

SPECIAL ISSUE

# Business Today

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## CHAMPION OF CHAMPIONS

BT-PwC study of  
**India's Best CEOs**  
throws up new winners

**Mukesh D. Ambani**  
Chairman & MD  
Reliance Industries Ltd.



# The Leadership Mantras

**T**OP-PERFORMING CEOs come in all shapes and sizes and personalities. There are the highly gregarious extroverts who love talking and interacting with employees, customers, shareholders and industry peers. Then there are others who prefer to keep themselves away from the limelight and say no to many public engagements. And though they all work exceptionally hard, their work hours and habits vary widely. Many tech CEOs take pride in getting up at 4.30 am, starting the workday at 5-5.30 am, and then working till late in the night. Tim Cook of Apple and Elon Musk of Tesla are both known for their insane work hours. Equally, the billionaire business magnate from Mexico, Carlos Slim Helu, and his British peer, Richard Branson, have been advocating three- or four-day work weeks, pointing out that this will probably improve productivity dramatically and lead to better work-life balance, apart from avoiding of burnouts, leading to longer working lives.

Some travel extensively – covering continents in their business jets and travelling up to 200 days a year. Others are rooted to one or two cities, preferring to spend much of their time in headquarters or centre of command.

They do have a few things that separate them from the rank and file executives, though. Most have a broad view and many are quick to spot opportunities that ordinary mortals would dismiss. They are amazing risk takers with nerves of steel, but never foolish risk takers. And finally, they have decided on their strengths and focus areas – instead of trying to do everything, they choose what they consider as important, and then keep track of it. They all have a clear vision about where they want the business to go, and then communicate it relentlessly and align their entire organisations around that common goal.

The annual *Business Today* Best CEO survey always throws up new insights into what separates the truly great business leaders from the rank and file. Both the new entrants to the list as well as those who have managed to stay in the elite ranks for several years have many lessons to teach and insights to share. Remember that every year the jury chooses the best CEO in each category from a shortlist of two or three arrived at after a rigorous quantitative exercise that takes into account their medium-term performance in terms of revenue and operating profit growth, apart from fiscal prudence, shareholder returns, and other such parameters.

Over the past decade or so, the job of the CEO has become tougher than ever because of the numerous disruptions – policy as well as technological – that they have had to deal with, but the leaders who are profiled in the current issue of the magazine have all navigated those tricky waters with aplomb.

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Bandeep Singh

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ILLUSTRATION BY AJAY THAKURI

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### BUILT IN VIRTUAL REALITY

*Virtual reality has been mostly good for games and entertainment, but Ford is now using it to design cars*

#### An **IMPACT** Feature

From time to time, you will see pages titled "An Impact Feature" or "Advertorial" or "Focus" in *Business Today*. This is no different from an advertisement and the magazine's editorial staff is not involved in its creation in any way.

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### PERSPECTIVES

#### Why Sterling Holidays Is Pivoting Its Business

*Sterling looks at expanding its offering beyond food and accommodation, catering to holiday customers in a more focussed way*  
[businesstoday.in/sterling-strategy](http://businesstoday.in/sterling-strategy)

#### RBI Policy Preview: May Be Right, But Not Perfect Conditions to Cut Interest Rates

*The RBI has already changed the inflation projections six times. And inflation should be low and stable for a long time for a cut in interest rates*

[businesstoday.in/rbi-inflation](http://businesstoday.in/rbi-inflation)

#### Who Will Buy ZEE?

*Zee Entertainment is desperate to sell its stake. The names doing the rounds are Comcast and Tencent. Who is going to have it? Only time will tell.*

[businesstoday.in/zee-stake.sale](http://businesstoday.in/zee-stake.sale)

### NEWS

#### Loan Default Concerns Loom Large over Real Estate

*To meet debt obligations, developers need to increase their EBDIT by 1.92 times. And to make profits, they must double sales*

[businesstoday.in/realestate-default](http://businesstoday.in/realestate-default)

#### Co-working to Replace 25% Conventional Office Space This Year

*More than 50 million sq.ft. of office space leases are set to expire across India in 2019, with annual rental at around ₹3,000 crore*

[businesstoday.in/office.space-renewal](http://businesstoday.in/office.space-renewal)

#### ₹7.8 Lakh Crore Tax Revenues Stuck in Disputes

*Major disputes – on direct taxes, corporate taxes, indirect taxes and service taxes – date back to over 10 years, but a bulk of the amount stuck is from recent years*

[businesstoday.in/taxrevenues-dispute](http://businesstoday.in/taxrevenues-dispute)



# THE BUZZ

P.14 END OF THE ROAD

POLICY

## ELECTORAL CUT

THE RBI SURPRISED THE MARKET WITH A CUT IN REPO RATE AND MAY WELL FOLLOW UP ITS INFLATION BET WITH ANOTHER RATE CUT.

BY ANAND ADHIKARI  
ILLUSTRATION BY  
RAJ VERMA

**FIRST, IT WAS A** 'farmer-friendly' Interim Budget, and now clearly, the Reserve Bank of India's new Governor, Shaktikanta Das has stepped up. Betting on a benign inflationary scenario, the RBI expects the Consumer Price Index (CPI) or retail inflation to remain below 4 per cent in 2019. Based on the lower inflation outlook, the Monetary Policy Committee (MPC) decided to reduce the repo rate by

25 basis points to 6.25 per cent; and given the inflation trajectory, there may be another cut this April.

Domestic economists and global observers alike were surprised by this rate cut since they expected a 'hold'. While the move certainly supports growth, the RBI's inflation projections are quite optimistic. To begin with, the RBI has been consistently missing its

inflation projections for the past one year. The CPI was below 4 per cent for only five months and there is no long-term sustainable trend of low and stable CPI. Core inflation (sans volatile food and fuel), meanwhile, is still sticky, and there are no signs of stabilisation in prices of education or healthcare. There is a possibility of fiscal slippages in an election year.

