the missing puzzle. Chaayos reportedly raised $18.5 million from a bunch of venture capitalists (VC), including Silicon Valley-based investment firm Think Investments last February. Existing investors such as Elevation Capital, Tiger Global Management, former WhatsApp chief business officer Neeraj Arora and Hong Kong-based Integrated Capital also chipped in. The same month, Saluja went on to raise $3 million in debt from InnoVen Capital. The brand now was well capitalised; a close-knit team was firmly in place; and Chaayos was prepared for a tea juggernaut. The brand was set to cross the ₹100 crore revenue mark in FY20; with 84 outlets in the bag, Chaayos was planning to fan out at a much faster clip; and losses too had not ballooned much. "We were ready to roar," Saluja recalls.

A month later in March 2020, Covid gatecrashed into the prospective party. In April, Chaayos clocked in a mere 10 percent of pre-Covid revenue. With the pandemic raging in full intensity, the forecast for the next few months too looked gloomy; and it didn't look like a storm in the teacup. Being in the tea retail business—especially for Chaayos which was predominantly based on brick-and-mortar outlets—didn't seem like the right cup of tea.

Cut to December 2020. Business bounced back to 65 percent of pre-Covid level; eighty percent of the stores opened up and started clocking around 80 percent of the previous sales numbers; takeaway business has jumped from 1.5 percent in February 2020 to 5 percent; and delivery's contribution to revenue has climbed to 35 percent. Chaayos is back in action; and Saluja is sporting a 'T' sign for victory.

The alphabet 'T', it turns out, was the magical ingredient that helped Saluja tide over the Covid storm. "Both words start with T: Tea and tenacity," he explains. While tea is what Saluja and his team have been dealing with, the inspiration for tenacity comes from American ultra-marathon runner Dean Karnazes. 'Run when you can, walk if you have to, crawl if you must. Just never give up', is what he once remarked. Saluja didn't give up.

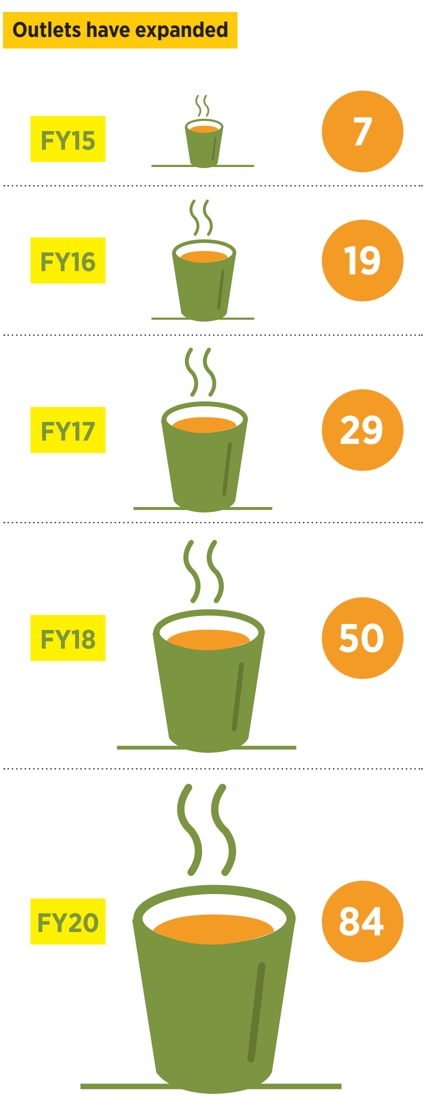
The first survival hack, the tea entrepreneur underlines, was adding a layer of safety to everything; from operations to employees to offerings. "We called it safe-tea," he smiles, taking a swig of warn cup of masala tea on a chilly January evening in Gurugram. North India, including Delhi-NCR, is in the grip of a severe cold wave. Saluja, though, has no reasons to complaint. Rebound in business has ensured that the winter is less of discontent. "Sit at home and enjoy a cup of safe and warm team," he smiles.

Back in April last year, safety was the primary concern. To allay the apprehension of consumers, Chaayos started to print body temperature of the staff on the bill. From thermal screening of the staff and consumers coming to the store to a stringent enforcement of sanitisation procedures across all outlets, Chaayos went hyper aggressive in driving home the message of safety. Automated hygiene-related information was shared with its users. "Customers took note of it, and liked it," recalls Saluja, adding that a 20-point agenda was drafted to handle the crisis.

The comeback strategy was shaped by four factors. First was having a right set of people who believed in the vision of the company. "What matters most during a crisis is your team," contends Saluja. Second was the speed of decision-making and execution. Very early in the crisis, Saluja recalls, the brand decided to act quickly to stock raw materials for at least three months. "It helped in navigating the uncertainty," he says.

The third factor was the role post investment in creating a brand. Chaayos, claims Saluja, has managed to build a credible brand image over the last eight years. It came in handy during a crisis where the only things people were looking for were quality assurance and credibility. Being able to offer customised tea and maintaining consistency in taste played their part in building a brand. Also being in a business which is largely driven by impulse helped to stay insulated as compared to other F&B players who are still reeling

A Journey Well-Brewed



INFOGRAPHICS: SAMEER PAWAR

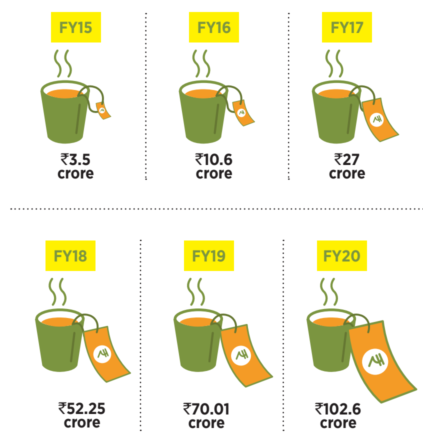
under the losses faced due to the crisis. The last, and most crucial issue for Chaayos, was having enough capital in the bank. For an entrepreneur, who has survived multiple 'capital punishment' in the past, having the cushion of sufficient capital in the bank can indeed be comforting.

Chaayos, reckon industry experts, has managed to not only survive the pandemic but also a brutal tea industry. India is a nation of tea drinkers. Almost 50 times more tea is consumed in the country compared to coffee. With such a large consumption base, there is widespread offtake at homes (virtually every household makes tea) as well as out of home. "The recipe to make tea varies every few kilometres," says KS Narayanan, food and beverage expert. There are more challenges to contend with: Lower unit value per consumer as compared to coffee; and need for more transactions per day to stay in the business.

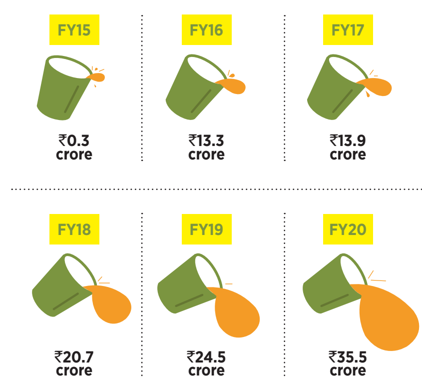
Chaayos has managed to grow consistently. "Its top line has outpaced the bottom line. This is the most encouraging part," says Ashita Aggarwal, marketing professor, SP Jain Institute of Management and Research. For a consumer brand, especially selling a product like tea, the business could easily turn out to be cash guzzling. The fact that it has managed to survive and grow has helped it build a credible brand in a segment where many tried, made a promising start and then perished. "It's a credible consumer brand story," she adds.

Five years back, in 2015 and 2016, Chaayos was a different story, though. A story where the protagonists were struggling to survive. The crux of the problem was capital. In early 2015, Chaayos was a 50-member team, had seven outlets and a revenue of ₹3.5 crore. "We didn't have enough capital. We needed more," Saluja recalls. The next year, though the capital problem was solved, another issue popped up. The root cause this time

Revenues Have Leapfrogged



Losses Are Under Control



Funding Tap Has Not Dried

Raised **$40 million** so far

Last funding of **$21.5 million** was in last February when it raised an equity and debt round led by Silicon Valley-based investment firm Think Investments and InnoVen Capital

Backers Have Come In Hordes

Elevation Capital, Tiger Global Management, former WhatsApp chief business officer Neeraj Arora, Hong Kong-based Integrated Capital; Silicon Valley-based investment firm Think Investments

High five

Five things that helped Chaayos survive the pandemic:

- Committed and passionate team
- Quick decision-making
- Branded play, aggressive consumer connect and safe-tea positioning
- Capital in the bank
- High use of technology

The Shock, And Bounce Back

February'20: Takeaway was 1.5 percent of overall revenue; delivery made up 25 percent

March'20: Pandemic hits and lockdowns start

April'20: Business was 10 percent of pre-Covid level

December'20: Business is now 65 percent of pre-Covid revenue; 80 percent stores are live and clocking 80 percent of pre-Covid numbers; five percent of overall business comes from takeaway; delivery is 35 percent; rest is dine-in

again was capital. Excess capital. "We started to focus on growth at the cost of everything," he recounts. "That was my first mistake," Saluja adds.

In 2016, the outlet count doubled to 19; revenue leapfrogged to ₹10.6 crore; but something was missing—customer experience. "We were growing with our eyes closed," he says. More stores were opened without reviewing the overall team capability, and customer experience took a backseat. In 2016, Net Promoter Score (NPS)—a metric used to measure customer loyalty—fell to a low of 17. There was another problem: Chaayos was again running out of capital. Saluja paused. For six months, Chaayios didn't open any store. The idea was to improve NPS. "The next store was opened only when the NPS touched 40," he recalls, sharing the biggest takeaway of 2016: Compromise on customer experience, and you lose it all. "It doesn't matter how much capital have you raised. If you don't have customers, you don't have business," says Saluja.

There was another huge learning. With every transaction, Saluja underlines, a brand could screw it up in three ways. First is in interacting with the customer; second is store hygiene; and the last is the product. "We focussed on all three, and this helped a lot leading into the pandemic," he points out.

The business of tea, Saluja explains, teaches patience, a critical attribute for any entrepreneur and any business. Covid-19 has reinforced the priceless virtue of brewing tea, slowly and safely. F

A Knotty Affair

From the dotcom bust in 2000 to the 2008 financial meltdown and now Covid-19, Matrimony.com has innovated and come out on top every single time

By RAJIV SINGH

COURTESY: BHARAT MATRIMONY

Murugavel Janakiraman, founder-CEO, Matrimony.com, says crisis is too big an opportunity to be missed. One can do both: Strive as well as thrive

October 24, 2008. 'Black Friday' is indelibly etched in the memory of Murugavel Janakiraman. In one of the biggest falls in the history of the stock market, the Sensex tanked by 11 percent. The financial crisis—triggered in the US by the bankruptcy filing of the fourth largest investment bank, Lehman Brothers, on September 15—snowballed into a debilitating pandemic hitting every country. A few months into the doldrums, while the US economy slipped into recession, developing countries were coming to terms with a painful slowdown.

