HOW HAVELLS FOUND ITS MADE-IN-INDIA MOJO

LOCAL CHAMPS

DOMESTIC DATING APPS COME INTO THEIR OWN

PRICE ₹200
JANUARY 1, 2021

Forbes INDIA

"DEVELOPING A VACCINE COMES NATURALLY TO US BECAUSE MANY YEARS AGO WE WERE ABLE TO DEVELOP AN H1N1 VACCINE."

Zydus Cadila
MANAGING DIRECTOR,
SHARVIL PATEL

MOVING THE NEEDLE

ZYDUS CADILA'S COVID-19 VACCINE PLATFORM IS DIFFERENT FROM OTHER INDIAN DEVELOPERS, BUT CAN MANAGING DIRECTOR SHARVIL PATEL MEET HIS DEADLINE OF MARCH 2021?

PLUS

HOW SANDEEP KATARIA BECAME BATA'S GLOBAL CEO

ISSN 2278-0440

Network 18 www.forbesindia.com

Virtual.exe

SERENDIPITY ARTS VIRTUAL

Presented by

MAGMA HDI General Insurance Company Ltd.

Co-presented by

GLOBAL ASSURE

Serendipity Arts {Virtual} is live from **December 4th to 21st** on your devices featuring curated projects, performances, workshops, talks, engagement-based initiatives and discourse around the arts.

Apart from workshops, talks, and performances we also have 6 static sites that will remain live for an extended time.

Join us as we explore the *virtual* with its numerous possibilities.

Press ENTER.

www.serendipityartsvirtual.com

Click

SERENDIPITY ARTS FESTIVAL

SERENDIPITY ARTS MUNJAL INITIATIVE FOR CREATIVITY

serendipityartsfestival serendipityartsfestival Festserendipity Serendipity Arts Foundation

For more information please write to us at info@serendipityarts.org

A decade ago, Zydus Cadila had brought an H1N1 vaccine to market in less than 10 months

Salvation in a Syringe

As you read this, roughly 0.6 percent of the United Kingdom's (UK) 66 million population—almost 400,000—would be on their way for their two doses of the 800,000 shots of the Pfizer-BioNTech vaccine that had arrived in the country in early December. While that's a much-awaited start and a relief not just for the UK but for the whole world, it's important to remember that it isn't going to be instant salvation in a syringe.

Consider: The UK had pre-ordered Pfizer vaccines for 20 million people (40 million doses). That volume will be enough for under one third of the population—and it isn't going to happen at one go. Pfizer had said the delivery will occur "throughout 2020 and 2021, in stages…"

The upshot: A Covid-19 vaccine may be just a jab away, but taking it to global populations won't happen in weeks, or months. And, in large countries like India, perhaps not even in a year.

If India has to vaccinate even half of its almost-1.4 billion population, it will need that many doses. Or even more. Credit Suisse recently had estimated the number of doses at 1.66 billion, after excluding those under the age of 14 and those with antibodies by March 2021. For its part, the government is hoping to vaccinate 300 million people by August 2021.

What this also means is that India needs most of its vaccine programmes to work out—even if it relies on the shots being developed by the likes of Pfizer, which has sought permission to bring its vaccine to India. Currently, India has some seven Covid-19 vaccine programmes underway; restricted emergency use go-aheads for all are unlikely to come anytime soon from the government, not until it is satisfied with the trials-based data to prove efficacy and safety.

Credit Suisse estimates the total domestic capacity in play at 2.9 billion doses, but even diehard optimists wouldn't expect all of it to pan out. Yet, India's contribution to mitigating the Covid-19 scourge is significant. As of early December, 13 vaccines were in phase 2 globally, according to global vaccine alliance Gavi. India accounted for at least three of those.

One of them is Zydus Cadila's indigenous DNA vaccine, the only one of its kind being developed in India. Sharvil Patel, managing director, tells *Forbes India*'s Manu Balachandran and Divya Shekhar—who have been hot on the vaccine trail since the early days of the pandemic—that he hopes to make the vaccine available by March 2021, after completing phase 2 and 3 trials. His optimism is based on Zydus Cadila emerging, a decade ago, as the third pharma company in the world to bring an H1N1 vaccine to market to tackle the swine flu scourge—in less than 10 months. For more on that, and on what makes the DNA vaccine different from the others in play, don't miss 'The Rising Star of Vaccines' on page 26.

It may be early days, but the Indian Vaccine Gambit may be India's best advertisement for Make in India yet. Our other big package this fortnight looks at the emergence of a clutch of Indian manufacturing warriors who are holding their own after clashing with multinational Goliaths on varied battlefields. Standing head and shoulders among these local champs is a company that started as an electricals shop in a Delhi market in the late 1950s, went on to buy a European giant to get a footprint there, only to sell it years later. Reason: The market opportunity back home—and the opportunity to manufacture in India—was far bigger. To find out which is that company and for more on it, turn to page 44 for 'Shock & Awe'.

STORIES TO LOOK OUT FOR

▲ (Right) Sharvil Patel, MD of Zydus Cadila, aims to make a vaccine available by March 2021; Anil Rai Gupta, chairman and MD of Havells India. has made the brand at par with global giants

Brian Carvalho
Editor, *Forbes India*
brian.carvalho@nw18.com

Best,

Contents

JANUARY 1, 2021
☛ VOLUME 13
ISSUE 1

Forbes INDIA

ON THE COVER ▼

MAYUR D BHATT

Sharvil Patel, managing director, Zydus Cadila: The company is the only one in India to develop a vaccine on the DNA platform

AMIT VERMA

Anil Rai Gupta, chairman and MD, Havells India: Electric growth

STARTUPS

INTERVIEW

EDRIC GEORGE FOR FORBES INDIA

PG. 48

Aman Gupta, co-founder and CMO, boAt: Play on

AMIT VERMA

PG. 52

SN Rai, founder, Lava Mobiles: Pressing the right buttons

LIFE

PG. 88

Free-wheeling: Cycling has given young girls in South Sudan hope and freedom

WE VALUE YOUR FEEDBACK:
Write to us at: forbes.india@nw18.com
- **Read us online at:** www.forbesindia.com
- **On the cover:** Photograph by: Mayur D Bhatt
- **Digital Imaging by:** Sushil Mhatre

Subscriber Service: To subscribe, change address or enquire about other customer services, please contact: FORBES INDIA, Subscription Cell, C/o Network18 Media & Investments Limited, Empire Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai - 400013. **Tel:** 022 4001 9816 / 9782. **Fax-** 022-24910804 (Mon – Friday: 10 am - 6 pm) SMS FORBES to 51818 **Email:** subscribe@forbesindiamagazine.com,
To subscribe, visit www.forbesindia.com/subscription/ **To advertise,** visit www.forbesindia.com/advertise/

Forbes INDIA

Managing Director & Group Editor-in-Chief: Rahul Joshi

Editor, Forbes India: Brian Carvalho

Chief Creative Director: Anjan Das

Editor (Technology): Harichandan Arakali
Senior Editor: Samar Srivastava
Associate Editors: Monica Bathija, Rajiv Singh, Salil Panchal
Senior Assistant Editor: Pankti Mehta Kadakia
Assistant Editors: Manu Balachandran, Pooja Sarkar
Principal Correspondent: Varsha Meghani

Editor-Desk: Kunal Purandare
Deputy Editor-Desk: Jasodhara Banerjee, Kathakali Chanda
Senior Sub-Editor: Divya J Shekhar

Senior Assistant Editor (Events/Social Media): Ruchika Shah
Senior Sub-Editors: Naandika Tripathi, Naini Thaker, Namrata Sahoo
News Trainee: Mansvini Kaushik
Deputy Managers: Bhagwan Patil, Aditi Satam

Creative Director: Benu Joshi Routh
Deputy Creative Director: Sachin Dagwale
Associate Creative Directors: Sameer Pawar, Pradeep Belhe
Principal Designer: Pandharinath Pawar
Chief Illustrator: Chaitanya Dinesh Surpur
Chief Production Manager-Digital Imaging & Print: Sushil Mhatre
Production Manager: Mithun Anare

Photography Editor: Mexy Xavier
Chief Photographer: Amit Verma
Consulting Editor (Photo): Madhu Kapparath
Junior Photography Editor: Prakash Rasal

Intern: Aishwarya NK

COO: Preeti Sahni

FORBES INDIA ADVERTISING SALES
General Manager:
North and East: Girish Sharma
West and South: Brijesh Singh

Mona Parate, Maulik Thaker, Abhishek Shah, Arijeet Sengupta, Kanwaldeep Singh, Atishay Singh, Divya Bhatia, Dilshad Ahmed Khan, Janki Modi, Daksha Solanky, Mitu Midha, Riti Menghani, Anil Bhatia, Priyanka Nalavade, Supriya Sahoo, Sheshagiri Raj

SOLUTIONS
CEO-Business Cluster, Broadcast News: Smriti Mehra

Janardhanan Menon, Teby Sebastian, Zarrar Don

FOCUS MARKETING
Senior Vice President: Sidharth Saini

Chayya Jadhav, Siddhi Patel

BRAND MARKETING
Vice President: Suma Nair

Jitendra Gujar

SUBSCRIPTION & CIRCULATION
General Manager: Subhadra Bose

Kaushal Pillai, Vinod Parab

ADVERTISING OPERATIONS
Senior VP & Head-Business Planning & Strategy: Chaitali Karia

Smita Suvarna, Krishna Gupta, Ajinkya Tambe

Compliance
Ratnesh Rukhariyar

Legal and Corporate Affairs
Gautam Dubey

Accounts and Finance
Ketan Ravesia
Dr Pratik Sangoi

Network18

FORBES MEDIA LLC
Chairman & Editor-in-Chief: Steve Forbes
Chief Executive Officer: Michael Federle
Chief Content Officer: Randall Lane
CEO, Forbes Asia: William Adamopoulos
Editor, Forbes Asia: Justin Doebele
Senior Vice President, Forbes Asia: Tina Wee

Editorial Office: Mumbai - Network18 Media & Investments Limited, Ground Floor, Empire Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai 400013, Maharashtra.
Tel:+91-22-66667777, Fax: +91-22-24910804.
National Capital Region - Network18 Media & Investments Limited, Tower A and B, Express Trade Tower, Plot No 15-16, Sector 16A, Gautam Buddha Nagar, Noida 201301, Uttar Pradesh. Tel: 0120-434 1818.
Bengaluru - Network18 Media & Investments Limited, 121, The Estate, Dickenson Road, Bengaluru 560042, Karnataka. Tel: 080-4064 9191
Gurugram - Network18 Media & Investments Limited, U and I, VR1, SCO 83, City Centre, Sector 29, Gurugram 122001, Haryana. Tel: 012-4480 3100
Subscriber Service: To subscribe, change address or enquire about other customer services, please contact: FORBES INDIA, Subscription Cell, Network18 Media & Investments Limited, Ground Floor, Empire Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai 400013.
Tel: 022 4001 9816 / 9783.
Fax- 022-24910804 (Mon –Friday: 10 am - 6 pm) SMS FORBES to 51818
Email: subscribe@forbesindiamagazine.com,
To subscribe or advertise, visit www.forbesindia.com
Forbes India is printed & published by Brian Carvalho on behalf of Network18 Media & Investments Limited & Printed at Spenta Multimedia Pvt. Ltd., Plot 15, 16 & 21/1, Village – Chikhloli, Morivali, MIDC, Ambernath (West), Dist: Thane – 421505 & Published at Empire Complex, 1ST Floor, 414, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

Editor: Brian Carvalho

TO OUR READERS
The pages slugged 'Brand Connect' are equivalent to paid-for advertisements and are not written and produced by Forbes India journalists

The tastiest multi-vitamin capsule in the world.

Eggs.

Perhaps the only food on the planet to get a 100 point rating from the World Health Organisation.

An egg is the most exciting way to get your daily dose of essential vitamins.

It's rich in Vitamin A to build your resistance. The Vitamin B Group for good digestion. And Vitamin D for strong bones.

Eggs are packed with the highest quality protein. To repair your worn-out tissues. And boost your children's growth.

They're rich in iron and phosphorous, essential for healthy blood and an active mind.

Pop in an egg every morning. It's the one vitamin capsule you'll love.

Have you had an egg today?

NECC

NATIONAL EGG CO-ORDINATION COMMITTEE

FARM ACTS

Seeds of Protest

As farmer agitations gather momentum, *Forbes India* speaks to farmers on the ground to understand the way forward, and why they will not budge till their demands are met

SHARANJIT SINGH IS ONE OF THE three lakh-plus farmers who has set up base near the Tikri border in Delhi. He travelled to the capital on November 26 along with a hundred others from Punjab's Jalandhar district to participate in the 'Dilli Chalo' protest.

"Our fight won't stop until these [Farm] Acts are abolished. It doesn't matter if it takes days, weeks or months. We won't go home until our demands are met," Singh tells *Forbes India* over the phone while gearing up for another round of conversations in a meeting chaired by Union agriculture minister Narendra Tomar. As the sixth round of talks was cancelled, nationwide protests followed on December 8. A day later, the government proposed 10 amendments in the three farm acts; the farmers duly rejected them, sticking to their demand of a repeal of the new laws. The government had said it was ready to give a written assurance that MSP (Minimum Support Price) would continue. At the time of writing, the farmers had called for nationwide protests on December 14.

"The government doesn't realise the power of farmers yet. The harder they'll try to suppress us, the more we'll rise," says Kashmer Singh, president, Kisan Union Jalandhar, who has been stationed at the Tikri border since November 26. "Every consecutive day we are joined by hundreds of people. Till when can the government turn a blind eye?"

The government has refused to give in to the farmers' demand

Farmers from across the country have been protesting the newly passed farm bills at the borders of Delhi since November 26 of a complete withdrawal of the agricultural reform laws that were passed by Parliament in September. "In our proposal, we have made an effort to suggest a solution to their objections. They should leave the agitation and take the path of discussion. The government is ready for talks," Tomar said on December 11.

PROPOSALS TO AMEND THE ACTS WERE REJECTED BY 35 FARMER BODIES

The farmers want the three Acts—the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, Essential Commodities (Amendment) Act, 2020—to be withdrawn. While the government calls these legislations much-needed farm-sector reforms, farmers believe they will only add to the miseries of the already-burdened agricultural sector in India.

Balbir Singh, president, Bhartiya Kisan Union, told *Forbes India* after the seven-hour meeting on December 3 that the farmers are fighting for "the benefit of everyone in the country". In the meeting, proposals from the government to amend the Acts were rejected by representatives of as many as 35 farmer organisations.

ADNAN ABIDI / REUTERS

Broadly, the three Acts allow farmers and traders the freedom of choice relating to the sale and purchase of their produce. With the barriers to inter-state and intra-state trade removed, a farmer can also do e-trading of agricultural produce.

They also allow farmers to sell their harvest outside the Agricultural Produce Market Committee (APMC) mandis, without paying any state taxes or fees. Farmers can make contractual arrangements with retailers, exporters and processors. And cereals, edible oil, oilseeds, pulses, onions, and potatoes have been removed from the list of essential commodities. Therefore these commodities are free of restrictions and stand deregulated.

While on paper the proposed structural changes will empower the sector and offer more opportunities for both farmers and private players, the agitating farmers have many concerns.

Kulwant Singh Sandhu, a farmer from Jalandhar, Punjab, who was one of the 40 representatives who met with the agriculture minister on December 5, explains, "The existing APMC laws already have a provision that authorises private players to buy produce at the established MSP, so the need for a special Act is unnecessary. The government's purpose behind enforcing these laws hurriedly is to strengthen the presence of private players in the agriculture sector enough to eventually render APMC bodies irrelevant, and in time, abolish the MSP and the mandi system."

"From saying that the laws won't change to offering to amend them, the government is slowly succumbing to our demands. We would settle for nothing less than the abolition of these laws," adds Sandhu.

Historically, Punjab and Haryana have had a strong APMC mandi system in place. "The mandi system and MSP are most important for farmers in these states because these are the areas which supply a majority of the paddy and wheat. So it is obvious that when there is a threat to these ideas, the protests will be more pronounced in these states," explains R Ramakumar, professor, School of Development Studies, Tata Institute of Social Sciences (TISS).

In 2019-20, government agencies in Punjab and Haryana purchased about 227 lakh tonnes (lt) of paddy and 201 lt of wheat, whose value—at their respective MSPs of ₹1,835 and ₹1,925 per quintal respectively—would have been ₹80,293 crore. Ramakumar adds, "Additionally, the loss of mandi tax and mandi fees will also adversely impact these states, since the state uses a lot of this revenue to invest in infrastructure." Currently, the mandi taxes and fees range from 8.5 percent in Punjab to less than 1 percent in some states.

There have been arguments that the removal of mandi taxes is likely to fetch farmers a higher price for their produce. Ramakumar disagrees, "This is a bit problematic because mandi tax will simply be replaced by transaction costs of companies [meaning companies are likely to state a buying cost of their own, which is not likely to benefit farmers too much]. Second, when it comes to middlemen, they are not likely to disappear either, because private companies will have their own agents to do the purchases from farmers." Ramakumar believes these protests are justified since farmers see these reforms as a way of changing agricultural policy and the system—that works well for them—in the long run.

On the other hand, agritech players like Farmpal—a farm-to-market company—believe it is only the farmers with large land holdings or harvesting a certain type of crop that are not in favour of this change.

Co-founder Puneet Sethi says, "For most Indian farmers—small and marginal farmers that constitute over 75 percent of India's farmers—even if this legislation does not help, it certainly will do no harm as it has not changed or stopped any specific way of doing things that was being done previously. APMCs will still function as earlier, MSP will be still applied as earlier. And the current situation for the farmers with small and marginal land holdings can only get better."

The other issue is with the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020 which permits contract farming. According to a report on Gaon Connection, contract farming enables a private corporation to get a farmer to cultivate their own land. The company tells the farmer what to grow and at what price it will buy the crop after it is harvested. But if the yield doesn't pass the quality check, the company can refuse to buy it, causing a loss to the farmer.

"Contract farming is common in Punjab and Haryana, but The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, enables big businesses to formulate a contract in their favour, which they can easily misuse with their expertise and legal prowess and exploit simple-minded farmers," Sandhu says. "The redressal mechanism proposed in these acts also favours the corporations. These acts will take away whatever little power farmers have."

PepsiCo is one such company that did business with farmers in Punjab for almost three decades, but with considerable restrictions and supervision by government authorities. The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Act, 2020, however,

2,477
The number of APMC-regulated mandis in the country

REUTERS

HAFIZ AHMED / ANADOLU AGENCY VIA GETTY IMAGES

The protests have spread all over the country from Kerala and Karnataka to Madhya Pradesh, Uttarakhand, Rajasthan and Assam

provides higher autonomy to corporations to conduct business. The fear is that these for-profit companies may not be considerate to farmers' welfare and might end up exploiting them further.

PROTESTS ELSEWHERE

Although most people gathered at the Delhi borders are from Punjab and Haryana, those from states like Bihar, Rajasthan, Chhattisgarh and Madhya Pradesh have also joined. "If the government thought that this will just be a Punjab and Haryana issue, it is being proved wrong. The country's farmers stand united," says Sandhu.

Protests have spread to Kerala and Karnataka as well as Assam. Farmers in Madhya Pradesh staged demonstrations in Mandsaur and Malwa; in Uttarakhand, farmers in Uddham Singh Nagar are protesting, and in Rajasthan, they have taken to the streets in Hanumangarh and Sri Ganganagar districts. Beyond India, Sikh-Americans are holding rallies in US cities, while thousands of people protested in central London on December 6.

Forbes India spoke with four farmers stationed at different Delhi borders. All of them claim to have enough ration to continue the protests for eight to 12 months. "We brought enough supplies with us to sustain for months. But we're encouraged by the people from nearby villages who have been generous enough to provide us with food and water every day," says Sandhu. His claim was backed by Sharanjit, who says people from a village near the Tikri border cancelled their scheduled sports tournament and used the resources to provide farmers with food and water. "They chose to spend ₹2 lakh on buying rations for us," he claims.

ARE REFORMS NECESSARY?

While lakhs of farmers are protesting the newly formed legislations, agritech players and farmers who are currently open to working directly with private players believe these changes are necessary to revolutionise agriculture in India. "Farmers are too dependent on APMC, and in the time of globalisation, we need to make our farmer produce reach international markets. All the three farm laws will push Indian agriculture towards globalisation," says Parth Tripathi, CEO and director of BeeHively Group & Krishna Agro. The agri-businessman believes consumers are paying a high price in retail markets, yet farmers continue to get low prices.

"It is the middlemen (arhtiyas) who take all the benefits by selling farm produce in the market at higher prices, which increases agro commodities' inflation overall," he explains. In his opinion, farmers are misinformed by the middlemen, causing these protests. Adds Tripathi, "The middlemen always buy at MSPs—even if the market is good and prices are up. Those price hikes are enjoyed only by arhtiyas."

An agri-business expert, who did not want to be identified, believes there is a need to connect smaller farmers with markets and give them choice and flexibility to store, process and sell at the price and place that provides best possible returns. He adds, "There is also a need for value addition near farms for improving farmers' share in the end-consumer price. This cannot happen without reforms and creating an enabling infrastructure."

Sethi of Farmpal believes that while there might be certain logistical challenges in the short run, the impact in the long run will be positive for the farmers. Varun Khanna, co-founder of Otipy, a social commerce venture by Crofarm—a farm-to-fork agritech startup, agrees. "On the ground, even before these bills were passed, farmers did sell to private players. We see these bills expediting this trend even further. Hence, we see them insisting on making the MSPs a law so that the price of their crops is secured," he says.

THE FEAR IS FOR-PROFIT COMPANIES MAY NOT BE CONSIDERATE TO FARMERS' WELFARE

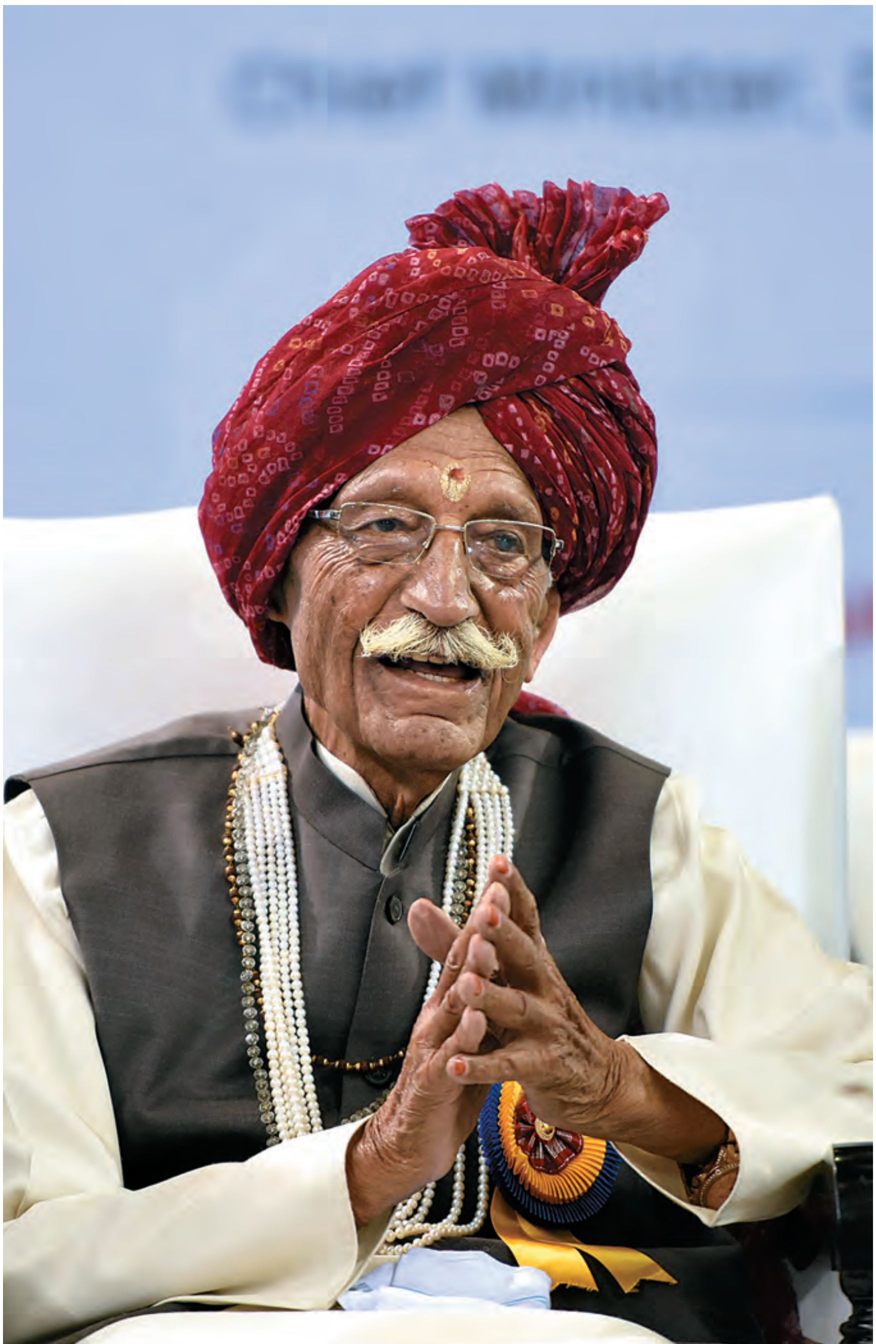
Ramakumar of TISS believes the agri-sector needs reforms, but "the changes have to be brought about at the state level by governments, because they are the people who are running agricultural policy. No one knows why there was a rush to implement these reforms in the middle of a pandemic. There could have been more discussions with states as well as farmers about the same".

• MANSVINI KAUSHIK & NAINI THAKER

IN MEMORIAM

Horse-cart Driver to Spice King

Mahashay Dharampal Gulati built an enviable brand with MDH and ended up becoming the highest-paid CEO in the FMCG sector in India in 2017



BURHAAN KINU / HINDUSTAN TIMES VIA GETTY IMAGES

MAHASHAY DHARAMPAL Gulati, chairman of spice maker MDH Spices, who enthralled millions of Indians with his rather unique marketing campaigns, and even became the subject of many memes, passed away after a cardiac arrest on December 3. He was 97.

Gulati, often sporting a turban, hook moustache and spectacles, had been the group's brand ambassador, appearing on every pack of masala sold by the company, and on television (TV) commercials for long. His smiling face, perhaps, was also key in giving millions of Indians a much-needed assurance to buy MDH's range of products, making it the country's second biggest company in the packaged spice market, after the Everest Group.

Today, MDH sells through some 1,000 stockists and over four lakh retailers across the world.

"He was three things rolled into one: Brand mascot, brand icon and brand ambassador," says Harish Bijoor, who runs his eponymous brand consulting firm. "An icon who led from the front through every age. He stepped into the shoes of being a brand ambassador in an era when the phrase was yet to be coined and minted."

MDH, short for Mahashian Di Hatti, offers 62 spice products, ranging from turmeric powder to

A school dropout, Gulati had to leave his hometown in Sialkot, then part of undivided India, and take refuge in Delhi after the Partition of 1947. With only ₹1,500 in his pocket, he drove a horse-carriage to earn a living before setting up a spice shop in 1948

THE OMNIPRESENCE OF THE HUMAN ELEMENT

Mukesh Sharma, founder and CEO of QA InfoTech, has created a human-centric style of leadership that has helped his organizations sail through the pandemic


Mukesh Sharma, Founder and CEO, QA InfoTech

When Great Manager Institute released its list of Top 100 Great People Managers in India for 2020, this was the second consecutive year for this entrepreneur to feature in the list. Mukesh Sharma is a serial entrepreneur and educationist who believes in regular learning from his teams on the ground through "Reverse Learning" sessions.

"We run a business that needs to be profitable, and when we take a moment to understand the human element in everything we do, it goes a long way in building an everlasting positive impression amongst all not just as a leader, but as a good human being. When that empathy is fostered at the leadership level, it translates into the entire organization where everyone is ready to go beyond the call of duty and I herein set it as my goal to lead by example, on this virtue," says Sharma, about how his focus on human elements also help him achieve business goals.

Policies for reimbursement for spouse and child birthdays and wedding anniversaries are some examples of the focus on people centric style. Sharma also adds that he does not consider any event to be unimportant, knowing fully well that every event is important for some member of his organization. He tries to manage attending all events by deciding his priorities such as must-attend and nice-to-attend.

In the times of COVID-19, we saw many businesses getting negatively impacted, but QA InfoTech says to have found the right balance of conscious growth, thanks to its principles founded on trust. Gratitude and mindfulness seem to have found significance in providing a new meaning & purpose to life, for the QA InfoTech family during the pandemic.

As we try to deep dive into what makes Sharma's leadership style stand out, he explains how the power of NOW has become an integral part in his professional and personal journey. "I am working on being more mindful – the power of NOW! This moment is truly in your control for whatever you want to do, and change you want to drive – don't cease to capture that opportunity for before you realize it will become a moment of the past. When I do this, I am a lot more at peace both within myself and externally, enabling me to take more educated decisions, and be a better human being both professionally and personally. This automatically translates to me being a better leader too."

"Mukesh Sharma is a great leader because he cares for his team in a way most leaders can't. He tries to find and seek the human element in every aspect of the business, thus achieving business objectives while building strong and trusting relationships with all stakeholders- employees, teams, partners, customers- and the stakeholders of those stakeholders," says Ashwin Srivastava, co-founder of Great Manager Institute on what makes Sharma a great entrepreneur and people manager.

₹1,095 cr

Revenue earned by MDH in 2018, as per the company's filings with the ministry of corporate affairs

black pepper and biryani masalas, according to the company, and exports to countries, including the US, Canada, the UK, and regions like Europe among others. In 2017, with ₹21 crore as salary, Gultati was also the country's highest-paid CEO in the FMCG sector.

"He ended up being one of the most endearing and likeable brand ambassadors," Jagdeep Kapoor, founder of Samsika Marketing Consultants says. "What worked for him? His ethnic wear, welcoming smile, family feeling and serving style as an excellent host. His face spiced up the life of the joint Indian families then, and later on lingered when the concept of nuclear families started gaining steam. He worked on one priceless insight about the Indian tradition: Grandfatherly figures are respected and loved by seniors, adults and children. This helped build the MDH brand strongly, and turned out to be a unique differentiator among other competing brands."

GULATI WAS ONE OF THE FIRST TO REALISE THE VALUE OF A BRAND

FROM PAKISTAN TO INDIA

Gulati was born in 1923 in Sialkot, then part of undivided India. His father, Mahashay Chunnilal, ran a small spice shop in the city, named Mahashian Di Hatti, popularly known as Deggi Mirch Wale. By 1933, aged 10, Gulati dropped out of school to try his luck in business that included selling mirrors, manufacturing soaps, and doing odd jobs, including carpentry, as a cloth merchant, in the hardware business and rice trading before joining his father's business.

"I expanded the business to Lahore," Gulati says in the book, *Divided by Partition: United by Resilience*, written by Mallika Ahluwalia and published by Rupa Publications. Over time, business grew rapidly with the Gulatis clocking between ₹500 and ₹800 per day.

By 1947, as business thrived, India was to be divided and the family had to leave Sialkot to take refuge in India. With ₹1,500 in his pocket, the 24-year-old Gulati landed in Delhi, despite facing numerous hardship along the way, including his uncle being hit by a truck as the family slept near railway tracks in Amritsar. In Delhi, Gulati joined his sister, whose husband was a government employee and registered himself as a refugee before moving into an abandoned house. Soon enough, he bought a tonga, a horse-driven carriage for ₹650 and drove it from New Delhi Railway Station to Qutab Road and Karol Bagh for two annas.

"I was wondering what I should do… one day, while roaming around, I reached Chandni Chowk. People were selling *tangas* (horse carriages) there," Gulati told Rupa Publication. "I asked them how much they were selling it for. I bargained a bit and got a tanga for ₹650. I used to wait near the railway station and say 'two annas *sawaari*, two annas'."

Gulati wanted more. With his reserves, he bought a small wooden shop in the Karol Bagh area of New Delhi in 1948 to restart his family's business, and set up Mahashian Di Hatti of Sialkot. By 1953, he set up another shop in the Chandni Chowk area of New Delhi before deciding to start large-scale manufacturing in 1959.

MDH was formally incorporated in 1965. Today, the company has 18 manufacturing facilities, the first of which was set up in 1959 in Kirti Nagar, an area known for its furniture market. In 2018, for which the company has filed its returns with the ministry of corporate affairs, the company's revenue stood at ₹1,095 crore, as against ₹978 crore in the year ago period. Profits stood at ₹315 crore compared to ₹247 crore in the year ago period.

"Now cement is a brand, so is wire, and switches and whatever you can think of," says Ashita Aggarwal, marketing professor at SP Jain Institute of Management and Research. "But decades back, who would have thought of making a brand out of masala? He did it. He was one of the first to realise the importance of a brand. People buy commodities but they love brands. People shift commodities but they stick to loved brands. One doesn't need to have a marketing degree to come up with such insight. The MDH man had the foresight as well as audacity to think way ahead of times."

Meanwhile, despite being a school dropout, Gulati set up some 20 schools and a 200-bed hospital that treats the poor for free. In 2019, the government bestowed upon him, India's third highest civilian award, the Padma Bhushan.

"Dharampal Gulatiji represented an idea," adds Bijoor. "An idea whose time had come well before brand-ambassadorship as an idea in itself was recognised. In many ways, he was the brand himself. The category of spices was a commodity in itself and the company actually made a commodity and packaged it for the masses. Gulatiji added the brand zing with his persona. He, in many ways, was the brand masala in the generic commodity. A man much before his time for sure."

Today, Gulati's son and six daughters look after his empire, worth some ₹2,000 crore. "We ourselves are responsible for our victory or defeat, so rather than blaming fate, we should focus on cultivating our strengths and reducing our weaknesses so that this God-given mind and body can be put to full use, so that we know that all our talents and energies are doing some good in the world," Gulati wrote his in autobiography.

• MANU BALACHANDRAN
(WITH INPUTS FROM RAJIV SINGH)

LEAP
...A SOLUTIONS COMPANY

BRAND CONNECT

LEAP
INDIA

Supply chain networks span the world. They are the very arteries of our global ecosystem – bringing life to everything. LEAP India is proud to be a leading innovator in this vital field.

Our pan-India network provides foundational support for companies that connect people with essential commodities, 24x7. Our circular asset pooling model ensures better profitability, efficiency and compliance for our clients by significantly reducing CAPEX, minimising transportation costs, reducing wastage, and promoting sustainability.

With consistent, tech-driven innovation and execution, we are now the market leader in the supply chain solutions and asset pooling industry, which is a testament to the trust that companies have in LEAP India. We are on track to achieve our vision of commanding a 90% market share in India by 2021-22.

Get in touch with us to find out more about how LEAP India can help you make your business leaner, stronger, and more sustainable.

SUNU MATHEW
Founder and MD
LEAP India

www.leapindia.net

5 mln
The expected number of annual visitors to Ikea's Navi Mumbai's store by FY21

INTERVIEW

‘We Have Invested About ₹7,000 crore in India’

With Ikea India's second store set to launch in Navi Mumbai, CFO **Preet Dhupar** gives insights into home office trends, and the company’s expansion plans for the Indian market

Q What are your expectations from the Navi Mumbai store launch, which is taking place in the middle of the pandemic?
We have been available online in Mumbai for almost a year and launched a store in Navi Mumbai on December 18. When you look at the online business, we’ve had an extremely positive response from the people of Mumbai. We hope that as the health scenario improves, more people will be able to visit the store. By FY21, we are hoping to see 5 million visitors in our Navi Mumbai store, annually. With the launch happening right in the middle of the pandemic, our first priority will be ensuring the safety and security of our customers and co-workers. We are doing this via a registration process—for people to visit the store—wherein they need to pick the date and tell us the number of people they are coming with.

Q How important is India when it comes to Ikea's global supply chain?
India has been an important part of our global supply chain for over 35 years, especially as an important source of rugs, carpets and textiles. It took time to build the supply chain in the country. In the last five years, since retail has stepped in, we’ve stepped up our capability in other categories. Some of our best-selling mattresses are now made in India and we have introduced sofas that are made in India. One category that we are working on is solid board and board-based material, but it will take some time. Therefore, we believe that we will make a positive contribution to the growth of the furniture and the home furnishing industry in India.