Now add to that the fact that crude oil prices

are volatile owing to geopolitical tensions – for instance, US sanctions on Venezuela, an oil producing country, could hurt oil supplies in the near future. The risks to inflation were probably why the MPC's rate cut decision was not unanimous with two of six members voting against it. Now it'll be all about how inflation plays out. **BT**

@anandadhikari



## CHANNEL PRICING

## It's Confusing

## IS THE NEW TRAI

regulation on TV channel pricing really consumer friendly? Ostensibly, the intent was transparency in the television distribution eco-system and allowing consumers to pay for what they watch. The very first week, cable TV networks discarded pay channels in Tier II & III markets, and left consumers wondering whether it was worth the effort to draw up their own subscription lists and call the cable operator.

Ironically, broadcasters, for their part, had been aggressively promot-



ing their respective bouquets for over a month. For instance a consumer who buys multiple Star Plus a-la-carte channels would pay ₹19 per channel while a basic Star package with its standard definition channels costs only ₹45 – making the bouquet a more cost-effective option if the person wants more than two channels

from the Star portfolio.

But by saddling consumers yet again with channels they don't want, the entire purpose has been defeated.

-Ajita Shashidhar.

## PHARMA

## AILING WITH UNCERTAINTY

**WITH NOTHING** in the Budget and the country headed for elections, an unpredictable regime for Indian pharma could hurt long-term investments in the sector, say industry representatives.

Speaking to *Business Today*, D.G. Shah, Secretary General of the Indian Pharmaceutical Alliance – which has leading Indian phar-

maceutical companies as its members – sees problems on three fronts: pricing, regulatory and exports. Pricing – no clarity on what will be covered by the price control mechanism; On the regulatory side, unpredictability through sudden decisions such as the ban on manufacture of oxytocin injection and allowing only Karnataka Antibiotics to make it;

Exports – not enough done to help firms deal with globally emerging tariff and non-tariff barriers. "The United States of America is reviewing inbound duty free access for certain products from India... Nations such as Saudi Arabia and Vietnam are raising barriers because they are keen to promote local manufacture," says Shah.

-E. Kumar Sharma



## AUTO

## END OF THE ROAD

## MORE STRINGENT CAR

safety norms that kick in between July and October this year in India will mean the end of the road for a number of older nameplates including Maruti Omni and Gypsy, Tata Nano and Safari, and Mahindra Xylo. New norms mandate that every car is fitted with a driver side airbag, speed warning system, seatbelt reminder, rear parking sensors and better structural stability to withstand crash test norms. These cars would then be unviable. With the exception of the Omni, among the oldest running cars in India, which continues to sell in decent numbers, most manufacturers have opted out of upgrading other cars due to poor sales. The safety norms will also herald the gradual collapse of the Fiat brand in the country as the Turin-based firm plans to focus on its Jeep brand in India and phase out the Linea and the Punto. – Sumant Banerji.







## THE BUZZ

IL&FS

# LONG ROAD AHEAD

**IN STARK CONTRAST** to fraud-hit Satyam, a solution for the Infrastructure Leasing and Financial Services (IL&FS) case will take some months. There are a staggering 348 entities under the IL&FS umbrella – a three-tier structure of a holding company, subsidiaries, and hundreds of Special Purpose Vehicles. The total loan staring at a default comes to ₹91,000 crore and there's no resolution in sight even four months

after the government took control. Unloading assets is difficult, as bidders simply aren't offering good prices. There are concerns about presenting a true and fair picture of the group's assets and liabilities. And, now, the government is trying a more clinical approach dividing assets based on their ability to meet payment obligations. This valuation or pricing will be critical to the eventual solution. But that still is some months away.  
– Anand Adhikari

## E-COMMERCE

# Staying in the Game

E-commerce giants Flipkart and Amazon are putting up a brave face despite the havoc the changes in the Foreign Direct Investment policy wreaked on them. The new controlled regimen,

according to CRISIL estimates, has meant that e-commerce companies could lose nearly 35-40 per cent of e-retail sales, and revenues of around ₹35,000 - 40,000 crore. At the outset, Amazon appears at a disadvantage since it owns equity in Appario and Pri-one – its biggest sellers. Both firms are busy restructuring vendor sourcing, discounting strategy, and investments in step-down companies to ensure compliance. Ambiguity in clarification PN2 (the policy change notification) has left several grey areas, especially about whether these firms are permitted to use capital instruments to own a part of seller companies. But with Reliance planning to enter the e-commerce arena, and billions of dollars already invested, backing out of the Indian market is not an option for either Amazon or Flipkart. – Rukmini Rao



## MARKETS

# Billion-Dollar Question

**THE INDIAN STOCK** market is staring at a \$1 billion question! India may see this aggregate outflow if global index provider MSCI changes its methodology to compute Foreign Ownership Limit (FOL). India's weightage in the MSCI Emerging Market index will reduce from 8.78 per cent to 8.55 per cent. Presently, the MSCI counts shares in Depository Receipts (DRs) and domestic free-float shares when calculating the weight of a company on its indices. But DRs are not liquid for the most part, and foreign investors prefer buying shares directly from the domestic market. The MSCI now proposes to exclude DRs when calculating FOL, which experts say is logical. Moreover, this will bring MSCI on a par with India's new norms where the RBI and the SEBI consider DRs as part of the sector limit and not the FPI limit. The MSCI will decide on the proposal by end March and the odds are by May this year these would be implemented.

– Aprajita Sharma



## THE BUZZ

### AVIATION

## THE EMPEROR'S NEW CLOTHES

**IS AIR INDIA** up for sale yet again? Some reports say the government is considering divesting stake in the national carrier and plans to float an Expression Of Interest (EOI) by mid-2019.