MURUGAVEL JANAKIRAMAN'S CONFIDENCE CAME FROM DOING A HOST OF RIGHT THINGS AND TRYING A BUNCH OF WRONG THINGS

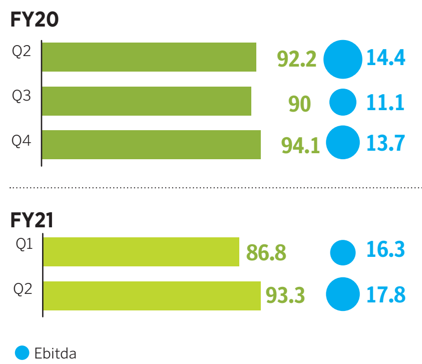
Back home in India, things were fast turning chaotic for businesses. For Muruga—that's how Janakiraman is addressed by his friends and colleagues—it was a matter of survival. His eight-year-old online matchmaking venture—Matrimony.com (BharatMatrimony is the flagship brand)—was under severe strain. "We were fast running out of capital," he recalls. "It was a body blow."

What made matters worse for Muruga was running a slew of other businesses, apart from matchmaking. "We had a job portal, online property vertical, and an automobile portal. We ventured into various verticals," he says.

Report Card

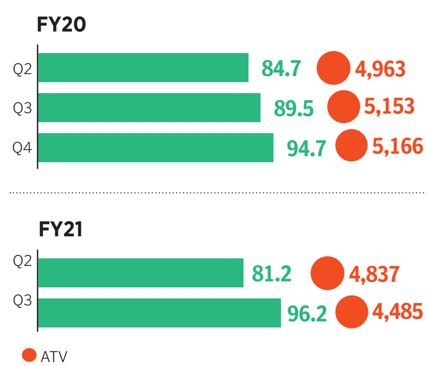
Three quarters leading to March 2020

Operational Revenue and EBITDA (₹ crore)



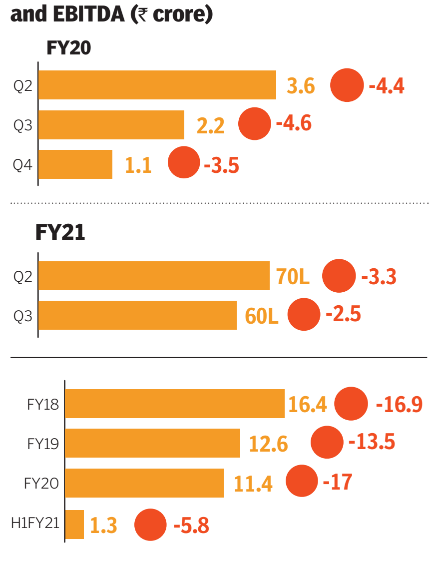
Matchmaking Leads the Show

Matchmaking billing (₹ crore) and Average Transaction Value or ATV (₹)



Marriage Services Have Been A Drag

Marriage services performance and EBITDA (₹ crore)



When the going got really tough, Muruga's survival instinct got the better of his killer instinct. "In 2009, an entrepreneur in me got transformed into a CEO," he says. Employees were handed pink slips, multiple ventures were shut down, losses were pared and capital was conserved. The matchmaking business became his focus. "That became the core," he recalls. Going back to the roots made sense for a venture which was born during a crisis year, 2000, when the dotcom bust happened. Matrimony.com was a crisis baby. It survived then, and so also eight years later. "What doesn't kill you makes you stronger," he says.

Cut to March 2020. Covid—the mother of all crises—hits India. The country goes under a lockdown and growth forecast looks exceedingly gloomy. For Matrimony.com, which went public in 2017 and in FY20 had posted revenue and net profit of ₹371.8 crore and ₹29.5 crore, respectively, the business of marriage, too, entered into a state of uncertainty. 'Who would scout for partners during such distressing times?' was the question.

Muruga, though, stayed composed. Surviving two global crises, economic pandemics of sorts, came in handy. To repeat a Covid lingo, his T-cells activated his immunity system and the 50-year-old knew how to withstand the most virulent attack of a global slowdown. Muruga rates the Covid-induced crisis as less severe: 2008-09 was the most challenging for him. "I have realised crisis is too big an opportunity to be missed," he says. One can do both: Survive as well as thrive.

First, the survival hack was quickly put in place. A two-pronged strategy was formulated. The offensive part of the plan was to aggressively look for areas to cut cost. This time, there were no layoffs or salary cuts. The defensive part was to optimise the operational cost and headcount. In some of the business verticals, like the call centre and payment collections department, the team size was rationalised and the excess manpower was shifted to another department. "I went back to zero budgeting," Muruga recounts. Every department and function were looked into with fresh perspective and a stringent return on investment (RoI) lens.

The Matrimony team also took to innovative approaches: A slew of new features, such as live video calling and home weddings, was rolled out for users; BharatMatrimony tied up with ratings agency Crisil for wedding services platform MatrimonyBazaar. The idea was to provide an extra layer of trust and credibility to the consumers. The one-size-fits-all pricing mechanism was also done away with, bringing in separate pricing on the basis of a host of factors, including the socioeconomic background of users.

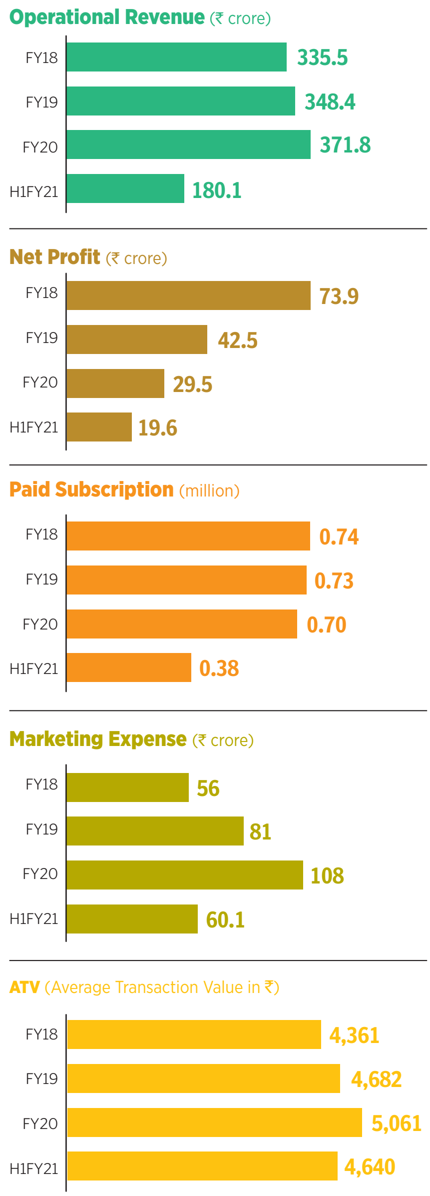
The gambit paid off. Operational revenue increased from ₹86.8 crore in the first quarter of FY21 (April-June) to ₹93.3 crore in Q2 (July-September). Growth has returned, and profitability is intact. Matrimony clocked ₹100-crore billing in the third quarter of FY21, and revenue of ₹96.7 crore, a jump of 9 percent and 7.4 percent year-on-year, respectively. Profit after tax too increased by 96.5 percent year-on-year at ₹11 crore. While the vertical also added 2.3 lakh paid subscriptions during the period, Matrimony rolled out two new services in North India: RajasthaniMatrimony and BihariMatrimony. The portal also launched a wedding service exclusively for doctors: DoctorsMatrimony.

What has also come back is an aggressive marketing spend, and more visibility on TV as Matrimony stepped on the gas to air MS Dhoni-featured commercials. Muruga says there are markets where Matrimony is spending more than what is required. Reason: Increase in competitive intensity. Second, there were markets where the brand was spending less, leading them to step up. "There is an opportunity for us to grow," he says. In 2016, he points out, just six percent of the matchmaking business was online. Now it's 8-10 percent. Covid, he underlines, has only accelerated digital adoption. "Still, the headroom for growth is massive," he adds. Over the next three years, he predicts, the number will jump to 30 percent.

Muruga's conviction about the business model, reckon early online pioneers, has done a world of good for the entrepreneur. "He was part of the early internet entrepreneurs in India along with Sanjeev Bikhchandani (Naukri.com), Deep Kalra (MakeMyTrip), Ajit Balakrishnan (Rediff.com), and Avnish Bajaj (Baazee.com)," says K Vaitheeswaran, who along with his five friends started Fabmart—India's first ecommerce company—in 1999. During the early 2000s, the online industry was quite small. "All of us used to meet regularly at industry events, sharing our learnings, and trials and tribulations," recalls the serial entrepreneur and CEO of Again Drinks. Muruga, he underlines, always stood out in terms of clarity of thought.

What makes the founder of Matrimony remarkable is the business segment he operates in. "Online matrimony is a very tough business in India," says Vaitheeswaran. Most families who go in for arranged marriages look for alliances through family and friends. Even when they approach marriage brokers, they seek recommendations before signing up. At the turn of the century, internet

Performance After IPO In 2017



Journey So Far

1997 As a young programmer in New Jersey, M Janakiraman launches a community portal for Indians living abroad

2000 Starts Matrimony.com; launches flagship brand BharatMatrimony

2006 Gets first round of funding of 8.65 million from various PE investors

2008 Second round of PE funding of 11.75 million

2009 Launches 'community matrimony'

2010 Rolls out 'assisted matrimony'

2011 Over 140 Matrimony retail outlets across India

2015 Launches professional wedding photography service

2016 Rolls out MatrimonyBazaar

2017 Gets listed on the stock exchange

2018 Ropes in former India cricket captain MS Dhoni as brand ambassador users in India were under three million, and it would have been hard to expect this base to go online for alliances, he adds. There's also a lot of sentiments attached to weddings in India and it would have been hard to convince people to opt for the internet. Another massive challenge in online matrimony is that, unlike online shopping, there was no chance of a repeat business. "Muruga, though, was confident about the growth," he says.

Muruga's confidence, it turns out, not only came from doing a host of right things, but also from trying a bunch of wrong things. "There are learnings from every mistake," he says. One such memorable one came five years ago when he flirted with the dating business. Tinder was the inspiration. Muruga bought Matchify in 2015, and invested a couple of million dollars in the women-focussed dating app. In three years, the relationship turned toxic.

Matchify was shut down before Matrimony listed on the bourses in 2017. "Somehow we didn't see the flip side of the venture," he rues. When it comes to marriage, he says, the intention of the users is clear: They want to get married. "There is a serious audience, there is a certain age group and they pay for subscription," he says. For dating, the intent is casual. For some of the dating players in India, there are only 10 percent women on the platform, he claims. "None has achieved a million dollars in revenue," he says. Contrast it with the top three players in the matrimony business—BharatMatrimony, Jeevansaathi and Shaadi—who have together over ₹1,000 crore in revenue.

Getting into multiple verticals with limited capital was another big mistake. "Venturing into too many things till 2009 took a toll on the business," he recalls. One of the failed ventures was a return gift vertical. Matrimony rolled out physical as well as online stores. The idea was to provide a platform for people looking for gifts for weddings or those planning to buy gifts in bulk. Another flop idea was setting up a separate vertical for the bottom of the pyramid. Yet another dud was getting into wedding photography—a highly unorganised segment. "There were times when the video guys didn't reach on time," he says.

Along with these, what also got over was Muruga's appetite to try too many things. "Focus was the biggest takeaway," he says. Every crisis, he underlines, had a silver lining. In 2000, when Matrimony was born, many companies went out of business and the ones who existed were open to exploring business relationships with upstarts. "We tied up with big companies like Rediff and Sify at a fraction of the cost," he says. "Crisis closes one door, but opens another. One just needs to spot it."