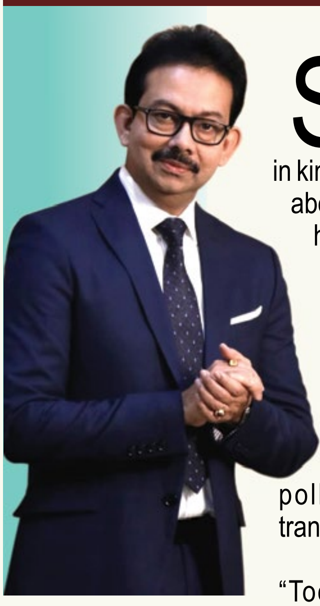
Q With work-from-home becoming the new normal, what are some of the trends that are picking up?
We are seeing a huge increase in demand in our category of workspaces, including desks and chairs for home offices. In addition to this, we are noticing people need to do a lot of reorganisation of their homes, since parents are working from home and kids are studying from home too. Therefore, we are seeing a lot of uptake in categories like kitchenware, storing and organising, and also the outdoor furniture category. During this tough time, home became a sanctuary for all of us. We have been offering ideas, solutions and inspirations to re-do your home. For instance, how to create a more interesting dining experience or how to re-do your balcony.

Q To what extent has the pandemic impacted Ikea’s expansion plans in India?
When we first came in, the initial investment figure that we quoted to the government was ₹10,500 crore. So far, we have invested about ₹7,000 crore in stores and the logistics network in India. The only thing that the pandemic and the lockdown did was slow down our work, but we have a long-term plan for the Indian market and Covid hasn’t impacted our investment plans at all.

Q Where can we expect the next Ikea store in India?
We have two additional smaller stores opening in Mumbai soon. Globally, as well as in India, we will be in the market with different formats of stores, large as well as small. Our Bengaluru store is under construction, we have also acquired land in Gurugram and are in the process of land acquisition in Noida. So, Noida and Gurugram are going to be two large projects.

• NAINI THAKER

The **Maestro:** Making Technology and Art



Scott Belsky, an American entrepreneur, seemed to have defined Satyam Roychowdhury in kind when he said the following "It is not about ideas. It is about making ideas happen". Whereas personally, he is a perfect embodiment of grace and humility, yet his life and his achievements tell a different story. It is the story of an entrepreneur, where simply stated, he made things happen. He created an empire of ideas, ideas that pollinate young minds daily and transform their lives. One life at a time.

"Today, the millennial need to be encouraged to become entrepreneurs - entrepreneurs with a social purpose". Being first generation entrepreneurs Mr Satyam Roychowdhury, Founder & Managing Director and his elder brother Mr Gautam Roychowdhury, Chairman of the Group, over the years have ensured that every district of West Bengal has the footprints of Techno India Group. The duo now has extended their dreams with TIG's presence nation-wide and beyond. The immediate family of the brothers have joined the entrepreneurial journey bringing in new age ideas and enthusiasm.

Under Mr Satyam Roychowdhury's visionary leadership, Techno India Group has evolved into the largest network of educational institutions in Eastern India impacting lives of over one hundred thousand students at any given time. He dreams of a Bengal and of an India, which transcends success in the traditional sense. To him individual successes must be tied to societal successes, and the path to that social entrepreneurship is investing in education, which he did. Millions of students, who graduated from the Techno India Group of schools, colleges and universities have taken diverse paths but have one thing in common - they have all indoctrinated to become socially responsible citizens, thinking beyond individual gains and keen on contributing to the society. Being first generation entrepreneur himself, Mr. Satyam Roychowdhury, has internalized this concept of "business with a social value" and wherever opportunities present, he has emphasized this notion - a new flourishing India can only be the result of entrepreneurship with a purpose - a purpose where individual and social successes are inter-twined.

Techno India Group is a great case study of how private sector initiatives can harness the growth of India and its regions. Mr. Roy chowdhury realized very early on, that all his initiatives must have two essential components – the appreciation for technology and for innovation, as the two seeds of sustained economic growth. This duality, he visioned should be the basis of all his educational initiatives. Integrating technology in education to ignite interest and inspire innovation has become the creed of Techno India Group, under his leadership. "Technology is the only way forward" he said. Although it took a global pandemic to have this epiphany, this was what Techno India under Mr. Satyam Roychowdhury declared as their mission almost thirty-five years ago. The pandemic has compelled the nation to realize the importance of technology, which has been the catalyst that fueled the expansion of the Techno India Group.

> Today, the millennial need to be encouraged to become entrepreneurs - **entrepreneurs with a social purpose.**

That is where his genius lies. His ability to comprehend the need for a technology driven education, an education that includes everyone and discards none, only through the power of technology, is the fundamental bed-rock of his thinking. India, and more specifically the state of West Bengal is blessed to have an entrepreneur who early on his career understood the need of technology in enhancing both the quality and spread of education, and who tied his successes to the success of the nation. It is rare to find someone like him whose penchant for business has help raise the consciousness for the need of technology to be tied to social welfare- social entrepreneurship aided by technology.

An entrepreneur, a philanthropist, a litterateur, a widely traveled persona with several published books and a true leader, Mr. Roychowdhury keeps keen interest in Bengal's cultural milieu while maintaining close association with the country's industry circle. A loving father of Debdut and a doting husband of Mousumi, Mr. Roychowdhury have his unique formula of work life balance. A triple eight plan in which he spends a day's 8 hours in working on his professional agenda, 8 hours on his own passion of reading, writing and chasing his thirst for cultural domains and 8 hours for his own personal space and rest. This balance and his steely focus, accounts for his impressive achievements. It is not hard to find an entrepreneur. It is not hard to find a philanthropist. It is not hard to find a writer. It is however very hard to find an entrepreneur, who believes in a social cause, is a recognized philanthropist, and a prolific writer. Humility and grace, the two words synonymous with his being, provides us with a magnifying glass to dig deeper and explore him and his life choices. Like Frost, he saw "two roads diverged in a wood". He "took the one less traveled" and that has made all the differences.

Shri Satyam Roychowdhury with wife Mousumi and son Debdut

96%

The number of companies surveyed in India with at least one woman board member

SHUTTERSTOCK

GENDER EQUALITY

Leaders on Paper

Women hold 17 percent of total board positions in corporate India—as regulations make it mandatory to have them—but only 11 percent leadership posts, says a new report

THE GOOD NEWS FIRST: INDIA fares better than its Asian counterparts when it comes to diversity in executive and non-executive roles in corporate boardrooms. While women in India occupy 5 percent executive chairs and 10 percent non-executive chairs, the numbers stand at 2.6 percent and 5 percent respectively in Asia. Around 23 percent large company boards in India average at least three women, up from 10 percent in 2018.

The Egon Zehnder Global Diversity Report 2020 released in December also states that women currently hold 17 percent board positions in corporate India, an increase of 8.6 percent since 2012. At the same time, women lag behind when it comes to leadership posts in company boards. The report indicates that only 11 percent committee chairs are held by women, while the number stands at 27.3 percent globally.

"One of the main reasons you have better representation on paper is because regulations in India require public companies to have at least one female director," says Pallavi Kathuria, managing partner, Egon Zehnder, a global management consulting firm. "The mandate here is to check boxes, but counting women on boards is just the first step. We need to make their presence count in a way that companies are able to reap the benefits of diversity."

The report analysed data from 1,685 companies across 44 countries with a combined market capitalisation of $48 trillion, including 48 companies in India.

Kathuria says apart from the economic benefits companies will receive by approaching their consumer base armed with gender-diverse perspectives, there will be improvements in a host of non-financial indicators too. These include creating safer and more inclusive workplaces, providing more flexibility and leadership opportunities for employees. "If a company has favourable gender diversity practices, more middle-level leaders are likely to take on executive roles."

Around 96 percent of the companies surveyed in India have at least one woman on their boards, in line with the requirements of The Companies Act, 2013. But the report observes that bridging the gap between paper and practice requires a boardroom to have at least three under-represented voices.

Companies need to have a pipeline of board candidates who can take charge, Kathuria says. "One way you can achieve this is by getting to know more women outside of the 20-odd percent who end up being on multiple boards. Companies have to be committed to replace an outgoing male board member with a female one, and make an effort to meet and know more women who have potential." In India women accounted for 16.3 percent of new board appointments in 2020; globally it was around 30 percent, up from 27 percent in 2018.

APART FROM ECONOMIC BENEFITS, A GENDER-DIVERSE APPROACH IMPROVES A HOST OF NON-FINANCIAL INDICATORS

In India, the average board size is 11 members, and the average number of women per board is 1.9. "Expand the size of the board and fill the additional seats with women," Kathuria says. "Add new roles. For example, create committee vice chair positions for women, or other positions of authority. So once they've got that experience, they can also chair the board in the future."

• DIVYA J SHEKHAR

THE PIONEERS OF NEOBANKING IN INDIA

Anish Achuthan, Co-founder and CEO, Open Financial Technologies Pvt Ltd has established a pathbreaking and the fastest-growing SME focused business banking platform.

Tell us about your venture in brief. What have you brought to the table?

Open Financial Technologies Pvt Ltd (Open) has been established to solve business banking challenges by offering a platform which helps SMEs and startups automate and run their finances effectively. Open has all the tools that help businesses send and receive payments combined with automated accounting and bookkeeping, expense management and developer-friendly APIs to help SMEs integrate banking into their business workflows.

What makes this particular concept different? Are there competitors? If yes, how do you stand out?

SMEs face a lot of difficulty tracking and forecasting cash-flows, effectively managing account receivables and payables. They deal with multiple interfaces for accounting, payment gateway, and payroll and there are hardly any tools that help them with their day-to-day business finances. Open's services come pre-integrated with payment gateway, current account, automated accounting, and APIs that can help integrate banking into business workflows. Using Open, SME business owners are able to save at least 2-4 hours of a day where they do not need to track payments using UTR numbers thus, helping them focus more on their operations.

Some of the SME focused neobanks globally include Tide, Qonto, Holvi, and Seed. However, Open is Asia's first and the world's fastest-growing SME focused neobanking platform.

Since inception, give us a sense of the value of business done by your venture. What is the current turnover?

Open has on boarded over 650,000 SMEs over the past 3 years and is currently transacting USD15 billion in annualised transactions. Open has also partnered with 17 private sector banks in India and adds over 45,000 SMEs every month making it the fastest-growing SME neobanking platform globally.

What is the revenue model that Open follows?

Open follows a SaaS-based revenue model. This means that there are freemium and premium features on the platform. While 80 per cent of the services are free to use, premium features help in managing business finance needs as the business scales. Apart from subscription fee-based income, we also earn revenues from alternative sources like transactions, issuer commission for cards, etc.

Who are the consumers that you are targeting with the innovation? How is this going to affect them?

Open is a business banking platform for businesses of all sizes to manage everything from banking to automated accounting on one simple platform. Open caters to a wide segment of users from micro-entrepreneurs and startups to SMEs and developers. The platform helps them focus more on their operations by automating and simplifying business banking activities.

What is the potential of growth?

India has an underserved market with 50 million SMEs. At present Open helps over 650,000 SMEs across India to manage their business finances effectively. Open targets to serve the entire underserved market slowly and gradually.

Where did the initial capital for the innovation come from? What returns does it have?

We have been fortunate to have some great names to list as the initial capital investors such as:

- 2017 - Angel Round - Amrish Rau and Jitendra Gupta, Ex-Citrus Pay - USD 250,000
- 2018 - Pre-Series A - Unicorn India Ventures Pvt Ltd, Recruit Strategic Partnership, Angellist
- 2019 Feb - Series A - Beenext, SpeedInvest, 3one4 Capital, Unicorn India Ventures & Angellist
- 2019 July - Series B - Tiger Global, Beenext, SpeedInvest, 3one4 Capital, Unicorn India Ventures & Angellist

Are you looking for funds? If yes, how do you plan to allocate the funds?

As of now, we aren't looking for funds as we have so far built a strong runway for a smooth progression.

What is the strength of the organization (team) and the scale of operations?

We have over 200 employees spread across 6 cities in India working with us.

What are your future plans?

Open plans to onboard over 2 million SMEs by mid-2021. We also plan to strengthen our lending and wealth management offerings. 2021 will also see us expanding into global markets.

CARS

Charge it, Please

Two classic Rolls-Royce models get electric updates

ROLLS-ROYCE HAS GONE BACK to the future thanks to Lunaz, a UK automotive company that converts classic British vehicles into electric versions (EV). Founded in 2018 by David Lorenz, the Silverstone, England–based company began with vintage Jaguar XK120s and Bentley Continentals, and recently announced two electric Rolls-Royce models—a 1961 Phantom V (which starts at around $657,000) and vintage Silver Clouds (beginning at $450,000).

Limited to 30 vehicles, the Rolls-Royce editions include three models: A four-door limousine, a two-door coupé and a drophead coupé. Power for the Phantom V comes from Lunaz's 120kWh battery pack, which promises a range of 300 miles. And the interiors come with plenty of modern luxuries. "The time is right for an electric Rolls-Royce," says Lorenz. "We are answering the need to marry beautiful classic design with the usability, reliability and sustainability of an electric powertrain."

• MICHAEL SOLOMON

NEW BILLIONAIRE

Large Accumulation

Snowflake's public debut generated a blizzard of ten-figure fortunes

WHEN SNOWFLAKE PULLED OFF the largest software IPO in history on September 16, it minted three new billionaires, including CEO Frank Slootman (above). Big companies, including Adobe, Lionsgate and Sony, love its cloud platform, which helps them manage enormous amounts of proprietary data across a variety of apps and programs while sharing it—safely—with business partners.

Among its fans: Berkshire Hathaway and Salesforce, both of which bought in as part of the float. "The only problem today was no one wanted to be a seller because the conviction was so high," Slootman, 62, said on the first trading day, when the stock more than doubled from its offering price of $120 to close at $253.93.

Some problem. With a market cap above $70 billion after day one, San Mateo, California–based Snowflake is the biggest of a Covid bumper crop of tech companies, including Asana and Palantir, to go public this fall, capitalising on investor demand that has boosted the tech-heavy Nasdaq100 by 24 percent for the year while the S&P 500 is roughly flat.

CEO Slootman is far from the only Snowflake beneficiary: The biggest winner was co-founder and president of products Benoit Dageville ($1.8 billion), who started Snowflake in 2012 with Thierry Cruanes, Snowflake's CTO. The IPO pop even made a billionaire of the CEO Slootman replaced in 2019, former Microsoft executive Robert Muglia ($1.3 billion). Slootman admits that such success might make the founders a touch less hungry, but "Snowflake version two" should keep them busy for many winters to come. "They have to build it," he says. "I have to sell it."

• ALEX KONRAD & ANGEL AU-YEUNG

₹12,917 cr

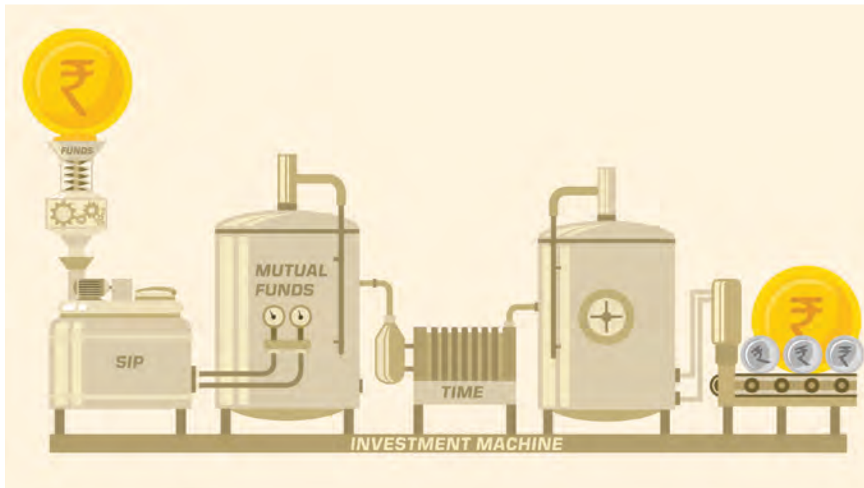
The net outflows this November, the highest outflows at least since April 2018, according to AMFI

SHUTTERSTOCK

INVESTING

Equity Exits

Experts attribute mutual fund outflows to profit booking as well as a shift to direct investment by investors



EVEN AS THE STOCK MARKET touched new highs, investors continued to redeem their equity mutual fund holdings for the fifth month in a row. The segment saw net outflows of ₹12,917 crore in November—the highest outflows at least since April 2018—according to the Association of Mutual Funds of India (AMFI) data released in early December.

Industry experts attribute the outflows to profit booking as well as a shift to direct investment by investors. "Investors are aligning their allocation in debt schemes more towards duration schemes and corporate bond funds to maximise their debt returns, and on the other hand, booking their profits in equity funds owing to a surge in equity valuations," says NS Venkatesh, chief executive of AMFI.

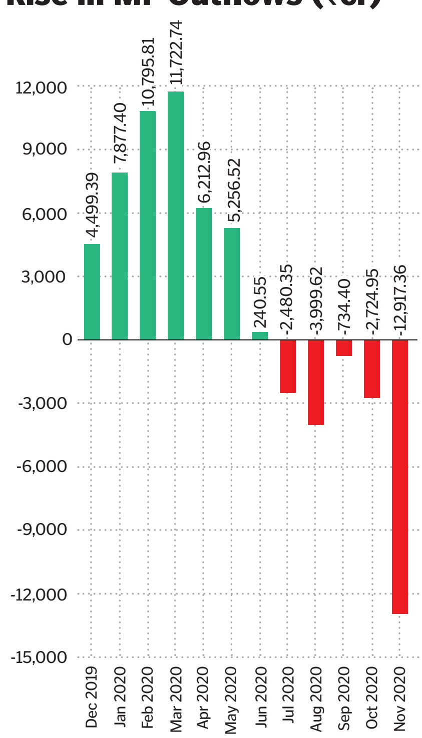
Experts point out that a lot of money came into mutual funds over 2017-18, and two things are playing out. One is that valuations are expensive and there will be a correction again, so a set of investors is withdrawing to come in again at lower levels. While another set of investors, who would have entered in a previous high cycle or in the last two to three years and seen the decline in March, is getting out at the first sign of seeing their principal coming back.

"So this is a typical cycle playing out," says Akhil Chaturvedi, associate director and head of sales, Motilal Oswal AMC, adding that going by the initial one-week trends for December, the outflows trend looks like it will continue.

Another reason for the outflows is that over the last month or so, even mid-caps and small caps have gone up. "That is where most investors put their money, so that is another reason," says Dhirendra Kumar, CEO of Value Research, an independent financial advisory firm.

Though people start investing keeping in mind goals and asset allocations, if they start tracking market movement, they get distracted from their long-term goals. They then end up timing the market and making

Rise in MF Outflows (₹cr)



SOURCE AMFI

entries and exits depending on the market movement, adds Chaturvedi. "It is all about sticking through all the cycles of all the asset classes."

The right approach to a market rally such as this would be to continue to stick to long-term goals. "If your goal is in the next one or two years, take your money out and put it into fixed income," says Kumar, adding that most people would be sitting on gains right now. "And, after that, don't look back at the market with regret." The market could well go up, but if it goes down, then the goals will not be achieved.

While it will be interesting to see at what point investors redeploy the cash and return to equities, it makes sense to continue with existing Systematic Investment Plans, buying through the highs and lows of a cycle, and if investing lump sums, to stagger it over the next few months.

"If you have ₹5 lakh, spread the amount over the next few months so that two months later if you see a decline you won't be out of pocket," says Kumar.

• MONICA BATHIJA

ROARING FOR CHANGE

Mission Shakti: An integrated approach to strengthen women's social and economic empowerment (Safety, Dignity and Empowerment)

> The Uttar Pradesh government has launched a 6-month long women empowerment campaign to raise awareness, tackle crime against them and combat the alarming situation of their safety in the State. Through Mission Shakti, the government plans to solve the issues of social and cultural divide and tackle gender discrimination solicitously, and accelerate the pace of development in the State.

Yogi Adityanath believes women are a symbol of strength and are sacred according to the traditions of the Sanatan Dharma. He thinks that the Mission Shakti is a reminder of our duty towards women and girls in the society. He stresses on the urgency to create a positive mindset and make the new generation the carriers of Indian culture and its eternal traditions, and inculcate within them the feeling of respect towards women, and at the same time the need to generate self-reliance among women. Mission Shakti is an attempt to achieve this goal.

With the aim of changing the people's attitude towards women, the Chief Minister will broaden the ambit of the campaign. With this, he attempts to instill respect for women in people and strives to organize programmes in educational institutions across the State. It hopes to bring about a paradigm shift in the syllabus for primary and secondary education, and is taking efforts to make respect for women a tradition in schools through morning assembly prayers and cultural events. The campaigns convey the message that hurting the self-respect and dignity of women will find no place in the State and strict punishment will be meted out to the offenders.

मिशन शक्ति
नारी सुरक्षा
नारी सम्मान
नारी स्वावलंबन

The social development matrix was completely skewed in favour of men, while women in the State were subjected to varying degrees of social and economic discrimination.

However, under the able leadership of Chief Minister Yogi Adityanath, the government of Uttar Pradesh is strongly committed to ensure the social and economic empowerment of women and girls. It is working to bring about a paradigm shift at the grassroot level and eliminate all practices that discriminate against women. Gender development and women empowerment is at the heart of the mandate of Yogi Adityanath government. Approaches tailored to reach women are being taken up to lend them a voice, and increase their skills and community decision-making power and access to economic resources.

The government of Yogi Adityanath rightly feels that women are the key agents for achieving the transformative economic, environmental and social changes imperative for continued development. The government is committed to address gender inequalities in the industry and to harness women's full potential as leaders and agents of change, thereby transforming the State's economy and generating inclusive growth. With a thoughtful planning, complex social, economic and cultural nuances, decision-making dynamics and access to resources, the government has been devising holistic and long-lasting solutions to empower women in the true sense.

Mission Shakti

Under its 'Mission Shakti' campaign, the government remains focused on ensuring the safety and dignity of women. Kick-started on the first day of Sharad Navratri festival in October 2020, the Mission is dedicated to Goddess Durga and is expected to remain in effect till Chaitra Navratri.

The government has prepared a roadmap for this and has started full-fledged work. As part of this campaign, various mass-awareness programmes were organized in gram panchayats, industrial units, school campuses and government offices to reaffirm its faith and resolve towards women empowerment.

Mission Shakti and its dual phases

Phase 1

The First phase, referred to as Mission Shakti, which features awareness campaigns related to women safety and dignity.

Phase 2

The Second phase, referred to as Operation Shakti, will be an enforcement drive targeting eve-teasers to put them on the path of stringent punishment or reform.

> **I Salute the indomitable courage and stellar achievements of women. We renew our pledge to make women an equal and integral part of our development.**
>
> **Narendra Modi**
> Prime Minister

The mission delivers its message loud and clear – those who will cast an evil eye on the dignity and self-respect of women will find no place in the State. It conveys a stern warning that perpetrators of such crime are a blot on the society and will be seriously dealt with. Those who do not mend their ways will face a social boycott.

Making women self-reliant

The government endeavours to make women self-reliant and confident, and also ensure their safety and respect, so as to bring about sustainable development. A series of programmes and Acts like POCSO have been launched to empower women on issues related to gender equality and protection from domestic violence. Women Helpline numbers have been launched to provide free help to women living in remote areas. The government has been undertaking strategic interventions and policy-making to put in place a multi-dimensional social process that helps them gain control over their own lives.

Promoting Entrepreneurship

What's more, the government is also empowering rural women with opportunities for skill development, employment, community engagement, right competencies as well as training and capacity building to help them move forward in the field of entrepreneurship. This is also aimed at enabling them to earn sustainable livelihoods. Women are being imparted with skills related to employability and entrepreneurship to broaden and institutionalise their enterprise.

Further, the government also took a remarkable decision by setting a new start-up policy. As a part of this policy, women have been provided with 50% extra facilities as compared to men. Ten women start-ups in each incubator will receive Rs. 22,500 a month for an entire year. This is higher than Rs. 15,000 a month being offered to men for each incubator

Banking Correspondent Sakhi

Another key initiative of the mission is to appoint 'Banking Correspondent Sakhi' or female banking agents in all the 58,000 gram panchayats in the State. These Sakhis will do door-to-door visits and will emerge as the main link between female customers and the Banks. Apart from commission based on transactions that they will help carry out, the female bank agents or Sakhis will receive a payment of Rs. 6,000 per month for the next six months.

Execution of Mission Shakti

Mission Shakti is planned to be organised in all the 521 blocks, 59,000 gram panchayats, 630 urban local bodies and 1,535 police stations in 75 districts of the State. It aims at guaranteeing safety and respect to women and children in the State and to reduce crime against women. As many as 23 departments, including basic education, secondary education, MSME and other government and non-government agencies, will participate and are making respective action plans to execute the mission. They will contribute through short films, street plays, safety pledges, sensitisation about women's law and the public display of inspirational stories on women.

Mission Shakti: Key Highlights

मिशन शक्ति
नारी सुरक्षा
नारी सम्मान
नारी स्वावलंबन

- Awareness and training programmes are conducted regarding various schemes for protection, respect and self-reliance of women and girls.
- Woman Nodal Officers have been appointed in all districts for execution and monitoring.
- Nodal Officers will create awareness about Women Helplines 1090, 181, 1076, 108 and 102 to ensure there is no delay in the filing of any complaint. These Helplines will operate in different dialects including Bhojpuri and Bundelkhandi.
- Special Women Police has been created with 20% reservation, which will be operational round-the-clock to execute the plan.
- Every police station is equipped with a 24x7 Women Help Desk with a CCTV, computer and seating arrangements for police personnel and complainants.
- Every Help Desk will be surrounded by a sound-proof glass room for women complainants to register their complaints with women police personnel.
- Help Desks to have the Helpline Numbers clearly displayed, with a warning of action on its misuse mentioned on the Desk.
- People booked under POCSO Act (Protection of Children from Sexual Offences) will be perused in courts with strict punishment.
- Women Helpline 1090 has been strengthened with active and effective force, and women police has been deployed in plain clothes in sensitive areas.
- UP 112 India Mobile app and Ratri Suraksha Kawach Yojana have been launched.
- 250 women police personnel have been deployed as part of the Pink Patrol scheme upon rigourous training, with efforts to maximise women safety and security.
- The campaign is designed to take immediate action on cases of molestation and crime on women. Women patrols will ensure safety at the workplace.
- Various competitive and cultural programmes on women empowerment awareness will be conducted during the campaign.

1076
Chief Minister Helpline

181
Women Helpline

112
Emergency Services

102
Health Helpline

1090
Women Powerline

1098
Child Helpline

108
Ambulance Helpline

Mahila Samakhya

Help is just a call away!

Vowing 'zero tolerance' to crime against women

The Government believes in an effective investigation and quick conviction in cases of crime against women and remains committed to ensure respect for every woman in the State. The State ranks at the top position among all other Indian states in terms of taking stringent actions for the crime committed against women. Under the Safe City Plan, 'Pink Patrol' has been set up to ramp up efforts for ensuring women's safety and security. Pink Patrol is a special women police unit with 250 women personnel operating round-the-clock, designed to take immediate action on cases of molestation and crime against women.
In the first phase of this programme, around 100 Scootys and 10 SUVs have been put into service. The team will operate in places identified by the Lucknow police as hotspots. The government is working on setting up this scheme in other districts of Uttar Pradesh including Kanpur, Agra, Gorakhpur, Varanasi, Prayagraj, Meerut, Noida, Ghaziabad and Moradabad.

Abduction cases in 2020 down 39% vs 2016

Rape cases in 2020 declined 27% vs 2019

Rape cases in 2020 declined 42% vs 2016

- Ranked 15th among Indian states in crime against women
- Ranked 25th in rape incidents with 3,065 cases reported in 2019
- Ranked 23rd in sexual crimes against children

Smashing cultural stereotypes

The government has adopted several initiatives such as the Anti-Romeo Squad, 181 Helpline and strengthened 1090 to tackle eve-teasing. These have provided a sense of security and pride to women. It also pays special attention to the implementation of the 'Nirashrit Mahila Pension Scheme' for widows and destitute women.
The Mission also focuses on expanding the base of the party's woman cell 'Mahila Morcha', with more than 10 lakh women members. In the past three years, the State has launched several pro-woman and progressive schemes aimed at women empowerment. Some of these are the Mukhyamantri Kanya Sumangla Yojana, the Samoohik Vivah Yojana, Beti Bachao Beti Padhao and the Pink Bus Service to maximise women safety.

Economic empowerment to enrich livelihoods

The government is taking definite steps in making the women of the State self-reliant through its rural livelihood mission and to bring more women into the financial system.
This is targeted at improving their socio-economic conditions, economically empowering rural women and providing them with a host of opportunities to earn sustainable livelihoods. It is also increasing the number of Self-Help Groups (SHG) to 10 lakh. With this, over 1 crore women will directly get added to the livelihood mission's employment scheme. In another significant development, the management of toilets in rural areas of the State is being handed over to women. This is nothing short of a revolutionary step towards employment for women. With toilets being managed by SHGs, nearly 59,000 women will get gainful employment.
The government also signed an MOU between UPNRLM and the United Nations World Food Programme (UN-WFP). According to this programme, women belonging to 2,000 SHGs will become entrepreneurs with 240 employment days. There will be 720,000 workdays created for women who will gain the ability to earn between Rs. 5,000 to 7,000 a month.

Empowered women, empowered nation

The government has also provisioned a 25% reservation in government-recognised incubation centres. Of the 500 seats at these incubation centres, preference will be accorded to women for seat allotment. As per the scheme, women entrepreneurs will be provided with a capital investment of Rs. 7.5 lakh for their start-ups. A similar investment will also be provided to those men who will employ 50% women, disabled or third gender as their staff.

Together in solidarity

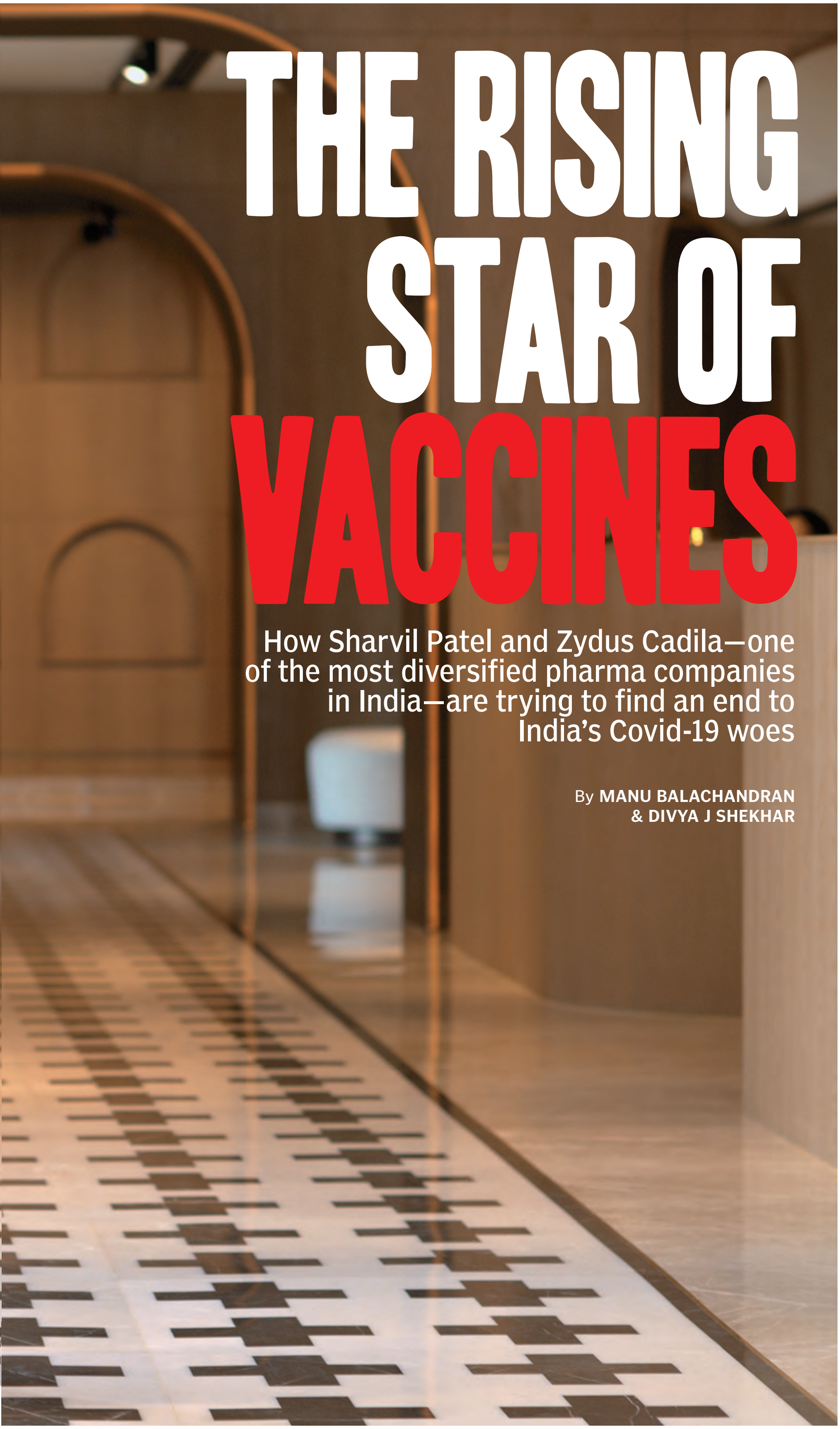
The actions of the Yogi Adityanath government in strengthening the cause of women empowerment have been touching a chord with women in the State. They are leveraging these opportunities to improve their daily lives and long-term prospects. The measures taken by the government have instilled a sense of security and confidence among women.
With the launch of Mission Shakti, the government pledges to bring about a wave of transformation and progress. It strives to make women move beyond gender bias and inequality and become a significant part of this radical change. The Mission stands together in solidarity for protection of women's rights, safety, health and well-being, enabling them to become an equal and integral part of the nation's development.

Justice delivered in record 22 days!

In October 2020, a record of its own kind was established as the District and Sessions Court in Hapur district delivered justice to a rape victim within a span of 22 days. The 6-year old girl-child was granted justice within a record time, with the aim of ensuring that Dalpat, the rapist, does not walk out alive. Dalpat, a resident of the neighbouring Amroha district, was sentenced death penalty for rape of the minor, and a penalty of over Rs. 2.5 lakh, under Section 6 of POCSO Act (Protection of Children from Sexual Offences), after he was proven guilty of having abducted, raped and brutally murdered the girl.

Zydus Cadila managing director Sharvil Patel and his team are counting on their experience with H1N1 to drive Zydus's quest for a Covid-19 vaccine

MAYUR D BHATT



THE RISING STAR OF VACCINES

How Sharvil Patel and Zydus Cadila—one of the most diversified pharma companies in India—are trying to find an end to India's Covid-19 woes

By **MANU BALACHANDRAN & DIVYA J SHEKHAR**

For Sharvil Patel, February 2020 brought back uncanny memories from a decade ago.

The world was battling another pandemic, swine flu—that originated in Veracruz, Mexico, and spread across 74 countries, killing over 18,000 people, according to the World Health Organization (WHO). The unofficial number, though, estimates that the virus may have killed some 500,000 people, between 2009 and 2010. In India, nearly 2,700 people had lost their lives and over 40,000 were affected.

As pharmaceutical companies scrambled for a cure, Ahmedabad-based Zydus Cadila emerged as a dark horse, becoming the third pharmaceutical firm in the world to bring out a vaccine.

"We were able to bring the H1N1 vaccine to market in less than 10 months," Sharvil Patel, managing director of Zydus Cadila, tells *Forbes India* in a telephone interview. "We brought a vaccine in a short period and were the third company in the world after the global companies to have an H1N1 vaccine." The vaccine, VaxiFlu-S, was the first one to be made in India, where scientists at Zydus Cadila's facility in Ahmedabad grew the virus in live, fertilised chicken eggs to develop the vaccine.

Today, it's that experience that Patel and his team are counting on to drive Zydus's quest to find a cure for the coronavirus. The pandemic, which began in December 2019, has so far killed over 1.5 million and affected some 68.3 million worldwide. In India, the virus has affected 9.74 million people and killed over 141,000.

Zydus is currently developing an indigenous vaccine, ZyCov-D, which could be made available in the country as early as March 2021, if it meets all the regulatory approvals. The company is in the midst of Phase 2 trials for which data could be made available in December, before it can start Phase 3 trials.

COURTESY: PIB

Zydus Cadila was one of the companies Prime Minister Narendra Modi visited on his three-city Covid-19 vaccine tour on November 28

"For us, developing a vaccine came naturally because of the H1N1 vaccine. So, we knew we had the capability of developing one," Patel says.

That meant that as early as February 2020, when the genetic sequence of the coronavirus was made available, Patel's team in India and Italy began working on two approaches to find a potential vaccine. Of those, the company shortlisted a DNA-based platform that had the potential to meet with any unexpected mutations of the virus.