Documents from the Interim Budget show that the government earmarked just ₹1 lakh for Air India's 10-year Turn Around Plan (TAP) approved in 2012 by UPA-II. Instead, a larger share - some ₹3,900 crore - will go towards Air India Asset Holding Limited (AIAHL), a Special Purpose Vehicle set up to transfer some of Air India's ₹55,000



crore debt. Allocating money for an SPV but not the TAP is probably indicative of the government's line of thought. The Modi-government, however, failed to get rid of the ailing Maharajah last year and one wonders how it will market the sale this time around. - Manu Kaushik

### BANKING

## IDBI Bank Under LIC's Care



**HAVING CLAIMED** the dubious distinction of featuring among the worst ranked banks in India, the IDBI Bank now has a new owner - one with deep pockets. The behemoth Life Insurance Corporation of India is now the new promoter for this bank whose NPAs are among the highest in the country. LIC's entry does address the capital issue but there are bigger problems to sort out.

First, higher provisioning, and faster recovery to clean up the NPA mess. The bank needs to sell its non-core assets to generate additional capital while it focuses on the banking business. Whatever the entity's new name, the LIC-IDBI Bank will have to drastically reduce its reliance on infrastructure and other corporate assets, scale up its retail advances from the existing 43 per

cent, and improve its share of low-cost deposits from the existing 37 per cent. There is indeed renewed hope after LIC entered this picture but if this bank - the tenth largest in total asset terms - fails to exploit the opportunity, other options like bringing in a strategic investor(s) or a merger with other PSBs will be back on the bargaining block.

-Anand Adhikari

### REAL ESTATE

## Haircut Soon



INDIA'S REAL ESTATE story is struggling to survive in the face of bankruptcy and debt default. While all cost heads - land, construction and finance costs shot up in the past 12 years, profit margins have nose-dived from 37 per cent in 2007 to 15 per cent now.

Over 93 lakh houses are lying unsold in India's top eight cities, and another 23 lakh are behind schedule. Most banks stopped lending to developers some years back and NBFCs are pulling away after the IL&FS debacle.

The twin shocks of demonetisation and GST introduction also battered this sector. For the once hot housing market, nothing seems to be going right at the moment. It is clear that for the sector to survive, someone will have to take a haircut.

- RASHMI PRATAP



GRAPHITI

**DEBT AND PLEDGED SHARES  
NUMBERS SHOW INDIA INC. IS  
NOT IN THE BEST OF SHAPES.**

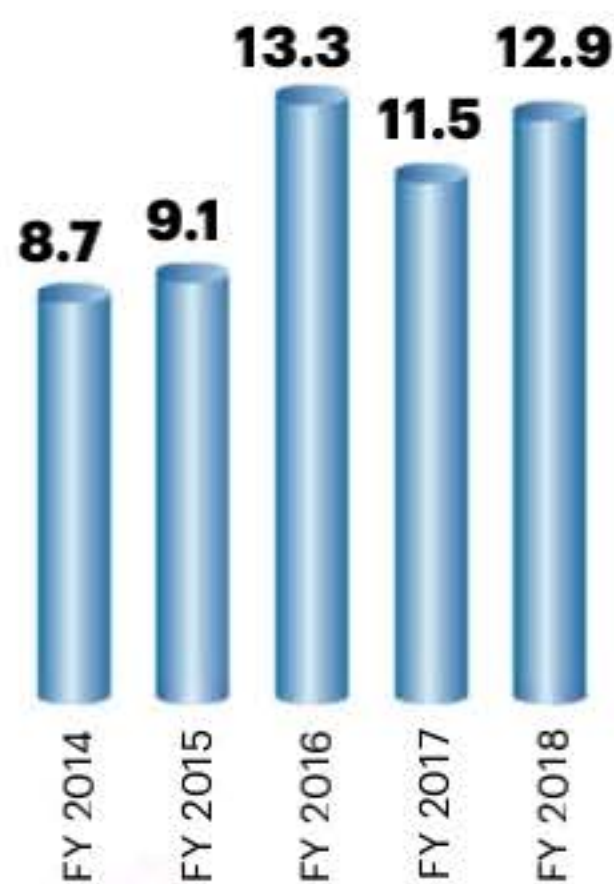
Graphic By Devajit Bora  
Research by Shivani Sharma





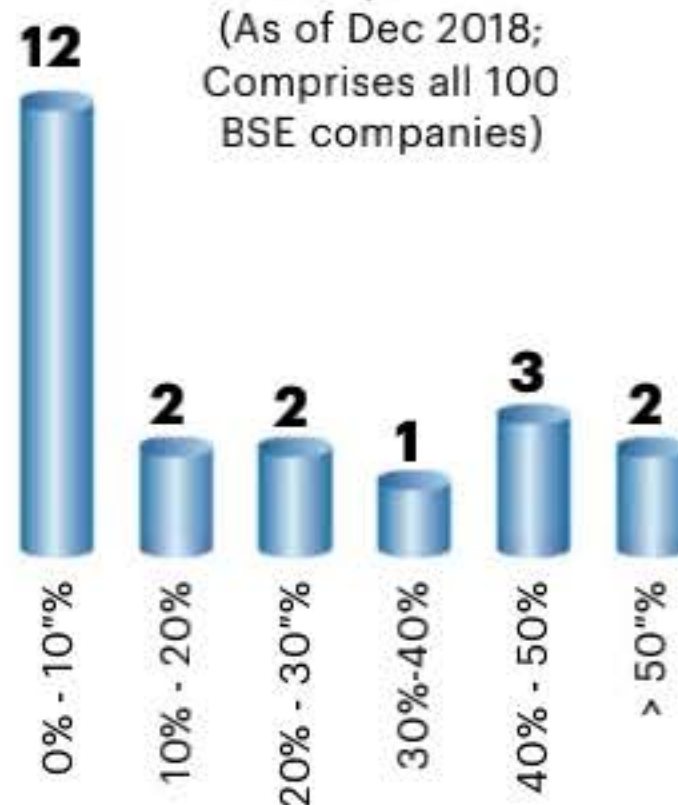
### FY18 SAW A HIGH 12.9% RISE IN DEBT OF BSE 100 COMPANIES