In 20 years, he points out, Matrimony.com has built a sustainable business. "We have always been a long-term player. A marathon runner," he says. A pandemic, or any crisis, tests the fundamentals of the business and an individual. The business, he lets on, was never built on extravagance. 'We never had money to burn, or extra capital to splurge on," he says. A frugal life turned out to be the biggest blessing. "When your company has a strong foundation, you will never be naked," he says, alluding to the quote by legendary investor Warren Buffet: Only when the tide goes out do you discover who's been swimming naked.

Muruga has mastered the art of survival, tiding over crisis, and making the most of it. Whether marriage or the business of matchmaking, the basics remain the same: Survive the rough years, and thrive when you hit the purple patch. F

Knotty Hack

How Matrimony innovated to survive the 2020 crisis

Focus on live video calling:
This was done to help users connect with each other and **move matchmaking conversations forward during the lockdown**

Rolls out 'Home Weddings':
From catering and makeup to priests... the idea was to provide **Covid-safe wedding services**

Starts new features for women users:
- With **'Who Can See Me'**, the profile is seen and contacted only by matches who meet preferences
- **'Secure Connect'** helps members receive calls from prospects without revealing their mobile number

- Members can **choose who can do a video call** with them

BharatMatrimony launches Prime:
Offers 100 percent **ID-verified profiles**

Joins hands with ratings agency Crisil:
BharatMatrimony's wedding services platform, MatrimonyBazaar, **joins hands with Crisil** to find trusted wedding service providers

Differentiated Pricing:
A customised plan for different sections of users, based on a host of factors, including socioeconomic background

Former India cricket captain MS Dhoni in Matrimony.com's TV commercial

MADHU KAPPARATH

Fairy, And Lovely

How sanitary napkin brand Paree focussed on three Ps—product, people and pace—to ride the Covid storm

By RAJIV SINGH

A career in 'buy-side' makes one smart enough to know the 'sell side'. Well, that's what the conventional investing mantra states. Back in 2001, when Sahil Dharia started his career at UBS Investment Bank in New York, he was gradually getting a hang of three

Managing team of Soothe Healthcare: (From left) Atulya Nair, Shilpi Negi (sitting), Shivani Maini, Shruti Kapoor, Sahil Dharia, and Sharad Khise

crucial things: Number crunching, data slicing and in-depth market analysis. "I was on the buy-side for two years," he recounts. Buy-side is the side of the financial market that buys and invests in securities. As an analyst, Dharia learnt the art of how, when and where to deploy capital. The learning, though, was incomplete.

High Five During the Pandemic

- Ramped up production, and investment
- Launched new brand of baby diapers: Super Cute's WonderShorts and WonderSkirts
- Rolled out 'Partners in Progress' programme for employees, and offered Esops
- Started consumer engagement programme 'She First' and 'Pads are essential'
- Expanded deeper into Tier II and beyond in Uttar Pradesh, Bihar and Madhya Pradesh

"WE KEPT HUSTLING. WE HAD TO COME OUT FASTER AND STRONGER THAN OUR RIVALS, AND THAT'S WHAT WE DID."

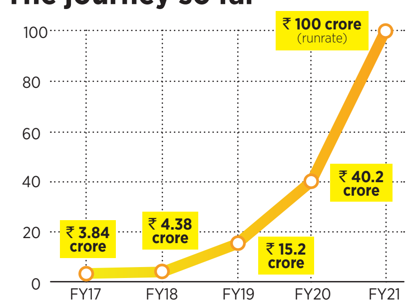
SAHIL DHARIA, founder and CEO, Soothe Healthcare

There were two 'Ws' missing.

Cut to 2012. When Dharia quit his job as global head of operations, (investment research content) at Thomson Reuters, he was supporting operations with over $200 million revenue footprint across the globe. The 32-year-old had cracked the first 'w' when he decided to turn employer. "I knew who to call," recalls Dharia, who called up his old boss at UBS and discussed the business venture. The boss was sold. "I have been waiting for this call for years," he quipped. The next line sealed the conversation: "How much money do you need to start?" Dharia started his Day 1 with ₹8 crore as seed investment.

The second missing 'w' flowed from the first one. When Dharia took the entrepreneurial plunge and started Soothe Healthcare in 2012, he knew the 'why'. "I wanted to do something that was good for business, and good for the community," he recalls. Nothing better than the

The journey so far



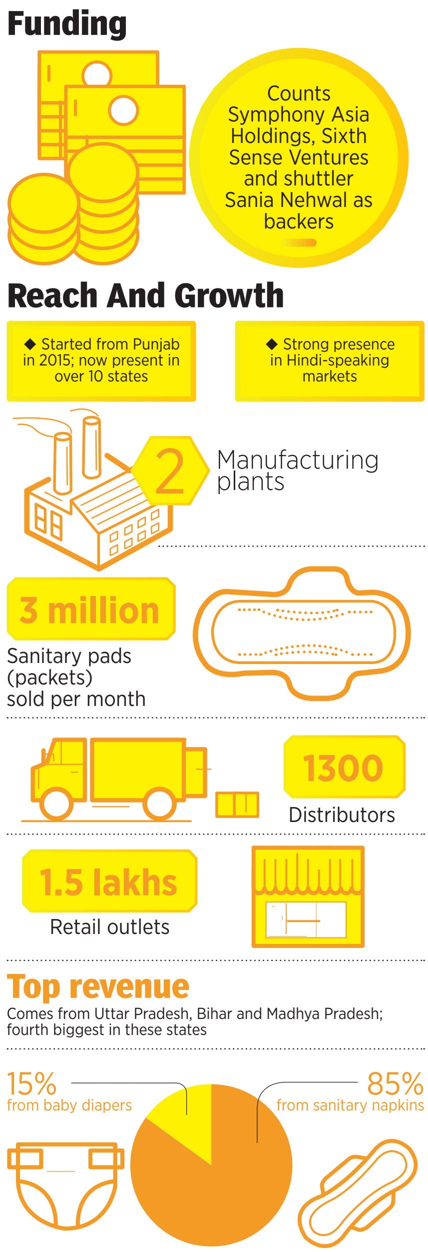
business of sanitary pads. Why? Two big reasons, reckons the founder and chief executive officer. First, only 12 percent of women in India used sanitary napkins. Now, the community problem: High school dropout rate of girls across India due to menstrual hygiene issues. Second, most of the women who were using napkin were largely confined to top cities and metros. Bharat—small villages, towns and cities—offered a massive headroom for growth. "We wanted to be Pond's and Lux. We didn't want to be Forest Essentials," he says. Dharia, subsequently, started a pilot for Paree sanitary napkins in Pune and Kochi, and rolled out the product in Punjab in 2015. The same year, shuttler Saina Nehwal was roped in as brand ambassador, who later became an investor in the company.

Five years later, in September 2020, the first-time entrepreneur dipped into one of his 'Ws' of investment banking experience to fight the pandemic. After pressing on the investment and distribution pedal for five months—sanitary napkins as a category came under essential goods during the lockdown—the entrepreneur rolled out baby diaper brand Super Cute's. "You need to know 'when' to launch a new product," he says. Crisis is the best time to step on the gas. Formula 1 drivers, he lets on, know that one needs to speed at the corners and not slow down. “That’s what gives you an edge,” he says. Super Cute’s, Dharia contends, has given the company a sharp thrust, and edge over rivals. “In four months, we have already hit a revenue run-rate of ₹40 crore,” claims Dharia. Soothe Healthcare, the maker of Paree and Super Cute’s, is all set to cross the ₹100-crore revenue mark in March this year. “Thanks to three Ps, we were able to tide over the crisis,” he says.

Dharia breaks down the 3Ps that helped in weathering the Covid storm. First was people. The company rolled out a ‘Partners in Progress’ programme to spot and reward high performers in terms of Esops (employee stock ownership plan). Dharia fixed only one criterion: Outsized performance. “There was no hierarchy. It was open to all employees,” he says, adding that over 40 percent of his workforce and 80 percent of the corporate team is made up of women. The strategy worked. While from April to August, the staff aggressively pushed napkins deeper into Uttar Pradesh, Bihar and Madhya Pradesh—the top three revenue-churning states for Paree—post September, all focus shifted to the new baby on the block.

The second P was pace. Dharia, along with his core team, prepared a blueprint of how to scale up production of sanitary napkins—declared an essential item in late March by the government. The task, though, was not easy. The lockdown put a spanner in the plans of the offline-heavy brand, which had grown at a scorching pace over the last year: From a tidy ₹15.2 crore revenue in FY19 to ₹40 crore in FY20. For the sales team, going deep into the hinterland was daunting.

The third P was product. Dharia, who had been planning to get into the baby diaper segment for a while, had strong reasons to accelerate the pace during un-lockdown. “Only seven percent of Indians use baby diapers,” he says. The dynamics and synergies



of napkins and diapers are the same: Low penetration, massive headroom for growth and three big players in Pampers, Huggies and MamyPoko. For the entrepreneur, who had erred a couple of times in terms of frequently changing the packaging of Paree during the initial years, the timing made perfect sense to roll out diapers.

The backers are happy with the performance during a pandemic year. “Paree is poised to be a disruptor in a category which is completely duopolised in India,” says Nikhil Vora, founder and CEO of Sixth Sense Ventures, the first and biggest institutional investor in the company. “We like the product, positioning, pricing, and the placement,” he says, declining to reveal the stake his fund has picked up in Paree. The investment trigger, he explains, stems from the fact that feminine hygiene is the most underpenetrated category in India. “Interestingly, it has the largest consumption period in a consumer lifecycle of almost 40 years,” he says, adding that Paree has picked up considerable pace over the last two years.

Marketers are not startled with the growth. Reason: The brand was smart enough to stay away from saturated and highly-competitive top cities. Blue ocean strategy—a market where there is little or no competitive intensity—has worked brilliantly for Paree. “Cities might have given them eyeballs, but no guarantee of mindshare or market share,” says Ashita Aggarwal, marketing professor at SP Jain Institute of Management and Research. Sanitary napkins as a category is hugely under-penetrated. Bharat, she explains, is the best place to create a massive brand in terms of revenue and sustainability. Their growth in the Hindi-speaking states underlines the growth potential for any brand that offers a value-for-money proposition. The strategy of focusing on Tier II and beyond, she underlines, also means Paree doesn’t need to stand the heat from multinationals.

Dharia reckons Paree is no threat to the big boys. “There is enough room for more players,” he says. From 12 percent in 2012, the sanitary napkin penetration has inched to 18 percent. “Now 18 percent makes it a ₹4,500-crore market by revenue,” he says. Compare this with China, where there is 80 percent penetration. One just needs to get the Ws and Ps right to have a dream run in the business. Looks like a fairytale-in-the-making for now. F

INFOGRAPHICS: SAMEER PAWAR

Grin and Beer it

How fledgling beer brand Simba survived a torrid pandemic and summer last year by focusing on South India

By RAJIV SINGH

Prabhtej Singh Bhatia was blighted with 80/20 eyesight. You can't blame him though. When the alcoholic beverage segment in India is intoxicated with heady phrases like 'make it large' and 'big is better' one usually tends to look at the bigger picture, oops the bottle. The focus invariably is on 80, not 20. The legendary Italian economist, sociologist, and philosopher—Vilfredo Federico Damaso Pareto—however, thought otherwise. The 80/20 rule propounded by him states that 80 percent of outcomes or outputs come from 20 percent of causes or inputs. But that was way back in the 19th century.