"We didn't know enough about the coronavirus and assuming what happened in H1N1, if there was a mutation that happens to the virus, you would have to actually go through the whole redevelopment [for the vaccine]," says Patel. Many other vaccine technology platforms being developed for Covid-19 currently will have to start redevelopment from scratch if the virus mutates in the future, Patel explains, but because the virus's DNA construct would remain the same, Zydus hopes to repurpose its vaccine in eight weeks.

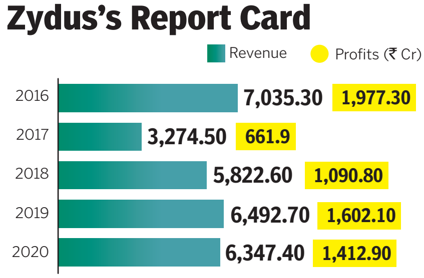
The plasmid DNA candidate doesn't use an infectious agent, like other vaccines, and instead introduces the DNA sequence encoding the antigen. Zydus is also the only company in the country to develop a vaccine on the DNA platform and is now awaiting the efficacy results of its Phase 2 trials, involving some 1,000 volunteers.

If the vaccine shows a strong response, the company plans to recruit some 30,000 people to conduct its Phase 3 trial, before it decides on the nature of doses to be administered and even starting manufacturing at risk. For now, the company is making the vaccine in small numbers, before it will be ramped up to produce in millions. "Safety is not a concern," Patel says. "We don't know the efficacy yet."

Perhaps, that's also why, over the past few months, Patel and Zydus have decided to also gamble on a different vaccine, apart from keeping an eye out for potential partnerships where the company can play a key role in distribution and manufacturing. It is now in the pre-clinical trials of a vaccine being developed on a measles vector platform, similar to the one being developed by a US-based pharmaceutical company, Novavax.

"Irrespective of whether a vaccine works or not, we may still bring one more vaccine because we don't know which vaccine will have what kind of efficacy for a long period of time," Patel says. "So, it would be a good thing to work beyond one vaccine. Maybe it's an investment that doesn't work out, but I think it would be the right thing to work on two vaccines."

Zydus's Report Card



SOURCE BSE

RISING TO THE CHALLENGE

Much of Zydus's plan to foray into developing a vaccine—at a time when numerous Indian companies were striking partnerships with global pharmaceutical companies to manufacture or sell in India—comes from a strong belief in taking challenges head-on.

"It is in the DNA of the organisation," Patel, whose father Pankaj Patel is chairman of the ₹48,000 crore company, says.

"Whenever there has been a challenge, we have always stood up to the challenge." That's something that had been imbibed in the group since it was founded by his grandfather Ramanbhai B Patel.

Zydus Cadila traces its roots to 1952, when Ramanbhai, a former lecturer at LM College of Pharmacy, founded Cadila Laboratories along with business partner Indravadan Modi.

"If you look at our history, when our founder chairman started, it was the era of multinationals and only a few drugs were available in the country and those were very expensive," Patel says. "We were the first company to launch a few drugs—which were required [in India] like Vitamin B12—for the first time in the country. We also brought drugs that were expensive at better pricing. Our founder was a pharmacist and he knew the place of science." Among others, Cadila Laboratories manufactured medicines such as Livirubra, the first of its kind in India, to treat pernicious anaemia.

By 1995, the Patel and Modi families split, with the latter's share being moved to a new company called Cadila Pharmaceuticals Ltd and Cadila Healthcare (Zydus Cadila) became the Patel family's holding company. Cadila Healthcare eventually listed on the BSE in 2000, while Cadila Pharmaceuticals is privately held and headed by Indravadan Modi's son Rajiv Modi.

Since that split, and subsequent listing, Zydus has been rather aggressively pursuing the Indian and US markets. In 1995, Zydus Cadila acquired Indo Pharma, the first among the group's many acquisitions. Over the next two decades, the company's acquisitions included Karnataka-based Recon Healthcare, giving it a fillip in the southern markets, Liva Healthcare, a dermatology-focussed pharmaceutical company, Carnation Nutra-Analogue Foods Ltd that manufactured Nutralite, and Mumbai-based Biochem Pharmaceuticals.

COURTESY: ZYDUS CADILA

Cadila Laboratories, founded in 1952, set up its first plant in Ghodasar, Ahmedabad

"We are in vaccinology. We are present across small molecules on the generic side. We are present in the monoclonal side. So we have a presence across technology platforms that allows us to innovate and that has been built meticulously since 2000," the 42-year-old says. In 2018, Zydus Wellness, a subsidiary of Zydus Cadila, acquired Kraft Heinz subsidiary Heinz India for ₹4,595 crore that included popular brands like Complan, Glucon-D, Nycil and Sampriti Ghee.

"We are now present across the value chain," says Patel. "While we are present in the pharmaceutical space in terms of medicines, we are also present in the animal health business. We are the number two animal health company in the country. Besides, we have a large consumer wellness play with the acquisition of the Heinz portfolio."

THE DNA VACCINE

Much of the company's decision to place its bets on the DNA-based platform came with two main intentions. While there is a focus on making it affordable, Zydus is also looking at an option that can provide long-lasting immunity. The latter means that it is testing out formulations of up to three doses in the ongoing Phase 2 clinical trials.

Currently, vaccines developed by Pfizer and Moderna are built on the mRNA platform, while Johnson & Johnson's vaccine is on a non-replicating viral vector, like Russia's Sputnik V. British pharmaceutical giant AstraZeneca is developing its vaccine on a viral vector platform, while Hyderabad-based Bharat Biotech, another company that is developing an indigenous vaccine candidate Covaxin, is using the inactivated virus platform.

"DNA-based vaccines are different," explains Patel. "They have a slower, but more sustained response and build immunogenicity over time with multiple doses, unlike many vaccines in which antibodies will shoot up and go down [on being administered] because of a rapid response."

Unlike other vaccine candidates that are intramuscular, Zydus is planning to bring out ZyCov-D as an intradermal shot. This means it will require very small doses to be given at the site, will be "almost pain-free" and easy to administer as one does not need a long needle to go into the muscles, he adds. "Many vaccines face various issues like redness, soreness, swelling, fever etc, and many a times that's got to do with the needle and the injection. An intradermal shot will do away with all of that."

Apart from vaccine formulations, the company is also trying out multiple devices, so that each vial can administer up to 10 doses. While the company is currently testing formulations for up to three doses, the final dosage for the candidate will be clear only after the results of the Phase 2 trials are studied in December. "We have tried up to three doses," Patel says. "When you do a Phase 2 study, you are trying to see what levels of antibodies you can get based on the number of doses. So, at the moment, we don't know how many doses it will be."

Globally, eight vaccine candidates are currently under various stages of development using the DNA platform. Of these, the DNA vaccine being developed by Pennsylvania-based Inovio Pharmaceuticals is in its Phase 2/3 trials, while Osaka-based AnGes Inc's DNA vaccine is currently in its Phase 1 and 2 trials. The others are still in Phase 1 or pre-clinical trial stages.

"Zydus's prospects are just as good as anybody else's," immunologist Satyajit Rath tells *Forbes India*. "All these platforms [ultimately] work toward getting the viral protein into the body so that the immune system can respond. For that, you can either make the protein outside and inject it into the body or you can inject the code as either DNA or RNA for the body to make the proteins and prompt an immune response. That's really all there is to it," says Rath, who is a scientist at the National Institute of Immunology. "The ease of repurposing the vaccine in case the coronavirus mutates is more or less the same across platforms. What can be done for DNA can also be done for RNA or protein, just as easily."

That's also probably why he believes it is just "accidental" that only a few vaccines being developed on the DNA platform have reached the Phase 2/3 trials as compared to other platforms. "But that's simply the matter of individual development trajectories of companies rather than it having anything to do with the platform itself," he says.

COURTESY: ZYDUS CADILA

The Zydus team began working on two approaches for a potential vaccine in February 2020, when the genetic sequence of the coronavirus was made available

Meanwhile, the global frontrunners for the vaccine, developed by Pfizer and Moderna, are likely to face supply constraints, particularly in developing countries due to their need for extremely cold temperatures for storage at -70 degrees Celsius and -20 degrees Celsius, respectively.

It's something Zydus will not have to worry about. In terms of a cold chain infrastructure, the ZyCov-D requires the regular 2 to 8 degree Celsius temperature. "And we've already demonstrated that up to four months, it will be stable at 25 degrees also," says Patel.

That has meant that the company has started at-risk manufacturing of a couple of lakh small doses while awaiting the results of Phase 3 clinical efficacy trials, to scale up to 100 million doses yearly. The doses will be manufactured in its new plant in Ahmedabad, which Prime Minister Narendra Modi visited as part of his three-city Covid-19 vaccine tour on November 28.

The company is also looking at potential partnerships to manufacture an additional 50 to 70 million ZyCov-D vaccine doses, apart from being in talks with a few global vaccine developers for licensing and technology transfer that will enable Zydus to bring their Covid-19 vaccine candidates to India. The company has already committed and spent over ₹500 crore for its Covid-19 vaccine development programme.

THE BIG VACCINE PLAY

Zydus's gamble to develop a Covid-19 vaccine also comes at a time when the company had been steadily ramping up its offering in the vaccine category.

"We have had a lot of capabilities in the vaccine segment for many years," Patel says. "We are one of the oldest manufacturers of the rabies and typhoid vaccines. Beyond those two, we didn't have many." That has, however, changed over the past 10 years with the company now offering a "large portfolio" of vaccines.

These include the Measles, Mumps,

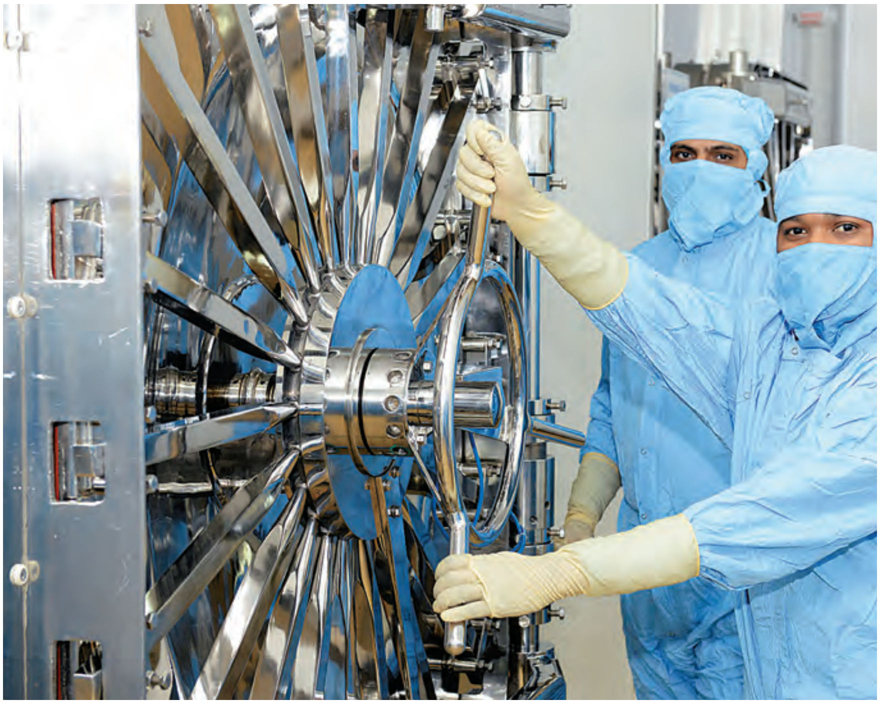
and Rubella vaccine, the typhoid conjugate vaccine, and it is possibly the only Indian company to have the quadrivalent flu vaccine. The company also has an approval for the varicella vaccine [also known as the chickenpox vaccine], apart from a few vaccine candidates under development.

"We have the capability, the technology, and the commercial front-end and marketing ability that will enable the vaccine to directly reach doctors and physicians," says Patel, adding that the ambition to succeed in drug discovery and innovation has always been accompanied by the need to bring in affordability and access.

For long, a large part of Zydus's vaccination business had come from public tenders for manufacturing doses for large immunisation programmes because "even with existing manufacturers, demand always outpaces supply during the vaccination period", Patel says.

"What we also realised is that many of the vaccine manufacturers don't have the commercial front end," Patel explains. "So they are obviously doing the immunisation tenders, but not doing direct market reach." That's when the company also began focusing on reaching out to the patient directly, and building up a private market vaccine business. "We said we have a strong marketing capability," Patel says. "We're one of the few companies in India that continues to do new chemical entity research, new biological entity research, or vaccines."

COURTESY: ZYDUS CADILA



Besides vaccines, Zydus is also betting on therapeutics and antivirals to combat the coronavirus, apart from manufacturing diagnostic kits

CURE, KIT, AND AFFORDABILITY

The Covid-19 vaccine gambit aside, the Patels are also betting on therapeutics and antivirals to combat the coronavirus, apart from manufacturing diagnostic kits. This is because bringing the vaccine to 1.3 billion people in India will take at least two to three years while efficacy levels continue to be monitored.

According to a November 2020 Credit Suisse report, while India needs 1.7 billion Covid-19 vaccine doses to vaccinate the majority of the country's adult population, the government is targeting to administer about 500 million doses by July 2021. These rollouts will be prioritised, with health care and frontline workers being the first to receive vaccination shots. While India has a strong manufacturing capacity of more than 2.4 billion doses, there are limitations in storing and distributing the vaccine that will limit doses that can be administered at a time to about 500 million.

In the meantime, experts say it is important to keep up alternative treatment strategies like repurposing antiviral drugs. "In a scenario where a vaccine might not be available immediately for everyone—and with our diagnostic systems becoming faster and the number of people who need invasive intervention for Covid-19 coming down—we must continue building treatment schedules around antivirals," Dr E Sreekumar, a senior scientist at the Rajiv Gandhi Centre for Biotechnology, tells *Forbes India*.

Zydus's next key strategy towards Covid-19, therefore, involves developing at least three therapeutic drugs that could be used to treat a range of conditions, including early/mild, moderate and severe. "We could not only potentially be able to treat different conditions [such as inflammation of the body], but also [tackle] different end-points of getting infected," Patel says.

Early in December, the company received approval from the regulator Drugs Controller General of India (DCGI) to conduct final Phase 3 trials for its biological therapy Pegylated Interferon alpha-2b, or 'PegiHep', a drug used to treat Hepatitis-C that was repurposed for Covid-19.

"The first line of defence against a virus is the production of interferon by the human body. We had seen in many research articles that patients with moderate or severe Covid conditions had an issue with producing interferons on their own," explains Patel. "What this repurposed antiviral drug is supposed to do is kill the virus or reduce the virus replication and neutralise it." The company is also working with the US Food and Drug Administration authority for an investigational new drug filing in December to potentially start Phase 2b and 3 trials in the US in December.

Second, on the lines of the work done by global pharmaceutical giants Regeneron Pharmaceuticals and Eli Lilly in the space of antibodies, Zydus is in the pre-clinical stages of developing a monoclonal therapy that could "potentially be a great answer to Covid for people who need to be treated in both early as well as middle stages", Patel says.

That apart, Zydus has also recently received an approval from the DCGI to launch Phase 1 trials of its novel chemical entity ZYIL1, which can be used against the inflammation condition 'NLRP3', which leads to the onset and development of various diseases like Acute Respiratory Distress Syndrome, gastrointestinal diseases like the inflammatory bowel disease, cardiovascular diseases, and auto-immune diseases, among others. "ZYIL1 will bridge a critical unmet health care need in several inflammatory diseases, including the current pandemic of Covid-19 and address complications caused by chronic, uncontrolled inflammation," the company said in a statement.

The company is also one of the lowest-cost manufacturers of antivirals like hydroxychloroquine and Remdesivir that are being used for alternative treatment strategies for Covid-19. For comparison, while most manufacturers sell Remdesivir at prices between ₹3,000 and ₹4,000, Zydus offers it at ₹1,800.

On November 20, the WHO issued a conditional recommendation against the use of Remdesisvir in hospitalised Covid-19 patients, regardless of the severity of condition, because "there is currently no evidence that Remdesivir improves survival and other outcomes in these patients". Many doctors, however, continue to swear by the usage of the drug as an alternative treatment for severely ill Covid-19 patients in the absence of a vaccine.

"If the Zydus vaccine is found to be safe and effective, it will catapult them into a different position in the vaccine space."

VISHAL MANCHANDA
RESEARCH ANALYST FOR PHARMA, NIRMAL BANG INSTITUTIONAL EQUITIES RESEARCH

"It is time to make sure drugs are available because everything has gone into disarray. We are doing our best in these difficult times," Patel says. "This is a two- to three-year journey, if not more, and at the same time, we have to also see how effective vaccines are. Looking at all of that, I think therapeutic and other things will always remain very critical."

That has also meant that the company has forayed into the Covid-19 diagnostics side, with the company manufacturing affordable antibody test kits in partnership with the Indian Council of Medical Research. Now, over the next few quarters, Zydus is also looking to roll out home kits that will eliminate the need for people to go to the diagnostic centre to get a Covid test done.

"Our scientists are working day in and day out," Patel says. "They're not taking days off, working throughout the weekend. It is a lot of effort that they are putting in to make sure that we're not delaying things."

JUST GETTING STARTED

Even as they get set for the long haul, the company wants to focus largely on the Indian and US markets, where it has built up a strong presence over the past few years. "These are two markets we understand very well," Patel says. "We have the infrastructure in place, so we want to build capabilities to strengthen both the markets."

And there is good reason for that. India's domestic pharmaceuticals market is expected to grow by 12 to 14 percent in the next three years while the export market could grow between 8 and 14 percent, according to a report published in August by consultancy firm KPMG. Besides, the government is looking to increase its health care spending through schemes such as Ayushman Bharat, and raise public health spending to 2.5 percent of the country's GDP by 2025.

"They are one of the most diversified pharma companies in India," says Vishal Manchanda, research analyst for pharma at Nirmal Bang Institutional Equities Research. "They are present across biosimilars, vaccines, branded generics and wellness. They have also been pretty good at execution. But when it comes to vaccines, they have remained a rising star, and have only begun to focus on that business now."

That could change if the ZyCov-D vaccine is found successful. "If the vaccine is found to be safe and effective, it will catapult them into a different position in the vaccine space," adds Manchanda.

Patel, meanwhile, is clear about his plans. "The next 10 years are going to be redefining times for the organisation, particularly in how we bring differentiated medicines for the future," he says. "As a company, we are focussed on bringing access and affordability, and through drug discovery, make medicines for the future."

If the last 10 years are anything to go by, there definitely is no stopping the Patels and Zydus.

DR. SU: WORLD'S FIRST ACNEOLOGIST BUILDS AN INDIAN BRAND WITH GLOBAL APPEAL

Dr. Suyomi Shah is popular as Dr. Su, Acneologist, a name that this people's dermatologist has rightfully earned through hard work.

A young and dynamic Dr. Suyomi Shah, MD Dermatologist and Certified Trichologist (IAT Australia), has literally disrupted the telehealth sector in India with her young and vibrant brand, Dr. Su, which is growing rapidly in the space of dermatology and skin care in India.

"The trying times of COVID lockdown propelled us to start our page on Instagram (dr.su.official). Within a short span of seven months we crossed the 200K follower mark making us the highest followed dermatologist in India. The primary aim of this page is to emerge as a decisive voice in the cluttered cosmetic world and be able to inspire and educate people about skincare and haircare," says Dr. Su the Acneologist.

"Acne is something I struggled myself with for years and is the reason for my keen interest in dermatology. I discovered that acne isn't something that you can get rid of permanently by opting for medical treatments once. It relies heavily on implementing holistic lifestyle changes also. I started my journey as a dermatologist with a special emphasis towards treating acne for my patients. One happy patient soon became a thousand. And before I knew it, I was given the title of - 'World's first Acneologist'!" shares Dr. Su.

She humbly accepts the tag given to her by her proud patients. Dr Su has helped thousands of patients get rid of their acne. Extraordinary results often lead her patients to call her a super doc, however Dr Su is as friendly as one can be. Her intention is to be accessible to all her patients on a personal level.

No wonder then, Dr. Su has emerged as one of the most sought-after dermatologists today and her brand is on a mission to help as many people as possible and empower them to combat skin and hair-related problems more effectively.

The amount and quality of free information put out there by Dr. Su for her followers on Instagram is what is really appreciated by them. The page helps the audience with first getting the basics right before jumping onto advanced things in skin and hair care. Dr. Su focuses on empowering her audience with the knowledge to understand the ABCs of their skin and hair, busting through the misconceptions and marketing gimmicks out there.

Dr. Su, Acneologist

> *We are planning something big as a surprise for our audience. Our next project is something we have been planning for a while and which will help us put India on the global map when it comes to skincare. We are still in the R&D phase but are moving forward quickly. There is a sense of responsibility as we need to live up to the expectations of our audience.*

"Our expertise in the field of acne and our popularity on Instagram is evident when you search the hashtag #acneologist, which is practically owned by us. This led us to start our own online dermatology consultation a few months back and today we have a waiting period of almost 60 days and it humbles me," says Dr. Su.

Her dedication has resonated well with not only the Indian audience but people from around the globe. The Instagram profile of Dr. Su is appreciated and followed by Indian and global followers alike, making it a truly global Indian brand.

With the beauty industry growing at a rapid pace, people are getting more aware of the needs of their skin and hair and are actively seeking out and experimenting with various methods to take care of them. This means a huge opportunity for Dr. Su. So, what's next?

"We are planning something big as a surprise for our audience. Our next project is something we have been planning for a while and which will help us put India on the global map when it comes to skincare. We are still in the R&D phase but are moving forward quickly. There is a sense of responsibility as we need to live up to the expectations of our audience. We are thrilled and humbled by their growing anticipation and we aim to do it right for them. They will be the first to know about this exciting news whenever we're ready to break it," confirms Dr. Su.

A humanitarian at heart, Dr Su has a deep-seated desire of being able to help and impact the lives of as many people as she can - especially the underprivileged. Her NGO, Skin Forever Foundation is dedicated towards treating skin and hair disorders of special children (orphans) free of cost by conducting skin camps. This adds a lot of credence to the brand Dr. Su too.

India being the largest consumer base for global brands, what it lacked till now was a truly global Indian brand. We dare say that Dr. Su is rapidly changing the scenario and fast emerging as a brand that we could proudly call our own as it lives up to our expectations and makes us proud to be represented by it.

"We are proud to make a difference globally with a Made in India brand," concludes Dr. Su with a smile.

Interview

‘We Can be 100 Percent Transparent, But it Will Have Low Utility Value’

Dr Gagandeep Kang, virologist and fellow of the Royal Society of London, on transparency in clinical trials, emergency use authorisation for a Covid-19 vaccine candidate in India and whether it should be available for sale

By DIVYA J SHEKHAR

Q To what extent do companies and regulators need to be transparent about serious adverse events in a clinical trial?

The question of how much information should be made public, at what level and be shared with whom is a contentious one. [Within the clinical trials framework], there is the participant, then there is the study team that knows who the participants are and it is expected to protect their data.

The study team [led by the principal investigator] is overseen by the institutional ethics committee. When a new product is being tested, the company that has made the product becomes the sponsor for the trial. This company cannot ask for identifiable information of the participant; it, usually, will send independent monitors [like a clinical research organisation] that take on the responsibility of maintaining the quality of the study in terms of paperwork, permissions, examining participants’ consent forms, visits etc and the overall performance of the trial site. Even they can have direct contact only with the study team and not the participant.

Institutional ethics committees can monitor at an individual participant level. Then there is the Data Safety Monitoring Board (DSMB) that is also set up to protect participants, and these usually have experts

MADHU KAPPARATH

looking at the trial data regularly to recognise problem patterns, which is usually reflected through a cluster of cases. For example, if somebody is administered a vaccine and hits a bug, it is unlikely to be related [to the vaccination]. But if there have been accidents with other participants while they have been in the trial, this would be a signal picked up by DSMB and investigated.

When you do a trial, you are always erring on the side of caution. Anything that sends a participant to the hospital or results in death is going to be treated as a serious adverse event [SAE] and investigated. And then a determination has to be made whether that SAE is related or not.

Now, coming to the issue of what all should be in the public domain and how much information should be shared. Sometimes, people ask for too much information without recognising the uselessness of it. There is always an opportunity cost. You can ask me to make every record identifiable and post it on a public website. That is obviously doable, but how much is it going to cost and how much is it going to delay my group, and its ability to test new interventions? And what value will it add? In the interest of transparency, we can be 100 percent transparent, but that will have very low utility value.

Q A participant taking legal action after having an adverse event during the clinical trial process is unprecedented. Is that a cause for mistrust among the public regarding the vaccination process?

The health secretary has come out and said it is unrelated, so has the investigator and the sponsor. [The Drug Controller General of India, the regulator of the trial, later confirmed all due processes were followed.] I looked at the discharge summary of the patient participant and in the initial admission diagnosis, they had included vaccine-included encephalopathy as a differential. By the time the patient was discharged in October, they had already got an alternative diagnosis through follow-ups with a rheumatologist, indicating this person has an auto-immune disease. Why should the regulator go beyond what has already been determined?

The fact that this person went to court because he does not believe his doctor's diagnosis or the institution's diagnosis is something that he has decided to do. I am sure he is absolutely convinced that this is vaccine-related, but this is the first time he is participating in a clinical trial. He is not a medical professional and does not understand that SAEs happen all the time.

"We need to change the picture of clinical research in India, and understand that without human experimentation, there are no new treatments and prevention strategies."

[redacted]

Here is a person who has, according to his investigation, a low vitamin B-level, a low B12 level as well as all the other things we're hearing about now. The fact that you identify low vitamin B-levels ten days after vaccination does not mean the vaccine drove down the vitamin B-level. Similarly, if you fall ill and are very sick, it doesn't necessarily mean the vaccine caused that illness. Auto-immune diseases also occur after vaccination.

The Hepatitis-B vaccine, for example, is a very safe vaccine, but it does lead to certain auto-immune phenomena, very rarely, one in a million. But you can make that association appropriately only after you've given the vaccine to millions of people. In India, the AstraZeneca vaccine is being given to 1,600 people. What is your chance of being able to associate a rare SEA to the vaccination, even one that happens in 10,000 people? You won't be able to pick up if you're doing the trial only with 1,600 people.

That said, anybody who gets sick, whether related to the trial or not, deserves to be handled appropriately and treated as early as possible.

If you are participating in a trial, you have volunteered yourself for the good of the society. So your concerns need to be taken very seriously and it is the investigator's and the company's responsibility to make sure they do their best to address your concern. I find it very difficult to believe that the principal investigator and the institution [Serum], which is highly-regarded, were completely callous about this person. So the fact that this participant says they completely ignored him, nobody contacted him... it seems difficult to accept that clinical trialists would behave like this.

Q Do you think there is a mistrust among people regarding the vaccination process given the general opaqueness of state and non-state authorities?

Where clinical research is concerned, we have created an atmosphere where nobody trusts the researcher. But if we want the benefits of new research, why do we think we should be exempted from participating in it? One of the principles of ethics is justice. Everyone should have the right to participate in clinical trials that will lead to better interventions for tomorrow. But if you have one group that says, "I will not be a guinea pig but I want whatever comes out of that research", is that appropriate? That seems to be the line used by many people to say that Indians are vulnerable and must be protected, but they must also have access to the best new treatment. I see an issue there.

If you look at the West, one of the measures they have of the academic performance of an institution is what proportion of their patients are on clinical trials. The higher the better. That means, your doctors and research staff are academics seeking to improve treatments for tomorrow. In India, you don't have any large hospital where even five percent of patients are on clinical trials, whereas in other places, this number is 50 percent and above.

We need to change the picture of clinical research in this country, and understand that without human experimentation, there are no new treatments and prevention strategies. And in order to do that, we have to build better trust in the system.

Q How exactly could one incentivise clinicians who undertake clinical trials and at the same time build trust among people?

I think incentivising people is by clearing their path to do research. Many of our best clinicians are overwhelmed by clinical work, but somehow find time to do academic research. To create an environment where clinical trials are done well requires a re-shaping of the academic research system. It is not impossible, the mechanism exists everywhere. And for many doctors, the reward and incentive are participating in designing and doing the studies that shape tomorrow's practice. We need more conversations around the need for clinical research and how to improve India's standing. We have such a huge patient population and thinking about how we benefit them should be the basis of the reach we undertake. Building trust is about communication, being open, transparent and sharing information.

Q Soon after the Pfizer vaccine got emergency use authorisation (EUA) in the UK and Bahrain, the company sought permission to import and distribute the vaccine in India as well as waive off clinical trials here. The Serum Institute and Bharat Biotech have also made a request to the regulator to allow EUA in India. In the larger public narrative, do you think there is a misunderstanding that EUA is equivalent to licensure, and is that a concern?

COURTESY: SERUM INDIA

Serum Institute of India has already stockpiled 40 million doses of the AstraZeneca vaccine

Yes, it is a concern. The amount of data that Pfizer had collected for EUA is more than the data they had originally thought they would need to be able to go for a full licensure. The fact that they have gone for an EUA is about how much other information is required for a full licensure. It will need laboratory investigations, a deeper dive into the data, and making sure they submit the full scope of information in their application. I have no doubt that based on the studies they have done, they have enough data already for a full licence. It takes months to write an application for full licensure. The documentation requirement for an EUA is less. So Pfizer has an EUA in the UK, they will get it in the US by next month. These are all good things and they are doing this on the basis of having enough information actually for a full licensure.

Now when we think about the Serum Institute going to the regulator in India... given that they have recruited 1,600 people in India, they should provide to the regulator at least two months of safety and immunogenicity data, and the information they have from the AstraZeneca trial globally. Because that's where the efficacy data is coming from. If the safety and immunogenicity in India and the UK are equivalent, then I see no reason why we can't take the efficacy data from the UK, accept that and give the vaccine an EUA in India.

Q There are talks about the vaccine candidate being available for sale in the private market by early 2021. Are there any challenges you anticipate here?

My worry is about equity. In India, we already have vaccination systems by the private sector and the public sector. In the private sector, you have access to many more vaccines than you do in the public sector. This is the first time when we've had a brand new disease that affects everyone equally. Should you create a situation where if you are rich, you can protect yourself, but if you are poor you cannot? To me, every rich person would be taking away a dose of vaccine that will be given to a poor person. So that's why I think whatever vaccines they decide on, the priority groups need to come first. F

30next – Future of Indian Economy: Emerging Enterprises of India (A Creativepedia Ventures Pvt. Ltd. Production)

"30next" is an ode to the undying spirit of Indian entrepreneurs who have started out small, and now have notched a sizable market share, immense goodwill and brand awareness for their business. The name is synonymous with the next 30 companies who define success not only by their bottom line, but also by their contribution to the community, dedication by providing great customer service, and by promoting the culture of excellence.

Heartiest congratulations to Line O Matic Graphic Industries, Electronic Automation Pvt Ltd, Advaith Motors Pvt Ltd, Cygnet Infotech Pvt Ltd, Globela Pharma Pvt Ltd and Otter Controls India Pvt Ltd for being among the "30next".

LINE O MATIC GRAPHIC INDUSTRIES
www.lineomatic.com
Year of Establishment: *1997*
Leadership: *Udaykumar Chhabildas Patel*
City/State: *Ahmedabad, Gujarat*
Recognition: *Market leaders in manufacturing of Exercise Notebook, Paper Converting and Packaging machinery, with over 3000+ installations in 70+ countries across the globe. Equipped with a state of the art production facility spread over 200,000 sq. ft. area. Company is CE, UL, ISO 9001:2015 & 45001:2018 certified. Honorable 'Brand Trust Report' has listed Line O Matic Graphic Industries among the most trusted manufacturers*
No. of Employees: *500+*

ELECTRONIC AUTOMATION PVT. LTD.
www.eaplindia.com
Year of Establishment: *1983*
Leadership: *Shreedhar Kamat, Christian Kruger, Ashok Shanbhag, Tobias Roederer*
City/State: *Bengaluru, Karnataka*
Recognition: *Pioneers in design & development of Electronic Timers, Annunciators, Energy Meters, Sequential Timers etc. Conferred National Award for Outstanding Entrepreneurship by GOI (2008). Awarded for Excellence in Electronics in 1992 & 1995 by Department of Electronics, GOI. Presented Make in India Emerging Entrepreneur Award, GOI (2016). Certified with ISO 9001:2015 and UL*
No. of Employees: *140+*

GLOBELA PHARMA PVT. LTD.
www.globelapharma.com
Year of Establishment: *2006*
Leadership: *Dr. Bhanu Vaghashia*
City/State: *Surat, Gujarat*
Recognition: *An ISO, FDCA–INDIA, WHO cGMP accredited pharmaceutical formulation company known for manufacturing high quality intermediates, APIs and finished formulation. The company has an in house R&D center recognized by DSIR (Department of Scientific and Industrial Research). The company has product presence in India, as well as several countries in Africa, Asia, CIS and Latin America*
No. of Employees: *180+*

ADVAITH MOTORS PVT. LTD.
www.advaithhyundai.com
Year of Establishment: *1998*
Leadership: *SVS Subramanya Gupta*
City/State: *Various locations in Karnataka*
Recognition: *Dealers of Hyundai & Mercedes Benz cars, JCB Machines, Distributors of Mahindra & Mahindra Tractors. World's largest Hyundai Dealer with a network of 24 Showrooms, 29 Service centers and 4 Pre-owned cars showrooms spread across Karnataka. For more than a decade, Advaith Hyundai has been constantly ranked among the top dealers globally*
No. of Employees: *3200+*

CYGNET INFOTECH PVT. LTD.
www.cygnet-infotech.com
Year of Establishment: *2000*
Leadership: *Niraj Hutheesing, Keval Hutheesing*
City/State: *Ahmedabad, Gujarat*
Recognition: *Leaders in IT Services, Products and Tax Technology Solutions. The company's portfolio includes integrated tax compliance solutions supported by application development, product engineering and systems integration services and proprietary solutions in RPA, Test Automation and Electronic signing. Awarded Best Software Company at Vibrant Gujarat Summit (2018) & Best Indirect Tax Technology Firm of the year at 2nd National GST Summit 2019*
No. of Employees: *1000+*

OTTER CONTROLS INDIA PVT. LTD.
www.otterindia.com
Year of Establishment: *2013*
Leadership: *Ulhas K. Joshi*
City/State: *Pune, Maharashtra*
Recognition: *Engaged in manufacture of high precision automotive and non-automotive engineering components such as connectors, cutouts, complete brush housing for motors, wiring harnesses, precision moulding components etc. Conferred National Productivity & Innovation Award – Instituted by National Productivity Council, Ministry of Industry, Govt. of India. Certified with ISO, IATF, VDA 6.3, UL, and SMETA for different customer requirements*
No. of Employees: *200+*

Trials of Transparency

Experts discuss navigating the grey area of deciding how much information around Covid-19 vaccine trials needs to be made public to retain people's trust in the vaccination process

By DIVYA J SHEKHAR

Covid-19 has been pushing the limits of science and regulatory processes. Pharmaceutical companies are at phase 3 trials around the world, while the UK green-lighted emergency-use authorisation (EUA) of the Pfizer vaccine in early December.

On November 17, the US Food and Drug Administration (FDA) said that reviews of all data and information regarding EUAs granted to Covid-19 drugs and vaccines would be made public. "Today's transparency action is just one of the number of steps we are taking to ensure public confidence in our EUA review process for drugs and biological products, especially any potential Covid-19 vaccines," said USFDA Commissioner Stephen Hahn in a statement published by Reuters.

Around the same time in November, two of India's largest clinical trials—being conducted by Pune-based Serum Institute of India (SII) and Hyderabad-based Bharat Biotech—came under scrutiny when one volunteer each from both trials were hospitalised after being administered a vaccination dosage. Although Union Secretary of Health and Family Welfare Rajesh Bhushan assured that these developments would not affect vaccine timelines in India, experts think pharma companies and the Drugs Controller General of India (DCGI) should be more transparent and accountable about explaining how evidence is being examined and decisions are being taken with respect to these procedures.

AMIT DAVE / REUTERS

A volunteer in Gujarat gets a dose of a vaccine candidate as part of clinical trials in November

"The [investigation] process does not have to be put out in the public domain, but more details have to be shared. We have an unprecedented situation where a trial participant has gone public decrying the clinical trials process," says Anant Bhan, a bioethics and global health policy researcher. "Confrontational or hyper-aggressive responses by companies and authorities, without offering more clarity, will lead to a trust breakdown in the vaccination process."

Bhan is referring to the adverse event during the clinical trials of SII's Covishield. A Chennai-based, 40-year-old volunteer sent a legal notice to SII, demanding ₹5 crore in compensation for a severe neurological reaction he alleged he developed after receiving a dose of Covishield, being developed by University of Oxford and British pharma giant AstraZeneca, which SII is manufacturing.

SII, the world's largest vaccine maker by volume that is conducting phase 3 trials among 1,600 volunteers in India, dismissed the allegation as "malicious and misconceived", and said it would seek over ₹100 crore in damages.