Total Debt YOY Growth %



### FIVE PROMOTERS AMONG TOP 100 HAVE PLEDGED SHARES IN EXCESS OF 40%, CONSIDERED A HIGH-RISK ZONE

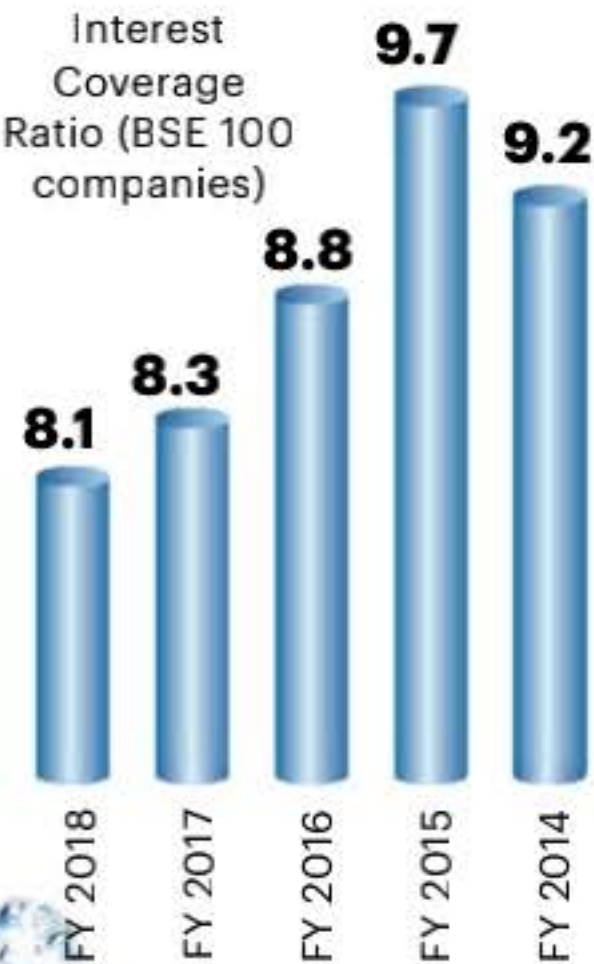
Number of Companies  
(As of Dec 2018;  
Comprises all 100  
BSE companies)



% of Shares Pledged

### TOP COMPANIES' ABILITY TO PAY INTEREST ON DEBT IS REDUCING

Interest Coverage Ratio (BSE 100 companies)



**12%**  
CAGR of aggregate debt of BSE 100 companies (excluding BFSI) from 2014 to 2018

**42**  
Number of BSE 100 companies whose total debt was more than the cash and bank balance for FY 2018

**8**  
Number of companies in top 100 (excluding BFSI) having debt of more than ₹50,000 crore as on March 2018

**₹9,05,677**  
**CRORE**  
Aggregate debt of BSE 100 companies (excluding BFSI) as of March 2018

**22**  
Number of BSE 100 companies with pledged shares as of December 2018 as compared to 24 companies as of December 2017

**60%**  
Share of total debt of top 100 companies accounted for by crude oil and power sectors for FY2018



## World-class Conference Facilities

The conference facilities in South Africa are on par with any other country in the world, with many top-class venues including the Sandton Convention Centre, the host of Meetings Africa 2019, located in the richest square mile in Africa.



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**R1\* = ₹5\*** \*Current average, subject to change



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**19 485 km<sup>2</sup>**  
making it larger than Fiji.



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FLIGHT  
2 HOURS**



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*South Africa*

NATIONAL CONVENTION BUREAU





### BUILDING BLOCKS

**WHAT:** The Blockchain Day

**WHEN:** March 12-15, Bengaluru

**WHAT TO LOOK FOR:** An estimated 500-1,000 delegates and 10-50 exhibitors will attend the conference to deliberate on challenges and opportunities in the blockchain space. Already, financial institutions such as banks and stock exchanges are exploring the scope of this technology while regulators are keeping a close tab on recent developments and their impact.

### ENGINEERING SUMMIT

**WHAT:** India Engineering Sourcing Show

**WHEN:** March 14-16, Chennai

**WHAT TO LOOK FOR:** Organised by the Engineering Export Promotion Council of India, under the aegis of the Ministry of Commerce and Industry, the platform will bring together leading importers and exporters of engineering goods and services besides dealers, distributors and wholesalers from all over the globe.



### ARTIFICIAL INTELLIGENCE

**WHAT:** International Conference on AI and its Legal Implications

**WHEN:** March 15-16, Ahmedabad

**WHAT TO LOOK FOR:** The Institute of Law, Nirma University, will bring together renowned scholars from around the globe for a better insight into the fast-evolving space. The event will focus on understanding recent and imminent changes in the legal framework involving artificial intelligence and allied areas.



### GO GLOBAL

**WHAT:** Go Global Trade & Investment Forum

**WHEN:** March 12-13, Delhi

**WHAT TO LOOK FOR:** The summit will bring together senior executives from India's medium and large companies keen to expand their businesses internationally. It will also host interactive seminars and provide one-to-one networking opportunities.

### KNOWLEDGE DIVE

**WHAT:** CFO Leadership Summit

**WHEN:** March 20, Bengaluru

**WHAT TO LOOK FOR:** Financial decision-makers from some of the best companies will attend the event to share their expertise and industry knowledge with peers. The event will also provide a comprehensive networking platform across industries.



### DAIRY DAY

**WHAT:** India International Dairy Expo

**WHEN:** April 3-5, Mumbai

**WHAT TO LOOK FOR:** The expo provides a dedicated platform to discuss the latest technological developments. Participants from India and abroad will include manufacturers, co-operatives, dairy farms, scientists, government agencies and policymakers.





## BB&T TO BUY SUNTRUST FOR \$28 Bn

In one of the biggest bank mergers in the US since the financial crisis, BB&T, headquartered in Winston-Salem, North Carolina, will take over SunTrust, based in Atlanta, Georgia, in a \$28 billion deal. The combined entity, with locations mostly in the south-east US, is valued at \$66 billion. After the merger, BB&T-SunTrust will become America's sixth-largest bank by assets, at \$440 billion. The two banks say they will save 13 per cent of costs. Although the US has more than 5,000 banks, there are very few Big Banks at this time, and this merger could trigger a healthy competition in the space. Similar deals could follow as lenders take advantage of looser regulations and bulging cash reserves. Only last year, regulations were tweaked to lighten the burden on mid-sized institutions, and the threshold for stricter rules was raised to \$250 billion in assets.