Cut to 2020. Last April, when the four-year-old craft beer business of Bhatia got hammered by the pandemic, the 29-year-old understood the essence of Pareto's Principle in more than one way. 80/20 was playing in front of the eyes of the co-founder of Simba.

Let's start with the first one. Over 80 percent of the revenues of Simba came from three states—Chhattisgarh, Delhi and Assam. What this means is that most of the sales happen during summer. Unfortunately, last year, post lockdown, it was a summer of discontent for Bhatia. For Simba, the top three states were a disaster. Business hit rock bottom. The harsh summer season also taught another 80/20 lesson. Simba had failed to expand to South India or outside North India over its four-year journey. Geographical concentration meant huge trouble. Bhatia learnt it the hard way.

There was another brutal 80/20 learning that Bhatia had overlooked. "Twenty percent of my employees were giving 80 percent of results," he recalls. The fact never hit him. It was high time to value the contribution of the doers. The top performers were fast-tracked into key roles. There was another 80 percent draining the company. Bhatia had put disproportionate efforts and investments in some of the states like Maharashtra, Uttar Pradesh and Jharkhand. Unfortunately, they were not paying off. 2020, he underlines, made the company go back to the basics. "For us, it was back to fundamentals," says Bhatia.

The first big shift in business approach, and survival hack, came by quickly diverting attention to the southern states. South, Bhatia points out, is the biggest market for beer. Over 60 percent of beer consumption happens in regions south of the Vindhyas. Sales drought in North India last year and the pandemic blues made him come out of the comfort zone. "We always knew South was a big opportunity," he says. Somehow that sense of urgency, he lets on, to enter new

Simba's manufacturing unit in Chhattisgarh

Prabhtej Singh Bhatia, co-founder, Simba beer

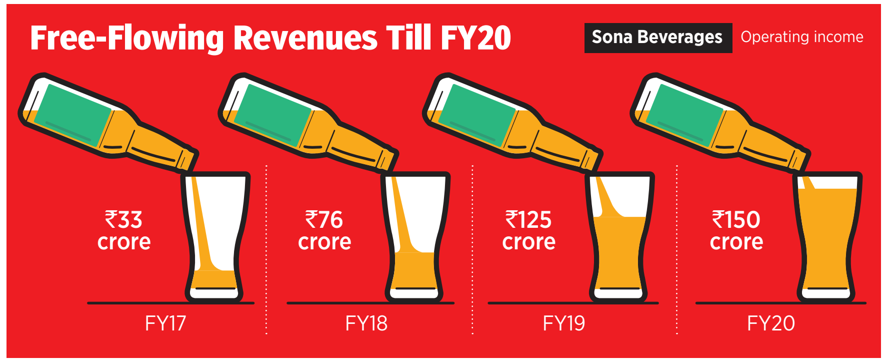
RACHIT CHIMNANI FOR FORBES INDIA

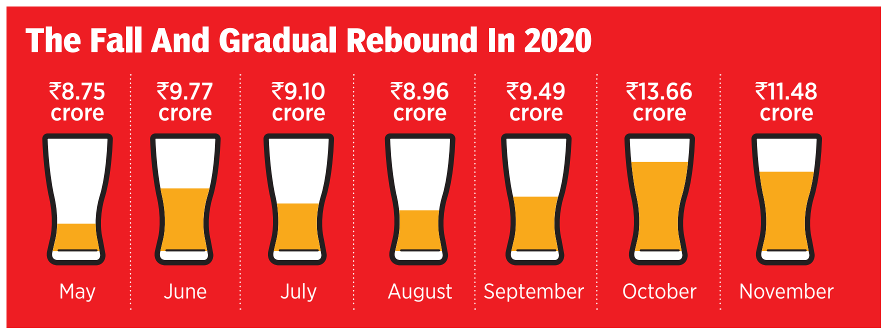
territories was either missing or was always put on the backburner. This time there was no excuse. The move paid off, sales picked up, and beer kegs started rolling. There was a glitch, though. Supplying to these states from Chhattisgarh, and that too for a long period of time, meant a logistics nightmare. Bhatia started exploring tie-ups with multiple breweries in the South to fix the production and distribution issues.

What also aided in going deep into the South was some early preparation that Bhatia had made till February last year. "Bottles had been our biggest bottleneck," he recalls, alluding to how the beer brand faced a bottle crunch over the last few years. Sona Bevarages, the parent company of Simba, had furiously expanded from ₹33 crore in FY17 to ₹150 crore in FY20. Availability of bottles was proving a hurdle to growth. Last March, Bhatia was getting ready for a big bash summer season. Stocking sufficient bottles was the biggest priority. "We had loaded the inventory," he recalls. The preparation came in handy over the next few months as Simba rolled into Andhra Pradesh, Kerala and Telangana.

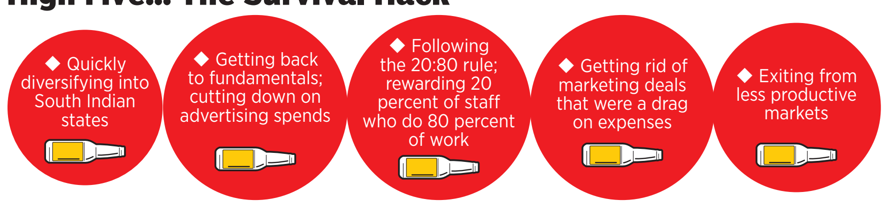
Another tactical move to tide over the crisis was to explore the export markets. While Simba started exporting to Australia, Bhatia entered into talks to explore more countries in the Middle East, Canada, New Zealand, the US and Africa. "The pandemic sped up our exports plan," says Bhatia. The crisis, he lets on, also taught the futility of hunting for future growth. "The future can't be at the cost of the present," he says. Excessive marketing and advertising spend to lure consumers in new markets was slashed, and some hard calls were made in terms of downsizing. "The need for a lean team was a big realisation," says Bhatia.

The playbook, too, was changed. Making a big-bang entry into new markets and spending crores in marketing tie-ups were discarded.





High Five... The Survival Hack



"That's not our game now," he says. At times, Bhatia made the mistake of getting influenced by the game-plan of the bigger rivals. "We need to stick to our game and strength," he says. The business of beer, he says, is not a T20 match. It's long term and requires focus and patience.

The pandemic, reckon industry experts, might have helped Simba graduate from a cub to a lion, at least in terms of learnings. "The pandemic hit all players. But smaller players were hit the hardest," says a marketing officer of a rival multinational. "Simba has realised that it needs to be slow and steady rather than expand at a fast pace," he says, requesting anonymity.

For regional players, the room for error is always less. "Alcohol, being a state subject, could potentially disrupt the business of local brands," avers KS Narayanan, a food and beverage expert. National brands, in contrast, have deep pockets and a larger footprint to absorb the shock if the markets they are servicing get into prolonged periods of disruption. At different stages of the lockdowns being lifted, he points out, each of the states followed a different policy, with little clarity on forward-planning. Additionally, bars and restaurants serving alcohol come last in the list of priorities for the government to open up. "If you are a local brand, you are more prone to getting disrupted," he adds.

Bhatia, for his part, contends that the pandemic has made him better placed, and equipped, to handle more crises. The golden survival hack, he underlines, is going back to fundamentals. Seems like 80/20 is the new heady mantra for Bhatia, and Simba. F

SAMEER PAWAR

Back After a Lunch Break

How Cello Group, one of the biggest plastic and glassware makers in India, rode the crisis on the back of their diverse portfolio

By RAJIV SINGH

Cello Group MD Gaurav Rathod says what they did right in the past helped them in 2020

Gaurav Rathod went on a lunch break last March. He doesn't remember the last time he took so long to finish his tiffin. He was not alone, though. Post-lockdown, the entire nation took an unusual break. Schools got closed, offices shut down, and everything came to a screeching halt. "Everybody stopped carrying tiffin boxes," recalls Rathod, director of Cello Group. Even water bottles and steel flasks disappeared from the view. "Hydration—water bottles, and flasks of all kinds—is our biggest revenue churner," adds the third-generation entrepreneur who joined the family business seven years ago. A prolonged shutdown of schools, colleges and offices only meant one thing for the group which had an overwhelmingly strong offline presence across 50,000 retail network and 600 outlets: Massive trouble.

Back in 2013—the year Rathod joined the family business—there was apparently trouble of another kind. Cello Group had spread itself wide: From plastic and steel houseware to writing instruments, moulded furniture, and bubble guard sheets. The young entrepreneur carried ahead the legacy of the company, which started in 1967 by making PVC footwear and bangles. Rathod started kitchen appliances in his debut year. Four years later, he ventured into the glassware business. Though by 2017 the company had exited the pen business, to an outsider, the group looked confusing: Too many products, categories and divisions. To Rathod, though, it always made sense to have a diversified presence. After all, Cello, he underlines, is perceived as a homeware and household brand. So one has to be present across materials and segments. "Everything had perfect synergy," he adds. Cello went on to add air coolers and cleaning products over the last few years.

Cut to January 2021. Schools and colleges are still closed. Offices are yet to be back to normal. Yet Cello's lunch break is over. Reason: A deep presence in other categories helped it tide the crisis. "We were never a plastic brand or a steel brand," says Rathod. "Being a household brand helped," he says, adding that the business is back to 70 percent of pre-Covid levels. If bottles, tiffin and flasks struggled, then opalware (dinner sets) and cleaning segment came to the rescue. "Cleaning grew five times for us. This is fantastic," he says. Cello Group, he claims, closed the March-ended fiscal 2019-20 at a revenue of ₹1,500 crore, a tad more than the last fiscal when it clocked ₹1,450 crore.

What the extended lockdown also meant was that people started taking a hard look at crockery. "Old was discarded, and new was bought," he says. The rebound, clearly, would not have happened had the group not invested and carried on with the strategy of having a deep, wide and horizontal presence across household categories. "Imagine being confined to just a few categories. It would have been a disaster," he says.

At times, the past, reckon marketing analysts, helps a brand survive the present. Cello, says N Chandramouli, CEO at brand rating and consumer analytics company TRA Research, is one such example. While surviving 2020 is the likely title of a potential bestseller many corporate leaders would like to read, often the answers lie in the past, and not in the present. Cello would have got a chapter in this hypothetical book, highlighting what they did right in the decades that preceded 2020, which helped them go through the year with relative ease as compared to many others. "Their businesses of pens was successfully sold to BIC, which gave them sufficient and well-preserved reserves that proved to be their vaccine against the coronavirus impact," Chandramouli says.

Diversifying at the right time, and with the right set of products, also helped. Even when their largest product category of hydration bottles suffered with schools and colleges remaining shut, and sportspersons not venturing to the grounds, Cello's product mix kept them in business. "Plastic made them, but staying elastic helped them survive," says Ashita Aggarwal, marketing professor, SP Jain Institute of Management and Research. It's not easy for any company to have the same level of intensity and focus across so many categories. "They managed to do so beautifully," she says, drawing an analogy with mutual funds. When the markets is choppy, experts advise people to bet on mutual funds, which have a diversified portfolio. The idea is simple: You are hedging your risk. Cello, she points out, too hedged the risk by building too many moats.