Meanwhile, Bharat Biotech had an adverse event during phase 1 of clinical trials of its vaccine candidate Covaxin in August, which was reported in the public domain only in October. The company said the incident was reported to DCGI within 24 hours of its occurrence and confirmation. "The adverse event was investigated thoroughly and was determined as not vaccine related," the company said in a statement.

Despite hospitalisation of volunteers, the trials in India were not paused to determine whether these events were causally linked to the vaccine doses, while after similar events in the West, UK's AstraZeneca and US's Johnson & Johnson had paused their respective clinical trials.

"The fact that there is public distrust potential involved, what companies have been doing in Europe and the US is sensible. It is reasonable for companies to provide pre-emptive information and explain exactly what happened, how they've dealt with the problem, and provide further reassurance that they are following the required protocol," says immunologist Satyajit Rath.

Although, he adds, that not pausing clinical trials in India is not a concern if the Data Safety Monitoring Board (DSMB) was notified rapidly and it concluded that the adverse effect was not trial-related. Rath believes that the cultural framework in India of not having transparency around data will result in those at the receiving end of authority to distrust them. "If instead of threatening to file a lawsuit against the participant, the Serum Institute had just issued a joint statement with the regulatory authority providing more clarity about the adverse event and extending support to the volunteer, there would not have been public concern to this extent."

The Adar Poonawalla-led SII issued a statement on December 1, assuring that the vaccine won't be released for mass use unless it is proven "immunogenic and safe". The company was sympathetic to the volunteer's medical condition, and assured that regulatory and ethical processes were followed "diligently and strictly". At the time of writing this article, DCGI had not issued a statement regarding this.

Samiran Panda, chief of epidemiology and communicable diseases at the Indian Council of Medical Research (ICMR), a co-sponsor of the vaccine trial along with SII, says that while DCGI is likely to make a statement soon, "the company [SII] will only make announcements based on the information it is receiving from the ethics committee, the DSMB and the regulator". If raising false hope about a vaccine is bad, Panda adds, then "damaging the potential reputation of a vaccine is equally bad".

"Sometimes, people ask for too much information without recognising the uselessness of it," says virologist Gangandeep Kang. "You can ask me to make every record identifiable and post it on a public website. That is obviously doable, but how much is it going to cost and how much is it going to delay my group, and its ability to test new interventions? And what value will it add? In the interest of transparency, we can be 100 percent transparent, but that will have very low utility value."

"If instead of threatening to file a lawsuit against the participant, SII had provided more clarity there would not have been concern to this extent."

SATYAJIT RATH,
IMMUNOLOGIST

Clinical trials specialist Santanu Tripathi, who will be the principal investigator of the Covovax vaccine (being developed by US company Novavax, for which the ICMR and SII have collaborated in India) trial at Kolkata's School of Tropical Medicine, agrees with Kang, adding that a clinical trial is a highly technical process involving many stakeholders and experts from multiple domains. "While defining transparency, one must understand if the information we put out in the public domain is in the interest of human good, or if it will be redundant, or create undue apprehension."

Tripathi adds that self-regulation is in-built in a clinical trial, and every stakeholder—participants, the company, investigators, ethics committees and regulator—must abide by it. "While in principle and spirit, transparency in clinical trial operations is much desired and welcome, given the criticality of the matter, the nuances demand wider deliberation and general agreement," he says.

Rath believes that it is imperative that the public is made aware of facts, processes and developments that concern them. For instance, he fears that EUA should be treated as "an extended clinical trial, and not as approval of a vaccine candidate". It is important, he believes, to make people aware of the distinction. At the time of writing the story, AIIMS director Randeep Guleria had told news agency ANI that Indian regulatory authorities are likely to provide EUA to a vaccine candidate by the end of December. "Safety and efficacy of vaccines are not compromised at all," he said, explaining that short-term clinical data indicated that vaccines are safe for EUA.

Kang adds that if SII provides at least two months of safety and immunogenicity data to the regulator, along with safety and efficacy data from the AstraZeneca trials globally, and if they are found to be equivalent, then there is "no reason why we can't take the efficacy data from the UK, accept that and give the vaccine an EUA in India". F

In Focus

Signing up for Science

Volunteers who took jabs of potential Covid-19 vaccines talk about their apprehensions and motives

By NAANDIKA TRIPATHI

On the morning of August 7, the mother-daughter duo of Hema, 51, and Chhavi Damani, 26, decided to twin in their T-shirts, trousers and masks. A short prayer followed, before they headed for the Zydus Hospital in Ahmedabad for a "noble cause"—volunteer for the phase 2 trials of ZyCoV-D, one of the possible Covid vaccines developed by pharmaceutical major Zydus Cadila.

"My husband is a physician at the hospital," says Hema, a homemaker. "One day, he came home and informed us that Zydus Cadila is going to start the second round of human trials. My daughter and I asked him if we could be a part of it." Both didn't have any second thoughts in putting their hands up as they knew that getting volunteers would be key to running successful trials.

A day before getting the jab, Hema and Chhavi went to the hospital for a screening, a blood profile and RT-PCR tests to ensure they didn't have any antibodies already. Trial participants are expected to have normal blood pressure and sugar levels, while pregnant women and children are barred from the exercise.

Once vetted, the doctor-in-charge sat them down to discuss the road ahead, as well as hand over the eight-page Informed Consent Document that explained in detail the vaccine, possible side-effects, the number of hospital visits required and the reimbursements for them, etc. They were also told that participants will be monitored for the next six months (187 days) for side-effects. "There was an initial apprehension of sorts, but once I understood the procedure in detail, I wasn't too scared," says Hema.

For her, Chhavi, and 18 others who were volunteering on the same day, the vaccination began with a routine hospital admission—checking in and being assigned beds. Hema felt nervous when she was hooked on to the monitors ("but it was more to do with the hospital environment than the shot"), and when the doctor finally pulled out the needle. "I told myself I'm in it and can't back out. The shot was slightly painful, but I was fine after a few minutes," she adds.

Fine enough to return to reading Manu S Pillai's *The Courtesan, the Mahatma and the Italian Brahmin: Tales from Indian History,* while Chhavi returned to doodling on her sketchpad.

After being observed for four hours, the trial volunteers were allowed to leave the hospital, with detailed guidelines on what to watch out for, especially fever, and immediately contact the doctors if they faced any trouble. They were also asked to maintain a daily log of fevers, body aches, redness or swelling around the point of the shot. "We were given two more shots, with intervals of 28 days between each shot. All the three shots went well, and neither my daughter nor I have experienced any side-effects," says Hema.

"A vaccine takes five to 25 years to develop. For Covid-19, we have compressed it into nine months."

Hema and Chhavi don't know if they have received the vaccine candidate or a placebo (as is mandated in a double-blinded trial, where neither doctors nor participants are aware of the contents of the vial). But the seamless process spurred them to spread the word and inspire family and friends to join the trial. "Many of them were scared initially but later some signed up. We're glad we could convince them," says Chhavi.

According to news reports, Zydus Cadila enrolled and dosed around 1,000 volunteers across 11 cities for the phase 2 trials. This is a critical phase of testing, involving a large pool of candidates split into groups of varying age, dosage, etc; once inoculated, they are studied to understand the safety and immunogenicity of the vaccine. The pool is further widened in the third and final phase, for which Zydus Cadila plans to rope in 15,000 to 20,000 people. The company hopes to be ready with the vaccine by March 2021.

With three of the most popular vaccine candidates—Serum Institute of India's Covishield (developed by University of Oxford and AstraZeneca), Bharat Biotech's Covaxin, and Zydus Cadila's ZyCoV-D—being trialled in India, the country is playing a crucial role in the global fight against Covid-19.

Sixtysix-year-old Meeta Shah signed up as one of the first five

A volunteer gets a dose of Covaxin, the Covid-19 vaccine candidate from Bharat Biotech, during clinical trials at a hospital in Ahmedabad

volunteers for phase 2 of the Covishield trials at Mumbai's BYL Nair Hospital despite her inherent fear of needles. After the mandatory pre-screening, Shah reached the hospital on September 26 with her son and three friends in tow. "I cry while taking injections but wasn't scared at all while going for the trials," she says. Once the volunteers were given the dosage, they were allowed to leave in 30 minutes and advised to take three doses of paracetamol daily for three days to keep a possible fever in check.

A fortnight later, Shah woke up with severe body ache and weakness. "The doctor asked me to take paracetamol twice a day; it didn't work. We got a Covid test done, but it was negative. I took medicines and rested for two days and started feeling better from the third day," says Shah. On October 27, she went to take the second shot and this time she convinced her 72-year-old husband to join her. Says Bipin Shah, who is hypertensive, diabetic and on medication, "When my wife and son went to take their first shots, I wasn't too keen. I thought let the younger ones get it first and I'll take a call thereafter." A month and a half later, he's free of any side-effects and has managed to convince other relatives to sign up as well.

Jayesh (name changed), 37, and his wife, trial participants at the Nair Hospital on October 18, also had fever and body ache two days after getting the first shot. "The arm where the shot was given started hurting too. The doctor suggested paracetamol and I started feeling better from the next day," says Jayesh. He admits to being scared of the uncertainties but says he was driven by the larger motive of ending the pandemic with a vaccine. The only quibble? The duo didn't receive the ₹500 that was promised as travel reimbursement.

Both Serum Institute and Bharat Biotech have sought emergency use authorisation for Covishield and Covaxin, respectively, raising hopes of a vaccine by end of 2020 or early 2021. Covishield's full trial data published in *The Lancet* on December 8 confirmed the efficacy rates of its interim results—an overall rate of 70 percent, with 62 percent for the majority and 90 percent for a smaller sample.

Will the fast-tracking of approvals ensure safety and efficacy? Dr Om Shrivastava, an infectious disease specialist in Mumbai, explains: An average vaccine takes about five to 25 years to develop—Ebola's took five, while Rotavirus' took 15. "[For Covid-19], we have compressed the total process into nine months. While I'm excited and following developments keenly, I'm also keen to make sure there is 100 percent safety. One should only benefit by taking the vaccine," he says. F

Valuing Profits

An unexpected and extraordinary development at testing company Kilpest left investors grappling with a question: How does one value an extraordinary surge in profits?

By SAMAR SRIVASTAVA

As the Covid-19 lockdowns began, and investors rushed for exits, Kilpest India's stock held steady. It saw little erosion in value during March, and through April and May, there were more buyers than sellers on most days.

The company had stumbled upon a rare opportunity and had moved quickly to make the most of it: Its RT-PCR kits, which test for the Covid-19 virus, were in high demand, and Kilpest was the only listed player that could capitalise on the opportunity. A business that had never made more than ₹10 crore in annual profit over the last decade was now on track to end the year with ₹100 crore in profit. (It has delivered ₹76 crore in the first two quarters of this fiscal.) As investors rushed in, its market cap soared fivefold to ₹550 crore in August.

But this sudden, unexpected and extraordinary development left investors grappling with a question that has come up several times over the past decade: How does one value an extraordinary surge in profits?

Past examples—there are several, such as SAIL, Rain Industries, Graphite India, HEG, Vikas WSP—have shown that in the short term, markets almost always err in according too high a multiple to the cash that has come into a business. They start pricing in the good times continuing for longer than they do. As profits rise, investors rush in, only to be disappointed as the management misallocates capital and the profits eventually prove unsustainable.

"If you are a conservative investor, it makes sense to be wary," says Sanjay Bakshi, professor at Management Development Institute, Gurugram. Bakshi, who has studied this phenomenon, points to the fact that according too high a multiple to what could essentially be a one-time infusion of cash is wrong. For instance, if a business were to receive money on account of the sale of land, the market would rarely accord that cash a high multiple.

In contrast, a sudden spurt in profitability on account of a shortage of a product receives a comparatively

RUPAK DE CHOWDHURI / REUTERS

During the initial Covid-19 lockdowns in March and April, Kilpest made the most of the high demand for its RT-PCR kits, which are used to test for the coronavirus. It was the only listed player at the time that could capitalise on the opportunity higher multiple. Both cases should ideally be treated similarly. Shortages always correct with more supply coming in, and prices fall, resulting in profits normalising.

The most important rule is to look for the sustainability of profits. Is it one-time or is the business cyclical? Has the profit potential of the company fundamentally changed? Answering these questions is important, as a simple discounted cash flow valuation would otherwise accord too high a multiple.

In Kilpest's case, the company received a shot in the arm on account of the molecular diagnostics kits it made for testing the Covid-19 virus. These kits were in short supply in April and the company was one of the few to receive government approval. It had sales of ₹6 crore in the quarter ended June 2019; this rose to ₹53 crore in the same quarter of 2020, while the bottom line moved from ₹1 crore to ₹24 crore. In the quarters ended September 2019 and 2020, revenue numbers were ₹10 crore and ₹52 crore respectively, and the bottom line was ₹2 crore and ₹52 crore respectively.

To understand how the company could do in future, one has to go by the track record of the management. Have they been efficient capital allocators in the past? "In most companies, success goes to their managers' head and they can't stop from expanding as they don't want to lose market share at any cost," says Bakshi. He would rather that the cash be used as an opportunistic weapon when a downturn comes; that is when the cash would have a lot more value than its book value. If there is no past record available on how the management has deployed past profits, err on the side of caution. Also, paying off debt is more important than expanding. Paying out dividend or rewarding shareholders should happen only after that.

Corporate India has companies—such as Asian Paints and Pidilite—that have been efficient allocators of their profits. There are also those—such as Piramal Enterprises—that have squandered away their gains. Or, like Shree Cement and Ramco Cement, have had the patience to wait, sit on the cash, and only invest when the market is in their favour.

Understanding which bucket a business falls into is of paramount importance while deciding whether it deserves a multiple. A common mistake investors make is taking comfort from a low price-to-earning (PE) multiple. "The PE multiple here is the biggest deception, as the E is not sustainable," says Bakshi. It is best to use an average of past PE ratings and asset values as a sanity check on valuations. Kilpest is currently at 2.5 times FY21 earnings.

Valuation Rules

- How sustainable is the **jump in profits**? If it is on account of a temporary shortage, it is unlikely to sustain
- The **PE multiple** can be misleading, as the E is not sustainable
- It is best for the company to **pay off debt** before expanding or rewarding shareholders with **dividends** or **buybacks**
- **Cash** can be used as an **opportunistic weapon** to be deployed during a **down cycle**; **past record** of the company's management can provide clues
- If **cash** is **returned** to **shareholders** (ie no avenues available to deploy) with the business trajectory continuing like before the valuation, **rerating** will **not sustain**

Almost always in cases that have seen a sudden one-time surge in profitability, the managements have not been able to effectively deploy the capital. In the case of HEG and Graphite India, the managements didn't even pay down debt fully. Instead, they chose to reward shareholders with hefty dividends. SAIL expanded capacity at the top of the steel cycle. As a result, valuations went back to levels that they were at before this one-time event. A good rule to remember is that it is best to exit these businesses at a low PE multiple.

The number of molecular diagnostic laboratories in India surged after April, when the demand for Covid-19 testing surged; from about 100 laboratories, the number went to 1,000. Dhirendra Dubey, executive director at Kilpest, says, "Molecular diagnostics laboratories went up from about 100 to 1,000-plus on account of Covid-19, and are expected to go down to about 300, as the remaining labs will have less viable business and there will be an increase in competition from newer manufacturers."

In the meantime, the amount the company can charge for tests has declined. In November, it was able to charge only ₹148 per test kit, down from ₹230 in October. This shows that with the shortage alleviating, prices are declining rapidly and profits should normalise over the course of 2021.

Having established that profits are likely to decline, it becomes imperative to answer what the company plans to do with the cash. Kilpest has indicated that it is on the prowl for acquisitions, but also that target companies have become expensive. For now, it has a conservative approach to deploying the cash. "We will try and keep the cash for two years, as we look for organic and inorganic opportunities. Post that we could consider a buyback," says Dubey.

Being conservative has meant that investors are willing to give the company time to deploy the cash on its books. If Kilpest is able to use this to grow the business to a new trajectory, expect the rerating to take place. The company believes it should have an answer in two years. Alternatively, if the money is given back to shareholders, they'll happily take the money and invest it in a company that is more efficient at allocating its profits. F

Shock & Awe

How Havells is battling MNCs by aggressively unleashing its manufacturing prowess in consumer durables

By RAJIV SINGH

Circa 2005. The mood was upbeat in the Havells camp. The year's turnover stood at around ₹700 crore, with a net profit of ₹30 crore. The interesting part, though, was the shocking pace of growth of the homegrown electrical and lighting products company in a decade: It had leapfrogged almost seven times. Havells, points out chairman & managing director Anil Rai Gupta in his book *Havells: Untold story of Qimat Rai Gupta*, had the potential to enter the big league and compete effectively with the likes of Philips and Siemens. "We were the young Turks of India Inc," Gupta stressed. Success, he underlined, begets confidence.

Over the next two years, the company mustered enough success, and confidence, which fuelled its global ambition. Havells, founded by Anil's father Qimat Rai Gupta, was ready to punch above its weight. And it did. In April 2007, Havells bought Sylvania, a Netherlands-based electrical major which was one-and-a-half times bigger than its new Indian owner in terms of revenue. "We were ecstatic," Gupta recounts in his book. Sylvania was operating across 50 countries. Havells was now catapulted on the global stage by buying out a larger company.

Cut to December 2015. Havells sold 80 percent stake in Sylvania. "We felt that this was not the right place to invest our efforts for the next ten years," Gupta explains in an exclusive interview to *Forbes India*. After turning around

AMIT VERMA

Anil Rai Gupta, chairman and managing director, Havells India, began scouting for growth opportunities in India and reaped rich dividends

Havells

REVENUE: ₹9,429 cr (FY20)

LOCAL EDGE: Biggest fast moving electrical goods player; now making inroads into consumer durables through Lloyd

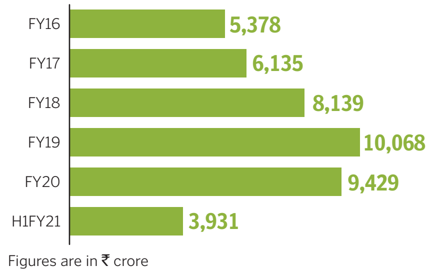
GLOBAL OPPORTUNITY: Continues to export, though it's not a major chunk

Sylvania post the global meltdown in 2008, the company was turning out to be a drag on Havells.

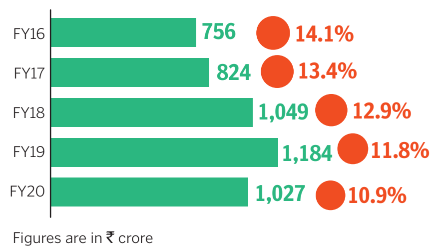
The global business landscape had also changed drastically. Europe, which accounted for 60 percent of Sylvania's business, had turned sluggish. The traditional lighting market was making a transition to LED. "To change the dynamics in a slow growth economy meant pumping in loads of money and effort," Gupta recalls. Havells was not prepared to do so. Not when the home run was starting to look promising. The Indian market was growing much faster than Europe and the US. Havells decided to put all its manpower and money into India. "Why even think of being a very big global player? We exited Sylvania," says Gupta, adding that it was the only Indian company to exit a global business at a profit. Though making a profit and exiting might look like a consolation prize—emotionally too it was difficult to let go—for Havells, the business sense made the best sense. "We started scouting for growth opportunities in India," he adds.

Two years later, in 2017, Gupta bought the consumer business division of Lloyd Electric at an enterprise value of ₹1,600 crore. The deal plugged the fast moving electrical goods (FMEG) company into a consumer durable world dominated by the likes of Samsung, LG, Daikin and Voltas. Critics, and investors, were not impressed. While Lloyd's share dipped as much as 17.1 percent—the day after the deal was announced— Havells's reportedly tumbled by 3.2 percent. Gupta, for his part, was convinced that the acquisition would drive the company's growth. "We have always realised

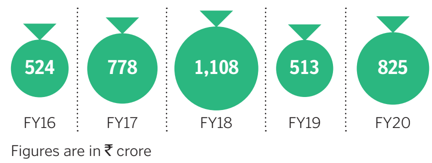
Report Card: Revenue



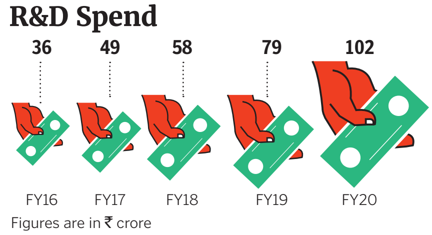
Ebitda & Ebitda Margin



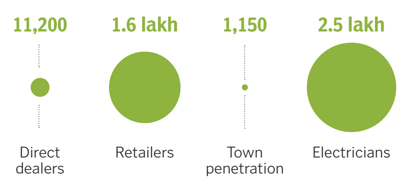
Cash Flow (Cash generated from operations)



R&D Spend



Penetration Footprint



the strength of brands, acquiring them, and nurturing them," he says. Havells, Gupta underlines, too was a brand acquired by his father in 1971, although the patriarch had plunged into the business of electricals back in the late 1950s after opening a shop in Delhi's electricals wholesale market.

The value in Lloyd became evident in the second quarter of fiscal 2021, when it posted a 56 percent jump in sales of ₹280 crore, over a year ago. Although it is the fourth-biggest in terms of contribution to the revenues of Havells—the biggest is cables—Lloyd posted the highest growth; the growth was led by ACs, followed by washing machines and refrigerators, which wwere rolled out in September this year. Gupta is happy with the performance. "It's satisfactory," he says. Lloyd, the third biggest AC brand, he explains, makes Havells a complete consumer durable player. "We are a complete portfolio now with ACs, washing machines."

Overall, too, Havells has a lot going for it in highly-competive segments. In MCBs (miniature circuit breakers) and switches, it faces foreign giants such as Legrand, Schneider and Anchor (now owned by Panasonic); in lighting and small domestic appliances it's pitted against Philips, Crompton and Wipro; in ACs, TVs, fridges and washing machines, it has formidable foreign competitors in LG, Samsung, Sony, Daikin, Carrier as well as domestic majors such as Voltas, the biggest AC player in India.

What makes Havells unique is that it is the only brand with a deep and wide presence inside every nook and corner of a consumer's home. From wires, switches, fans, coolers, LED lights, water heaters, water purifiers to small domestic appliances, personal grooming products, TVs, ACs, washing machines and refrigerators, Havells is ubiquitous with its battery of brands such as Lloyd, Standard, Crabtree and Reo. It's the most penetrated household brand in the country. "From being

> *"We are an Indian company, born in India, very proud of our lineage and the quality we churn out."*

ANIL RAI GUPTA, CHAIRMAN AND MANAGING DIRECTOR, HAVELLS INDIA

INFOGRAPHICS: SAMEER PAWAR

Tracking Performance

SWITCHGEAR

MCB
Market size **₹2,900 crore**
Market share: **18%**
Rank: **1-2**
Rivals: **Legrand, Schneider**

Switches
Market size **₹4,500 crore**
Market share: **12-13%**
Rank: **3**
Rivals: **Legrand, Panasonic (Anchor)**

CABLE
(power and flexible)
Market size **₹25,000 crore**
Market share: **11-16%**
Rank: **3**
Rivals: **Finolex, Polycab, KEI**

LIGHTING
Market size **₹10,000 crore**
Market share: **12-15%**
Rank: **2-4**
Rivals: **Philips, Wipro, Crompton**

FANS
Market size: **₹7,500 crore**
Market share: **19%**
Rank: **2**
Rivals: **Crompton, Usha, Orient**

WATER HEATER
Market size: **₹1,700 crore**
Market share: **19%**
Rank: **1**
Rivals: **Racold, AO Smith**

OTHER APPLIANCES
Market size: **₹5,000 crore**
Market share: **6%**
Rank: **3-4**
Rivals: **Philips, Bajaj**

a cables and wires player, it has diversified into a consumer electrical and durables maker," points out a recent analyst report of Motilal Oswal.

What's the secret sauce? "We invested in manufacturing, in Make in India," smiles Gupta. With 13 manufacturing plants across India, Havells makes 95 percent of its products in the country. This, Gupta underlines, changed the game for the company, which posted revenue of ₹9,429 crore in FY20, and ₹3,931 crore for the first half of FY21.

COURTESY-HEVELL

Deeper Into Home

Two business categories where Havells operates

Electricals
Industry size
₹45,000 crore
CAGR (2019-25)
12%

Home Appliances
Industry size
₹70,000 crore
CAGR (2019-25)
15%

Till 2004: Industrial cables, switches, switch gears, fans, lighting

From 2011: Domestic cables, ACs, TVs, air coolers, water heaters, fridges, washing machines, water purifiers, domestic appliances

Manufacturing has always been the most under-rated, and neglected, aspect of any business in India, Gupta explains. Most players in this sector prefer the easier route of importing from China. "But they don't invest profits back into the system. They don't invest in R&D, and they don't invest in actually competing," he asserts. For FY20, Havells invested ₹102 crore in R&D. In FY16, it was just ₹36 crore.

Gupta shunned the herd mentality on another front. He didn't fall in the trap of looking for 'synergies' to bring down cost. When Havells started selling fans in 2003, the easy way out was to use the sales team of wires and cable to peddle fans. "We didn't do that," says Gupta. "Today we have 25 different businesses and 25 different sales teams." Every business, he lets on, requires dedicated infrastructure, input and manufacturing operations. "We treated each business as a separate business."

The strategy seems to have paid off. Havells is in the top five in every product category it entered over the last two decades. "In most cases, we are the leaders. No other player can make this claim," says Gupta.

The foundation of the success story of Havells, reckon marketing experts, was laid on manufacturing in the country. "Though in the business of circuits, it never short-circuited the process to make quick bucks," says Ashita Aggarwal, marketing professor at SP Jain Institute of Management and Research. The Guptas, she maintains, had the foresight, and have been long-term players. Falling back on China for contract manufacturing—what the first set of Indian handset players did for a considerably long time—was the easiest option. "It is the only AC maker to have almost its entire product manufactured in India," she claims.

The highly automated Lloyd AC plant at Ghiloth, Rajasthan. In 2017, Gupta bought the consumer business division of Lloyd Electric

What also helped, along with in-house manufacturing, was investing in brand building. It moved from generic electrical equipment to creating high-quality brands. Havells took the lead in creating, and building, a category. "Havells made itself aspirational," says Harish Bijoor, who runs an eponymous brand consulting firm. It represented the gold standard of safety, and carved out for itself a segment of customers who would walk in and ask for the item by brand-name as opposed the item by item-name, he adds. Havells, Bijoor points out, has played its cards well, cobbling together an empire of electrical and consumer goods as India consumed more and more of these. To that extent, the company has found itself in the right place at the right moment with a right set of products in its kitty. "Whether by design or default, Havells finds itself in a sweet spot today," says Bijoor.

Getting there, though, was not easy. "Till 15 to 20 years back, we were considered a B-grade brand compared to Schneider and Siemens," rues Gupta. It took loads of efforts and investment over years to transform the brand. Consumers, he asserts, now trust Havells for its quality. "My father always used to say 'what next' and he kept upping the ante," says Gupta.

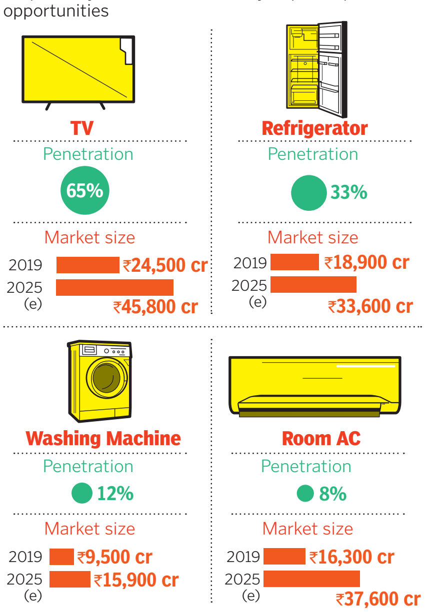
So what next for Gupta? With his newest baby—refrigerators—added in the family, Havells is fighting a war on multiple fronts, interestingly against the same set of foreign rivals: LG and Samsung. Can he make Lloyd the biggest consumer durable player? Gupta sounds confident of making a strong dent. What gives him the confidence is the success he has tasted in electricals against the global majors. The rules of the game remain the same. At the front end of the consumer durable industry is the brand and distribution. And at the back-end is R&D and technology. "We have cracked both," he says.

While giving credit to the South Korean rivals for expanding the market and bringing in the right products, Gupta feels that the MNCs haven't got a real fight yet. The Indian companies, he lets on, just went away. Some disappeared due to the financial mess they waded into, others faded away because of poor quality, and a few more just threw in the towel as family infighting crippled them. "Where was the big fight?" he asks. Havells, he points out, is again backing its instinct to make it big in the new segment. He uses the example of lighting, which it entered in 2003, when the odds were heavily stacked against Havells. It was a crowded and fiercely competitive market dominated by Bajaj, Crompton, Philips and Surya. Rivals mocked its audacity, and analysts predicted a regional role for Havells. "We are the second biggest in the segment today," he says.

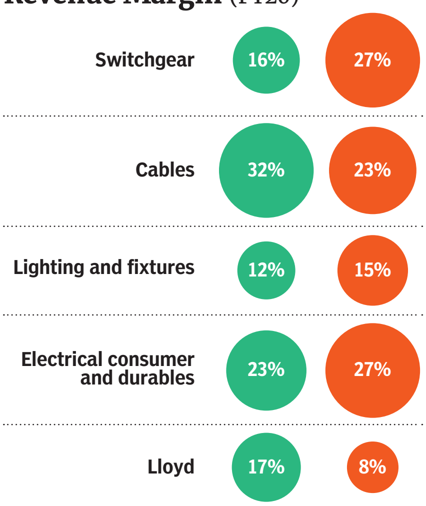
Can Havells become top dog in all its businesses? Gupta answers by asserting what he won't change. "He (Qimat Rai Gupta) wanted it to be honest, transparent, nimble and quick," he says. "I am walking down the same road," he adds. "We are an Indian company, born in India, very proud of our lineage and the quality we churn out." F

Lloyd Gives Massive Headroom for Growth

Acquired by **Havells** in 2017, Lloyd opens up new opportunities



Revenue Contribution and Revenue Margin (FY20)



Quick rebound in Q2

Revenue
₹2,452 crore
(₹2,231 crore in Q2 FY20)

Net Profit
₹325 crore

Segment Performance

Switchgears: ₹370 crore (2% y-o-y change)

Cable: ₹785 crore (-4%)

Lighting and fixture: ₹265 crore (4%)

Electrical consumer durables: ₹580 crore (18%)

Others: ₹172 crore (41%)

Lloyd: ₹280 crore (56%)

ACs led the growth in **Lloyd**, followed by **washing machines** and **refrigerators**

EDRIC GEORGE FOR FORBES INDIA

Music To The Ears

How boAt, a homegrown consumer electronics upstart, took the wind out of the sails of the foreign wearables giants

By RAJIV SINGH

December 2016. The Chinese storm had started to batter India. The biggest Indian handset player Micromax—and second in the smartphone pecking order after Samsung—had been brutally cut to size: From 17 percent market share in the January-March period to five percent in the December-ended quarter. Lava, Karbonn and Intex, too, were on skid row. The forecast looked gloomy. Chinese players—led by Xiaomi, Vivo and Oppo—were likely to kick up a tsunami.

Meanwhile, in Gurugram, Aman Gupta knew there was something terrible about the timing of his new venture, a consumer lifestyle accessories brand boAt, which he co-founded with Sameer Mehta in November 2016. "Indians were getting out. Chinese were coming in," he recounts. "People started writing our obituary even before we were born," he says. The boat was likely to get rocked before it could set sail. Gupta, though, was keen to navigate choppy waters. "I was looking for my kick."

Kicks did come from all fronts, and were of all kinds. Banks didn't believe in his story and declined to lend; investors shied away from putting money in an Indian hardware venture which was pitted against the Germans, Japanese, American, Chinese and a battery of local players; consumers didn't know what boAt was as there were over 200 brands vying for attention. boAt, recalls Gupta, was entering into a commoditised market.

Undeterred, Gupta kept at it. The co-founders pumped in ₹15 lakh each and set sail their bootstrapped journey by selling mobile cables and chargers. In the first year, it weathered the storm to post sales of ₹31 crore, and a tidy profit of ₹1.67 crore. In the next fiscal, it added wireless earwear products and speakers to its portfolio, and grew close to four times. "We had an earn rate, and a zero burn rate," Gupta claims.

Fast forward to December 2020. boAt has become the fifth biggest wearable brand in the world in the

boAt

REVENUE: ₹701 crore

LOCAL EDGE: Biggest wearable player in India, ahead of Samsung and Xiaomi

GLOBAL OPPORTUNITY: Fifth biggest globally; for now focussed on India

"I have done whatever gives me a kick, be it battling heavy odds or doing something unthinkable."

AMAN GUPTA, CO-FOUNDER, boAt

third quarter this year. Back home, it has overtaken Apple, Samsung, and Xiaomi to become the biggest. Revenue stood at ₹701 crore in FY20, and profits at ₹49 crore, the brand sold 15,000 units every day within a three million-plus online user community, it tied up with six Indian Premier League (IPL) teams this year, and roped in as many as 14 brand ambassadors from Bollywood and cricket. "We have disrupted the space, and we will continue doing that," he says. The high of becoming the fifth biggest in the world, Gupta underlines, lasted just for a day. "Now I am looking for another high, another kick," he smiles.

boAt, reckon industry analysts, got the wind in its sails at the right time. "It identified the gap in the market quite early," says Jaipal Singh, associate research manager (client devices) at IDC India. The earwear market, which was just a few thousands units in 2017, started to become big from 2018 onwards. The Indian market size was 1.6 million units in 2018. A year later it exploded to 8.5 million.

The uptrend got a massive tailwind in the pandemic year. As work and school shifted to homes, laptops and earwear sold like hot cakes. In the first nine months of 2020, the market pole-vaulted to a staggering 17.3 million. What also helped was a corresponding fall in the price of the products: Average price of true wireless stereos dipped by 48.6 percent year-on-year to $57 in the third quarter this year. Unsurprisingly, the market bloated to 10 million

"Every brand without a story is meaningless. It's then just a commodity."

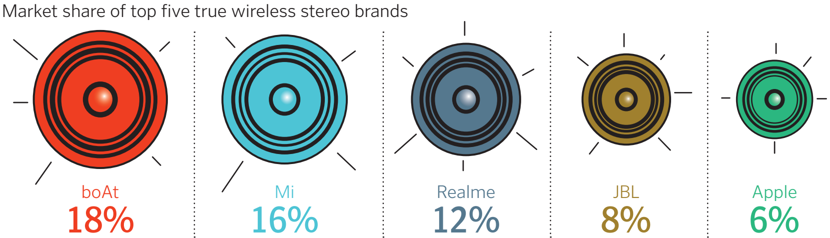
SAMEER MEHTA
CO-FOUNDER, boAt

How boAt Has Sailed So Far

- Started in November 2016 by **Aman Gupta** and **Sameer Mehta**
- Raised over **₹80 crore** in equity and debt from **Sachin Bansal's** BAC Acquisitions and InnoVen Capital, and equity from Fireside Ventures
- Product portfolio includes **headphones**, **earphones**, wearables **(fitness bands)**, **speakers**, **travel chargers** and **premium cables**
- For first three years, the co-founders worked out of a **co-working space**
- Sells over **15,000 units** per day
- Boasts of an **online community** of over **3 million** users
- Roped in a battery of endorsers such as **Kartik Aaryan, Kiara Advani, Bani J, Hardik Pandya** and **KL Rahul**
- Tied up with **six IPL teams** this year

Biggest in India Hearables

Market share of top five true wireless stereo brands



SOURCE Counterpoint Research; data for Q3 2020

INFOGRAPHICS: SAMEER PAWAR

units in this period. boAt's focus on the entry-level segment, finding a sweet spot in terms of pricing, aggressive marketing and advertising and a tight focus on quality aided its exponential growth, adds Singh.

A sharp focus on quality, and a differentiated positioning, is what helped boAt when it started. In fact, boAt did a Havells. What shot the electrical equipment label into instant limelight was its unique value proposition: Wires that don't catch fire. boAt did something similar with the cables, the first product it rolled out. It identified the pain point of the users: Frequent snapping of the mobile charging cable. The solution offered was unique: Cables that don't break. 'Switch to indestructible cable' was the message, and it resonated well with the consumers. "It got us into consumer minds, and we took off," Gupta recalls.

A deeper understanding of the consumer mindset, identifying the gaps in the market, and rolling out cables as the first product was a learning that came from a stint of over two years in the business of distribution. After working as director (sales) at American connected car tech firm Harman for two years, Gupta got bored of his corporate life. The next kick had to come, or so he thought, from entrepreneurship. In April 2014, he started distribution company Imagine Marketing India, along with Mehta. Gupta bagged exclusive distribution rights for House of Marley products, which included headphones, earbuds, audio systems, and accessories.