## SLACK PART OF BIG IPO BOOM

In a year projected to see an IPO bonanza, workplace-messaging platform Slack has filed confidentially to the US SEC, which means it intends to sell its shares to bidders in a direct listing, similar to how Spotify went public last year. This will also preclude the company from raising money by issuing new shares for sale, help it avoid typical underwriting fees and allow current investors to sell shares without a lock-up period. Slack is working with Goldman Sachs, Morgan Stanley and Allen & Co. on the deal, which could value it at more than \$7 billion. Food delivery firm Postmates has also filed confidentially. Other highly valued companies expected to IPO this year include Uber, Lyft, Airbnb, Peloton and Pinterest.



## SPOTIFY BUYS TWO PODCAST FIRMS

In a big push to broaden its offerings, music streaming giant Spotify has acquired podcast firms Gimlet Media (for a reported \$230 million) and Anchor. Brooklyn-based Gimlet produces several popular shows while Anchor offers editing, hosting, distribution and monetisation tools for podcasters. Spotify intends to tap revenue streams in the small but fast-growing podcasting market as its earlier attempt to break into the video business did not work out. However, its 200 million users are already used to consuming audio from the service.

## ALPHABET UP BUT LOSES ON 'OTHER BETS'

Google parent Alphabet posted revenue growth of 22 per cent in the fourth quarter (Oct-Dec) of 2018, with revenues of \$39.28 billion for the quarter and \$136.82 billion for the full year, compared to \$32.32 billion and \$110 billion, respectively, clocked in the year-ago period. Costs also rose to \$31 billion compared to \$24.6 billion in the same period a year ago. Alphabet's Other Bets, including driverless car division Waymo and life sciences and cybersecurity units, clocked Q4 revenues of \$154 million, but operating losses rose to \$1.3 billion.

## THAILAND APPROVES MEDICAL MARIJUANA

Thailand's parliament recently voted to amend its 1979 Narcotic Act and approve marijuana for medical use and research. However, recreational use of the drug is not legal. This makes Thailand the first country in Southeast Asia to allow the use of medical cannabis, an unusual move in a region with some of the world's strictest drug laws. Medical marijuana is already legal in several countries such as the UK, Germany, Australia, Ireland and 30 states of the US while Canada has approved recreational pot.



## SOCIAL UNIVERSE

# A SAGA OF ABUSE

**Rural India could be a hotbed of cybercrimes due to lack of education and low digital literacy.**

By Sonal Khetarpal  
Illustration by Raj Verma

IN THE SMALL VILLAGE of Chatrel in Rajasthan, women are upset and angry. Some of them found that their faces had been morphed on nude bodies and the photographs were uploaded on Facebook and Instagram. Villagers queued up outside the local police station seeking redressal. But what puzzled the victims most was that how their snapshots could be accessed, misused and circulated on social media in that way.

India has the largest number of first-time netizens, a whopping 17.8 crore, according to the UN Conference on Trade and Development report titled *Measuring the Evolving Digital Economy*. A Boston Consulting Group report also states that half of India's Internet population will be from rural areas, places where there is not just rampant illiteracy but also low digital literacy, which could become a hotbed

of cybercrimes, including spreading of misinformation and fake news.

For content companies and social media platforms, an easy way to deal with these issues is to set up fact-checking teams. But Ghanshyam Tiwari, National Spokesperson of Samajwadi Party and Founder of Learner.in (a K-12 learning platform), says that the model of fact-checking is broken as social media platforms thrive on clicks and moderating the content will affect their bottom line. "There is a business model for virality, but there is no business model to curb fake news."

There could be another way, in the form of a swift takedown. On several occasions, abusive/fake content and malicious posts have been removed, but by that time, one's reputation is already hurt. "Our reputation may not be solid enough to survive the strain until truth prevails, given the law-

and-order mechanism of the country, which is still old school," says student activist Shehla Rashid. Not so long ago, she was trolled with hate messages and abusive feeds, alleging misuse of funds that she had raised for the Kathua gang-rape victim. Rashid denied the charges but deactivated her Twitter account for a while as the negative messages affected her.

Shashank Mohan, a counsel at Delhi-based Software Freedom Law Centre, says that the measures to counter fake news are few and fragmented right now. So, there is a need to educate everybody on what fake news is and build a culture of questioning and scepticism. Getting political buy-in may also help as political discourses often go a long way in countering the fake news menace, he adds. **BT**

@sonalkhetarpal7



## Instagram to Fight Negative Posts

**INSTAGRAM HEAD ADAM MOSSERI ADMITS THAT THE PLATFORM HAS NOT EFFECTIVELY PROTECTED ITS USERS FROM CONTENT THAT IS SELF-HARMING AND SUICIDAL. ALTHOUGH IT BANS SUCH POSTS, THE COMPANY HAS STRUGGLED TO DETECT THEM AND CURRENTLY DEPENDS ON THE COMMUNITY TO REPORT OFFENDING POSTS. MOSSERI SAYS INSTAGRAM IS INVESTING IN TECHNOLOGY TO IDENTIFY THESE IMAGES BETTER BEFORE THEY ARE SEEN AND ALSO TO MAKE THEM LESS DISCOVERABLE.**



## POLICE WANT FB TO ACT FAST



With the rise in cybercrime and data hacking, Delhi police often require access to users' chat and other online activities on social media platforms to solve cases. However, the authorities have raised their concerns to Facebook, saying that the social media giant takes a lot of time to respond to their queries, and asked it to provide necessary details within a shorter span. Facebook has agreed to provide details of private chats in sensitive cases, especially those involving crimes against women and children.