Three generations of the Cello Group: Patriarch Ghisulal Rathod (seated), along with sons (from left) Pankaj Rathod and Pradeep Rathod, and grandson Gaurav Rathod

COURTESY: CELLO GROUP

What also helped was having zero debt on the books. "That was a massive relief," confesses Rathod. It saved the company, he says, from getting entangled on many fronts. Being cash rich also helped survive the initial months of the pandemic. While April and May 2020 were a complete washout in terms of production, June too was not great in terms of restarting manufacturing. Keeping a firm foot on the ecommerce pedal also helped: Online sales have increased from five percent in 2019 to 15 percent now. 'Thanks to the pandemic, the kitchen and homeware segment exploded after the pandemic," he explains. The big focus this year, Rathod stresses, would be penetrating deeper into rural India. "That's where a massive headroom for growth lies," he says. "Just double down. It's simple," he says.

Though it might look simple, going deep into the hinterland has its own set of problems. Rathod, though, doesn't want to think deep. "We tend to complicate things. It pays to just go with the flow," he says, adding that the group has stayed disciplined and focussed. During such an unprecedented crisis, he explains, what helped most was having a simple mind set of not trying too hard. "When things are not under your control, you just need to ride the storm," he says. "We did that." The lunch break is over. F

Bloom After The Gloom

How Ferns N Petals, India's biggest flower and gifting player, turned plucky during the pandemic by thinking out of the vase

By RAJIV SINGH

AMIT VERMA

Ferns N Petals Founder and MD Vikaas Gutgutia (left) and CEO (retail and online) Pawan Gadia have ensured the company has remained debt-free

Bengaluru, April 2020. Anurag Kishore was in a big fix. A year ago, the software engineer went against the wishes of his parents to marry a girl from another community. "There were fewer bouquets and more brickbats," Kishore says smiling, recalling his austere marriage ceremony in Mumbai. April 15—his first anniversary—was supposed to be a grand day. The lockdown, though, gatecrashed the plans. No guests, no celebration, no party. Not even flowers. Meghna, his wife, eventually got sucked into her office work on a busy Wednesday. Kishore too got engrossed in calls with clients. Around noon, Meghna's iPhone beeped. There was a congratulatory video message from one of her favourite TV celebrities. "I couldn't believe this," she recalls. "It was such a huge surprise." A guitarist and a singer too made video calls and played some Bollywood numbers. Kishore did his bit to make the day memorable. "I wanted it big," Meghna chips in.

Cut to Delhi. September 2020. Reema Singh, too, was in a fix. Her husband, a 53-year-old businessman, had died of a heart attack. While the family of the advertising professional was in the US, her in-laws were stuck in Amritsar. Singh, and their teen son, were clueless. The duo somehow managed to perform the last rites without any glitches. After 14 days of mourning, all the customary rituals were also organised. A funeral artist played some devotional music; a sketch professional made a portrait of Singh's husband; flowers were arranged for a small condolence meet; and a prayer meeting via a Zoom call was organised for their relatives across the country. "I am glad we performed all the rituals elaborately," she says.

From digitial gifting—musicians on call; live music played by professionals; personalised video messages for any occasion and reason; and making customised e-posters—to performing last rites as well as rolling out a vertical for pet care, Ferns N Petals—India's largest flower and gifting company—has rewritten the playbook to survive a torrid pandemic year. "Only the paranoid survive," says Pawan Gadia, chief executive officer (retail & online), Ferns N Petals. The pandemic, he underlines, was tough. "But it also taught us different ways to grow the business," says Gadia, who joined the company in 2001. The company, which opened its first retail outlet in Delhi in 1994, closed the fiscal-ended March 2020 at a revenue of ₹336 crore. Apart from an online presence, the company now has over 275 flower shops and 100 cake outlets. The revenue projection for the next fiscal is a little under ₹400 crore.

Back in early April last year, hunting for a silver lining was not easy. What helped, though, was thinking out of the box. If the business of selling flowers got massively hit during the lockdown, the company was nimble enough to don a digital avatar and continue with the business of celebrating occasions. Interestingly, one more occasion—last rites—was added.

Over the last few months, both the new services have seen an increasing uptick. Look at the numbers, and the money involved. From six orders for digital gifting at the end of March to under 200 now, Ferns N Petals kept itself busy by rolling out innovative online offerings, starting from ₹99 and going up to ₹19,999. It helped immensely during the early days of the pandemic. In April, for instance, over 40 percent of the revenue came from digital gifting.

Next to join the list of new services was the last rites business division, which has packages ranging from ₹25,000 to ₹10 lakh. They started in Delhi-NCR last year, and Ferns N Petals has performed over 1,000 funeral ceremonies so far. Another innovation during the lockdown was virtual ceremonies via Zoom calls. Such rituals, which involved over 250 people, cost around ₹25,000. "We have a team of professionals working towards conducting dignified last rites," says Gadia. The idea is simple. Funerals are overwhelming, and a bit difficult to handle. The company, he underlines, wants to bring peace during such distressing times. Ferns N Petals is now planning to scale the services to 15 Tier I and II cities over the next six months.

Ferns N Petals, reckon marketing analysts, has proved the adage that necessity is the mother of invention. "Who would have thought about getting into the business of organised mortal remains?" says N Chandramouli, CEO at brand rating and consumer analytics company TRA Research. "They did this," he says. It's a business which fulfils an unmet need, and truly takes care of the pain point. Money, interestingly, is the last thing anybody would think about during such services. The digital gifting option, he points out, was a low-hanging fruit to be plucked. "But nobody spotted it so far," he says. For a company to expand its business of flowers and gifting to the new ones was not an easy journey, though.

What also helped the company survive the pandemic were two factors. First, it remains debt-free. "It is a huge positive," says Gadia. Second, its overseas presence helped it absorb the shock and keep the engine running. The 100-member team in Dubai and another 25 staff in Singapore were busy during the peak lockdown as well. "We had the licence for ecommerce. It helped," he says. The sales, he lets on, grew by 170 percent in these two geographies. "It kept our cash flow going to a certain extent," he adds. The plan now is to expand its overseas presence by adding one country every month. "It's an 18-month project and would cost around ₹35 crore," he says.

For a company that has had a couple of near-death experiences over its two-decade journey, the lessons of survival came in handy. Cash was conserved; expenses were pruned; segments that were not too rewarding were put on the back-burner. The business of flowers is perishable, Gadia lets on, and not easy. Though the nature of crisis changed over the years, what remained the same was the mantra Gadia kept chanting during such times: This too shall pass. "Spring is just around the corner," he says. F

THE PLAN NOW IS TO EXPAND ITS OVERSEAS PRESENCE BY ADDING ONE COUNTRY EVERY MONTH

Survivors and Thrivers

25 Small-Business Standouts

Even in the most challenging times, the best entrepreneurs find ways to excel. The 25 small companies listed here—all of which have less than $50 million in 2019 sales and fewer than 200 employees—are successfully navigating this turbulent year, even as some of their founders cope with personal losses from Covid-19.

Their paths vary. Some make things that are increasingly critical, such as software that improves hospital operations or robots that clean schools. Others have shifted to adapt to the pandemic, such as the extended-stay hotel operator using its rooms to house displaced international students and travelling doctors, or the maker of rolling buffets that started producing plexiglass dividers. These small-business standouts showcase the strength, adaptability and diversity of America's entrepreneurs, giving us hope for the country's economic future.

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AFRICAN ANCESTRY

HEADQUARTERS: **Washington, DC**
FOUNDERS: **Rick Kittles, Gina Paige** (CEO)
EMPLOYEES: **13**

The at-home genetic-testing market has been on an upswing during the pandemic, helping boost business for African Ancestry. "There's a Black pride renaissance happening as a result of injustices against Black people," says Paige, 53. The 17-year-old company's database, which contains some 33,000 indigenous African DNA samples, has been used by roughly one million people, including Oprah Winfrey (who shares DNA with the Kpelle people in Liberia) and the late Chadwick Boseman (who discovered ties to the Limba of Sierra Leone). Revenue has surged by two-thirds since March and should hit $8 million this year.

AMP ROBOTICS

HEADQUARTERS: **Louisville, Colorado**
FOUNDER: **Matanya Horowitz** (CEO)
EMPLOYEES: **70**

With Amazon and other manufacturers shipping hundreds of millions of boxes each month and workers increasingly anxious about contracting Covid-19, some recycling facilities are turning to AMP Robotics. Its artificial intelligence-powered robots use computer vision to identify paper, plastic and cardboard on a conveyor belt, then sort them with a vacuum gripper. Revenue, which has been rising 50 percent each quarter in 2020, is on track for an estimated $20 million this year. "Before our technology, the only way to do this was to have someone with a clipboard trying to keep up with these materials streams," says Horowitz, 32.

ASPETTO

HEADQUARTERS: **Fredericksburg, Virginia**
FOUNDERS: **Robert Davis, Abbas Haider** (CEO)
EMPLOYEES: **12**

Body armour has historically been ugly, albeit undeniably utilitarian. Haider and Davis, who founded Aspetto while in college at the University of Mary Washington in Fredricksburg, bet that US government agencies would be willing to pay for better-looking bullet-resistant apparel (often $3,500 per jacket). Since then, Aspetto has expanded beyond fashion to tactical products, winning contracts to make female-specific military outfits for the US Air Force and stab vests for the Bureau of Prisons. It expects revenue to reach $12.5 million in 2020, a nearly sevenfold increase from a year ago.

AVIDBOTS

HEADQUARTERS: **Kitchener, Ontario**
FOUNDERS: **Pablo Molina, Faizan Sheikh** (CEO)
EMPLOYEES: **170**

Molina and Sheikh, graduates of the

Gina Paige

University of Waterloo, founded Avidbots to make floor-scrubbing robots. Before the pandemic, its Neo machines toiled away at Charles de Gaulle Airport in Paris and Toronto's Eaton Centre shopping mall, among other locations. Now revenue is on track to double to $10 million as it expands business with customers like DHL shipping and works with school districts as they reopen; New Jersey's Southern Regional School District is one customer. Next up: A new disinfecting module that can attach to its latest robot and scrub not only floors but also touch points like tables and door handles. "We were solving this problem for years, and all of a sudden the world cares about it more," says Sheikh, 32.

BALA

HEADQUARTERS: **Los Angeles**
FOUNDERS: **Natalie Holloway** (CEO), **Max Kislevitz**
EMPLOYEES: **5**

Married founders Holloway, 32, and Kislevitz, 34, started selling weighted Bala Bangles—fitness bracelets in pink, turquoise and black—in 2018. The standard is a one-pound bracelet ($49 retail) that can be worn on the wrist or the ankle. They soon added their takes on dumbbells and kettlebells, which they call Bala Bars and the Power Ring. Last February, they won a $900,000 investment on *Shark Tank* from Mark Cuban and Maria Sharapova. Then the coronavirus arrived, sending sales soaring as homebound customers looked for new ways to exercise. So far in 2020, they've sold 500,000 bangles, and now predict revenue will reach $19 million, up ninefold from last year's $2 million.

EVERBLOCK SYSTEMS

HEADQUARTERS: **New York City**
FOUNDER: **Arnon Rosan** (CEO)
EMPLOYEES: **14**

EverBlock Systems started out making giant modular building blocks and interlocking panels that turned into walls and floors for offices, classrooms and military facilities. Throughout the pandemic, states and cities from New Jersey to New Orleans have used them to build temporary hospitals. Now the five-year-old company is working with schools in New York to convert gyms and auditoriums into classrooms for socially distanced learning. Despite losing most of its pre-pandemic business, EverBlock expects revenue to exceed $20 million this year, more than three times that of last year. Rosan, 51, has experience in disaster recovery, having provided modular floors for tents built by the National Guard and FEMA after Hurricanes Katrina and Sandy.