Gupta got hooked to the music, and ideology, of legendary reggae singer and writer Bob Marley. 'Love the life you live, and live the life you love' became his mantra. The chartered accountant, who took to accounting because his dad wanted him to, started charting an ambitious and independent path. It all culminated with boAt. There was no looking back for the MBA graduate from Kellogg, who had stints with Citi and KPMG.

What also gave Gupta an edge was a slew of India-specific innovations he rolled out. Much of India is humid throughout the year. boAt launched water-resistant and sweat-proof hearable products. Products were tweaked to make them dust-resistant and sturdy. Ample care was taken to enhance mike sensitivity, as Indians love the thump of bass. “We brought bass to Indian handsets,” he says. The brand started talking to the consumers in their language; millennials started identifying themselves with the product; and for the first three years word-of-mouth spread like wildfire for the direct-to-consumer brand. “We didn’t have any legacy. So we were fearless,” he says. The only thing, he lets on, the brand ensured was to get the four Ps of marketing right: Product, price, place and promotion.

Another P that Gupta and his co-founder now need to fix, and get right, is production. The company gets its products made by contract manufacturers in India, China and other countries. Mehta, for his part, has started to look into the issue. “We launched our first power bank and wall charger this year. Both are made in India,” he says. Most of the mobile accessories, he claims, are now made in India.

A pandemic year, tense India-China relations and a changing geopolitical reality have made manufacturing in India all the more imperative. “It’s an opportunity to be excited about. The need to become self-reliant is more important than ever,” he says. boAt, he points out, has embarked on building products in the country.

The journey, though, won’t be easy. Reasons: Lack of infrastructure, and absence of scale. Singh of IDC explains the practical issues and ground reality. In the wearable category, most vendors depend on imports. Though there are exceptions—GOQii assembles wristwear and Samsung recently started assembling watches in India—the share of devices assembled in India remains negligible. “Mostly 98 percent of wearables devices are still imported,” he points out. Smartphone and desktop categories have been so far the most successful stories in terms of assembling in India. But, beyond that, other device categories depend on imports.

Cost has been a significant factor for vendors to prefer imports over assembling in India. The smartphone industry is much bigger in value terms and the focus of government through incentives has helped vendors to shift manufacturing to India. However, the wearable industry isn’t as lucky. Not yet. “Certainly, it will take many more years to make this shift,” Singh contends. The challenge for boAt, though, won’t be setting up manufacturing in the country. The fight, reckons Singh, is going to come from Chinese rivals like Xiaomi and Realme.

Gupta, for his part, is fearless. “Only the paranoid survive,” he says. The bigger the challenge, the higher is the kick. “boAt’s journey as a lifestyle brand has just started,” he adds. F

“Three things that have worked for boAt are identifying a huge gap in the market, offering high quality products and aggressive marketing.”

JAIPAL SINGH
ASSOCIATE RESEARCH MANAGER (CLIENT DEVICES), IDC INDIA

World’s Fifth-largest in Wearables

The Top Five
Shipment volume and market share (Q3 2020)

	Shipments	Market share
Apple	41.4 million	33.1%
Xiaomi	17 million	13.6%
Huawei	13.7 million	11%
Samsung	11.2 million	9%
boAt	3.3 million	2.6%

SOURCE IDC

High-decibel Performance

	Revenue	Profit
FY17	₹31 crore	₹1.67 crore
FY18	₹113 crore	₹5.9 crore
FY19	₹237 crore	₹8.6 crore
FY20	₹701 crore	₹49 crore

SOURCE Filings/company

A Blockbuster Third Quarter

(Shipments)

0.8 million
Q3 2019

3.3 million
Q3 2020

Year-on-year growth
316.9%

Active Mode On

Lava, the biggest Indian handset player, has to proactively step up its game to take on foreign rivals. Can it?

By RAJIV SINGH

Lava's SN Rai is bullish about getting back to the heady days of smartphone dominance and is confident of winning the 5G game

AMIT VERMA

One of the biggest hazards of success, reckons SN Rai, is that if one gets it quickly, one gets carried away instantly. Rai, founder of Lava Mobiles, knows what sudden fame means. From a paltry three percent smartphone market share in the second quarter of 2014, Lava pole-vaulted to 10 percent two years later. Former India cricket captain MS Dhoni was roped in as the face of the brand. The jump in share made Lava the third biggest smartphone brand after Samsung and Micromax in April-June 2016. The Chinese rivals, in contrast, paled. Xiaomi and Vivo were tied at four percent, and Oppo grabbed a paltry three percent.

"We got carried away. That was the mistake," recalls Rai.

The biggest mistake was an estimation error. Since the handset major, like other desi counterparts, was heavily invested in 3G handsets, it was caught off guard when the nimble Chinese rivals aggressively rolled out 4G handsets. "We were not prepared," he rues. 3G, he lets on, didn't last for even 200 days. The homegrown players were bludgeoned by deep-pocketed Chinese counterparts; and the smartphone game was almost over for the Indian brands. “In terms of marketing spend and cash burn, we couldn’t take them on,” Rai stresses.

Four years later, the game is far from over for Rai. Not, at least, in feature phones. With a 17.36 percent market share in the third quarter of fiscal 2021, Lava is the third biggest feature phone maker in India, according to Counterpoint Research. For good measure, it is the biggest among the Indian players. Micromax, which is also making a comeback bid, lags with a 3.78 percent share in feature phones. In smartphones, too, Lava is the best Indian performer, although with a 0.39 percent share, it’s hardly worth shouting from the rooftops. Not when Samsung, Xiaomi and Vivo control 21 percent, 17 percent, and 11 percent, respectively.

Rai is in no mood to give up the fight. After the Chinese battering, a bunch of Indian players such as Micromax and Intex ventured into multiple categories of consumer durables such as televisions and washing machines. Lava stayed true to its core business of handsets. For Rai, staying the course was the only option. His reasoning: You can’t lose one battle and then win on other fronts.

Rai’s battle-in-charge nods. “If you sense failure in one area, you can’t jump to another area and try to save yourself,” reckons Sunil Raina, president and business head of Lava. Apart from missing the 4G bus, demonetisation, GST rollout, and an economic slowdown came together to create a near-perfect storm. “We realised that for us to be a long-term player, we need to make the company strong,” he adds. Rai, Raina and his team went back to the drawing board. The strategy was simple: Focus on the basics, which meant feature phones. And the move made sense. The market boomed from 2016 onwards: From 140 million in 2016 to 181 million in 2018.

The focus on feature phones brought in a new set of learning. The biggest was investing in a handset ecosystem. During the heady days—in FY15, the handset maker reportedly crossed $1 billion in revenue, a 100 percent year-on-year jump—Lava frittered away the opportunity to invest in R&D and manufacturing. “We were quite late in making investment even for design,” rues Rai. The thought process then was to continue with contract manufacturing in China. “We believed that somebody is working cheap for us, so let’s chase market share,” he says.

The risky, and faulty, strategy soon exposed chinks in the armour: Lava had zero control over the supply chain. Somebody was designing the handsets, somebody else was taking care of supply chain, and Lava was just putting its brand name and doing customer service. “Somebody else is doing the hard work and you want to be a millionaire. That’s not going to happen,” Rai realised. The company set up a manufacturing and assembling plant, which now has a manufacturing capacity of 26 million smartphones and 40 million feature phones every year. Lava has now started manufacturing phones for Nokia, and is in talks with a bunch of telcos and other handset players to make co-branded smartphones.

Another crucial element of the smartphone strategy is to focus

Lava

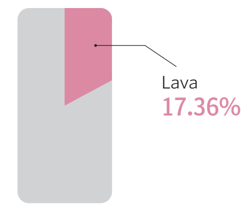
REVENUE: ₹5,269 cr

LOCAL EDGE: Biggest Indian player; extensive manufacturing set-up

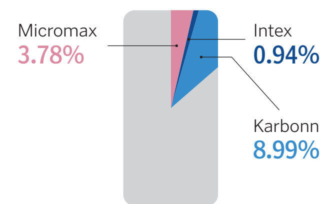
GLOBAL OPPORTUNITY: Entry-level exports market as global companies move away from China to Indian vendors

Lava Buzzes Loud in Feature Phones

Third biggest feature phone maker after Itel and Samsung
(Market share in Q3 2020)

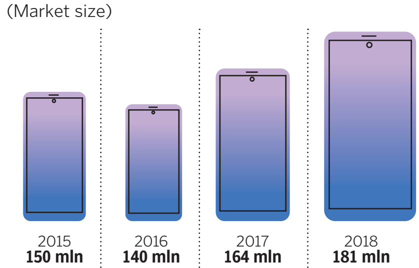


It is Best Among Its Indian Peers

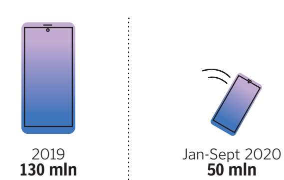


Feature Phones had a Dream Run Till 2018

(Market size)



But It’s Been Sliding Since Last Year



> *“We were quite late in making investment even for design. Now we have a natural advantage of design, manufacturing and labour cost... this time we have a different approach to the market.”*
>
> **SN RAI,** CO-FOUNDER & DIRECTOR, LAVA

INFOGRAPHICS: SAMEER PAWAR

on entry-level handsets—the ones between ₹5,000 and ₹10,000. This is also aimed at wooing feature phone users looking for their first upgrade in smartphone territory.

A change in geopolitics is also working in its favour. Alarmed by massive dependence on China, a slew of American players such as Verizon, T-Mobile, AT&T and Cricket Wireless (a sub-brand of AT&T) are reportedly in talks with Lava and other Indian players to procure unbranded handsets. “We are getting demand from companies like AT&T,” says Rai. Companies from some African countries too are evincing interest. Rai is upbeat. “Now we have a natural advantage of design, manufacturing and labour cost,” he says.

Lava, reckon handset analysts, stands the best chance among the Indian players to get back into the game. “Lava is undoubtedly in a stronger position if we look at the core competency of design and development of phones,” says Faisal Kawoosa, founder of techARC. What might also help in the revival of the Indian brands is low-cost phones, government support and preference of consumers for Indian brands over Chinese players, reckon Shilpi Jain, research analyst at Counterpoint.

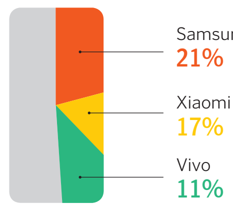
The domestic run for homegrown players, though, is not going to be easy. For one, the booming feature phone market is now sliding, and dipping quickly—from a high of 181 million

Smartphones: Achilles’ Heel for Desi Boys

(Market share in Q3 of 2020)

Lava	Karbonn	Micromax	Intex
0.39%	0.03%	0%	0%

Chinese and Korean Rivals Rule the Roost



SOURCE Counterpoint Research

Lava’s Smartphone Comeback Plan

- To go aggressive in the **₹6,000-10,000** segment
- In talks with telcos to make **co-branded** smartphones
- Started manufacturing smartphones for **Nokia**
- Focus heavily on **exports** market in the **US** and **European markets**
- Make most of the manufacturing capacity of **26 million** smartphones and **40 million** feature phones per year in India

in 2018 to 130 million last year. The slide continues in the pandemic year. In the first nine months the numbers have come down to 50 million. With the market disruptor Jio announcing its intent to make India ‘2G mukt’, the prospects of feature phones do not look bright, contends Kawoosa. “The feature phone crown can’t guarantee a smartphone trophy,” he adds.

For another, anti-China sentiments have subsided. The Chinese players have grown their market share in every quarter this year. “Seven out of 10 smartphones sold in India are of Chinese brands,” points out Kawoosa. Changing this dynamics, he lets on, needs loads of effort and resources. None of the Indian brands, or global for that matter, can increase capacities exponentially overnight to be able to fill up the supply which is being provided by the Chinese brands. “The switch cannot happen overnight,” he adds.

Lava’s minuscule online penetration—just five percent of sales takes place online—is another hurdle in achieving its ambition to become a serious player. “The offline game is no longer the same. The pandemic has proved that beyond any doubt,” says Kawoosa.

Raina, for his part, asserts that the threat this time doesn’t emanate from the Chinese brands. The spoilsport can be the local players. He explains the irony. If other Indian handset players don’t get their act right in terms of quality and service, there would be no third chance. “The cynicism that Indian companies cannot make good products will haunt again,” he says. Consumers, he points out, are not going to stick to sentiments forever.

Rai is bullish on getting back to the heady days of smartphone dominance. What’s giving him hope is making in India, incentives from the government to manufacture in the country, investment in creating the handset ecosystem and preparing for a 5G future. “This time we have a different approach to the market,” he says. He’s aware, of course, that his share is sub one percent in smartphones.

“The only way out is in,” he smiles. F

“If you sense failure in one area, you can’t jump to another... to be a long-term player, we need to make the company strong.”

SUNIL RAINA,
PRESIDENT AND BUSINESS HEAD, LAVA

mantra properties

MANTRA PROPERTIES: A PROMISING PLAYER IN INDIA'S REAL ESTATE INDUSTRY

An Indian Real Estate Brand shows the way to sector's recovery

This year was generally tough for all kinds of businesses because of the Covid-19 pandemic but it was particularly harsh on the real estate industry. The lockdown severely affected the Indian economy and forced real estate companies to shut down ongoing project work overnight.

Soon, migrant labourers started moving back to their native villages and the crisis for the real estate sector turned even more serious. While most real estate companies are still struggling with the aftereffects of the lockdown, one company, Mantra Properties, has shown exemplary growth even in these times of great adversity.

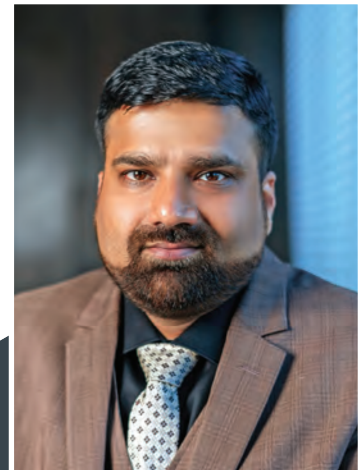
Mantra Properties, a young Pune-based real estate company, sold a record 675 units between August and October 2020. Much of the credit for this success goes to the dynamic Sales & Marketing team at Mantra Properties.

"We're very proud to have achieved what we did, and it became possible because of the hard work put in by all the members of our team. We're very excited for the future and will march ahead with a lot of expectations in 2021," says Nitin Gupta, Sr. Vice President, Sales, Marketing & CRM, Mantra Properties.

So far, Mantra Properties has delivered 11 projects and with over 66 Lacs sq. ft under construction in 15+ ongoing projects across North, East, West and South of Pune and PCMC. Mantra Properties has been successful in transforming itself into a dynamic and rapidly expanding organization. Today, it is among Pune's fastest growing real estate companies.

It is worth mentioning that Mantra Properties' success story is a testimony to the Mantra Group's longstanding commitment to quality, be it in real estate, trade, or any other industry. Established more than five decades ago as a retail establishment by Puranchand Gupta, Mantra Group grew progressively into businesses that have established a benchmark of quality and trust.

Rohit Gupta, CEO, Mantra Properties



Nitin Gupta, Sr. Vice President – Sales, Marketing & CRM, Mantra Properties

Apart from Mantra Properties, the companies under the group are:

- **Puranchand & Sons:** A market leader in wholesale supply & dry fruits in Pune
- **Mantra Supply Solution:** A renowned B2B grocery and related products supply solution partner to hotels, restaurants, and caterers.
- **Markets & Markets:** Quantified B2B research provider that tracks 30,000 high growth emerging opportunities/ threats impacting 70% to 80% of worldwide companies' revenues. Currently servicing over 7500 customers worldwide including 80%of the global Fortune 1000 companies as clients.
- **Med Data Care Pro:** US-based healthcare data management company. Solutions encompasses areas of medical billing, healthcare documentation, revenue management, consultancy, outsourcing and project management.
- **Prachay Capital Advisors:** A pre-eminent business financing company.

The success of Mantra Group has been directly attributed to their ability to understand the customer's point of view and to go the extra mile to ensure satisfaction.

"The values instilled in the group by my grandfather, Shri Puranchand Gupta, are not only intact but nurtured in each one of our team members: the satisfaction of our customers continues to reign supreme for us and to be essential for our sustainable growth," says Rohit Gupta, CEO, Mantra Properties

The leadership team espouses the philosophy that people are the pillars of champion brands as they are the ones who ensure product delivery and customer satisfaction. Team Mantra strives to deliver a consistent mix of passion for the sector, hard work to release that passion, and utmost customer satisfaction. They are particular about bringing uniqueness to their designs and innovation to their processes. A dedicated thrust on these deliverables plays a considerable part in crafting spaces which their broad customer base has come to appreciate.

Mantra Properties vision is to develop spaces for every customer aspiration and eventually becomes an integral part of Pune's changing skyline. With its current success streak and focus on delivering the best, Mantra Properties expects to see sunny days ahead.

Better Dose

Legacy soap brand Medimix is adding swag to ayurveda by making a transition to a personal care brand. Can it find its mojo?

• *By* RAJIV SINGH

It was there in black in white for Pradeep Cholayil to see. The second-generation entrepreneur, who joined the family business of soap making in 1983, knew he was on slippery ground. The rules wouldn't change. Well, they didn't till 2005. Young Cholayil had almost exhausted all attempts to persuade his father VP Sidhan to change the iconic 'red and black' packaging of the ayurvedic soap brand which the allopathic doctor founded in 1969. The packaging, Cholayil urged, had outlived its utility. The brand now needed to connect with the youth. It needed a makeover.

"It takes a bold and confident marketer to build a brand and grow in areas outside its home market"

JAGDEEP KAPOOR
FOUNDER, SAMSIKA MARKETING CONSULTANTS

Dr Sidhan, though, wouldn't budge. He had his reasons. There were brands which got lured, changed packaging, and subsequently lost consumers, and business. The huge downside played heavily on the mind of the founder who had toiled hard to make the medicated brand a household name in South India.

Cholayil, however, didn't give up. He tried to reason for one last time. The timing was apt. "So you moved from an Ambassador to a Benz," he started a conversation with his father. The old car had four wheels. The new one too has four. "So what made you move to a Mercedes-Benz?" he posed. The message hit home. The soap brand got its first major makeover; red and black made way for lots of green, and the positioning of medicated bar changed to a 'beauty soap'.

Cut to 2019, the golden jubilee year of Medimix. A sense of déjà vu gripped the chairman and managing director of Cholayil, the company owned by Pradeep Cholayil, who got the rights for Medimix in North, East and West India after a split in the family business in 2007. Volumes of the legacy brand were slipping, and value growth had dropped to single digits. Though the brand posted revenue of ₹200 crore for FY19 and had its share of loyalists intact, it was not able to lure the younger generation.

The challenge was two-fold. First, the youth perceived ayurveda to be 'slow'. The instant noodle generation wanted a quick fix. Ayurveda, despite scoring quite high on efficacy and credibility, was losing out to cosmetic products which offered speed of use.

The second problem was blurring of the line between natural and herbal. This was confusing the consumer.

For Medimix, the option was clear: Lead or bleed. Cholayil didn't waste time. The solution, interestingly, was always there with the legacy brand. Cholayil discovered it now. The soap, which is made from a blend of 18 ayurvedic herbs, always acted fast on the skin. Medimix leveraged its power of potency, functionality of the herbs, recalibrated its approach and came up with an 'instant result'. Cholayil repositioned Medimix, roped in actor Parineeti Chopra, and lathered up a new message for the millennials: Get

Legacy Brand, and Solo Journey since 2007

- Founded in 1969 by **Dr VP Sidhan**, the family business split in 2007
- AVA Cholayil, headed by the founder's son-in-law **AV Anoop**, has rights for the southern market
- **Pradeep Cholayil**, son of the founder, has rights for the rest of India
- From ₹**85 crore** in FY09, Cholayil has taken the turnover to ₹**220** crore in FY20
- Maharashtra is the biggest market, contributing **40%** to business
- West India contributes **60%** to revenue; North's share is **20%**
- Marketing spend is around **12 to 15%** of turnover
- Brand turned **50 last year**; roped in actor Parineeti Chopra as brand ambassador; finds a new positioning—Get SkinFit with 'fast acting ayurveda'
- Medimix has now entered into new categories such as **body wash**, **hand wash**, **shampoo**, **conditioners** and **intimate hygiene wash**

“There are no failures. There are only challenges, and I’m always looking forward to innovate.”

PRADEEP CHOLAYIL,
CHAIRMAN AND MANAGING DIRECTOR, CHOLAYIL

SkinFit with fast acting ayurveda. The move, claims Cholayil, has worked.

The makeover of the soap brand comes at a time when Medimix is transitioning into a personal care player. It has entered new categories such as body wash, hand wash, shampoo, conditioners, and intimate hygiene wash. “Now we are not just a soap company,” says Cholayil. The company, he lets on, closed FY20 at ₹220 crore, and is now striking a revenue run-rate of ₹300 crore in the ongoing fiscal. Cholayil wants more. “I am not satisfied with what I have today. I am always looking to innovate,” he says.

Medimix

REVENUE: ₹220 crore (FY20)

LOCAL EDGE: Biggest ayurvedic soap maker

GLOBAL OPPORTUNITY: Rising exports to Gulf countries and others

Cholayil’s hunger for growth, reckon branding experts, has been the driving force behind the growth of Medimix. “It takes a bold and confident marketer to build a brand and grow in areas other than its home market,” says Jagdeep Kapoor, chairman and managing director at Samsika Marketing Consultants. Medimix, by venturing out of the comfort zone of South India to the West, North and East has shown courage and a ‘conquering thinking’ and grown in a robust manner. “Cholayil’s agility and adaptability have helped a lot,” he adds.

“I took it as a challenge. I felt India is a big market,” says Cholayil, who before the split in the family business had started exploring markets in Maharashtra. He roped in an advertising agency and started rolling out commercials in Marathi. The experiment worked. “The sales grew by 100 percent the year advertising began,” he recalls. Maharashtra turned out to be the stepping stone for the growth of Medimix post 2007.

Two factors made Cholayil’s inroads into Maharashtra and other parts daunting. One, Hindustan Unilever was ruling the roost with a slew of its power brands such as Lux, Hamam and Rexona. Two, Cholayil had limited human resources at his disposal. The key members had either quit or preferred to stay in the South with AV Anoop, son-in-law of the Medimix founder who had the rights for the southern markets.

Cholayil knew he had to think out of the box. His experience of 'Medimix time' in Chennai—advertising on radio at 6.30 in the morning, which was a massive hit—came in handy. He decided to target the rural population, and the best way to do that was to advertise during religious festivals.

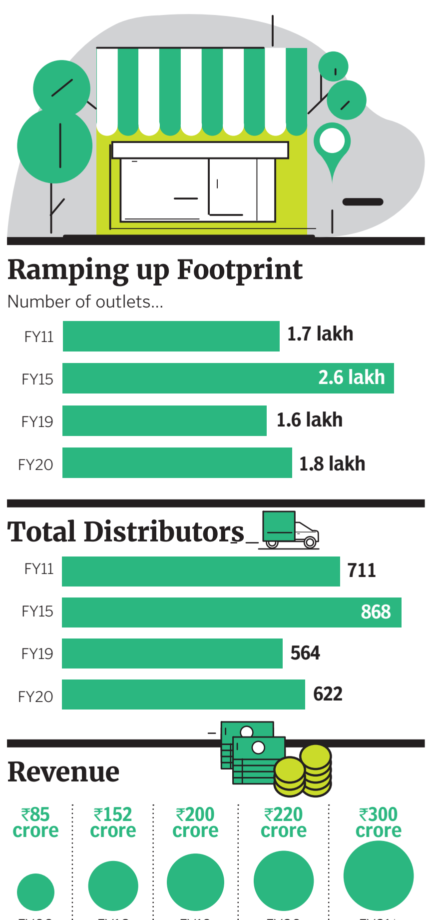
ACT OF GOD

Medimix rolled out 'God cards'. A small-sized card with an image of a God was distributed to visitors during festivals. Such cards, Cholayil underlines, were much better than a pamphlet, which were usually discarded by people. "When you get a God card, you don't throw it away," he says. The God stays with the consumer, and the brand—printed on the card—gets into the home. "Some even kept the cards in their wallets," recalls Cholayil. Quickly, Medimix made inroads into the rural markets. After cards came calendars. Cholayil printed the names of the dealers on the calendars which had images of deities. This helped Medimix generate resources to advertise on television (TV). The commercials, however, were not the regular ones. "They were 10-second ads, talking about skin problems," he says. During local festivals, Cholayil ensured that such ads ran on TV throughout the day.

There was no looking back for Medimix, which in the '70s was sold as a 'soap recommended by doctors'. Maharashtra is now the biggest market, contributing 40 percent to the business. West India, overall, contributes 60 percent to the revenue. North comes next with 20 percent. The brand now gets exported to 31 countries, including the US and Gulf nations. Cholayil has ramped up marketing spend from low single digits to 12 to 15 percent of the turnover.

"Medimix intends to become a complete personal care brand with multiple offerings."

ASHISH OHLYAN,
MARKETING HEAD, CHOLAYIL



SOURCE Filings/company; *FY21 estimate

INFOGRAPHICS: SAMEER PAWAR

Apart from the repositioning last year, Medimix also rebooted its marketing strategy. "We identified key districts and rationalised our distributor coverage," says Ashish Ohlyan, head of marketing. From 2.6 lakh outlets covered in FY15, the brand brought it down to 1.6 lakh in FY19. The distributor footprint during the same time was cut from 868 to 564. "We stopped reaching out directly to the lower contributing areas. This helped us in better focus and planning," explains Ohlyan. The strategy of building one market at a time was adopted. After Maharashtra, the brand is now focusing on Gujarat and Uttar Pradesh.

Though the Baba Ramdev-backed Patanjali expanded the market of ayurveda and gave it a mass appeal—benefitting Medimix as well—the pandemic this year turned out to be a massive tailwind for the category. "Consumers today are hooked on to one solid peg—authenticity," says Ohlyan. From organic food to natural skin care products to unique Netflix content, they demand originality and ignore gimmickry, he adds. What this means for personal care products is that the attention of consumers has shifted to the 'back of pack and ingredients'. "They want to know what goes into the products," he says. This is where a 50-year-old brand Medimix, with proved efficacy and credibility, stands to gain. "With fast acting ayurveda, we are helping users identify the role of efficacy in their lives," he adds.

Can a positioning of 'Fast Ayurveda' help Medimix grow fast in terms of revenue? Post-pandemic, almost all beauty soap brands have repositioned themselves and claim to have some or the other 'natural' and 'herbal' ingredient to protect the skin. Won't it be challenging for Medimix? "The split in the family was the biggest challenge," says Cholayil. The son, and the brand he took outside South, survived the existential crisis. Now it is on the fast track, he signs off. F

MEET STEADFAST BUSINESS CONSULTING LLP: AN INDIAN FINANCE, TAX AND BACKOFFICE INITIATIVE THAT OFFERS GLOBAL SERVICES

The Central Government's initiative of 'Make in India' has opened several resourceful doors. Both established entrepreneurs and the young Indian talent can now strive toward proving their mettle globally. When it comes to the service sector, Financial Services and Insurance are some of the predominant contributors and also vital sponsors for growth of any establishment worldwide. Indian service companies are well recognized globally for their talent pool, standards and the discipline of delivery.

The Story of Genesis

Steadfast Business Consulting's story is about resilience and strength. With nothing to lose, SBC was started and propelled even in the face of the several hustles it faced on the way. The only thing that mattered for SBC was to survive and become stronger by building an ALTITUDE TO STAND STRONG AND PREPARE FOR BATTLE.

The intent was to create a platform and environment for like-minded people aligned with the Big 4 experience to serve MNCs and SMEs. SBC began to assemble a team that professed loyalty, intellect, quality and experience and invested into cloud-based technology with ISO standards, office space to make the dream a reality. Their vision was to cater to clients across the globe with the right team, expertise and technology and build strong relationships with clients even situated miles away.

Networking across the globe

Today, SBC boasts of staff strength of 135 people, including around 45 qualified professionals, with a combined professional experience of around 130 years. At the same time, they have 7 office premises in India that have well-established connects with professional firms in almost 90 countries for purposes of cross border transactions, advisory and implementation support.

SBC has served over 700 clients that include MNCs, startups, SMEs, self-employed and individuals in India, the US, the UK, Singapore and Netherlands. They also cater to clients from sectors like IT, ITES, Engineering, R&D, Pharma, Real estate, Agro -exports, education, FMCG, con¬sumer durables, Broadcasting, publishing, telecom, and others.

Their Policy lies in remarkable client service by being available as and when the client needs, engaging in periodic, proactive interactions. SBC has been investing heavily into automation in Technology, products, and adoption of best practices in processes, filings and dashboard systems for clients and the response from them has been very encouraging.

Trust + Effort + Efficiency + Timing = Success

Having started with pure tax compliances and litigation, SBC has also ventured into Assurance, FEMA, Valuations, Transactions advisory, F&A -Accounting, Payroll and back-office operations for global firms. Also, along with an existing bunch of the best team members and operational staff, they also focusing on on-campus placements with the hope to nurture the young, bright talent of today in the right direction.

Mithilesh - Founder, SBC

"We had global mandates on choosing the consultants and it was very difficult to come out of the Cost and brand web. But with the confidence in the same hands that worked with us for many years, it was easy to convince the global team to shatter the mandates and give opportunities to SBC team. They have delivered the best and proved that it's the hands that deliver and not the brand." - TAX head of US Subsidiary Company

"Transfer Pricing and litigation were one of the pain points in our system and there were several issues to deal with in terms of clearance and correct portrayal of facts and tax positions. We have entrusted the tasks to SBC and got great results at ITAT and Tax authorities' level which has set the precedents for the later years as well" – CEO of Indian Manufacturing Export-Oriented Unit."

Impending Vision and Outlook:

SBC is looking at strategic expansion and joining hands with traditional firms. For the purpose, they would be aiming at international joint ventures or funding in a coming couple of years. They have also established their presence in the field of back-office operations. At the same time, they are also strongly focusing on achieving world-class standards in varied operations for global MNCs. SBC believes in the saying:

What you think, YOU BECOME.
What you feel, YOU ATTRACT.
What You imagine, YOU CREATE.

Able Joseph, CEO of Aisle, a dating app where users know what they are looking for

Playing Cupid, the Indian Way

Homegrown dating apps are steadily gaining share of a market that was made popular by Western giants

● *By* AISHWARYA NK

Looking for love through unconventional methods may seem relatively contemporary. Dating, as a concept, has existed for long in the West and the growth of technology has only facilitated people's need for companionship. "The human desire to connect with others is enduring and fundamental. Technology has changed a lot about our lives, but it will never change the fact that humans are social creatures, hardwired to want and be wanted by others," says Taru Kapoor, general manager, Tinder India.

Throughout history, people have turned every new mode of communication into means to look for love. In the 18th century, people placed advertisements in newspapers, while in the 1900s there were declarations of 'radio-love'. In the late 1950s, the rise of the Darpanet—the internet, as we know it today—became a new way to meet eligible singles, while now we look for companionship through handheld digital screens.

But dating, as a concept, took a while to find its way to India. Before the late 2010s, there were no significant players in India's online dating industry. Although platforms such as Matchify and Dil Mil did exist, they had not acquired widespread recognition. All this changed dramatically when US-based Tinder arrived in 2016, followed quickly by other international giants such as Happn (2016), OkCupid (2018) and Bumble (2018).

India, however, did not perceive love the way the Western world did, and did not accept the casual approach of international dating platforms. Consequently, these apps had to learn to speak in a language that Indians would understand. "What makes India different is that we have a generation of young women who are changing things by saying, 'I want to decide who I'm with'," says Melissa Hobley, global CMO of OkCupid.

Another dating platform that championed the empowerment of women is Bumble. The US-based app found resonance among Indians by making actor Priyanka Chopra Jonas its brand ambassador. "Bumble saw an opportunity to play in the middle of a fragmented industry—to bring a social network to India, where users are empowered to make connections in love, life and work, all while encouraging Indian women to make the first move in all aspects of their lives," says Priti Joshi, vice president of strategy at Bumble.

The online dating industry in India is worth over ₹2,394 crore

Truly Madly CEO Snehil Khanor says dating is taboo in India, but love marriage is aspirational

($323 million), and the country is the third-largest revenue generator, after the US and China. It seems that despite the prevalence of arranged marriages, Indian youngsters are willing to break traditional norms. "In India, dating has been taboo, but love marriages have been aspirational, as can be seen in our folklore," says Snehil Khanor, CEO of Truly Madly.

"There is this interesting tension of a generation of Gen Z and Millennials who want to push back and reject the way their parents may want them to meet someone. Additionally, dating apps serve underserved communities in India, such as the growing LGBTQ+ movement, as it enables them to safely connect and date," adds Hobley.

Although dating apps are on the rise in India, they lag far behind older match-making platforms where number of users are concerned. Beginning with Bharat Matrimony (matrimony.com) in 1997, online platforms to look for life partners is now estimated to be worth ₹1,917 crore ($260 million), with some of the big players being Matrimony.com, Jeevansathi.com and Shaadi.com. According to Statista, the number of registrations on Matrimony.com were around 39.82 million as of FY20, up from about 18.3 million in FY14.

In recent years, some of these platforms have tried to bridge the gap between dating and marriage by acquiring or investing in dating platforms. For instance, Matrimony.com acquired Matchify, a women-centric dating platform, in 2015, while Shaadi.com acquired Frivil in 2016.

Most Popular Dating Apps in India

Rank	App	Launch Year	Downloads on Play Store
#1	**Tinder**	2012 (2016 in India)	100 million +
#2	**OkCupid**	2004 (2018 in India)	10 million +
#3	**Happn**	2014 (2016 in India)	50 million +
#4	**Bumble**	2014 (2018 in India)	10 million +
#5	**Truly Madly**	2014	5 million +
#6	**Woo**	2014	10 million +
#7	**Grindr**	2009 (2018 in India)	10 million +
#8	**Coffee Meets Bagel**	2012 (2018 in India)	1 million +
#9	**Hinge**	2012 (2015 in India)	5 million +
#10	**Aisle**	2014	1 million +

SOURCE Statista; company profiles; Google Play Store. Downloads as of December 9, 2020

INFOGRAPHICS: SAMEER PAWAR

Priti Joshi, vice president of strategy at Bumble, a platform that encourages Indian women to make the first move in all aspects of their lives

ARNOLD WELLS / BUMBLE

The intention was to enable a smooth transition from dating to marriage, but the dating platforms failed to take off.

Although foreign dating apps were the first to create a significant mark in India, homegrown apps are now witnessing a slow and steady rise. From having less than 10 percent market share in the early 2010s, they now have about 50 percent market share, according to Statista. Leveraging their intrinsic knowledge of Indian culture, social norms and expectations, these apps have positioned themselves not as casual dating platforms, unlike their Western counterparts, but as means to look for longer-term relationships.

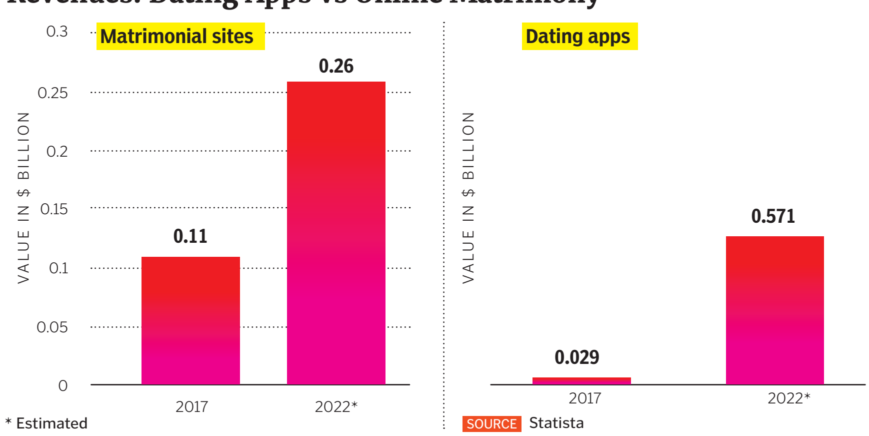
For instance, Aisle is positioned as a 'high-intent' dating app, where users know what they are looking for. High-intent dating apps, says CEO Able Joseph, have twice the average revenue per user compared to casual dating platforms. In a cluttered market, it can be difficult for an app to find its unique selling proposition. "Every player caters to a different niche, if not a different need."

Joseph says he didn't want to launch Aisle by using the term 'matrimony' because it didn't sound cool, but he was also uncertain about the term 'dating' and what it implied. He therefore decided to call it a match-making app. "We never looked at international dating apps as our competition as we sought to be an alternative to arranged marriages," he says.