## QUITTING FACEBOOK IS GOOD FOR YOU

According to a study conducted by the New York University, quitting Facebook makes people less informed, but at the same time, it improves their well being and gets them more involved in offline activities such as watching television or socialising with friends and family. It also helps reduce political polarisation. The study involved 2,844 participants, aged 18 or more, who spent at least 15 minutes on social media every day.



# 50,000

**THE NUMBER OF PROFILES DELETED BY SHARECHAT FROM ITS PLATFORMS AS THEY FEATURED PORNOGRAPHIC AND TOXIC POSTS. IN A BID TO KEEP THE PLATFORM FREE OF FAKE AND VIOLENT CONTENT, THIS HOMEGROWN EQUIVALENT OF WHATSAPP RAN A CAMPAIGN ASKING ITS 35 MILLION-STRONG USER BASE TO REPORT DICEY CONTENT AND PROBLEMATIC PROFILES. UNSAVOURY POSTS WERE ALSO TAKEN DOWN FROM ITS 14 VERNACULAR PLATFORMS. BUT THE COMPANY DID NOT DISCLOSE HOW MANY POSTS WERE DELETED. BT**

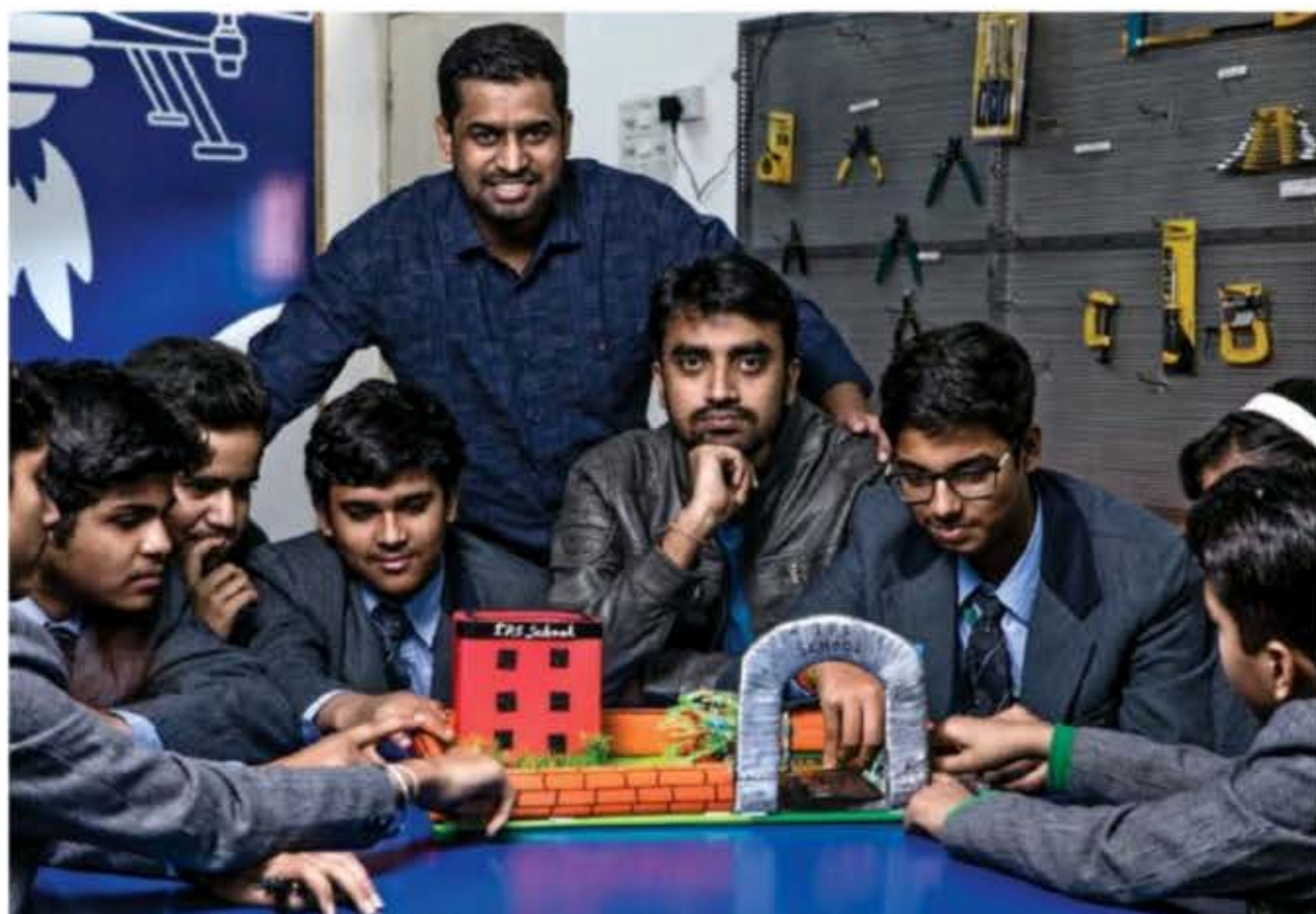


START-UP

# SRJNA HANDS-ON LEARNING

THIS JAIPUR-BASED  
EDTECH COMPANY HELPS  
STUDENTS BECOME  
LOGICAL THINKERS AND  
PROBLEM-SOLVERS.

By Sonal Khetarpal



PHOTOGRAPH BY MIDHUN VIJAYAN

SRJNA Co-founders Vivek Pathak (standing) and Sharad Bansal (in the middle) with students of Indirapuram Public School, Ghaziabad

## 1) Founders

Sharad Bansal, Om Prakash, Kapil Arya and Vivek Pathak.

## 2) The Idea

Bansal, Prakash and Arya, batchmates at IIT-Delhi, realised how practical sessions pepped up their engineering coursework and wanted to bring a similar approach to schools to make learning fun and get students interested in STEM programmes. They did a survey and found most schools did not have the bandwidth or know-how to push practical teaching. So, the trio joined hands with Pathak, a common friend, and set up SRJNA (the company is registered as Elation Edtech) for hands-on, experiential learning.