FARMGIRL FLOWERS

HEADQUARTERS: **Watsonville, California**
FOUNDER: **Christina Stembel** (CEO)
EMPLOYEES: **165**

Former Indiana farm girl Stembel, 42, spent nearly a decade building Farmgirl Flowers into a $33 million (2019 revenue) floral delivery company. Then came Covid-19. She had to close her San Francisco distribution centre in March when non-essential businesses were shut, and threw out $150,000 worth of flowers. Rerouting orders to a recently opened distribution centre in Ecuador enabled her to fulfil existing purchases. She closed the San Francisco warehouse for good, and partnered with three California farms to directly ship single-variety arrangements, reducing design costs. Despite the closure of the Bay Area centre, complaints about a toxic workplace there emerged online in June. These, she says, "were addressed with a rigorous HR investigation when they were originally made". With more people sending flowers to family and friends they've missed lately, Farmgirl projects $60 million in 2020 revenue.

FREIGHTWAVES

HEADQUARTERS: **Chattanooga, Tennessee**
FOUNDER: **Craig Fuller**
EMPLOYEES: **132**

IMAGING: SAMEER PAWAR

This logistics-industry media company saw half its business wiped out when it had to cancel in-person events, but it's still growing thanks to virtual conferences, a new online broadcast network and a decision to double down on its data-analytics platform to help clients set prices and optimise routes. The four-year-old company hosted 300,000 at virtual events this year, up from the 5,000 it planned to host in person. Increased sponsorships for these gatherings are expected to boost sales to $19 million in 2020, up from $11 million in 2019.

GOOTEN

HEADQUARTERS: **New York City**

FOUNDERS: **Austen Bernstein, Micah Smith.** CEO: **Brian Rainey**

EMPLOYEES: **90**

Print-on-demand company Gooten (named in homage to Johannes Gutenberg, inventor of the movable-type printing press) surpassed $18 million in sales in the first half of 2020, more than its total revenue in 2019. Credit better printing tech that has enabled its business customers (it does not sell to consumers) to cut their inventory of T-shirts, mugs, beach towels and other novelties. To meet demand amid lockdowns, Gooten shifted fulfilment from closed locations to those still open in its network of 40 manufacturers in 80 locations worldwide.

HUNT A KILLER

HEADQUARTERS: **Baltimore**

FOUNDERS: **Ryan Hogan** (CEO), **Derrick Smith**

EMPLOYEES: **50**

Childhood pals Hogan and Smith are profiting from true-crime fervour and quarantine boredom with their murder-mystery game Hunt A Killer, sold by subscription for $25 to $30 a month. Its boxes of clues include police reports, news clippings and financial records, often inspired by real murders. The four-year-old company expects revenue to reach $50 million this year, nearly double last year's $27 million; subscriber figures have hit 100,000. "Whether people want an escape from politics or the pandemic, Hunt A Killer engages your brain with something else," says Hogan, 36.

LION'S WOOD BANQUET FURNITURE

HEADQUARTERS: **Baltimore**

FOUNDER: **Bosley Wright.** CEO: **Greg Bandelin**

EMPLOYEES: **65**

Lion's Wood Banquet Furniture usually makes rolling buffets and serving stations for restaurants, hotels and nursing homes out of a 50,000-square-foot factory in Baltimore. But the coronavirus outbreak pushed CEO and co-owner Bandelin, 42, a college dropout who had previously owned a cafe, to quickly shift gears. It now sells indoor dining room and bar furniture repurposed for the pandemic. It recently reconfigured locations of publicly traded pub chain Clyde's and is manufacturing plexiglass dividers for grocery stores and face shields for municipalities. The move seems to be working, as sales for the past 12 months (through August) increased by 50 percent, to $16 million.

MINT HOUSE

HEADQUARTERS: **New York City**

FOUNDER: **Will Lucas**

EMPLOYEES: **66**

When virus-related closures battered the hospitality industry, Mint House, which provides high-end short-term rentals for business travellers, was in a tough spot. The three-year-old company—which recorded $10.5 million in revenue in 2019—moved to provide accommodation for people displaced by the pandemic, including college students and physicians travelling to Covid hotspots. Those changes enabled it not only to fill its existing rooms but also expand its available units by 40 percent in the third quarter. Now, with 400 short-term spaces in 10 cities across the US, occupancy is back up to more than 80 percent from a low of 43 percent in March.

MIYOKO'S CREAMERY

HEADQUARTERS: **Petaluma, California**

FOUNDER: **Miyoko Schinner**

EMPLOYEES: **170**

Miyoko Schinner

Schinner, who has been making vegan cheese and butter for 30 years, got her start teaching cooking classes and hosting a cooking show. After promoting her fourth cookbook, which featured cheese made from cashews, she started Miyoko's Creamery in 2014. Her brand now sells alternatives to butter, cream cheese and mozzarella, along with other dairy-free products made from nuts, oats and legumes at 20,000 stores, including Walmart and Target. Estimated 12-month revenue through August doubled to more than $30 million, as more shoppers turned to plant-based foods. The Japanese immigrant lives on an animal sanctuary in Northern California's western Marin County, land grazed by some 70 creatures—cows, donkeys and more.

NTOPOLOGY

HEADQUARTERS: **New York City**

FOUNDERS: **Bradley Rothenberg** (CEO), **Greg Schroy**

EMPLOYEES: **82**

Rothenberg, 35, is building next-generation design software that relies on mathematical computations to create 3D-printed parts and products that are lighter and more efficient than would be possible with older CAD systems. The nTop software has, for example, been used to redesign brackets for space satellites and to make more-efficient spinal cages for back surgery. Despite the Covid-19 pandemic, it raised an additional $42 million in June, led by Insight Partners. Other investors include Canaan and Lockheed Martin, which is also a customer. The fresh capital will help nTop expand as industries, including aerospace, automotive and health care, adopt 3D printing for future products such as electric vehicles. Revenue is expected to more than triple this year, to $5 million, up from $1.5 million in 2019.

NUGGET

HEADQUARTERS: **Butner, North Carolina**

FOUNDERS: **David Baron** (CEO), **Ryan Cocca, Hannah Fussell**

EMPLOYEES: **80**

Three University of North Carolina buddies founded Nugget in 2015 to make a better futon—but only a year in, the startup had ditched that utilitarian college standby in favour of fun furniture for kids featuring removable parts that can be used to build ramps, crash pads and stairs. That shift has proven even more lucrative during the coronavirus pandemic as parents look for ways to entertain their children at home. "It's like upgraded fort building," says Cocca, Nugget's chief marketing officer. Revenue is expected to nearly triple this year, to $50 million, from last year's $17 million.

ONPOINT SYSTEMS

HEADQUARTERS: **Manchester, New Hampshire**
FOUNDERS: **Ken Solinsky, Grace Solinsky**
EMPLOYEES: **16**

In 2019, the Solinskys launched SpotOn, a wireless dog fence that relies on GPS technology to enable anyone to walk (or drive) the perimeter they want their dog to stay within and create a "fence" without wires. The product won an innovation award at the giant consumer-tech conference CES and was selling strongly by winter. Then came the coronavirus. Ken was concerned, but it turned out to be a boon for business, as more homebound people adopted pooches. The company, owned entirely by the couple, estimates a fivefold increase in sales over last year, to $10 million, and is looking to launch other items. "We're focussed on high-tech products for pet owners," says Ken, 70, who sold his previous company to L3 Communications in 2013.

OUTDOORSY

HEADQUARTERS: **Austin, Texas**
FOUNDERS: **Jeff Cavins** (CEO), **Jen Young**
EMPLOYEES: **125**

Recreational-vehicle peer-to-peer marketplace Outdoorsy began the pandemic like many other travel-focussed companies: Watching cancellations pile up. "April 1—our lowest bookings day on record—was our worst nightmare," says Young, 47, the company's chief marketing officer. She and life partner Cavins, 59, who founded Outdoorsy five years ago to connect would-be outdoor lovers with owners of the 17 million North American RVs that sit unused much of the year, shifted its marketing strategy to focus on SEO. As Americans got cabin fever and realised RVs could solve the conundrum of "socially distanced travel", Outdoorsy showed up at the top of Google's search results. Now the summer of the RV is turning into the opportunity of a lifetime for Outdoorsy, with renters booking longer trips on shorter notice. The result is topline growth, with sales expected to reach $62 million this year, versus last year's $38 million.

PACKBACK

HEADQUARTERS: **Chicago**
FOUNDERS: **Nick Currier, Kasey Gandham, Mike Shannon** (CEO), **Jessica Tenuta**
EMPLOYEES: **75**

Four friends at Illinois State started Packback as a dorm-room business. They pitched their idea, to rent digital textbooks, on *Shark Tank* in 2014; Mark Cuban invested $250,000. But that venture flopped and almost went bankrupt. In 2016 they changed course and introduced an artificial intelligence tool that helps students ask more thoughtful questions and post sharper comments in online discussions. When colleges shut down in March, the team laid off more than a dozen people and later landed a $890,000 PPP loan. Business picked up this summer as schools looked for ways to improve their online courses. Students can buy Packback's tool for $25 a pop. For the fall semester, 250,000 students signed up, more than double the number this time last year; Packback should bring in nearly twice its 2019 revenue of $4 million.

David Baron

PHONONIC

HEADQUARTERS: **Durham, North Carolina**
FOUNDERS: **Tony Atti** (CEO), **Patrick McCann, Matt Trevithick**
EMPLOYEES: **140**

Backed by nearly $200 million in venture capital, Phononic spent the past decade perfecting small thermoelectric chips that can replace bulky mechanical compressors for heating and cooling applications, such as cooling the delicate electronics that handle telecommunications data, demand for which has surged as more people work remotely. Atti, 46, a former Nasa scientist, says that "Covid accelerated, if not turbocharged" areas his business was targeting, such as 5G adoption. More customers are ordering Phononic's portable cooling systems to handle the food-delivery surge. Meanwhile, anticipated demand for Covid-19 vaccines and treatments means that health care refrigeration manufacturers like Thermo Fisher have increased orders for Phononic's chips. Revenue should double to $20 million.

PORTER ROAD

HEADQUARTERS: **Nashville, Tennessee**
FOUNDERS: **Chris Carter** (CEO), **James Peisker**
EMPLOYEES: **53**

The meat industry's virus troubles, with outbreaks at processing plants nationwide, have translated into rapid growth for this online butcher. With more people ordering groceries online and cooking at home, sales will likely hit $10 million, up from $5.5 million in 2019. Carter, 38, and Peisker, 35, founded it in 2010 as a Nashville shop known for high-quality meat. It works with local farms, processes all its meat and hand-cuts every piece. In 2017 it began shipping across the country.