Instead of introducing a new cultural concept among its target audience, Aisle took what existed—the concept of marrying someone you love. "In India, most marriages are still between families, and the youth are conscious of that," says Joseph, who chose to change the narrative of online dating in order to thrive in an industry dominated by international players.

"Tinder and Aisle complement each other," he says; users usually start with a casual dating app that makes them accustomed to online networking, and then they look for additional customisation and cultural nuances. This is when they make the shift to homegrown match-making

Revenues: Dating Apps vs Online Matrimony




Jitesh Bisht, CEO of HiHi, feels social platforms have thrived during the pandemic


Melissa Hobley, global CMO of OkCupid, an international dating app

platforms to look for meaningful, long-lasting relationships. Joseph claims Aisle has the second-largest market share in India after Tinder, and has 16 percent more downloads than Bumble, as of October 2020.

Launched in the same year, 2014, as Aisle, Truly Madly's brand proposition is also somewhat similar—to 'Find your forever'. Aiding this, says CEO Snehil Khanor, is its ever-evolving Compatibility Assessment Tool that helps connect people, based on preferences, interests and perspectives.

Since the app sits somewhere between casual dating platforms and matrimonial websites, its competition could be both, he adds. According to Statista, Truly Madly was one of the top three most used dating apps in the country in 2018, with more users than Tinder in eastern India. Khanor credits this success to its rigorous security and privacy measures.

He says during the coronavirus pandemic, women users have been liking twice as many profiles than they did before the lockdowns, and users are logged on to the app till later at night. Casual dating has also increased significantly in Tier II and III cities.

Both Joseph and Khanor are optimistic about homegrown dating apps, and claim they will have an even bigger part to play in how Indians find love in the years to come. The success of apps like Aisle and Truly Madly is encouraging similar other platforms as well. For instance, HiHi was launched this August, in the midst of the pandemic.

"Many players are building up the market for online dating, which gives us a good opportunity to monetise it. We understand the market and its cultural sensitivities, and realised that this would be a good time for a domestic player to grow and lead the market," says Jitesh Bisht, CEO of HiHi. He adds that social platforms have thrived during the pandemic as more people took to their convenience and ease of access.

The pandemic-related lockdowns have seen the dating industry flourish, as people began to transition to an increasingly online life. Joseph points out that users seemed bored in the first half of the lockdown, resulting in more matches on the platform but shorter conversations. Whereas in the second half of the lockdown, users began to feel lonely and looked for meaningful conversations.

"We observed a 38 percent increase in video calls from March to May," says Joshi of Bumble. "People want to feel more secure, while having fulfilling conversations that could lead to a new relationship. Video calls are proving to be a great way to form these relationships." Highlighting a direct connection between lockdowns and increased online activity, Hobley says OkCupid could almost time the lockdown of any city and the ensuing increase in messages and likes on the platform.

Some trends that emerged during the pandemic and are likely to stay include 'pre-dates' to explore virtual dating, and video dates to meet someone for the first time; individuals have also begun to rethink their priorities regarding the kind of people they are open to meeting.

"Covid-19 has only been an accelerant to what we already knew at Tinder: That a connection formed digitally is just as valid and legitimate as one formed in person," says Kapoor. F

"Technology has changed a lot about our lives, but it will never change the fact that humans are social creatures."

TARU KAPOOR,
GENERAL MANAGER,
TINDER INDIA

MELISSA: MELANIE DUNEA / OKCUPID

OBTAINING THE BEST BALANCE BETWEEN COST, REVENUE AND RISK MANAGEMENT WITH HYBRID CLOUD

At the Forbes India Innovation Dialogues webinar, industry leaders discuss the benefits of hybrid and multi-cloud and their bespoke applications

Raju Shetty, Head of Engineering, Razorpay

Dale Vaz, Head of Engineering & Data Science, Swiggy

Pulkit Jain, Co-founder & Product Head, Vedantu

Rohit Chatter, CTO, InMobi

Ritesh Gupta, VP & CTO, Product Engineering Services, Happiest Minds

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

Faiz Shakir, Regional Sales Director, Nutanix India & Sri Lanka, Nutanix India

In the altering landscape of 2020, new-age digital-first businesses have been pioneering the trend of utilising digital-tech and disruptive innovations to build, grow and drive scale, concurred Executives at the Forbes India Innovation Dialogues, powered by Nutanix. They discussed the evolution of tech strategies, key challenges in adoption, and how cloud, hybrid and multi-cloud, with their bespoke applications, enable organisations to achieve the best balance between cost, revenue and risk management.

Raju Shetty, head of engineering, Razorpay; Dale Vaz, head of engineering and data science, Swiggy; Pulkit Jain, co-Founder and Product Head, Vedantu; Rohit Chatter, CTO, Inmobi; Ritesh Gupta, VP and CTO of Product Engineering Services, Happiest Minds; Anantharaman Balakrishnan, VP & MD, Nutanix India; and Faiz Shakir, Regional Sales Director, Nutanix India and Sri Lanka, were the panelists for the discussion moderated by Gautam Srinivasan.

Hybrid Cloud: driving new tech adoption and digital transformation

Several businesses are turning towards the hybrid cloud model –that provides the simplicity and agility of public cloud, combined with performance, security and control of a private cloud. There is a definite shift by forward-looking companies towards a hybrid mix of cloud services – one that enables applications and components to inter-operate across boundaries, between cloud instances and architectures.

At the Forbes India Innovation Dialogues webinar, powered by Nutanix, the discussion centred around how IT has become the front and centre in driving business outcomes, and on the role of Hybrid Cloud in the areas of cost vis-à-vis revenue and business continuity.

Citing the example of RazorPay, its Head of Engineering Raju Shetty asserted that his key consideration in deciding the new tech adoption was to gauge if the technology could help improve people's skills, besides assessing its costing and ability to accelerate learning. This was strongly seconded by Pulkit Jain, co-founder and product head of Vedantu, an interactive online tutoring platform. His key philosophy while adopting new technologies was to check predictability and scale to make education accessible and affordable for all.

InMobi's prime focus is to make customers gain competitively, secure better ROI and attain business sustainability. Its CTO Rohit Chatter illuminated panelists on how its enterprise platform optimises the power of cloud to enable global brands understand, engage and connect with customers. InMobi is the world's leading marketing cloud driving real connections between brands and consumers.

The panelists discussed the Covid-19 outbreak and the new normal it created for companies. Food ordering company Swiggy deliberated on having done a quick rethink on food delivery construct as contact needed to be avoided. With its entire technology stack being completely on cloud, digital preparedness helped it overcome the challenges. Its head of engineering and data science Dale Vaz elucidated on it scaled connectivity using cloud.

The discussion steered towards hybrid cloud enabling Happiest Minds, the digital transformation and IT consulting and services company, to become a partner in customers' digital transformation journey. Ritesh Gupta, its VP & CTO (product engineering services), explained how customers in product engineering and currently on public cloud, are adopting a distributed cloud model, a mix of multi-cloud and hybrid cloud, due to security consideration (data will now be stored on private cloud). Security will continue to be the prime driver for companies adopting the Hybrid Cloud strategy.

A survey of Nutanix Enterprise Cloud Index indicates that 86% of companies consider hybrid cloud an ideal operating model where strategic business outcomes drive change. According to Nutanix India's VP & MD Anantharaman Balakrishnan, the key benefit of hybrid cloud is that one can move to it and back depending upon workload elasticity. Nutanix leverages its industry leading, 100% software-defined hyperconverged infrastructure to provide a single cloud platform that seamlessly brings to life hybrid and multi-cloud strategy. Whether on-prem or in the cloud, it provides unified management and operations with one-click simplicity, intelligent automation, and always-on availability.

The panelists further discussed how scale, and challenges of application modernisation are the key factors addressed with hybrid cloud. Software-defined, scale-out hyperconverged infrastructure (HCI) has become a key component of hybrid cloud.

Simplicity in Tech: Driving positive Business Outcomes

A key topic was how 'simplicity' is the key driving force behind hybrid cloud. Nutanix India's Regional Sales Director Faiz Shakir explained that IT teams are increasingly delivering additional capabilities enabling organisations to innovate faster. Public cloud augments existing on-prem environments, besides creating challenges like managing complex networking, re-architecting applications, and using multiple infrastructure tools for various clouds. Nutanix provides a single software platform spanning private and public clouds, making hybrid and multi-cloud deployments easy to deploy, use and adapt.

Another central aspect discussed was how a multi-cloud strategy empowers an organisation to attribute costs to business outcomes. At times when businesses face cost pressures, a hybrid cloud strategy permits better control of non-elastic cost, RazorPay's Raju Shetty concurred. Cost of innovation was another significant aspect. Happiest Minds explained how it enabled customers to innovate and leverage the advantage of hybrid cloud.

Nutanix's constant goal is to assist customers in technology optimisation and lower the tech ownership cost, to enable customers to drive new growth opportunities. According to Swiggy's Dale, success in this space depends on how technology will be utilised in the IT environment. If technology is utilised for business outcomes, the focus will be cost optimisation. However, if technology is leveraged for building new products, then optimising long-term ROI gains significance. InMobi's Rohit further added how the right risk management system is the key for better cloud enablement and management.

The panel agreed with Nutanix's Faiz on how hybrid cloud assists in ensuring tech drives revenue for modern companies. Nutanix fits into the IT journey of any company, Faiz added. "We help bring efficiencies and cost advantages. We recently helped a customer save about one million dollars in IT costs per annum and increased their annual earnings by 1.5 percentage point," he added.

When InMobi witnessed a significant revenue drop due to the pandemic, its engineering team stepped in to improve EBITDA and save on costs, Rohit added. It helped save 4 million dollars on infrastructure. This depicts how IT and engineering can together contribute to a company's P/L statement, and IT is not just a cost-centre.

Ritesh of Happiest Minds pointed out how it is beneficial to move to hybrid cloud with maintenance and operations being simpler. It provides a common console and a single administrative way of managing clouds. The pandemic has impacted rapid adoption of hybrid cloud as the model of choice due to stress on networks and for business continuity. Hybrid as a model is here to stay as businesses evolve and look at both revenue and technology outcomes.

The pandemic led organisations to adopt Hybrid Cloud model to increase revenues, contain costs and ensure high availability and business continuity. Strategic business outcomes are driving the change. A hybrid model offers flexibility and better control of resources to meet dynamic business needs, provides better support for customers and remote workforce and achieves stronger data security and business continuity.

What Ails India's Financial System?

The Reserve Bank of India is on an overdrive to stem asset quality rot in the banking system, although now may not be the time for a 'big-bang reform' like allowing private corporations into the lending business

By POOJA SARKAR

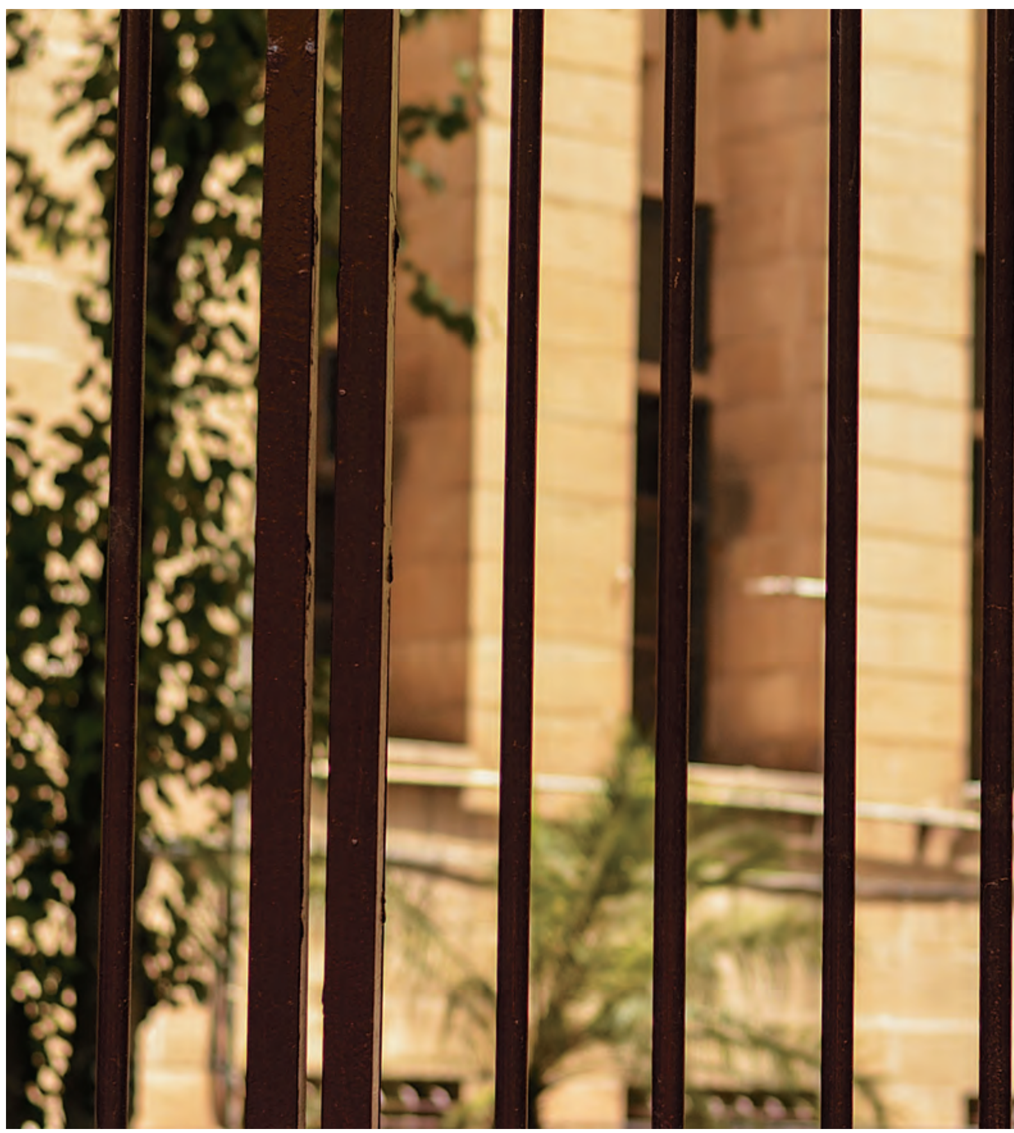
The last two weeks of November were hectic for India's central bank. It first placed 93-year-old lender Lakshmi Vilas Bank (LVB) under moratorium around November 17 and forced its merger with the India arm of Singapore-headquartered DBS Bank. Three days later it ordered a special audit of Srei Infrastructure Finance Ltd and its subsidiary Srei Equipment Finance Ltd; details of the audit are awaited.

Meanwhile, the Reserve Bank of India (RBI) has been monitoring India's financial system including the top 50 non-banking financial companies (NBFCs), which it considers systemically important to the financial ecosystem. In March, the apex bank imposed a moratorium on the beleaguered Yes Bank, some nine months after it did the same with the Punjab and Maharashtra Cooperative Bank (PMC). Besides, according to a report in Moneycontrol in June 2020, 44 co-operative banks had been put under the RBI's watch list in the first half of the calendar year.

But experts point out that it could act more swiftly. "The RBI is keeping a close watch, but in my mind one should act faster," says Ashvin Parekh, managing partner at consulting firm Ashvin Parekh Advisory. For instance, LVB had been reporting widening losses for the past two years on account of bad loans and provisioning.

Parekh, who has been working in the financial ecosystem for the last four decades, is also quick to point out how the RBI's asset quality review (AQR) opened the Pandora's box of non-performing assets (NPAs) that went unreported.

In 2015, Raghuram Rajan, the then RBI governor, introduced the AQR policy which forced banks to stringently recognise NPAs, and stop evergreening of books. For



example, as part of the first AQR, the RBI had found a large divergence of ₹4,176 crore in the reported GNPAs of Yes Bank for 2015-16.

"After the economy started slowing down in 2014-15, the banking system started facing problems and it could not support the NBFCs. The risk weightage ratio in terms of lending changed the whole dynamics for NBFCs because they were heavily dependent on banks for their survival," Parekh adds.

Since the collapse of Infrastructure Leasing & Financial Services (IL&FS) in September 2018, multiple banks, co-operative banks and NBFCs have come under the regulator's scanner. In the last three years, several massive banking frauds have been reported.

To start with the NBFC crisis, while only two have been taken to the bankruptcy process—IL&FS and DHFL Ltd—there are half a dozen substantial cases where creditors are trying to find a resolution to recover loans from the likes of Altico Capital, Reliance Capital and Religare Home Finance. The failure of shadow financier IL&FS broke the back of NBFCs in India, which were heavy lenders to real estate developers.

"It is no secret that NBFCs would keep passing loans to each other but overnight, nobody wanted to buy anything (loans from each other). Everyone was stuck. While the loans to developers have come down, what we have seen is that NBFCs are now charging more interest while refinancing each other and the tenures of such loans are becoming shorter," says the head of an NBFC, who did not want to be identified.

According to data compiled by Propstack, a real estate data platform, during calendar year 2019, banks and NBFCs together lent ₹1.27 lakh crore to developers, the lowest in five years; lending had been on an upward curve since 2015. In his book *Overdraft,* released recently, former RBI governor Urjit Patel mentions that one-third of banking loans to the realty sector are under moratorium.

"There are a few NBFCs that are under stress since the last year; they have found it difficult to raise capital from capital markets but have managed to do so from banks. What has clearly emerged through this entire financial crisis is that corporate governance and promoter issues are the biggest concerns in Indian financial institutions," says a senior executive of a ratings agency, who did not wish to be named.

Case in point: In February 2019, the central bank found no divergence in the provisioning norms of Yes Bank for 2017-18. By March 2020, it had superseded the board of Yes Bank and also placed it under moratorium. In a long statement, the RBI had cited the bank's continuous inability to raise capital, a steady decline in financial position, corporate governance issues and practices in recent years to be some of the reasons for this decision. "They need to act faster, they can't wait for years to take a call for a clean-up. Also, the moment you notice there is a question mark on the credibility of promoters, you have to take tough decisions," adds the rating executive.

He reckons that there should be

SHUTTERSTOCK

The Reserve Bank of India (RBI) has been keeping a close watch on the financial system including 50 non-banking financial companies (NBFCs) different norms of provisioning and capital adequacy ratios for NBFCs. “They cannot be straitjacketed; those who grew their book aggressively, especially in real estate, need different rules as compared to NBFCs that are more focused on gold loans, MFI loans etc.”

In the last one year, NBFCs became creative in how they sold loans to each other to try and clean their books. While on paper it doesn’t look like they have taken haircuts, many NBFCs had started offloading loans by offering structured payouts.

While the RBI is yet to crack the whip on a lot of the practices by NBFCs, this year it has set a few precedents when it comes to Tier 1 and Tier II bonds of banks. Earlier, it asked Yes Bank to write down ₹8,400 crore Additional Tier 1 (AT1) bonds; it has now asked LVB to write down Tier II bonds worth ₹318.2 crore.

“The RBI has set a precedent with the proposed write-off as it is the first time a Tier II bond is being written off. Investors should factor in the risk in Basel III instruments as these instruments can be completely written off in case the bank gets into trouble,” says Anil Gupta, vice president for financial sector ratings at ICRA. Gupta added that they expect the risk premiums for such instruments to increase for weaker private banks.

While the recent past isn’t glorious, the future doesn’t look that great either. Due to the coronavirus pandemic, the RBI had asked banks to offer a moratorium to its customers for loans up to ₹2 crore. The impact of this moratorium will have significant consequences, say experts. As per RBI’s financial stability report in July this year, nearly half of the customers accounting for around half of the outstanding bank loans opted to avail a moratorium on their loans.

It further said that the macro stress tests for credit risk indicate that the GNPA ratio of all scheduled commercial banks may increase

“Repayments were better in September than the month before but we expect actual stress to start reflecting in the Q3FY21 results.”

ANIL GUPTA
VICE PRESIDENT, FINANCIAL SECTOR RATINGS, ICRA

from 8.5 per cent in March 2020 to 12.5 per cent by March 2021 under the baseline scenario. The ratio may escalate to 14.7 per cent under a very severely stressed scenario.

“Repayments by borrowers were better in September than the month before but we expect actual stress to start reflecting in a little way in the Q3FY21 results and more pronounced by first two quarters of FY2022 results,” says Gupta.

“For NBFCs and HFCs, the asset quality ratio could weaken quite sharply with NPAs increasing by 120-300 basis points,” adds Gupta. ICRA expects NPAs to rise to 11.1-11.4 percent by March 2021 for public sector banks, up from 10.7 percent in March 2020; and to 5.7-6.4 percent from 4.2 percent for private banks.

While the RBI grapples with these financial institutions, Patel, in his book, mentions another elephant in the room. “What is cause for concern is that in October and December 2019, 10 banks (of which nine were government banks) disclosed that for the previous financial year the regulator, upon inspection, had found their NPAs to be higher than reported a few months prior in the annual financial accounts. A back-of-the-envelope calculation implies that the GNPA ratio for public banks could be about 0.3 per cent higher than the estimate reported for end March 2019.”

These days, most experts in India are divided in their opinion on one of the topics of the recently-released report of an internal working group (IWG) to review bank ownership guidelines, allowing Indian corporate houses into banking.

In an email response, Viral Acharya, previously deputy governor of RBI, cited the research paper that he and Rajan have authored on this topic. The paper questions why the RBI is taking this step. “First, industrial houses need financing, and they can get it easily, with no questions asked, if they have an in-house bank. The history of such connected lending is invariably disastrous—how can the bank make good loans when it is owned by the borrower?” the paper cited. “Moreover, regulators can succumb to either political pressure or the urgency of the moment. The RBI recognised the risk of excessive exposures to specific houses in 2016 by announcing group exposure norms, which limit how much exposure the banking system can have to specific industrial houses. These norms have been relaxed recently.”

The duo further questions if this is being done to find more bidders when it finally plans to privatise some of the public sector banks. But they ascertain that it would be a mistake to do so. For now, the RBI may be bracing itself to contain a potential pandemic-induced NPA crisis. Allowing private corporations into the banking sector may have its advantages (as well as cons), but perhaps this may not be the best time to go ahead with such ‘reform’. F

Stepping Up

Sandeep Kataria becomes the first Indian to become global CEO in Bata's 126-year history. He'll now need to replicate successful strategies across international markets

By **SALIL PANCHAL**

MADHU KAPPARATH

The discretionary nature of going to buy footwear from a store has meant that retailers across the globe have been hit hard due to the pandemic-induced lockdowns. Bata India is no exception, having seen a tough nine months, with revenues slowing down for the last three quarters in calendar year 2020, compared to the year-ago levels. It has also reported net losses for the last two successive quarters, hurt by lower sales growth.

It wouldn't have been wrong to assume that the performance of its India CEO Sandeep Kataria could have come under scrutiny. On the contrary, on November 30, the Swiss-headquartered, family-owned multinational announced that it has made Kataria, 50, its global CEO—the first Indian to hold the position in the corporate's 126-year history.

"It is always a pleasant surprise when you are recognised by the company you work for," says Kataria over a Zoom call from Bata India's headquarters in Gurugram. "[When told about the global CEO appointment] I just felt privileged to be a part of Bata's success. We have grown up wearing Bata shoes at our first jobs or at sports grounds," he says in one of his first interviews since succeeding Alexis Nasard as global CEO.

A closer look at the India business shows that Kataria had been ticking all the right boxes since taking charge in August 2017, and making strategically right decisions during the pandemic to boost revenues, sales and enhance customer experience.

India is Bata's largest market by volume, where it has around 1,500 stores and contributes about one-fifth of total revenues, followed by Italy. Chile and Columbia are Bata's other major markets. Founded in 1894, Bata Shoe Organisation has a presence in 70 countries through 5,300 stores across Africa, North and South America, Europe, Southeast Asia and the Indian subcontinent.

WHAT GOT HIM THE ROLE?

Kataria and the team in India have been able to gradually boost revenues and bottomline for Bata India (*see chart*) through the introduction of new and higher-value products and better brand positioning. Bata is India's largest footwear retailer by value of sales, ahead of rivals such as Paragon, Relaxo, Liberty Shoes and Puma.

Bata has focussed on millennials as its target audience to boost growth. This led to the introduction of the 9-to-9, Power Fitness and Athleisure collections in recent years; their campaigns roped in brand ambassadors such as actor Kriti Sanon, the late actor Sushant Singh Rajput and cricketer Smriti Mandhana.

During the pandemic, the consumer trend for footwear has changed, with demand higher for open and washable footwear such as sandals and slippers rather than closed, formal, leather shoes. Demand for loafers, casual shoes, active and sportswear shoes is also up, especially after the festive season. With people still working from home and preferring to limit outdoor activity, Bata will continue to see more traction for casual and active footwear, at least till offices and schools reopen.

"In the past few years, the Bata India team has delivered growth in footwear volumes, revenues and profits, and has strengthened customer measures in a highly competitive market," says Bata India chairman and independent director Ashwani Windlass.

"I just felt privileged to be a part of Bata's success. We have grown up wearing Bata shoes at our first jobs or at sports grounds."

SANDEEP KATARIA
GLOBAL CEO, BATA

Explaining how Kataria clinched the global CEO post, he says: "India is not only a diverse market but in the past few years it has also witnessed several complex situations such as the Goods and Services Tax, sweeping digital innovations, the global economic slowdown and now the pandemic. To navigate this space with innovative marketing ideas and then translate them to the P&L is what matters."

During the pandemic, Kataria introduced Bata Chatshop, whereby customers can send text messages, call or video chat with a nearest store representative about the footwear they seek, purchase it online and get it delivered home in a few hours.

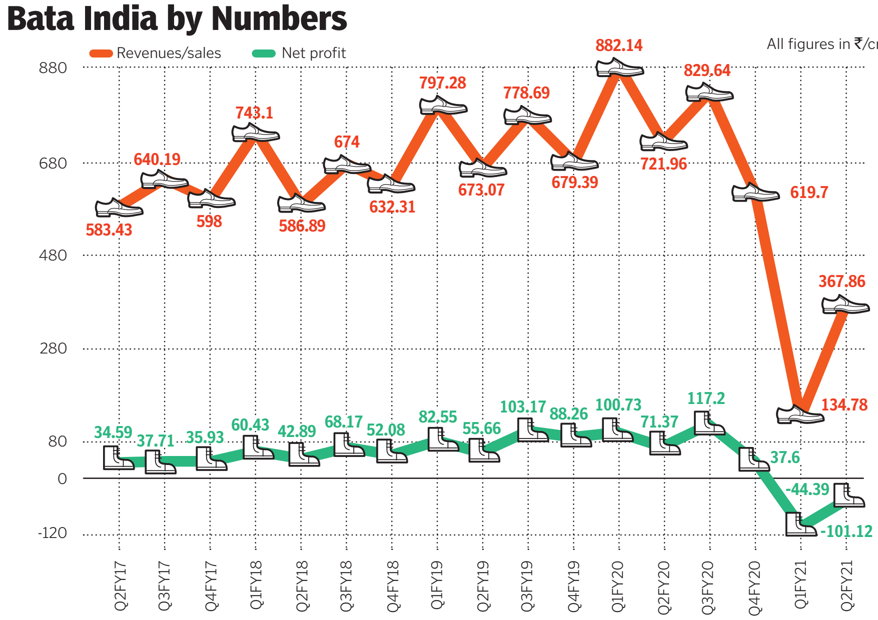
Another initiative that it introduced is the Bata Store on Wheels, where temporary stores have been set up in residential complexes and condominiums to provide a safe and convenient shopping experience to customers. In case a relevant size, colour or design is not available, these can be sourced from a nearby Bata store. Bata has set up the Store on Wheels in more than 35 Indian cities and attracts about 100 new activations each week, including in Delhi, Mumbai, Kolkata, and Chandigarh.

In 2019, the company relaunched its flagship loyalty programme Bata Club, which has 15 million active members. Some key features included use of advanced analytics to drive relevant and personalised campaigns and introducing technology-driven in-store tools like customer single view at point of sale (POS).

Kataria and his Indian team executed each of these plans successfully. "The best part is that we can translate all these [initiatives] into a global practice," Windlass says.

About 15 to 18 percent of Bata India's sales come through digital channels and these new-age marketing initiatives. Bata reported

Bata India by Numbers



Note: Financial data from just before Kataria took charge as Bata India CEO
SOURCE Company data

INFOGRAPHIC: SAMEER PAWAR

sales of 49.3 million pairs in FY20 of value ₹3,122.2 crore in the same period. Relaxo, another listed footwear rival, sold more than three times the pairs (179 million) in the same period but on lower priced products, clocking revenues of ₹2,410 crore in FY20. Bata India has a market capitalisation of ₹20,144.12 crore while Relaxo's market cap is at ₹17,928.82 crore, as of December 9.

Kataria's stint as chief commercial officer at Vodafone India in 2015 has proved to be beneficial. "The location-based targeted messaging, identifying customers in store vicinity, offering reward points and other promotion campaigns have been deepened with my telecom experience," he says.

GROWTH RESUMPTION MID-2021

India, like other Asian economies of China and South Korea, has started to see a rebound in business activity in the past three months. High frequency indicators are positive for the September-ended quarter, but pain points such as job losses or salary cuts, rising bounce-rates in debit transactions from customers and sluggish fresh borrowing from banks indicate that the economy is not completely back on track.

Even as economies move towards the year-end holidays, Kataria is not losing time. "We will see more casualisation as a trend, even in our dress shoes and fashion footwear," he says. Bata will also place a stronger focus on innovations and sale of its broad range of sneakers—the 'Power' brand and the eponymous 'Bata' brand—in India, explains Kataria.

Two other existing labels, Bata Comfit and the 9-to-9 collection, aimed at young, working women, are also lined up for more innovations and designs in the new year, he adds, without disclosing specific plans.

There could, however, be some more pain for its premium leather segment. "This is still a difficult situation. We have to see how things move in the coming months,"

"India has witnessed GST, digital innovations, global slowdown, and the pandemic. To navigate these with innovative marketing and translate them to the P&L is what matters."

ASHWANI WINDLASS
CHAIRMAN, BATA INDIA

says Kataria, particularly as the mobility of people has reduced. Overall sales are back to about 75 to 80 percent of pre-Covid-19 levels and consumer spending, too, is a little higher. "Currently we are seeing a strong uplift in demand for dress shoes, particularly the Red Label collection," says Kataria.

In smaller towns, as business activity opens up and mobility improves, demand for footwear is "broadening out" from just open footwear. "December will definitely look better than the September-ended quarter," he says. Windlass says growth is expected to resume towards the end of Q1FY22 (June 2021) "as consumer spending picks up".

Currently, Bata India has more inventories in the school shoes segment, but Kataria says they would be better placed when schools reopen. He declines to talk about the strategies for Bata's other international markets, saying it is "too early". Bata will announce the head of its India operations soon, he adds.

Bata India will place a strong emphasis on growth through the franchise model in 2021. "There are more queries coming in to open franchisee outlets in smaller towns. Bata has about 1,200 of its own branded stores, 100 Hush Puppies brand stores and another 200 franchise outlets across India. The focus will be more on franchise business," Windlass says, as 50 more franchise stores are scheduled to open by December-end 2020.

Bata closed around 48 to 50 store outlets in India in 2019, as part of "routine" network optimisation, Windlass adds.

The company has been stringent in following pandemic norms in its daily business. It had a second set of staff as back-up at factories and some of its main stores, so that they could take charge of the shift or operations in case of infections or quarantine requirements for others. Footwear, if tried by a customer, is also sanitised and kept quarantined for 72 hours before being tried on by others.

Footfalls to stores and shopping malls are expected to improve in the early part of 2021. But as demand for various brands picks up, revamping the current product portfolio and offering discounts will put pressure on margin growth next year.

Kataria's biggest challenge will be to revive growth in some of its key markets—currently facing the second wave of the pandemic, which has resulted in intermittent lockdowns.

He has joined a select band of Indians or those of Indian-origin to lead global organisations, including Microsoft's Satya Nadella, Alphabet's Sundar Pichai and DBS's Piyush Gupta. But, like them, he will need to replicate successful strategies across global markets. Luckily, he has time on his hands to execute his plans.

Message Received

Why Route Mobile, a cloud communications platform provider started with an investment of $2,000 in 2004, has emerged as a darling of investors

By MANU BALACHANDRAN

A second-hand computer. That's all it took to turn around Rajdip Gupta's fortunes.

It all began sometime in late 2003, when Gupta, a bespectacled software developer, returned to India to start something of his own, after spending a few years in the UK. Gupta was tired of being an employee, often finding himself at odds with his seniors at the workplace. To be taken seriously, his mentor told him, he had to become his own boss and not remain an employee.

But quitting a well-placed job to start something of his own wasn't going to be easy, especially since he came from a middle-class family where money was important. So even as he began drawing up plans for his entrepreneurial venture, he also began freelancing, doing odd jobs developing software to bring in extra income.

"I did some consulting work with one of the top fashion designers in India today," Mumbai-based Gupta told *Forbes India* over a Zoom call. "I will not take the person's name. He didn't pay me, and instead said I could take a computer that he wasn't using that was lying in a corner." As barter payment, Gupta picked up that computer, with 4 MB RAM on an Intel 486 processor with 16 GB of hard disk, for ₹6,500. To put the specifications in perspective, most smartphones today boast over 4 GB of RAM, 10 times that of Gupta's second-hand computer, and some 64 GB of space.

"That's luck," says Gupta, who didn't have a computer then. "I took the computer, and I built a whole group."

That group, Route Mobile, has had a phenomenal run on the bourses since its IPO in September this year. The stock listed at an 86 percent premium, and over the past two months, has risen over 92 percent. On December 11, the company's share price on the BSE stood at ₹1,127, with a market capitalisation in excess of ₹6,400 crore. With over 66 percent stake in the company, the Gupta family's net worth is well in excess of ₹4,200 crore. Rajdip, 44, is the group CEO and managing director, while his brother Sandip Gupta, 45, is the chairman of Route Mobile.

Route Mobile calls itself a cloud communications platform provider, catering to enterprises, over-the-top players, and mobile network operators. Quite simply, a significant part of the company's business involves being the middleman between a mobile operator and an enterprise, helping deliver messages or other communication services to the end user.

Gartner estimates that 90 percent global enterprises will rely on CPaaS offerings by 2023 to enhance digital competitiveness

For instance, a one-time password for a financial transaction is often generated by a bank, that is then delivered to the end customer by a telecom operator, such as Airtel or Jio. Route Mobile is the go-to person in between, who has tied up with the operator and delivers those messages to the end customer.

"We are in between the operator and the enterprise," Rajdip says. "We have connectivity established with over 250 operators globally and we are the largest CPaaS (Communications platform as a service) based out of India and we are the largest in Asia, Africa, and the Middle East in terms of connectivity and in terms of customers." That means, Route Mobile's Application Programming Interfaces (API) are connected to an enterprise, which then generates the data that needs to be transmitted. It is passed through Route Mobile's API to the telecom operator for final delivery. APIs are essentially software intermediaries that allow two applications to talk to each other.

Route Mobile's clientele today includes India's largest public sector bank, SBI, ICICI Bank, Bank of Baroda, Facebook, Google, and Samsung, among others.

"For instance, you get a Facebook recovery password, or an alert when you transact using Google Pay or the two-factor authentication of Google for your email," Gupta explains. "All of that is provided by us."

In all, the company has over 3,000 monthly billable clients across the

(From left) Brothers Rajdip Gupta and Sandip Gupta took home only ₹12,000 as salary for 10 years after the launch of Route Mobile in 2004

COURTESY: ROUTE MOBILE

world and provides everything from messaging, voice, email, and SMS filtering and analytics to clients across banking and financial services, aviation, retail, ecommerce, logistics, health care, hospitality, media and entertainment, pharmaceuticals, and telecom. Last year, the company delivered over 31 billion messages. "I have always believed that anything you create can get better and much larger," Gupta says.

BEING THE BOSS

Route Mobile started out as Route SMS Private Limited, from Gupta's bedroom in Mumbai. That decision to start out, he reckons, was an attempt at being taken seriously by his seniors, and also due to his contrasting views on how technology would emerge. "I used to have heated discussions with my seniors on technology," the 45-year-old says. "One of my mentors [in the UK] told me that the problem with being a developer was that the seniors would not take me seriously. If you really think you have a much better understanding of technology, he said, you must build something of your own."

That was the trigger Gupta needed. Soon, he packed his bags and left the UK for Mumbai, where he had grown up, to try his luck. A physics graduate from the National College in Mumbai, Gupta had also completed his diploma in software engineering from Aptech Computer Education in the 1990s after which he had begun working for companies that included Gurukul Online Learning Solutions and UK-based Spectrum Network. Working with Spectrum Network in the UK, which counted companies such as IBM and Orange among its clients, gave Gupta an insight into the world of communications.