## 3) The Take-off

The flagship product called Innovation Labs targeted science and math for Classes VI-X, and the first pilot was at Maharani Gayatri Devi Girls' School in Jaipur. A year after the lab was set up, students were asking more questions and teachers, too, were more involved. Meanwhile, the founders realised the need for creating job skills related to IoT, AI, 3D printing and robotics. So, they launched Tinkering Labs in 2016 to

## KEY FACTS

FOUNDED IN  
2015



TEAM MEMBERS  
35



FUNDING

Raised **\$500,000** in pre-Series A from Gray Matters Capital (under its edLABS initiative), Keiretsu Forum and SucSEED Venture Partners in July 2018



REVENUE

Increased from ₹67.14 lakh in FY16/17 to **₹1.78 crore** in FY17/18 as per company data

facilitate relevant training.

## 4) Business Model

The initial cost of setting up the lab for 500 students is ₹6.5 lakh. SRJNA charges ₹70 per student per month in subsequent years for hardware AMC, online training modules for teachers, content for conducting classes and web/mobile applications for student assessment. To reach out to more schools, the company has tied up with channel partners, which are trusted regional organisations or individuals directly in touch with school authorities.

## 5) Impact

To date, SRJNA has set up 120 Tinkering Labs and 30 Innovation Labs in 150-plus private and government schools across India. Noted clients include Amity International, Modern School (Barakhamba Road, Delhi), Mount Litera Zee School, and three schools each under DPS and DAV banners. The company is also developing a Robotics and 3D courseware for Rajasthan government's Centre of Excellence. The start-up plans to reach 500-plus schools in the next 18 months. **BT**





**YOUR HIGHNESS,  
YOUR SUV IS HERE.**

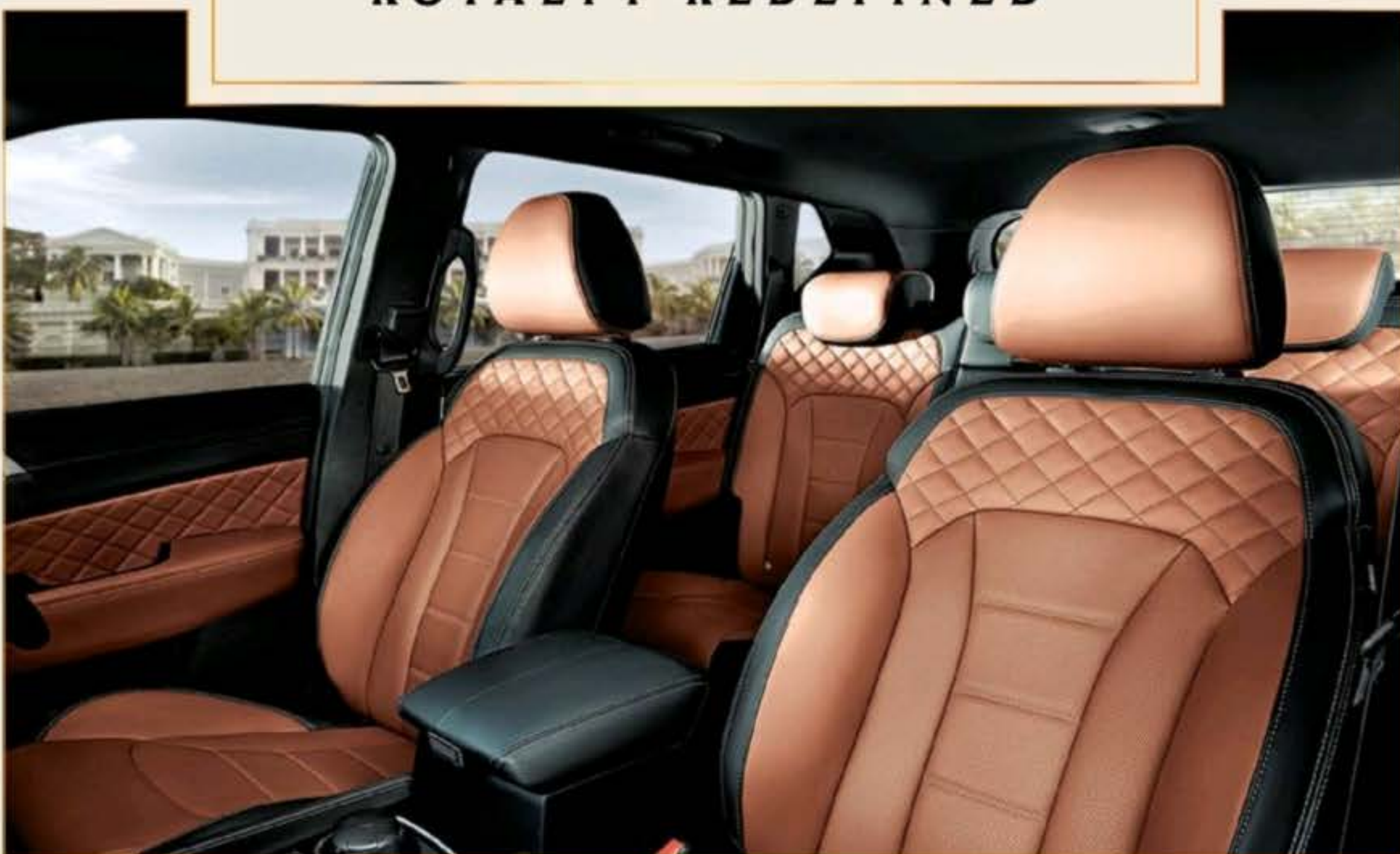


ROYALTY REDEFINED  
**ALTURAS G4**  
by Mahindra





## ROYALTY REDEFINED



Presenting the Alturas G4, an SUV that exudes luxury and elegance. From its imposing exteriors to its exquisite interiors, every detail in the Alturas G4 has been meticulously crafted. With state-of-the-art technology and unmatched safety features, you'll find that the Alturas G4 is the epitome of luxury in every sense.