QVENTUS

HEADQUARTERS: **Mountain View, California**
FOUNDERS: **Ian Christopher, Mudit Garg** (CEO), **Brent Newhouse**
EMPLOYEES: **80**

In 2011, Garg, 36, a former McKinsey consultant, co-founded artificial intelligence startup Qventus to help hospitals boost operational efficiencies and cut costs by tapping into real-time patient data flows and fixing bottlenecks. In spring, the company added Covid-19 mission control, with updates of patients and resources, along with a free scenario planner based on 450 epidemiological models to help city, state and federal officials with allocation of resources, including ventilators and a variety of personal protective equipment. With hospitals preparing for a possible second wave and struggling with tighter profit margins, Qventus has rolled out its software to 40 new locations this year and is expecting a 50 percent increase in revenue, to $18 million, over 2019.

RHIZOME

HEADQUARTERS: **New York City**
FOUNDERS: **Benjamin Bernet** (co-CEO), **Justin Guilbert** (co-CEO), **Charles Kim**
EMPLOYEES: **25**

When two consumer-products entrepreneurs got together to start a company in 2018, the result was Bravo Sierra (*bullshit* in military lingo). Their idea: Consumer products—shaving cream, lip balm, moisturiser—that would work under extreme conditions, developed with the military and sold to active service members and veterans. With the help of a former Army Ranger, who became the third co-founder, it debuted its products last summer and expects $6 million in revenue in its first full year. Along the way, the founders discovered that the same proprietary software and community testing they'd built for Bravo Sierra could be used to help the government and other companies do R&D at lower cost.

Mudit Garg

SASSY JONES

HEADQUARTERS: **Richmond, Virginia**
FOUNDER: **Charis Jones** (CEO)
EMPLOYEES: **28**

After years of working in sales at Geico, Sysco and more, Jones sold her Mercedes to fund her jewellery company, Sassy Jones, in 2013. Early on, she would drive to trade shows with her newborn twins in tow. By 2017, she was exhausted. Tempted to return to sales, she first tried online marketing. She created livestream tutorials known as "Sparkle Parties" to teach customers how to style the accessories—and offered special promotions the night of the parties. With people stuck at home, Sassy's sales tripled to $1.5 million per month. Up next: Home Shopping Network that will start offering her accessories.

WEATHERCHECK

HEADQUARTERS: **Louisville, Kentucky**
FOUNDERS: **Demetrius Gray** (CEO), **Jermaine Watkins**
EMPLOYEES: **11**

Gray, 32, quit his job at a large bank after the 2008 crash to work as a storm contractor in his native Kentucky. He soon realised that inefficiencies in reconstruction and insurance were forcing people with damaged homes to wait months or even years to rebuild. In 2016 he teamed with serial entrepreneur Watkins, 36, to launch WeatherCheck. The $3.5 million (estimated 2020 sales) startup collects data from dozens of sources (including FEMA and mapping-software maker Esri) to create a detailed model of weather damage across the US and Canada. That enables it to work with individuals, mortgage lenders, corporations and insurers to identify weather-related damage as soon as it happens and process claims faster. Since the coronavirus pandemic started, it has also partnered with businesses to monitor storms that affect employees working remotely.

YELLOWBRICK

HEADQUARTERS: **New York City**
FOUNDERS: **Ankit Dhir, Rob Kingyens** (CEO)
EMPLOYEES: **17**

Yellowbrick offers online career-exploration classes in 10 areas, including performing arts, fashion and gaming. Classes ($1,000 apiece) consist of 10 hours of short videos and self-paced projects created by industry veterans and professors at partner schools, including New York University. When the world locked down because of the coronavirus, Yellowbrick was forced to innovate the way it shot videos, but demand is likely to double, says Kingyens, 44.

AS GOOD AS GOLD

How Yusra Mardini's escape from war-torn Syria led her to the Olympics, taught her to embrace the word 'refugee', and changed her concept of what winning really means

By **VAISHALI DINAKARAN**

ALEXANDER HASSENSTEIN / GETTY IMAGES

"I think no one should ever be sent back to war."

When Yusra Mardini utters these words, the smile leaves her face for the first time during our conversation. Until then, the 22-year-old has oscillated between personable and vivacious. Despite the fact that we're separated by a screen—she's speaking to me via video call from her home in Hamburg, Germany—her energy has the ability to make me forget that we're not in the same room. No answer is delivered without a few cheerful and enthusiastic gestures. And there's an incredible sense of clarity and conviction in everything she says—her words carry a weight of wisdom unusual for someone so young. It's only in that one moment devoid of conviviality that I'm reminded of just how harrowing her life had been a few years ago.

> "WHAT I'VE LEARNT FROM MY WHOLE JOURNEY IS THAT GIVING UP ISN'T AN OPTION... I AM STILL COMPETITIVE, BUT I NOW KNOW WINNING ISN'T EVERYTHING."
>
> **YUSRA MARDINI,** swimmer

"At the back of my mind, I knew that I could swim it. But the other people on the boat couldn't," Mardini says, thinking back six years.

In August 2015, Yusra and her older sister Sarah were in a crowded rubber boat that was cutting through the treacherous waters between Turkey and Greece. It was just one leg of the perilous journey from their hometown of Damascus, Syria—by then ravaged by a multi-sided civil war—to Germany, where they hoped to seek refuge. When the boat's engine suddenly gave up, and the possibility of capsizing seemed real, it became clear to both girls that they had to try swimming. It was the only way to ensure the safety of the 18 other passengers on board.

Hailing from a family of swimmers, the Mardini sisters weren't fazed. After all, they had been swimming for as long as they could remember, guided through a rigorous training regimen by their father Ezzat. The goal, for Yusra especially, had always been to make it to the Olympics. In order to have a fighting chance at that goal, and at life itself, the sisters now did what they had to do. Sarah dove into the biting cold water, followed quickly by Yusra. Together they partly paddled, partly clung onto the boat, braving the waves and the icy black sea. Eventually, two others from the boat joined them in their struggle to keep everyone afloat. Three-and-a-half hours later, the boat scraped against the shores of Lesbos in Greece.

The torturous journey continued, taking them to Serbia, Hungary, Austria and Germany. They arrived at a refugee camp in Berlin, 25 days after leaving home. Miraculously, just some weeks later, the sisters managed to impress Sven Spannekrebs, the coach of a local swimming club called Wasserfreunde Spandau 04, enough for him to agree to train them. And in August 2016, just one year after leaving Syria, Yusra found herself greeted by rousing cheers at the Olympic stadium in Rio de Janeiro.

"What I've learnt from my whole journey is that giving up isn't an option," says Yusra. Of course, she is speaking of her journey in its entirety. A journey that included a year of rebellion during which she gave up swimming, cut her hair short, began using makeup, and prioritised a social life above all else. On the face of it, it might seem like fairly typical teenage behaviour. But when contrasted with the war in Syria, and her own determination to represent her country at the Olympics, the defiance was uncharacteristic. But Yusra now views it as a critical part of her past, not only because, "It's always fun to be crazy once in a while," but also because it taught her just how important swimming was to her.

Until then, a part of her had believed she was fulfilling her father's dream. But the year away from the sport helped put life into perspective. The point—that without swimming she really was a fish out of water—was driven home when she saw a photo of the Syrian national swim team all smiles after winning a bronze medal at an international meet. It was like a punch to the gut. "I understood what swimming really means to me. I realised that I really had a passion for the sport, and it wasn't just that I

▲ Yusra Mardini and her sister Sarah were travelling on a rubber boat fleeing war-torn Syria, when the engine failed. When the fear of capsizing became real, the sisters dove into the cold water, partly paddled and partly clung on to the boat while guiding others to safety

TOP: ESTEBAN MARTINENA / ANADOLU AGENCY / GETTY IMAGES; MOTASEEM RASHED / ANADOLU AGENCY / GETTY IMAGES

was a swimmer because of my dad. In a way I'm grateful for that crazy year," she says. The next day she was back at the pool, training. However, the worsening conditions in Syria made it clear that her Olympic dreams would only come true if she found a way to get to safety. The boat and the open water were a challenging means to a necessary end. The real struggle came after.

"When I first came to Germany, I was really, really ashamed of the word 'refugee'. I was sad and thought people would think I was poor or stupid or that I just came here to get money or opportunities," she says. This was a departure from the pride and quiet dignity with which the family had lived their old life in Damascus. In 2015, with an influx of refugees to Europe, the atmosphere was rife with mistrust and xenophobia, understandably hard for a teenager who had seen the city she had grown up in razed to the ground and friends perish because of the war. What was just as hard was having to rely on the kindness of strangers, which oftentimes felt like charity.

Then there was the fact that the year away from swimming had set her back. The competitive Yusra—who at one point says, "If you don't want to be the best, then how will you be the best?"—was unhappy with her performance in the pool. It was during this period of inner turmoil that she got the opportunity to compete in the 2016 Olympics, representing the Refugee Olympic

Left: Members of the Refugee Olympic Team, including Mardini; Sven Spannekrebs, Mardini's first coach in Germany, with the swimmer

Team. Her misgivings proved to be temporary.

"Everything changed when I entered the stadium at Rio, to be honest," says Yusra. Being part of the Olympic opening ceremony, along with nine other athletes from around the world, who were similarly displaced, flipped a switch in her head. She realised that it wasn't just about her any longer, nor was it about the timings she set in the pool. "At that moment I told myself, 'Nope, stop thinking about yourself'." She realised, "It's about the community that I'm fighting for. It's about refugees. It's about athletes. It's about swimmers. It's about being a voice for people who don't have a voice." Her ebullient nature led to the media dubbing her the "face" of the Refugee Team and she found herself slowly embracing the term. "I am really proud of that, and I wish and hope that I always represent refugees in a good way. And I will always fight for them," she says.

That the Rio Olympics had a profound effect on Yusra is evident. There was the realisation that "Winning is not just a gold medal, it can be many other things," she says. "I didn't win at the Olympics, but I still won. I gave people hope. My team gave people hope," she says, a broad grin on her face. And it's this very message of hope that Yusra represents in her role as UNHCR Goodwill Ambassador. Run a Google image search for her and you'll find, amongst many photos of her swimming, pictures of her deep in conversation with Barack Obama, presenting the BAMBI award to Pope Francis, receiving the BAMBI award alongside her sister Sarah for being 'Unsung Heroes', flashing the victory symbol alongside Emma Watson, and standing next to Queen Rania of Jordan. Being a Goodwill Ambassador allows her to share her story and also highlight the fact that hers is just one among many such stories.

"WINNING IS NOT JUST A GOLD MEDAL, IT CAN BE MANY OTHER THINGS. I DIDN'T WIN AT THE OLYMPICS, BUT I STILL WON. I GAVE PEOPLE HOPE. MY TEAM GAVE PEOPLE HOPE."

KAI PFAFFENBACH / REUTERS (LEFT); ALEXANDER HASSENSTEIN / GETTY IMAGES

Yusra (L) and Sarah won the BAMBI award for being 'Unsung Heroes' in 2016

"SOMEONE HAS TO TELL PEOPLE TO WAKE UP... AND THAT IT'S NOT ALWAYS ABOUT YOU. I ALWAYS TELL PEOPLE, IT'S ABOUT ALL OF US."

According to the UNHCR website, "At least 79.5 million people around the world have been forced to flee their homes. Among them are nearly 26 million refugees." Yusra also spends time visiting refugees at camps, trying to boost their morale. She is the living, breathing embodiment of hope.