"I realised that mobile communication will go beyond voice," Gupta says. "But, back then, there was no ecosystem where you could go and raise funds with an idea. We wanted to make sure that whatever we start should generate revenue and profits."

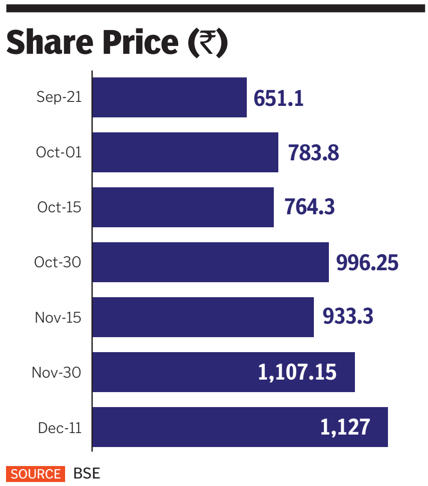
With the second-hand computer that he had bought in the barter, Gupta began coding for the platform from his bedroom. “I was very clear that I’m not going to start this with a focus only on India,” Gupta adds. With ₹1 lakh ($2,000) that he had saved, Gupta set up Route SMS private Limited in 2004, the only investment that he has made in the company so far.

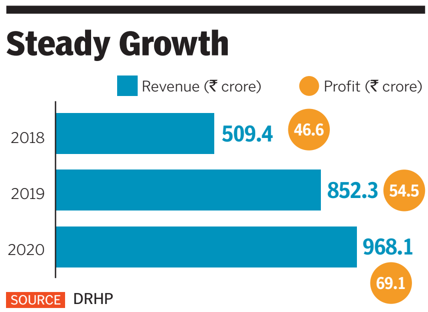
In the first year, the company tied up with clients in the Middle East, for whom Gupta provided the backend support, while the API was sold to clients. “There were small scale SMEs who wanted to have this kind of solution where they could rebrand the entire platform as their own brand,” Gupta says. “So, I created a reseller programme where we put their logo to go and sold our solution in the market.”

Within a year, the company had between 40 and 50 retailers. The company would provide a username and password to clients for about $1,000, allowing them to send one lakh messages. “We only managed the operator connectivity,” Gupta says. “Later on, we started focusing more on enterprise and that’s all about APIs. All enterprises have their own IT team, and what they need is an API plug-and-play user platform.”

By 2005, Sandip Gupta, Rajdip’s brother, and a chartered accountant who was a consultant with PwC, joined him in the business. “Till today, we have never raised funds and we were very conservative,” Gupta adds. “Whatever we earned, we reinvested in the company. We started focusing more on designing and developing a solution for the end user. The very first year we made ₹1 crore in revenues and ₹50 lakh as profit.”

It also helped that the brothers were rather frugal. For 10 years after the company was founded, the brothers took a salary of only ₹12,000. “If you have that vision to create something larger, you always reinvest back into the company,” says Gupta.





SCALING UP

By 2011, the company opened its first international office in London, and in 2012 launched its enterprise business in India. Much before that, since its launch in 2004, the company had largely focussed on the European market, where it pioneered the application to peer (A2P) messaging format, before turning its attention to India.

“We have over 24,000 customers across the globe from the US to New Zealand and Russia,” Gupta says. “Being a cloud-based platform makes it very easy for people to integrate. Over the last 16 years we have built a steady network on the operator side of the connectivity, as well as a great customer base,” Gupta says.

Today, a bulk of the company’s business involves assisting companies in their digital communication strategy through multiple channels. That includes an omnichannel platform, using messaging, email, RCS messaging, voice, and OTT business messaging, allowing enterprises to reach customers. So far this fiscal, the company has processed some 6.95 billion billable transactions.

The company follows a mark-up model for revenue where it pays the operator, and adds their mark-up before it is sold to the enterprise. “So, whatever price we buy from an operator we add a mark-up, and we sell to the enterprise,” Gupta says. “So there is no fixed pricing as such in the market.” Companies now looking to improve their user engagement and customer experience has helped ventures like Route Mobile ramp up their business. “I think RBI mandates every bank to send messages,” Gupta says. “Everyone wants to have more engagement with the end-user.”

Today, the company’s gamut of offerings includes application to person messaging, RCS messaging that includes video, audio and images, Viber business messaging, apart from emails and voice services.

Meanwhile, over the past few years, the company has begun to diversify its business after it acquired Mumbai-based Call2Connect and Malta-based SMS Firewall solution company, 365squared. 365squared provides a solution to monitor SMSes, more specifically where they are originating, and therefore charge a termination fee for it. The concept is relevant for regions such as Africa, Latin America, and Asia where operators don’t have termination contracts with other global operators, and therefore free messages can be landed on their networks.

“We put a firewall within the operator network, which allows us to start rejecting all the messages coming from other operators who are not a partner with this operator,” Gupta says. “We did the first deployment in India with Idea Cellular in 2018. It was losing almost ₹100 crore in revenue leakage and we have been able to generate over ₹100 crore revenue for Idea during the last two years.”

Last month the company also tied up with debt-laden public sector telecom operator BSNL to offer the same services, and has also extended the same to some 10 operators globally, which now contribute about 16 percent of the company's revenue. In October 2020, the company also acquired Bengaluru-based TeleDNA, which specialises in the development of telecom-related solutions like MMSC (Multimedia Messaging Service Center), SMSC (Short Message Service Center) platforms, SMS HUB, and SMS firewall.

"Route Mobile is going to focus more on the enterprise side of the business, while 365squared will focus on the operator side of the business," Gupta says. He adds that their business model is hard to replicate, including by operators, who could possibly undertake the same business that Route Mobile does, without having to engage with a third party.

"We have maybe four or six operators based out of India. We are already buying from these operators and giving them the revenue. So why should they get into this business where they have to actually set up a 400-people team for support and logistics for this business?" Besides, the regulatory nuances involved in the business are rather complex, helping Route Mobile ward off any imminent threats from internet giants.

"If Google wants to do what we are doing, they have to go to each and every operator in every country," Gupta says. "Plus, there is a different regulatory aspect for each and every country. As a company our core business is communication. We try to understand each and every law of the land and accordingly build a platform. So, for Google, Facebook, or any enterprise sending data to our platform, we first try to see that the data passing through our platform is compliant with that country."

BIG PLANS

Going forward, Gupta has laid out some elaborate plans to focus on new-age technologies, as digital adoption and penetration increase on the back of the ongoing pandemic.

To begin with, the company has begun shifting its focus from SMS to other platforms including WhatsApp and Viber. "Viber or WhatsApp for business is the next adoption," Gupta says. "So, most of the enterprise will adopt two-way communication-based solutions. We will offer the same layers of communication to existing customers." Among others, the company is already a global partner with WhatsApp, allowing it access to WhatsApp's API.

The decision is also due to India's growing internet and smartphone penetration that has seen significant growth over the past few years. "The number of messages being sent nowadays, whether it's Flipkart or Amazon or transactions through Google Pay, Paytm and WhatsApp Pay will all see significant growth," Gupta says. "So, every transaction or interaction will have some kind of alert."

"Starting out with $2,000 to almost reaching $200 million in revenue this year, we've had a pretty good run."

RAJDIP GUPTA,
GROUP CEO & MD, ROUTE MOBILE

[redacted]

"So, my provider will change, but my revenue mark-up is going to be the same, but the margins are much higher as compared to SMS on all these new-age technologies," Gupta adds.

Gupta also reckons that virtual contact centres will see more traction. "Most of the contact centres require a lot of broad-based solutions like chatbots," Gupta says. "Today, bots handle 50 percent of the queries. So we will focus on bots, AI, and the virtual contact centre."

That means, more acquisitions are in order, particularly in machine learning, chatbots, and artificial intelligence. "We provide backend support, but as a company, I would like to have these offerings too," Gupta says. "Right now, we have the API story where we are doing well. Now, if I want to create a billion-dollar revenue company, I think I need to have more customers and a wider variety of offerings to my end user. That's exactly what my focus is and we're working on that right now."

And it seems well poised to cash in on the growth. A recent study by research and advisory firm Gartner estimates that by 2023, 90 percent of global enterprises will rely on CPaaS offerings to enhance their digital competitiveness, up from 20 percent in 2020.

"RML's cloud-based delivery platform enables it to build and manage applications without having to create and maintain the underlying infrastructure for each client," research firm HDFC Securities said in a report in September. "It is, therefore, able to provide enterprises with solutions to operate applications without purchasing, configuring, or managing the underlying hardware and software. It currently operates at a throughput capacity of over 10,000 messages per second. Its six strategically located data centres provide its operations with the resilience required to meet the requirements of its clients."

For Gupta, however, all this is only the beginning. Over the next few years, the brothers want to touch a billion dollars in revenue. "From starting out with $2,000 to almost reaching $200 million in revenue this year, we have had a pretty good run," Gupta says. "But there is a long way to go." F

Stepping on The Gas

Cars24, the first unicorn in the auto segment, has grown rapidly during the pandemic. Can it maintain its pace and focus?

By **RAJIV SINGH**

Vikram Chopra was always convinced about one common strand between life and poker: It's not about the cards you're dealt, but how you play your hand. In July 2015, when Chopra and his co-founder and friend Mehul Agrawal stepped down from leadership roles at online home furnishing brand FabFurnish, they knew they hadn't played their cards well. The venture ended in a raw deal for them. Both exited.

In August, along with friends Ruchit Agarwal and Gajendra Jangid, they went back to the drawing board and co-founded online used-car platform Cars24—a high-stakes bet considering they were among the late movers in the segment. The start wasn't great: Cars24 sold 18 cars in its first month.

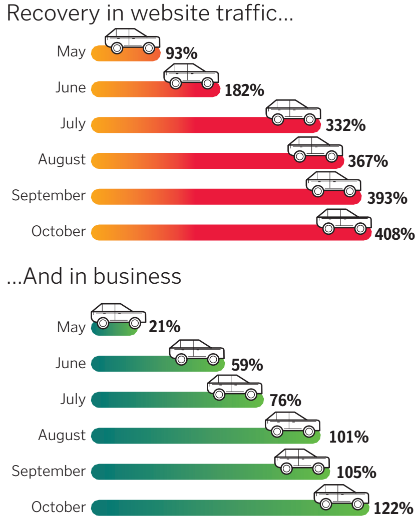
A year later, in November 2016, Chopra—an avid poker player—was dealt another bad hand: Demonetisation. "We had no idea how things would pan out," recalls Agrawal. "Cash went out of the system and revenues nosedived," adds Agarwal. In July 2017, came another challenge: Goods & Services Tax. The tax rate for new and old vehicles was the same—28 percent.

As the Cars24 team was clawing its way back came another bummer in 2018: The collapse of Infrastructure Leasing and Financial Services (IL&FS), which triggered a crisis in the non-banking financial companies' sector. The year 2019 brought little respite, with the auto industry—already reeling from a year of slowdown—grappling with the migration from BS-IV to BS-VI engines, and old inventory flooding the market. "Doesn't it happen sometimes, while you're driving, that you don't see an approaching speed breaker," asks Jangid. "It makes everyone in the car jump in their seats."

Cut to March 2020, when the Covid-19 pandemic and lockdowns set in. "It looked like what we built in five years had become zero

Rebound Since May

Recovery in website traffic...



INFOGRAPHICS: SAMEER PAWAR

From left: Gajendra Jangid, Ruchit Agarwal, Vikram Chopra and Mehul Agrawal, co-founders of Cars24, are firmly in control of the startup

AMIT VERMA

"Becoming a unicorn is great, but we haven't arrived... the next target is $10 billion."

VIKRAM CHOPRA,
CO-FOUNDER AND CEO, CARS24

overnight," says Chopra. Business recovery, he presumed, would at best happen by the end of the year or by March-April 2021. "I even thought that 2021 is lost." The other concern was about how much share Cars24 would eventually reclaim. "Everything was in flux," says Agarwal.

Eight months later, those fears have proven to be unfounded. In end November, Cars24 raised $200 million in a series E round of funding, which valued it at over $1 billion and made it the first unicorn in India's auto segment. Chopra and his friends aren't celebrating, yet. "Value creation matters more than valuation," says Agrawal. The unicorn tag, chips in Chopra, is more valuable to the world than to us. "All four of us are still very hungry and motivated to do more."

They haven't done too badly so far. From selling 18 cars in the first month, Cars24 is selling 15,000 a month now. Gross revenue in FY20 was ₹3,065 crore, from ₹417.64 crore in FY17. Its footprint has expanded from 12 cities in the first three years to over 130 cities now. Losses, which were ₹76.35 crore in FY17 rose to ₹325 crore in FY19, and fell to ₹277 crore in FY20. Market leader True Value, Maruti Suzuki's pre-owned car network, started in 2001, and sold four lakh cars in FY20. Cars24, in comparison, sold over one lakh, and is now clocking a run-rate of 1.8 to 2 lakh for FY21.

Investors in the company are delighted. According to DST Global—led by Israeli-Russian billionaire Yuri Milner, and which led the latest funding round in Cars24—what has worked for the company is the way in which it stands out in a cluttered market. "Cars24 has pioneered a significantly differentiated experience for the customer and dealer by deeply leveraging data and technology, resulting in world-class operational efficiency and market leadership," says Rahul Mehta, managing partner, DST Global.

Sequoia Capital India, which has invested $400 million in Cars24, says the startup has taken a stab at solving the pain point of consumers. Historically, sellers didn't get the right value for cars, while buyers got stuck with sub-standard vehicles, says Mohit Bhatnagar, managing director, Sequoia Capital India. The problem, he adds, is acute in Tier II cities and beyond, where options are limited. "Cars24 has taken its technology and expertise to these smaller markets, effortlessly capturing a growing user base." Its unique home-inspection feature, he says, has enabled it to expand rapidly, adding over 30 cities in the last couple of months. "There is a massive headroom to grow."

Growth potential is indeed immense. Take, for instance, the penetration of used cars. In 2019, the US sold 39.4 million used cars, while China sold 14.9 million, according to a McKinsey report; in India, it was four million. Another positive for India's used car market is the low share of organised players. While in FY11 the organised market was 10 percent, in FY19 it increased to 18 percent, found a study by JM Financial; 32 percent of the market comprises cars sold directly from customer-to-another. Customers, the report says, are fast migrating to organised players. The dynamics of the market—in FY19 over four million used cars were sold in India as compared to 3.4 million new cars—is also in favour of pre-owned cars.

In 2015, though, the dynamics though were not as favourable for Cars24. Reason: It was a late entrant. Rival CarDekho had been operational since 2008, CarTrade since 2009 and Droom since 2014. Chopra remained undeterred. A poker rule laid down by Mike McDermott, a fictional character played by Matt Demon in the movie *Rounders* in 1998, came handy: "If you can't spot the sucker in your first half hour at the table, then you are the sucker."

The co-founders were quick to spot a sucker: Rivals, each of whom was focusing on car buyers. The game was all about listing, classified advertising, cold-calling, having an asset-light model, and zero ownership in terms of addressing the problems consumers faced. Cars24 came up with a trump card: Target the seller, and kill the multiple pain points. It offered to take care of car documentation, transfer of registration certificates (ownership), and paying off existing loans or fines, if any. "Before we came into the picture, everything had to be individually done by the seller," says Chopra.

Cars24's differentiated offering and proposition were largely inspired by the FabFurnish experience. "Supply is a much more critical piece to solve," says Agrawal, since that is where the real differentiation takes place. At FabFurnish, he adds, the co-founders often defined strategy based on chasing capital. "That was a big mistake. Capital has to chase strategy," he says. In their second venture, Mehul and his friends seem to have got this part right. Apart from transparency in selling cars and getting a fair price, what gave this startup an edge was the speed of transactions. Processes that would take days, if not weeks, were now taking a day, often between 60 and 90 minutes.

The Story So Far

- Founded in **August 2015** by **Vikram Chopra, Mehul Agrawal, Ruchit Agarwal and Gajendra Jangid**
- Raised **$400 million** so far
- Backers include **Sequoia India, Exor Seeds, DST Global, Kingsway Capital, Unbound, Moore Strategic Ventures** and **KCK**
- Last funding round of **$200 million** in November 2020 took it into unicorn league
- On a run-rate of selling **1.8** to **2 lakh cars** by March 2021
- Average selling price is **₹2.5** to **3 lakh**; sold over **4 lakh cars** so far

Cars24 Vs Maruti

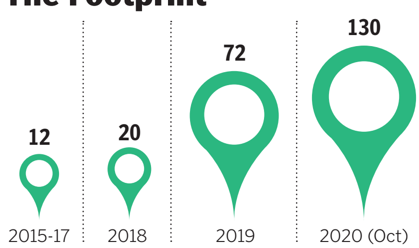
Maruti

- True Value, **Maruti Suzuki's pre-owned car** network, started in **2001**; has sold 4 lakh cars so far
- Has a presence across **280 cities** with 570 stores

Cars24

- Started in 2015; has sold over **1 lakh** cars so far
- Has a presence across **80 cities** with **150 stores**

The Footprint

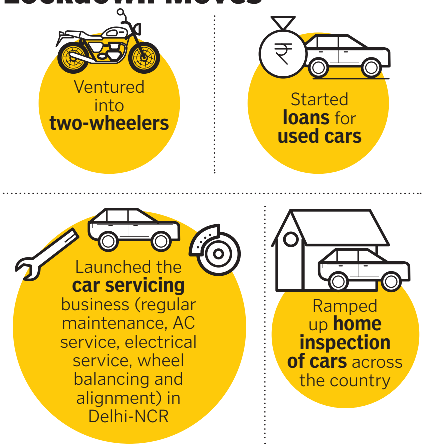


Outlets

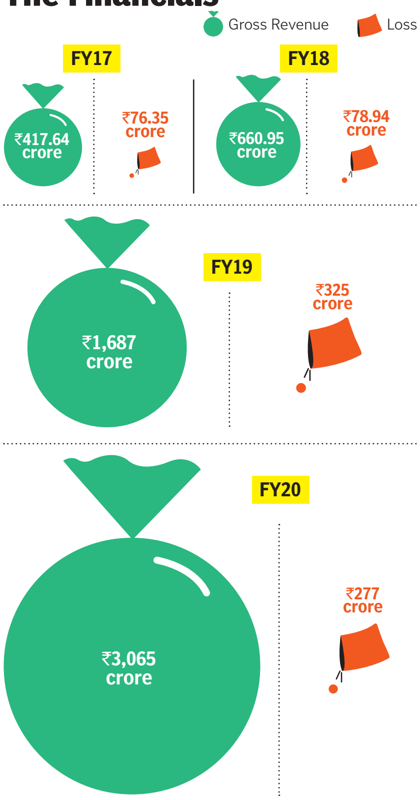
2020 (Oct)
150

SOURCE Cars24

Lockdown Moves



The Financials



SOURCE Filings

"What Domino's did to pizza in terms of delivery, they did to cars," says Anil Joshi, founder of Unicorn India Ventures. "Customer delight is what made them a popular choice." At times, he adds, startups and entrepreneurs are so engrossed with the bigger opportunity that they tend to overlook the smaller details that matter. "Though the growth achieved during the pandemic won't be a regular thing, the Cars24 founders have had great hits."

There have been misses as well. From being rejected multiple times by investors for being a late starter to being overlooked for having a capital-intensive business model, Chopra and his team faced multiple roadblocks. But they didn't lose hope. "We just needed one guy to say yes," says Chopra. In June 2018, four lined up with that nod—KCK, Kingsway Capital, MPGI and Sequoia Capital India—and a $50 million cheque.

Yet, getting marquee names didn't make it easier to raise more capital. "Last year, Series D was our toughest experience," Chopra recounts. At the seed stage, an entrepreneur is selling an idea. By series A and B, she is selling growth. "Next—series C, D and E—you are pretty much selling everything," he says. "Though we ticked all the boxes, new boxes kept popping up. I would have spoken to over 50 investors." What eventually worked in their favour was that business gathered steam: Cars24 was present in 72 cities, and closed FY19 at ₹1,687 crore in gross revenue. "If there is growth, everything else will fall in place," he says.

During the pandemic, when things looked gloomy to begin with, the used car segment got a massive tailwind on the back of consumers opting for personal vehicles for transportation, which were perceived to be safer than the shared mode. The rebound in the business came at lightning speed: From 21 percent of pre-Covid times in May, to 101 percent in August and 122 percent in October. What also helped in creating most of the tailwinds were some swift moves: Ramping up home-inspection of cars as sellers were apprehensive about stepping out, foraying into bikes, starting the lending of used cars, and launching a car servicing business in Delhi-NCR.

Can Cars24 maintain the pace without losing focus, or is it driving too fast? Chopra says the venture

MEXY XAVIER

"The Indian car market is hugely under-penetrated with less than 2 percent owning cars. It is between 50 and 80 percent for developed countries."

MOHIT BHATNAGAR,
MANAGING DIRECTOR,
SEQUOIA CAPITAL INDIA

is under firm control. "Looking back, we could not have survived these five years had we not been together," he says. "Because we were doing it together, even facing crises was fun," he smiles, although he is quick to stoically add, "We still have a long way to go."

In an email to employees on November 24, when Cars24 was valued as a unicorn, Chopra stressed on the need to stay grounded and humble. "We have had a nice little milestone to celebrate. Next one would be $10 billion," he wrote. "We are a unicorn, but we are nowhere close to be done yet." F

The David of Insuretech

Digital insuretech startup Acko is disrupting the insurance market with innovation and aggression. Can it take on the Goliaths of the insurance world?

By **RAJIV SINGH**

Founder and CEO Varun Dua wants to ensure Acko becomes an institution

For roughly 13 years, Varun Dua failed to move the needle his way. After a fleeting tryst with the marketing and advertising world—an internship at Leo Burnett in 2002 after finishing college—Dua landed in the 'premium' world. A freelance insurance project convinced the young lad that his calling lay in the business of 'cover'. Subsequent stints at Tata AIG and Franklin Templeton for the next couple of years gave him a firm footing, and understanding, of the complex insurance sector. As an employee, however, there was a limit to how much he could push the envelope in terms of decision making.

Dua took a leap of faith in 2009 and turned entrepreneur by starting a CRM (customer relationship management) and contact centre company for insurance and financial services. In two years, it had 300 people and $3 million in revenues. Dua was not satisfied. There was no technology involved, no value addition or creation for customers. He exited the business, and decided to create a tech back-end for the insurance sector.

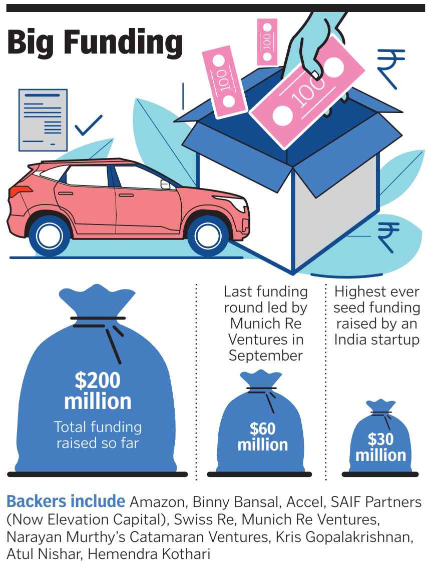
Next came GlitterBug Technologies, a software venture that built web apps assisting online insurance sales. The startup integrated complex insurance legacy systems to simplify and automate workflows by offering cloud-based voice record storage and mobility solutions apart from a bunch of other services. The show went on for two and a half years. Until Dua met up with Anupam Mittal, founder of Shaadi.com.

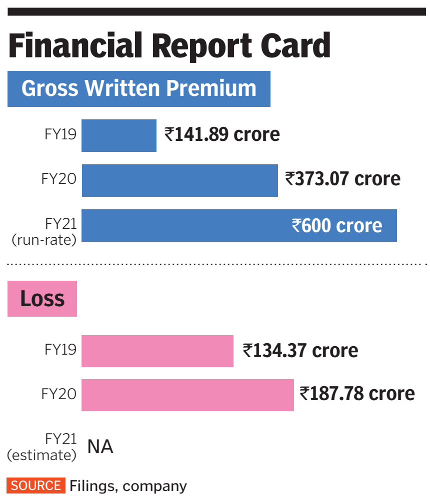
Within 20 minutes, Mittal declined to invest. After a few days, Mittal pointed out the reasons over a cup of coffee. First, the business won't scale. Though as an entrepreneur Dua could make a neat stash, there was nothing for a backer. Second, Dua and his venture failed to capture the larger picture; they were confined to building software only.

Inspired to do something bigger, Dua shut down the software business and started Coverfox, an online insurance aggregation platform in October 2013, pitting himself against the likes of PolicyBazaar which had been in the business since 2008. Three years into Coverfox, Dua was discontented. He found four cardinal propositions for consumers missing: Better experience, better value, cheaper product, and faster claims. All these, he underlines, were not possible in the business of aggregation, where the product—which is not designed and controlled by the online selling platform—is largely designed from the point of view of brokers or agents. The customer experience, too, is something the platform could do little to improve.

Cut to December 2020. Dua reckons he has finally moved the needle. His new baby Acko, a digitech general insurance startup, has galloped at a lightning pace since it started operations in January 2018. Gross written premium has jumped from ₹141.89 crore in FY19 to ₹373.07 crore in FY20; over 650 million policies have been sold during the same period; funding raised has ballooned to $200 million, with marquee backers such as Amazon, Flipkart's co-founder Binny Bansal, Accel, SAIF Partners, Swiss Re, former SoftBank executive Kabir Misra's RPS Ventures, Munich Re Ventures, NR Narayana Murthy's Catamaran Ventures, and Kris Gopalakrishnan.

What, though, matters most to Dua are not the financials but fixing the four cardinal metrics for now. First, there is 'better experience' for consumers. The products are 100 percent digital, there is zero paperwork. Second, there is 'better value' as well as Acko has created a niche in 'byte-sized' insurance or 'sachet' insurance with premium ranging from ₹1 to ₹600. The products are 'cheaper' as there are no brokers involved. So hefty commissions paid to the middlemen are passed on to the consumers. And, finally, the claims are settled 'faster'. While a policy gets





issued within 90 seconds, the claims filing process gets completed in three minutes; and the customer receives a claim settlement in three days. "We are disrupting the insurance world with technology and innovations."

What Dua is trying to do is not easy. Sunil Mehta, non-executive chairman of Yes Bank and former chairman of Punjab National Bank, explains why. The dice is heavily loaded in the favour of the big boys. The Indian insurance industry, explains Mehta—who was Acko's former board member—is highly regulated with a framework originally designed for traditional insurance businesses. The erstwhile regulatory construct ensured financial stability with large promoting entities that met stringent fit and proper tests, and had deep pockets and the ability to infuse large amounts of capital when required.

For any startup in a regulated industry, Mehta emphasises, it becomes critical to convince the regulator of its technical and innovation prowess in addition to other licencing prerequisites. Robust underwriting standards, strong data analytical tools and a highly-efficient digital distribution platform for pioneering insurance products become compelling factors for a startup's participation in the industry's growth, he points out. Acko deciding to build a digital-only, customer-centric insurance company, and applying for a general insurance licence despite not being part of a large business house or promoter family, was an ambitious task, he contends. "Acko is set out to disrupt the insurance segment by building a new-age insuretech company," says Mehta, adding that credibility would continue to be critical for the startup.

Dua knows how critical the credibility factor is, especially in the insurance business. "I want to build an institution. We are not a fly-by-night operator, or somebody who would need to be rescued," he says.

The biggest among the factors that have worked well for the startup is a direct to consumer approach. "By going direct, Acko was able to offer comparable insurance coverage at a significantly lower cost," says Shivathilak Tallam, senior investment analyst at Unitus Ventures. In the motor insurance business, which makes up over 70 percent of the revenues for Acko, one of the biggest expenses is channel costs. What also aided growth was the convenience offered, including pick-up and drop services, and a quicker processing of claims in-house. "All led to a better customer experience," says Tallam.

Bite-sized insurance plans have also done wonders. Take, for instance, the phone protection programme that it offers in partnership with Amazon. The plan—for handsets bought from Amazon—provides coverage for incidents such as accidental drops, liquid damage, screen cracks

INFOGRAPHICS: SAMEER PAWAR

and software-related issues. All a consumer has to pay is ₹400 to ₹500. If the screen gets damaged, a user needs to share a picture of the damaged part, no questions asked and ₹5,000 get deposited in the bank account.

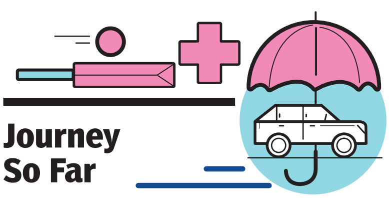
Then there is the Ola ride insurance plan, a first-of-its-kind in-trip insurance programme where a user booking a ride just needs to pay ₹1 to be covered for loss of baggage and laptops, missed flights, accidental medical expenses, ambulance transportation, and emergency hotel requirements. For the users of redBus and GoCabs, Acko offers customised travel insurance products covering trip cancellation, bus-type mismatch, and cab delays. "Bite-sized insurance was a complete whitespace and Acko is now a category leader in this segment," says Tallam. While in traditional businesses like motor and health, Acko repackaged known insurance products in a faster and cheaper form for digital-first customers, in the non-traditional product segment, the startup found whitespaces and created micro-insurance products. "If done well, this can be a profitable business line," he says, adding that the offering in health and Covid has also gathered pace.

Dua explains how quickly his health vertical has scaled up. Launched in March, the segment now contributes 10 percent of revenues. From providing a comprehensive health benefit proposition for employers which covers not only hospitalisation insurance but also provides primary care and fitness benefits, Acko custom-designed health coverages for gig economy workers whose needs are different from regular employees. Apart from products such as Corona Kavach, which are available for retail users to buy, Acko extended Covid covers to groups such as Amazon sellers. "We have seen a great increase in awareness and demand for health insurance products," says Dua. "I won't be surprised if it becomes bigger than motor in a year or so."

"By going direct to consumers, Acko was able to offer comparable insurance coverage at a significantly lower cost."

SHIVATHILAK TALLAM,
SENIOR INVESTMENT ANALYST,
UNITUS VENTURES

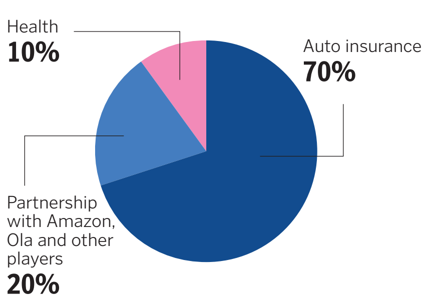
[redacted]



Journey So Far

- Founded by **Varun Dua** and **Ruchi Deepak** in **2016**
- Got **insurance licence** in October 2017
- Started **operations** in January 2018
- Has issued **650 million policies** to more than 60 million unique customers
- Direct to consumer brand, Acko started with **auto insurance**; has now moved into **health**
- Specialises in bite-sized insurance products with premium starting from **₹1** and going up to **₹500 to ₹600**
- Tied up with Delhi Capitals for the **IPL** this year

Revenue Share



For Acko, which saw a 50 percent dip in business from April to July, the rebound has been quick. The business gathered pace, especially with the rollout of the Indian Premier League (IPL), where Acko partnered with the Delhi Capitals. "There has been a 30 to 40 percent month-on-month growth since then," he says, adding the startup is also advertising during the current India-Australia series.

The flip side, though, of aggressive advertising and quick brand-building is obvious: A bleeding bottom line. Losses have spiked from ₹134.37 crore in FY19 to ₹187.78 crore in FY20.

Unlike life insurance, where a customer gets locked for life or decades, consumers have to see value to stick to a motor insurance or health insurance player. "My customer renewal rate is as high as 65 to 70 percent," claims Dua.

The backers are not worried about the losses. Abhinav Chaturvedi, partner at Accel, one of the investors in Acko, reckons that to create products for a changing world, it is imperative that insurance companies have a strong relationship with their customers. "People just want to pay for what they use, and nothing else," he says. To create such products, he says, startups need to churn data and feedback into product features. Though a few incumbents recognise the need to innovate, they are held back by the constraints of their underlying business model and infrastructure. Data advantage, strong customer relationships and customer-centricity are long term sustainable competitive advantages that have done well for any business. "It should be no different for Acko," he adds.

Dua asserts he would 'move the needle' in terms of business metrics too. While companies in the insurance sector take at least seven years to break even, he claims, Acko would reach that mark much before that. "The focus is to ensure Acko moves from a company to an institution." F

Game On

Digital gaming and entertainment firm JetSynthesys has expanded at a furious pace, drawing investors like Adar Poonawalla and Kris Gopalakrishnan. Can founder Rajan Navani keep up the tempo?

By RAJIV SINGH

Rajan Navani, founder of JetSynthesys, wants to reach the daily digital lives of mobile users

Rajan Navani first sniffed a business opportunity in the '90s in the US. Armed with a master's degree in electrical engineering from Purdue University—with a specialisation in digital satellite imaging and remote sensing—Navani worked at Goddard Space Flight Center at Nasa in 1995. In remote sensing, he recalls, satellite imagery and pattern recognition were used to predict the quantum of corn that was likely to be produced in the state of Indiana, which was then extrapolated to forecast for the country.

"If I can predict corn quantity with accuracy, then I can make money," he thought. And he did. Navani called up his uncle who would use the knowledge to make money from commodity pricing on the London Stock Exchange. "I gathered how technology can be leveraged from a business perspective," recalls Navani, whose grandfather Kishinchand V Navani was the local Thai management partner of Indo Thai Synthetics Company, Aditya Birla Group's first overseas venture in 1970. Establishing business roots in Thailand in the 1930s, the Navanis set up extensive operations in textile, packaging and steel over the next four decades. In 1975, the family set up operations in India by building a packaging plant in Pune.

Meanwhile, after spending over a decade in Thailand, Navani came to India in 2005 to take care of the family business. The third-generation

String of Partnerships

JV with **Sachin Tendulkar** for **100MB** (**Tendulkar** has **51% stake**); managing over **90 million** Sachin fans across Facebook, Twitter & Instagram in addition to **2 million** captive fans

50:50 JV with **Adar Poonawalla group** for **AnyDay Money**, a fintech lending platform with an advance salary feature for employees; has disbursed over **₹100 crore** loans to date

Amitabh Bachchan has a minority stake in **Wakau**, a video-blogging platform

ANIRUDHA KARMARKAR FOR FORBES INDIA

entrepreneur, though, started looking for opportunities outside the family business after 2011—the early days for smartphones, data adoption and digitalisation. He roped in McKinsey to find out how to reach out to mobile users with digital offerings. “People were spending time on the phone, especially calling,” he recalls. The choice for Navani was to get into telecom. But it was a crowded space. The next thing he looked at was email. But Google and Hotmail were already there. Chat was the next option. “We missed the bus here as well,” he recounts. WhatsApp, Navani lets on, was ruling the roost. Finally, he went back to the basics of what was driving mobile engagement in India—astrology, Bollywood, cricket and devotion—and started JetSynthesys in 2014.

Fast forward to November 2020. JetSynthesys has morphed into a digital gaming and entertainment company, with offerings and products in segments as diverse as fintech lending and job search. The idea, contends Navani, is to reach out to the daily digital lives of mobile users, which calls for multiple digital platforms. “The only way to scale and build in the digital world is to work with the right partners, right collaborations,” he says. “You can’t build everything yourself,” he concedes, explaining how he has gone about finding collaborators.

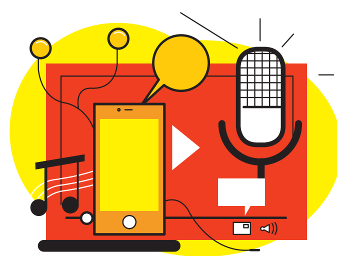
From a joint venture (JV) with Sachin Tendulkar for 100MB (the former India cricketer owns 51 percent) to an equal stakes JV with Adar Poonawalla in AnyDay Money, a lending platform with an advance salary feature for employees; to video-blogging platform Wakau where Bollywood superstar Amitabh Bachchan has a minority stake; to partnering with WWE to create WWE-themed racing games, Navani has spread his business ventures quite far and wide.

In terms of revenues, the gambit seems to be showing results. From

The Three Verticals

Gaming

Classic console gaming, AR/VR console gaming, mobile gaming, offline and online gaming events



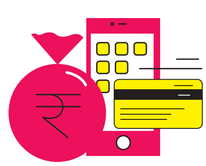
Entertainment

Curation, production and distribution of music videos, podcasts, jingles and other entertainment media formats. Content is a mix of celebrity-led, original ideas and user-generated

Engage and Enable

Development of interest-based social platforms that digitally empower community building

The Revenue Streams



In-game advertising; in-app purchases; subscriptions; brand revenue linked to specific digital properties

Popular Game Downloads

Sachin Saga
20 million

Being Salman and Bajrangi Bhaijaan Movie Game
10 million

INFOGRAPHIC: SAMEER PAWAR

₹7 crore in FY16 to ₹137 crore in FY20, the top line has grown at a faster clip. In terms of bottom line, the company posted an Ebitda (earnings before interest, taxes, depreciation, and amortisation) of ₹10.8 crore for March-ended FY20. The venture raised ₹300 crore in June this year from existing shareholders, including the family office of Adar Poonawalla, and Infosys co-founder Kris Gopalakrishnan. Other investors are the Navani family-owned Jetline Group, and family offices of the promoters of Thermax and Triveni Group.

The backers so far are satisfied with the pace of growth. “The way JetSynthesys has scaled over the years is commendable,” says Gopalakrishnan. The massive smartphone penetration, decreasing mobile data cost along with the wave of digitalisation and the emerging gaming industry in India have worked in favour of JetSynthesys, adds the former Infosys CEO, who has been non-executive chairman on the board of JetSynthesys since he stepped down from Infosys. JetSynthesys, he lets on, is on the right trajectory for rapid growth and progress. The company combines world-class talent, technology and content to impact the daily digital lives of people. “The lockdown has helped accelerate the process,” he says, adding that he shares a pleasant working relationship with Navani. Interestingly, the ‘sys’ of JetSynthesys is inspired from the ‘sys’ of Infosys.

Poonawalla too is excited about his non-vaccine bet—a fintech lending joint venture with Navani. “A fast-growing new-age business combined with a legacy trusted promoter, and professional management team, make JetSynthesys a great choice,” he says, explaining the trigger to enter into an equal venture with Navani. The vision of the company, he adds, is to reach every household in India with content and products that are curated responsibly and resonate with the aspirational needs of its consumers.

Putting in place a global footprint also works. Partnerships with some leading celebrities, IP holders and large gaming companies in the US, Europe and Japan give JetSynthesys an opportunity to build great products not only for India but also for the world. "We can leverage the strengths of India, be they talent, costs or size of the market to participate in other global gaming markets," adds Poonawalla.

Back in the late '90s too, Navani had wanted to leverage global partnership in Thailand. Exposed to technology during his stint at Nasa, he had thought of venturing into a tech business. And spotted the laser disc market. He tied up with Japanese electronics player Pioneer. By 1997, Thailand emerged as the third-biggest market for laser discs after the US and Japan. Then came the Asian financial crisis in 1997, triggered by currency devaluation. The market crashed in Thailand. "It badly hit everything that was imported into Thailand," recalls Navani, who decided to shut the business. "That was the first time I saw failure," he says.

Back in India, Navani again had a tryst with failure when he had to shut down the astrology vertical after 18 months of operations. Reason: Maharashtra's Anti-Superstition Black Magic Act, 2013. Navani brainstormed with his legal team. The feedback was clear: Stay away from the grey zone. The focus then shifted to Bollywood, cricket and devotion. There were huge opportunities in games, which were created along with Bollywood celebs, as well as in vernacular music.

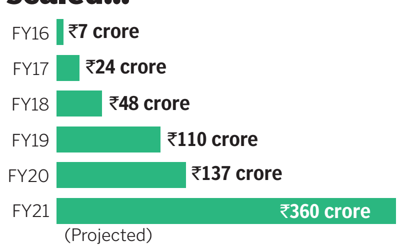
Over the next few years, Navani went on to add interest-based communities to his business platforms. Take, for instance, ThinkRight.me, an emotional fitness app which sends out daily affirmations as push notifications, daily videos and supports guided meditations. Then there is 100MB,

"We can leverage India's strengths to participate in other global gaming markets."

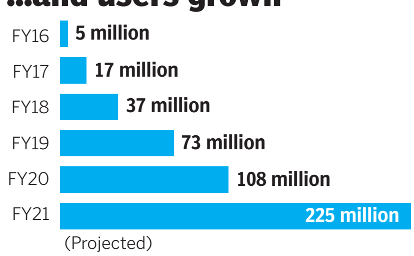
ADAR POONAWALLA
WHOSE ANYDAY MONEY HAS A JV WITH JETSYNTHESIS

[redacted]

How the business has scaled...



...and users grown



(Has expanded internationally with subsidiaries in the US, Singapore, Japan and Europe)

Post-lockdown Spike From April to October

Gaming vertical posts highest growth of **150%**

Month-on-month subscribers have grown by **40%**

SOURCE Company, numbers are rounded off

a digital platform to engage cricket fans across the world through social aggregation, exclusive videos, live quizzes, and merchandise. There seems to be a method in the apparent madness. He explains. "Mindfulness community (ThinkRight.me) is the best segment for lending," he contends. Explaining his logic, he says that a person spending an hour on a mindfulness app is least likely to default. Similarly, lending ₹50,000 to a user who has been spending around ₹5,000 on buying merchandise and other items in the cricket games makes sense. The strategy seems to be more of cross-selling, which comes after user stickiness.

The challenges for the venture, though, still remain. And there are many. First, gaming is still the biggest source of revenue. Second, expanding into multiple and diverse sectors means a diffusion of focus. Third, a presence in multiple ventures should have propelled revenue growth. It hasn't.

Navani, for his part, explains why and how digital ventures are different from old-world businesses when it comes to topline, bottom line and valuation. The digital world, he underlines, is about building trust and engagement with users. "I can unlock profit by charging just a rupee or two to millions of users," he says. But the digital world doesn't work this way. The moment, he explains, the consumer feels that he is trying to take money from her, she will gravitate to other platforms. The magic lies in making her feel the need to pay rather than asking her to pay. "Has WhatsApp ever charged money?" he asks. "But it's still a valuable business." Old-world business, he points out, still doesn't appreciate the value of a new-age business. Claiming that the company has a strong foundation in place for growth over the next two years, Navani still pitches for building value, and valuation. "We are on the way to becoming a digital unicorn," he says. F

‘India Continues to Love K-Pop’

Spotify India MD *Amarjit Singh* on insights from the platform’s latest annual audio trends round-up, why India is crucial to its global growth and the company’s expansion plans for the country

By **MANSVINI KAUSHIK**

MADHU KAPPARATH

Amarjit Singh, managing director, Spotify India, says podcasting is relatively young in India, but there is high potential for growth

The Covid-19 lockdown gave a boost to the audio streaming industry. Swedish audio streaming platform Spotify, which launched in India in February 2019, recorded a 29 percent year-on-year growth in its global monthly active users (MAUs) in Q3 2020, reaching 320 million, with the MAU growth buoyed by India.

With the success of podcasts on the platform globally, Spotify in September signed a deal with American production company Chernin Entertainment to create television (TV), movies, and digital-video programming based on Spotify’s original podcast series in the US. The deal also enables it to look at Chernin’s dozens of entertainment projects in development for potential podcasts.

Amarjit Singh, MD, Spotify India, speaks to *Forbes India* about where the country figures in its global strategy.

Q Spotify clocked 320 million MAUs in Q3 2020. What are some of the factors for this and how has Spotify done in India?

Since we launched in India, it has been one of the key markets that has contributed to our growth. We’ve been extremely localised in our strategy and built a strong local team. There are three key areas we’ve focussed on to make Spotify relevant for India.

The first is to have product features designed for India, such as languages, relevant recommendations and playlists, and more, which directly impact user experience. We’ve also launched 25 Spotify original podcasts in India. Our marketing campaigns seem to have struck a chord with users, and third, we have a vibrant artist and creator community in India… we have conducted various masterclasses with labels, artists and their managers on using Spotify to their advantage.

Q With the Chernin deal, can we expect video production for some Indian podcast series as well?

It's only a matter of time before we start seeing local podcasts being adapted for TV series, movies, or other digital video formats. India is still finding its place in the podcast space and based on the data we see there are certain genres that do better than the others, such as those related to society and culture (often self-help podcasts), education, business and technology.

We are open to such conversations in India as we continue to create a stronger lineup of Spotify Originals. Globally, we are focussed on an 'audio-first' approach, and that is also where we will continue to invest locally—to identify podcasts that our listeners want, and if there's potential to convert them into a TV series or a movie, why not?

Q What's the future of podcasting in India?

Podcasting is still relatively young in India, but there is a high potential for growth given the immersive and intimate nature of the medium. The popularity of this new-age form of audio storytelling can be attributed to three reasons. One, listeners want to be told a story and podcasting is perhaps one of the finest mediums for that. Two, they want to learn something new, and podcasts offer insights, whether that means learning a new language, or understanding how technology works. And most importantly, listeners want companionship, and audio is able to break beyond the barriers of video.

Spotify and industry trends show that podcasts will only grow, and this will be led not by a company, but the booming creator community in India. India's diversity in culture will present a tremendous opportunity for regional creators to explore this format, adding more depth and richness to audio content. In fact, a few of the top podcasts this year are in Hindi, Tamil and Telugu.

Q What measures has Spotify taken to further the interests of the Indian creator community?

We are committed to identifying and nurturing the thriving community of independent artists in the country. Along with masterclasses, we also offer 'Spotify for Artists (S4A)' that provides access to deep analytics to understand the artist's audience, music performance, and discoverability on the platform. Today, 10,000 artists from India have claimed their S4A profile.

> **"We are committed to identifying and nurturing the thriving community of independent artists in India."**
>
> [redacted]

Another initiative is RADAR India, which is about marketing artists who have strong potential. The artists get social media support, in-app banners, and access to playlists in other markets.

Q How has the pandemic affected Spotify's operations in India?

According to IMI, the audio streaming industry maintained steady growth with over 200 million listeners tuning into music streaming services. However, what changed was what users listen to and when. While pre-pandemic, listening was associated with commute hours, now audio is a break from screen time throughout the day. Users are tuning into music and podcasts during workouts, cooking and even sleeping.

Q What have you learnt about Indian listener preferences through Spotify Wrapped, 2020?

Our 'Wrapped' audio trends for India spoke deeply of India's evolving taste in audio. India continues to love K-Pop, and this has been consistent since the day we launched. This is especially true for K-pop band BTS, and not just in the metros, but across states like Bihar, Punjab, Rajasthan, Kerala, and even the seven sisters in the Northeast.

Approximately 50 percent of the most-streamed were Bollywood tracks, and the rest were a mix of international and non-film tracks. When it comes to genres, Desi Hip Hop was most streamed in the first three months, and then listeners moved on to Desi Pop. Our local listeners also consumed unique genres such as Brostep, Indie Poptimism, Deep Big Room and more.

In terms of podcasts, Indians show a strong preference for content in the 'Society and Culture' genre, with motivational shows such as TED Talks Daily, The Ranveer Show, and On Purpose with Jay Shetty being a few of the most-streamed podcasts. Additionally, the talk-show formats such as The Michelle Obama Podcast have also been heavily streamed.

Q What are the expansion plans for Spotify in India?

We have a long-term strategy. In the near future, we are looking at continued localisation, which includes more marketing campaigns that reach audiences beyond our core markets in India, with cultural nuances that matter to them. Moreover, we want to go deeper into the market for creators and partners. We see potential for more regional brands to work with Spotify. F

COURTESY SRINIVAS GOKULNATH

IT'S ALL ABOUT THE BIKE

Colonel Srinivas Gokulnath's efforts to train youngsters in war-ravaged South Sudan is giving young girls a taste of freedom

By **SHAIL DESAI**

▲ Colonel Srinivas Gokulnath introduced cycling among displaced South Sudanese girls, which was a taboo of sorts among them

Over the last decade, Colonel Srinivas Gokulnath, 38, has taken on some of the most challenging cycling projects in India and around the world. Whether it's riding 4,000 km from Leh to Kanyakumari in 2014, or as the first Indian to finish the gruelling Race Across America (RAAM) three years later, endurance cycling is a passion project he has chased alongside a successful career in the Army Medical Corps.

All that changed in March 2019 when Gokulnath was deployed in South Sudan as part of the United Nations Peacekeeping Force. He found himself in one of the youngest countries in the world—South Sudan earned its independence in July 2011—which is struggling with internal strife and ethnic violence, the repercussions of a brutal seven-year civil war that started in 2013. A 2018 report by the London School of Hygiene and Tropical Medicine pegs the casualty of the civil war at 3,83,000, which also includes deaths due to diseases and malnutrition.

Clearly, Gokulnath had his hands full. His

personal ambitions were momentarily put on hold; and yet, it didn't mean putting a stop to cycling. Since June last year, he has used cycling as a means to bring about positive changes in the lives of the girls in Malakal, the second-largest city of South Sudan, which is around 500 km north of its capital, Juba, where he is posted.

"Before the 2013 conflict, Malakal was a flourishing town with many universities, medical schools and an international airport. But the mass destruction didn't spare anything or anyone. It was evident from the moment I landed in Juba. The road towards the United Nations camp in Malakal also had tell-tale signs of war," Gokulnath recalls.

A short distance from his base in Malakal is another camp for Internally Displaced People (IDP). It houses around 35,000 people who have been displaced from their native villages due to the civil war. As of October 2020, the United Nations High Commissioner for Refugees estimates there are 2.18 million refugees and asylum seekers from South Sudan.

▲ Each weekend, the football ground turns into a cycling arena of sorts for girls aged between 12 and 20

"Life is tough in these camps—a constant struggle for food, water and shelter. A lot of people suffered massive loss of life and property due to the civil war. I realised how lucky I was to be on the other side," says Gokulnath. "Being a doctor, my primary task is to render medical care to the patients evacuated by air. At the same time, I felt a moral responsibility to bring about positive change in the lives of the people."

Gokulnath had grown up in Devasandra, a suburb of Bengaluru, where as a child he would take his father's bicycle and go exploring the neighbourhood. But he is no stranger to enduring hardships and taking on personal battles, from which he's bounced back time and again. In 2006-07, he spent six months on the Siachen Glacier, tending to frostbitten soldiers and rejuvenating their spirits in the harsh mountain environment. During another posting in Kashmir in 2012-15, when cycling outside army camps wasn't an option, he would train on a rough track within the camp to prepare for the demands of ultra-cycling.

He even waged a lonely battle for 11 days in

2016 during the RAAM, a 4,828-km coast-to-coast cycling race. Unfortunately, he became so fatigued during the 12-day race that he failed to keep up with the race cut-off times and eventually had to pull out. The disappointment only made him more determined, and once back in Nashik, where he was then posted, he trained resolutely for long hours while balancing his day job. The following year, he went back stronger to create history for India, by becoming the first countryman to finish the event.

When he arrived in South Sudan, the lack of metalled roads and security concerns made it evident that riding outdoors was not an option. Yet, he continued cycling on an indoor turbo trainer to keep himself fit for future races. Once he settled into a routine, he decided to go beyond the call of duty to bring relief to a community in distress.

Gokulnath realised the plight of youngsters, who had little to look forward to. A month after his arrival in June, he started a meditation and yoga programme each weekend at the IDP camp's youth centre, which saw a hundred youngsters coming in by November. "For the peace-building process to work, I firmly believe that the minds of youngsters need to be in a calm state. During the first few days, they found it strange to sit quietly in one place, but they were always interested in learning. They soon started enjoying the sessions, a few even going on to teach others once they got a hang of it," he says.

Once he started mingling with the residents of the camp more frequently, he gained an understanding of the status of women in South Sudanese society. He realised that though they were hardworking, willing to learn new skills and had a progressive outlook towards education, there were a number of taboos associated with them. "Despite their position in society, they didn't hesitate when it came to welcoming any kind of change for their upliftment," he says.

According to Gender Concerns International, women comprise 60 percent of South Sudan's population—a consequence of the relentless conflict over the years that has resulted in high male casualties. Over 90 percent of women are illiterate, while 50 percent of girls are married off by the time they are 18. With 51 percent of the population under 18 years, Gokulnath made up his mind to take cycling to the girls.

"Riding a bicycle is a kind of taboo for girls in South Sudan. I was unsure about the girls' willingness towards the idea. But on the first day, over 50 girls showed up and I had just three bicycles to work with," he says.

Each weekend, the football ground at the youth centre was transformed into a cycling arena of sorts. After the first few sessions, the girls hopped on to a bicycle and pedalled off tentatively, often bumping into each other and eventually falling. A few ended up with bruises, but would be up in a jiffy, dusting off their clothes with a big smile. Their energy was infectious, enough reason for Gokulnath to consider raising funds to source more bicycles. He launched the 'Girls Ride A Bicycle' fundraiser last November, where he ran 96 km (in laps around the perimeter of the camp) in 12 hours and raised $1,500 from UN staff and humanitarian agencies to buy 14 bicycles.

Gokulnath has also started a meditation and yoga programme for youths displaced due to the civil strife in South Sudan. He feels the restive youngsters have to have a calm state of mind if the peace-building process is to work

FROM ABOVE: ANDREEA CAMPEANU / REUTERS / REUTERS; GORAN TOMASEVIC / REUTERS

"It's the longest I've ever run—all night, from 6 pm to 6 am. Once we had the bicycles, around 20 girls started coming in each week, and by this March we had around 100 who were proficient in cycling," Gokulnath says.

For the girls, aged between 12 and 20, cycling has been liberating, with a few of them riding as far as 20 km around the camp on occasions. "I can commute anywhere I want to without being dependent on anybody. Cycling to me means freedom," says Cecilia (14), who has been at the camp since 2013 and has been cycling for 15 months.

When Covid-19 brought a temporary halt to the on-ground activities, Gokulnath used the time to plan ahead. Once the situation in South Sudan gets better, he hopes to take the girls on an East African bicycle expedition, besides facilitating the construction of an outdoor gymnasium. "I have discovered that there is so much joy in giving, rather than taking. The purpose of life is to make a positive impact in the lives of others," Gokulnath says. F

‘IPL IS THE WORLD’S BEST DOMESTIC CRICKET TOURNAMENT’

In a recent book, Rajasthan Royals owner Manoj Badale and acclaimed cricket journalist Simon Hughes track the franchise’s evolution, and the league’s upward trajectory

By **KATHAKALI CHANDA**

When Indian Premier League’s (IPL) former commissioner Lalit Modi had first told Manoj Badale that he was looking to raise $100 million from the franchise auction of a cricket league that no one had yet heard of, Badale had a good laugh. Born in India and brought up in England, he was a founding partner of venture builders Blenheim Chalcot, and had an inherent love for cricket—earlier, along with co-founder Charles Mindenhall he had built a company to acquire the commercial rights to run English county Leicestershire. While that faced a few hitches, Badale turned his focus to investing in the game in the sub-continent.

But would Modi’s league live up to his lofty ambitions? Thirteen years on, the answer is a no-brainer (even as IPL’s architect has since been banned for life over financial irregularities and is in exile in London). From its initial TV rights of $1 billion, forked out by Sony Sports for a period of 10 years, IPL broadcast rights now command a whopping $2.5 billion for five years (acquired by Star Sports in 2018).

What makes IPL, one of the few profitable sporting leagues in the world, such an attractive proposition? Badale, the lead owner of the franchise Rajasthan Royals (RR), explores in a book, *A New Innings*, co-authored with acclaimed cricket journalist Simon Hughes. Initially meant to document the “roller-coaster ride of the Rajasthan Royals”, the book evolved into a discussion on the

Rajasthan Royals skipper Steve Smith (left) and MS Dhoni, captain of the Chennai Super Kings, during IPL 2020 in Abu Dhabi. The tournament was held without spectators due to Covid-19

COURTESY: BCCI

business and future of cricket. “And then it was completely unreadable,” says Badale, “at which point Simon, a very old friend, decided to jump in.”

“I thought this was the kernel of a very good story. But it needs a story to make it readable and interesting to a wider public,” says Hughes, an award-winning sports writer. In an interview to *Forbes India*, he and Badale give us a peek into their insights. Edited excerpts:

Q What are the top three reasons why the IPL has turned out to be so successful?

Manoj Badale: A focus on creating a product that had media rights and entertainment at the centre of its design; a league format that ensured as much a level-playing field as possible [with player salary caps for each franchise ensuring a richer franchise didn't pick up all the top players]; and a narrative in a production that has as wide an audience appeal as possible, taking it beyond just the cricket fan.

Simon Hughes: The entertainment factor has brought in female audiences. According to the TV viewership data, about 42 percent IPL viewers

in 2019 were women, up from 28 percent in 2008, when the league started. That does transform the appeal of the game. Besides, the money that was available from media rights and private investors enabled the teams to buy the best players in the world. But bringing them all together has made them excited to play against each other. A lot of people think the IPL is just about money and the players are going to come because they are paid so much. There is a bit of that, but at the same time they are also getting to interact with the best players on and off the field. That enhances its value for the players individually.

Q IPL 2020, held in a bio-bubble, was devoid of much of the glamour and glitz. Do you think this will mark a fundamental shift in the tenor of the tournament?

SH: One of the reasons this IPL was so successful was because the crowd, while being a very important part of a sporting spectacle, is not the fundamental part. The players are so excited to play against each other that they almost don't notice the lack of a crowd. From a sporting spectacle point of view, it was brilliant. Because the players aren't distracted by the crowd, or the sort of media responsibilities they have, or the kind of congestion and travel required to tour around India. They were all in one place and they had one focus, which is to play well.

MB: I don't think it will change the tone of future tournaments. You can't extrapolate too much from the tournaments that are taking place during the coronavirus pandemic. I think Simon's right about the quality of cricket being exceptional and that's why the last tournament was so successful.

"THE ENTERTAINMENT FACTOR HAS BROUGHT IN FEMALE AUDIENCES FOR THE IPL. THAT REALLY DOES TRANSFORM THE APPEAL OF THE GAME."

SIMON HUGHES, cricket journalist

That said, I do think the crowds, and especially Indian crowds, and the creation of events around the match are important parts of the experience.

Q Most IPL teams come together for a very short period of time. How do you build a team culture within that period?

MB: That's the toughest challenge for the cricket leadership group. I think it's the toughest challenge in world cricket to gel the squad that brings disparate players together in such a short period of time. It is a question for the captain and the head coaches. If you look at the most successful teams, and we haven't been that successful in recent times, there is a tight linkage between the head coach and the captain, who form the backbone of the playing squad. And there's a clear set of values that the franchise stands for because you're trying to get the players to play for more than just money.

SH: Players who have played for the Rajasthan Royals have talked about it being an inclusive family. There's a sort of caring, pastoral aspect to the Royals. Another thing RR has done differently and other teams have copied probably a bit is bringing on young players and giving them an opportunity to play at a level close to the international level. It's also one of the reasons why India is such a dominant cricketing country now.

Q As a franchise owner, where do you draw the line of intervention?

MB: It is a really important line to be drawn and since Season 1 we've always maintained that the cricket leadership runs the cricket. I'd be disingenuous if I said there aren't times when I expressed views to the cricket leadership. I think all owners do that and that's fine. But, fundamentally, you have to leave the final decisions on selection, coaching environment, coaches etc to the cricket leadership. And the dressing room has to be the sanctity of the coaches and the players.

"[AS AN OWNER] IT IS REALLY IMPORTANT TO DRAW THE LINE FOR INTERVENTION. THE DRESSING ROOM HAS TO BE THE SANCTITY OF THE PLAYERS AND THE COACHES."

MANOJ BADALE, lead owner, Rajasthan Royals

Q You've mentioned how the spot-fixing scandal in 2013 rattled the players and the management alike. And in 2015 RR was suspended for two years due to alleged illegal betting. How does an enterprise turn around after facing hard knocks?

MB: That was, without question, the toughest managerial challenge I've seen either in cricket or outside it. Three things come to the fore in situations like that. One, people can write down values and what the corporation's culture is. But, in those moments, you test whether or not those values actually have the resilience that you'd like to think they'd have. Second, rely on your leaders, in this case Rahul Dravid and Paddy Upton, to rebuild the trust or, in our case, remind the players of the trust and the values that were there. And third, as an owner, you have to commit at the time or straight after, to really investigate and understand what you could have done differently to ensure the situation isn't repeated.

The Board of Control for Cricket in India (BCCI) and the IPL have taken many steps. But till we have the issue of the increasing influence of gambling and gaming, it's going to create an existential risk for the game. I don't think you can ever remove the risk, all you can do is manage it. Regulators need to take steps for that, but so do the franchisees and the government. It's a reality of India, which is the dominant market for cricket, that gaming and gambling are both on the rise. Until there is more transparency around the regulation of that industry, we will face the threat of nefarious activities. The BCCI has invested a terrific amount in anti-corruption protocols, working closely with the International Cricket Council. As teams, we need to invest in the education and awareness of players.

Q RR has been known as a team with a moderate budget. Do you think it has come in the way of building it into a brand like Mumbai Indians or Kolkata Knight Riders?

MB: If we were being self-reflective, our strategy of frugality served us well in the early years. But, as I say in the book, I think we held on to the strategy for too long. I think we underestimated the importance of Indian star player power. Ultimately, it has affected the rate at which we've built the brand. So, it's a fair criticism.

Q Will there be a course correction soon?

MB: I don't know. You pick your players on the basis of their performance and your team on the basis of ensuring the best balance. When you are mid-flight, in the middle of a three-year cycle of contracts, it's dangerous to jump from one strategy to another. Over time, we have to think about the Indian star player presence. But, equally, the IPL now creates many more stars, far quicker than we were ever used to.

Q From one IPL in 2008 to a number of T20 leagues around the world. Will this format dominate the cricket calendar, and will international schedules be worked around them?

SH: It's a difficult question for the game's global regulators in terms of player workload, especially in the environment of bio-secure bubbles, where the artificiality of the environment, time away from families and the relative isolation are exaggerated. I do think a player's mental health and time away from the game are going to become much more important over the next 12 to 18 months than ever. The only way you can have that is with a balanced schedule. And that will force a debate about the number of leagues and the number of formats. And the players will have to pick and choose. In the end, if they play too much, their performance will be affected and their market price won't be high. F

'THERE'S A MISCONCEPTION THAT NEW MATERIAL INNOVATIONS ARE AROUND THE CORNER'

Katrin Ley of Fashion for Good talks about the many complexities of creating eco-friendly materials

By **JASODHARA BANERJEE**

The search for sustainable alternatives to existing materials in the fashion industry—one of the world's most polluting sectors—has increased in the last few years, as brands consider their environmental and social impacts, and consumers raise ethical concerns. This has given rise to an excitement around 'bio-materials' as alternatives to existing materials used in the fashion industry.

Bio-materials, however, remain an ill-defined category, with words such as bio-fabricated, bio-synthetic or bio-based used in relation to innovations in this space. Fashion for Good, a global platform for sustainable fashion innovations, teamed up with Biofabricate, a platform for bio-material innovators and brands, to conduct interviews with more than 30 global material innovators and consumer brands, and has compiled the learnings to help the fashion industry understand these various terms and innovations.

Its report titled 'Understanding bio-material innovations: A primer for the fashion industry' was released on December 7, and provides definitions representing key material technologies being practised today, a model to understand these different technologies, key steps in the production of such materials, and potential inputs and outputs to help identify impact hotspots.

In an interview with *Forbes India*, Katrin Ley, managing director of Fashion for Good, explains the innovations taking place to create materials with reduced environmental and social impact, and the road to making these materials commercially viable. Edited excerpts:

Q What makes a fabric truly sustainable?

All materials have different environmental and social impacts associated with them. Conventional cotton production accounts for one-sixth of all pesticides used globally, impacting farmers

ALINA KRASIEVA PHOTOGRAPHY

and local communities with harmful chemicals. Polyester, one of the most commonly used fabrics, can take over 200 years to decompose. What's important is that each brand is aware of its most commonly used materials and works towards implementing better supply chain and manufacturing processes associated with these materials. That could be transitioning towards BCI (Better Cotton Initiative) or organic cotton or using recycled polyester. There are often more sustainable options for conventional fibres and it's about having a strategy and/or commitments to move towards these better materials.

Q What are the different kinds of bio-based materials?

Bio-based materials include everything from conventional and non-animal 'leathers' that contain fruit or vegetable waste combined with synthetic polymers, to a pure cotton fabric or indeed a polyester-cotton mix. All bio-materials are bio-based, but the bio content can vary radically, from less than 10 percent to 100 percent. Most bio-synthetic, bio-fabricated, or bio-assembled materials can also be described as bio-based. Some bio-synthetic materials are bio-based but not bio-fabricated, while some contain bio-fabricated ingredients that use living organisms—such as microbes, rather than plants or animals—in their production. All bio-assembled materials use living organisms to grow into the actual macro material structure *(see box)*.

Q Can natural fibres really be sustainable?

All fibres have an environmental impact, from raw material extraction to end-of-use. The impact of these different materials varies depending on the hotspots you are looking at, for example carbon emissions, chemicals, water, end-of-use, etc. Synthetic fibres, for example, are produced using non-renewable, virgin resources and also shed micro-fibres during use. On the other hand, a lot of natural fibres require land to grow the materials.

Bio-materials cover a wide range of different materials. It is crucial to be able to evaluate the environmental and social impact of new innovations to understand that overall these new materials have a lower footprint than those they are looking to replace. Data plays a key role in this. Bio doesn't always mean better, and we do need to be able to validate sustainability claims. It's important for innovators, brands and manufacturers alike to have an understanding of how these new innovations fit into the existing ecosystem.

▲ A dress designed by Stella McCartney that has been dyed by Colorifix, using engineered micro-organisms

"BIO DOESN'T ALWAYS MEAN BETTER. IT'S IMPORTANT FOR INNOVATORS, BRANDS ETC TO UNDERSTAND HOW THESE INNOVATIONS FIT INTO THE EXISTING ECOSYSTEM."

Q Are bio-materials the sustainable alternative to existing fibres used in the fashion industry?

Bio-fabricated or bio-assembled materials can be used as replacements for existing materials such as silk, nylon or leather. Companies such as AMSilk, Bolt Threads, Ecovative, Modern Meadow, MycoWorks, and Spiber represent a new generation of material innovations that combine expertise in organism design and engineering, fermentation and materials science. Such a coming together of disciplines would previously only have been possible by the likes of a DuPont, DSM, BASF etc. It is still the beginning of a material revolution that will unfold over the coming decades. The promise of these technologies is that designed biology allows access to all the benefits of nature's performance, aesthetics, comfort and beyond, but without the same environmental

COURTESY: PRESSTIGIEUX

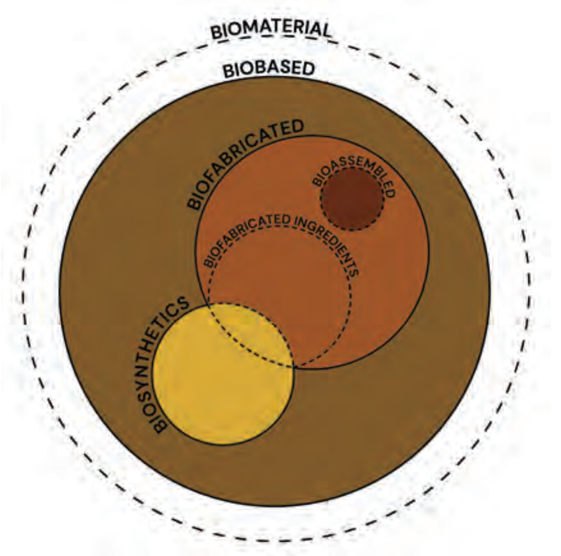
footprint. Currently, the demand for new bio-material innovations massively outstrips supply, especially in the newer bio-fabricated sector.

Q Do you foresee these new materials completely replacing existing fibres in the future?
There is a common misconception that these radical new material innovations are 'just around the corner'. Contrary to the sense one might get from media reports, only one or two bio-fabricated textile products are in the market in 2020. One example is German company AMSilk's bio-fabricated watch-strap with luxury brand Omega (launched in 2018), while in 2019 Japanese company Spiber launched a limited edition series of jackets in collaboration with The North Face and couture collections with designer Yuima Nakazato and T-shirts with Sacai. It's unlikely that these new materials will completely displace existing materials. Alongside innovations in this space, we still need innovations to continue to develop in the wider materials space. For example, chemical recycling or utilising waste feedstocks to make natural fibres.

Q What are the challenges of making sustainable fabrics commercially viable?
While all entrepreneurs seek to get to market fast, the reality of scaling these complex technologies is that they take time, and many 'bumps' are likely to be encountered along the way. From engineering cells to produce proteins, scaling organisms from petri dishes to large fermentation facilities, until they are able to spin them into fibres or into materials, each process requires specialised expertise and equipment. This is why some companies choose to partner strategically. Even so, scaling the technology can take months to years.

The challenge of transitioning a new technology from pilot or demo scale to being able to supply consistent quality and volume for running on a commercial manufacturing line is often referred to as the 'valley of death'. Factors affecting scalability also include access to sufficient capital, affordability, reliability, supportability and so on. None of the bio-fabricated material innovators today have yet bridged that gap, though a few are about to attempt to do so.

Both Spiber and AMSilk were founded over a decade ago—an indication of the true length of time it takes to bring a bio-fabricated material to market. Neither company is producing commercial volumes at a global scale yet, though Spiber's first commercial scale plant is due to come online in 2021, and



The Many Kinds Of Bio-Materials

- Bio-based materials include everything from conventional as well as non-animal 'leathers' that contain fruit or vegetable waste combined with synthetic polymers, to a pure cotton fabric or indeed a polyester cotton mix. For example, cotton, viscose, plant-based leathers
- Bio-fabricated ingredients only include microbially produced building blocks for both 'natural' and 'synthetic' polymers, such as, respectively, silk and nylon. For example, spider silk
- Bio-synthetic materials include the production of chemicals for 'synthetic' polymers, such as precursors for nylon and polyester, obtained via catalytic conversion of biomass, or bio-fabricated using living microbes in fermentation processes. For example, polyhydroxyalkanoates
- Bio-assembled materials include 'leathers' grown by mycelium, bacteria or mammalian cells

AMSilk is on track to scale production for a major brand partner launch in 2021. Bolt Threads plans to launch products made of Mylo with its consortium of brand partners in 2021, while MycoWorks, having debuted Reishi in February 2020, is also set to announce brand partners this year.

Q Which are the countries and companies most actively involved in promoting the making and use of sustainable fabrics?
We see innovations coming from across the globe. It's important for all stakeholders throughout the supply chain to be involved in the innovation development process. To help move faster in scaling innovations, stakeholders in the industry, such as brands, manufacturers and investors, are looking to consortia. These types of engagement models were discussed during several interviews, with a few startups actively seeking to put these in place. Some in the field have already announced powerful partnerships. For example the consortium formed by startup Bolt Threads with Adidas, Kering, Lululemon and Stella McCartney, will launch its Mylo 'unleather' in 2021. F

OF INDIAN ENTREPRENEURS

HAROLD CUNNINGHAM / GETTY IMAGES

I don't believe in taking right decisions, I take decisions and make them right.

—RATAN TATA, FORMER CHAIRMAN, TATA GROUP

You cannot get into business for the fashion of it.

—AZIM PREMJI, WIPRO

The appetite of a horse is different from that of an elephant.

—RADHIKA AGGARWAL, CO-FOUNDER, SHOPCLUES

Rules of Hiring #1: If there is doubt, there is no doubt. Rules of Hiring #2: Always hire people who are smarter than you.

—SACHIN BANSAL, FOUNDER, FLIPKART

Create an organisation that is designed for scale, otherwise, you will never get there.

—ASHOK SOOTA, FOUNDER, HAPPIEST MINDS

NISHANT RATNAKAR

Never hire someone to do your initial sales. In fact you should acquire your first hundred customers yourself.

—SHASHANK ND, FOUNDER, PRACTO

Raise money from investors who are more excited about the BUSINESS or MARKET than the TEAM. They can help discover amazing opportunities.

—ABHISHEK GOYAL, FOUNDER, TRACXN

AMIT VERMA

Scale is important for a startup. Think big, but take one day at a time.

—KUNAL BAHL, CO-FOUNDER, SNAPDEAL

NISHANT RATNAKAR

If you fully accept the worst that can ever happen in your journey, fear won't ever be an obstacle in starting-up.

—KUNAL SHAH, FOUNDER, CRED

Don't be a jerk! Even if you are brilliant, don't be a brilliant jerk.

—GIRISH MATHRUBOOTHAM, FOUNDER, FRESHWORKS

It is extremely important to build something that a 100 people absolutely love using rather than making something that a 1,000 people would just, kind of, like.

—RITESH AGARWAL, FOUNDER, OYO

NILOTPAL BARUAH

It's a long, long road. Sometimes all you need are people who pat your back and say, carry on. Thank you to everyone who encourages.

—SHRADHA SHARMA, FOUNDER, YOURSTORY


remoteworkware
Free your employees to work more securely from anywhere.
With remote work solutions from VMware, your team members can stay connected and productive, wherever they are—and your organisation becomes more resilient.
vmware.com/in/possible/resilience
VMware is part of Dell Technologies.
© 2020 VMware, Inc. VMware and Realise What's Possible are trademarks of VMware, Inc.
vmware®
REALISE WHAT'S POSSIBLE.™