That isn't to say that her competitive streak has in any way diminished. If anything, the 2016 Olympic experience only served to make Yusra even more determined to qualify for the 2021 Olympics in Tokyo, and this time she plans to be in better form than before. After a four-week gap during the first Covid-19 lockdown in Germany, she returned to her training schedule, which involves 10 to 11 sessions a week, each lasting between two and two-and-a-two-and-a-half hours. But she still carries the lessons from Rio within her. Back in 2016, despite winning the 100 m butterfly event, her timing of 1:09.21 meant that she was ranked 41st overall and could not advance to the semi-finals. She was so unhappy with her performance that she didn't want to collect her medal, though she eventually did. Now, she laughs at the memory, acknowledging that it was poor form on her part. "I'm still competitive, but I know winning isn't everything now. And I know that if I've given everything for my dream, and I haven't achieved it yet, it will still happen. Maybe I need to be patient. Maybe I need to do things differently. Maybe I need to try not to be as hard as before."

And even as Yusra trains for the Olympics, with Europe engulfed in a bitter winter, she's worried about more than just her own ambitions. "Refugees are still in the camps. They have to deal with Covid, they have to deal with the winter, they have to deal with a shared bathroom for thousands of people," she says. "It's really tough and someone has to tell people what's happening. Someone has to tell people to wake up and that it's not always about you. I always tell people, it's about all of us, and that it is not only when you experience this situation you have to start thinking about it. There are still refugees out there who are stuck at the borders, they don't have enough food, they don't have any health care, they don't have access to their basic human rights... I sometimes feel guilty that I have a normal life and they are still stuck there."

There's also the fact that as of December 31, 2020, Germany's ban on deportation of Syrian nationals has ended. The Geneva Convention stipulates that people who are deemed to be 'dangerous' to the local community can be sent back to a war-torn nation. But what constitutes 'dangerous', and whether anyone with a criminal record can be deported, is unclear. For Yusra this is worrying because in 2018 her sister Sarah was arrested after volunteering as a rescue swimmer in Greece. Her crime? Trying to prevent refugees from drowning at sea. After 107 days in a Greek prison, she was granted bail. Sarah lives in Berlin with their father, mother Mervat, and younger sister Shahed. "My sister was in jail because she was helping refugees, so will the government count this as having a criminal background?" she wonders. "I think no one should ever be sent back to war."

In 2018, in a bid to get her story and her voice to reach more people, Yusra published her biography titled *Butterfly: From Refugee to Olympian —My Story of Rescue, Hope, and Triumph*. She's since rethought a part of that title. "I am not a refugee or an Olympian. I am both," she says firmly. "Being a refugee made me realise that being a human and having empathy for other people, and being there for other people is more important than being a swimmer. So, I am human, I am female, and then I am a swimmer," she says. Proof of the fact that you don't always need to be forged in fire to emerge stronger. Sometimes what it takes is a 10 km stretch of cold, open water. F

FABRIZIO BENSCH / REUTERS

‘MORE PEOPLE LOOKED AT ART ONLINE IN 2020 THAN PHYSICALLY IN 28 YEARS’

Ashish Anand, CEO and MD of DAG, on the evolution of the Delhi art gallery, and the lessons from the Covid-19 pandemic

By **JASODHARA BANERJEE**

MADHU KAPPARATH

Q How was the DAG started, and what has been its journey over the past 28 years?
DAG (or Delhi Art Gallery, as it was then known) started out in the post-liberalisation era of 1991, when new businesses were taking off and there was a re-found interest in Indian food, fashion, cinema, culture, literature—and art. It was started by my mother Rama Anand, a middle-aged housewife who had an interest in art, as a place where artists—both the young as well as their seniors—might find an interesting place for conversations, to exhibit, and to take forward an art industry that had hitherto been dormant. It was one of the several galleries around the time to open in New Delhi, changing the city’s art scene. Previously, the art market was almost entirely based in Mumbai, and appreciating audiences existed only in Kolkata. DAG, in 1993, and a clutch of galleries completely revolutionised this, and have succeeded in placing New Delhi on a par with Mumbai for its thriving art scene.

In 1996, I joined my mother at DAG and first trained myself and my eye, which has been my most useful tool in making DAG India's largest art company with galleries in India and New York, museums, international collaborations, several pathbreaking initiatives in the field of art, a pioneer in art publications, and a recognition for the secondary market—previously the domain of auction houses. All this has been made possible by building up, with some foresight as well as through passion, a deep inventory—the largest collection of pre-modern and modern art in India that can simultaneously sustain museums, galleries, participation in international co-events as well as art fairs.

Q How would you say the art sector in India has developed during this time?

It has been an interesting three decades of witnessing rapid changes in India's art scene. At its most basic, it has allowed Indians to re-engage with masters whose legacies have now been reclaimed by even the millennial generation. Indians based overseas have become ambassadors and collectors of Indian art. international auction houses have entrenched themselves firmly with an annual calendar devoted to Indian and South Asian sales. A large number of Indian auction houses has proliferated. A very large number of galleries has come up. There are private museums. Collectors are celebrated for their patronage. We now have an annual art fair and a biennale that are touted among the world's best. Indian artists are increasingly being exhibited overseas.

However, it has not been a smooth ride. The contemporary art market took off but was severely damaged by global recessionary trends. Art funds were launched but were not successful—the result of the recession of 2008—and that has, sadly, scared away investors. The moderns have seen record prices being achieved, even though they are far lower than their European or even Chinese counterparts. Yet, the Indian art market and scene, for all its promise, is still poised at the precipice and has still not got its due on international platforms.

Q What have been the guiding principles for DAG in building its own art collection?

DAG has been driven by the aim of developing a robust infrastructure for Indian art with vigorous programming that is meant as much to enhance and educate art lovers as to teach them art appreciation.

When DAG started, the art market was limited, and only a handful of artists were spoken about—not more than 10 or 15. With a clear understanding of the richness of Indian art, I travelled a lot, something that I continue to do, and my focus has always been on buying the works of those artists who made a major contribution to the shaping of Indian modernism but were either not promoted or were sidelined due to the disproportionate focus on a few artists. I went wherever my research took me, in search of hidden gems of Indian art that nobody had thought of bringing to the forefront.

Given the richness of Indian art, and given that it hasn't been given its due enough, DAG has been focusing on taking art to the people. DAG's long-term perspective of democratisation of art has been at the forefront of most of its activities, whether its historical curatorial exercises, its education initiatives for school

A peek into the DAG collection: (Clockwise from above left) Tyeb Mehta's Diagonal series 1972; KH Ara's 'Nude Lady with flower vase'; and Prabhakar Barwe's Untitled 1969

and college students, its tactile programming for the non-sighted, its publishing and filmmaking programmes, its lively programming of talks and curated walks, and its relationship-building with institutions and museums around the world.

Q With the pandemic adversely affecting most sectors across the world in 2020, how do you see 2021 panning out for the art sector? What do you think will be the main trends?

2020 taught us humility—but not modesty. That is because the art market, after a short hiccup, continued to rise, and several new price benchmarks were established, and galleries and museums switched to the online model with cyber viewing

COURTESY: DAG

rooms that were a huge hit. The appetite for consumption of art as well as conversations around it boomed—surprising many. We now know that in future the art fraternity will function at a hybrid level—both physically as well as online. If there is one thing I can say for sure, it is that more people looked at art online in 2020 than physically in all the 28 years that DAG has been in existence.

At the core, there will be one consistent journey where our clients—both younger ones as much as mature, experienced collectors—can also engage with us on their phones, on their computers. We need to find newer, fresher models to ensure that people's interest in art continues to grow and be fed.

Q What will be the most important challenges and opportunities in the coming year?
For many of us, getting footfalls and eyeballs into galleries and museums are paramount. No work of art can recreate the same sensation when viewed virtually. That is both a challenge and an opportunity. Already, we are seeing selective footfalls at our galleries, and our museums are only limited to the extent of maintaining social distancing norms. Having learnt that a very large number of people online are interested in art, we wish to become leaders in that space as far as viewing or discussions of Indian art are concerned.

Q Over the past few years, digital platforms such as immersive websites and social media, have been playing an increasing role in exhibitions and auctions. What will be the importance of these platforms in future?
Make no mistake, they are the future and will open up the experience to millions of people. Social media has now become a business tool. Digital platforms provide instant access to art. As technology revolutionises, we will be able to experience our museums and galleries in real time, perhaps watch artists at work, see exhibitions being mounted, travel virtually to international biennales. We must be prepared to embrace these technologies and offer Indian viewers immersive experiences.

Q What role do you see DAG playing in the Indian art sector over the next few years?
Over the years, DAG has proved itself a worthwhile leader in showing the way to how art is researched and presented to viewers. We will continue to travel that path innovatively by further and richer explorations of art and its inter-relationship with related forms in the cultural space. Personally, I wish to keep increasing our inventory so that we have enough content to power more museums and alternative art spaces. This comes from ensuring the longevity of art received by us over the past decades and centuries. At DAG, I do not consider us as owners or purveyors of art as much as custodians holding it in safekeeping for future generations. F

▲ (Clockwise from left) An outreach programme at DAG Delhi to take art to the people; the curated collection of art books by DAG's robust publication division; a view of Drishyakala, a museum launched in 2019 by DAG in collaboration with the ASI within the precincts of the Red Fort

COURTESY: DAG

ON BRANDS

AFP

You can't build a reputation on what you are going to do.

—HENRY FORD

Determine who you are and what your brand is, and what you're not. The rest of it is just a lot of noise.

—GEOFFREY ZAKARIAN

GETTY IMAGES

Your brand is the single most important investment you can make in your business.

—STEVE FORBES

Brand is not a product, that's for sure; it's not one item. It's an idea, it's a theory, it's a meaning, it's how you carry yourself. It's aspirational, it's inspirational.

—KEVIN PLANK

LEON NEAL / GETTY IMAGES

You have to create a consistent brand experience however and wherever a customer touches your brand, online or offline. The lines are forever blurred.

—ANGELA AHRENDTS

The keys to brand success are self-definition, transparency, authenticity and accountability.

—SIMON MAINWARING

AFP

Design is not just what it looks like and feels like. Design is how it works.

—STEVE JOBS

No one is going to understand your brand better than you.

—ALEXANDER WANG

Loyalty is not won by being first. It is won by being best.

—STEFAN PERSSON

Design is the silent ambassador of your brand.

—PAUL RAND

Make every detail perfect, and limit the number of details to perfect.

—JACK DORSEY

AFP

Too many companies want their brands to reflect some idealised, perfected image of themselves. As a consequence, their brands acquire no texture, no character and no public trust.

—RICHARD BRANSON


MARUTI SUZUKI
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INSPIRING DESIGN.
INCREDIBLE BOLD APPEAL.
Baleno is created to inspire boldness. Its unique liquid flow design and state-of-the-art technology have made it the fastest-selling premium hatchback in the industry. Join the family of over 8 Lakh happy customers.
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MAKE BOLDER MOVES.
BALENO
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5 INSPIRING YEARS
Scan the QR code to discover the bold side of Baleno.
CREATE. INSPIRE.
Smart Hybrid Technology
1.2L VVT Petrol Engine
Dual Tone Interiors
Smartplay Studio
Advanced Automatic Transmission (CVT)
NEXA
Safety Shield
Standard Across All Variants
DUAL FRONT AIRBAGS
ABS WITH EBD
PEDESTRIAN PROTECTION COMPLIANCE
FULL FRONTAL IMPACT COMPLIANCE, FRONTAL OFFSET IMPACT COMPLIANCE, SIDE IMPACT COMPLIANCE