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- 8-Way Powered Driver Seat with Memory Profile • Mercedes-Benz 7-Speed Automatic Transmission • 4 Wheel Drive
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India may have improved dramatically in its ease of doing business, but most corporate chieftains in the country will tell you that the last four years have been particularly challenging. They had to deal with two enormous domestic disruptions – the midnight demonetisation in November 2016, followed by the rollout of the Goods and Services Tax (GST) in July 2017.

There were also other issues like the rise in both public sector bank non-performing assets as well as corporate bankruptcies across sectors, which meant that only the best run businesses could access funds at reasonable rates. Most banks turned excessively cautious when it came to corporate loans. In fact, the last three years have seen the decline of some of the biggest names in Indian business because of a host of factors, including debt burden.

Meanwhile, the global situation also turned volatile – the rise of protectionist governments and anti-globalisation sentiment, the Chinese slowdown which led to fears of dumping, and finally the trade war unleashed by President Donald Trump of the US.

There were disruptions across sectors, brought on by the rapid evolution of a number of technologies – loosely dubbed the Fourth Industrial Revolution. This meant that CEOs not only

had to keep an eye out for challengers rising from completely new industries but also understand how to use technological advances in artificial intelligence, Big Data, Internet of Things, robotics and 3D printing to keep their businesses from falling behind.

Though our eminent panel of jurors choose the best CEOs for the year, the shortlist is based on the past three years' performance of the top-listed companies with the same CEO at the helm. To make it to the shortlist, the leader needs to have grown revenues and operating profits in good years and bad, and also give over average returns to shareholders. This quantitative exercise allows us to weed out CEOs who may be a flash in the pan.

The top three in every category, therefore, are business leaders who have demonstrated exceptional performance in the medium term. Some of them have, of course, exhibited superb performance over an even longer period. There are others who are gracing our list for the first time.

At first glance, they seem a motley group. But there are some commonalities. They all show great long-term vision and have demonstrated bold decision-making. Finally, they have all adapted to any change thrown their way. Read on. **BT**

# THE SHORTLIST

**THIS YEAR'S WINNERS SUCCESSFULLY STEERED THEIR COMPANIES THROUGH ONE OF THE MOST CHALLENGING PERIODS IN RECENT TIMES**

By PROSENJIT DATTA

Illustration by NILANJAN DAS







## INDIA'S BEST CEOs

LIFETIME ACHIEVEMENT



TO BE  
SUCCESSFUL  
IN WHAT I DO  
AND TO THE  
BEST OF WHAT  
I CAN DO"

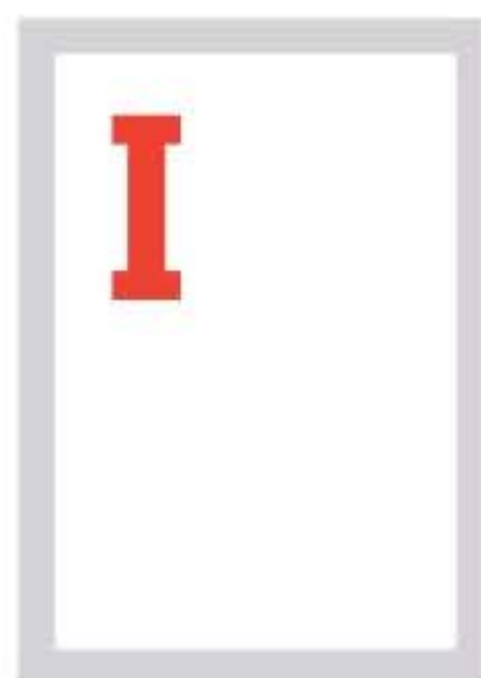


# THE UNDAIRY

**AZIM PREMJI IS NOT ONLY ONE OF INDIA'S BIGGEST ENTREPRENEURS, HE IS ALSO THE FACE OF CORPORATE PHILANTHROPY.**

By RUKMINI RAO

Photograph by HEMANT MISHRA



**I**n September last year, Wipro announced a \$1.5-1.6 billion deal with Alight Solutions, the largest ever deal in the history of the company. It was nearly after four years that Wipro got back to the billion dollar-deal table. For a company with current market capitalisation of over ₹1.68 lakh crore, the third largest among IT services companies in India, the beginning lies with a man who became the chairman of the company forced by circumstances.

Nearly half a decade ago, the untimely death of his father forced Azim Hashim Premji, who was then at Stanford pursuing engineering, to abruptly leave his studies and return to India. Taking over his family's vegetable oil business at the age of 21 in 1966, over the course of next 20 years, Premji diversified Wipro's interests, from IT products to engineering services, and from medical equipment solutions to FMCG.

In an interview to a television channel, recalling his early days, Premji spoke of the scepticism that a shareholder had when he took over the



## FROM OIL TO INFO TECH

A timeline of Wipro's transformation

**1976**  
Starts  
Wintrol,  
now Wipro  
Infrastructure  
Engineering



**1945**  
Western India  
Vegetable Products  
incorporated as a  
hydrogenated oil  
business

**1966**  
Azim Premji  
takes over  
family business  
after his  
father's death



**1980**  
Renames  
company to  
Wipro

**1990**  
Starts third  
party R&D and  
IT services

**1982**  
Wipro  
enters IT  
products



**2001**  
Azim Premji  
Foundation  
set up

**2000**  
Wipro lists  
on the New  
York Stock  
Exchange and  
starts BPO  
services



**2013**  
Wipro  
demerges non-  
IT businesses  
into Wipro  
Enterprises

**Azim Premji  
Foundation**

**2004**  
Wipro IT  
products  
and services  
business joins  
the billion dollar  
revenue club

company. "His comment really got my determination up to prove him wrong," Premji said. With no prior experience of managing a company, all Premji had was his ability to work hard.

"His biggest strength is perhaps tenacity; the ability to focus and then work single mindedly towards the goal," says Yasmeen Premji, his wife. The two had met in what was then Bombay and later married.

### Making a Name

It was the 1980s that really shaped the future of Wipro. To grow its infotech business (the earlier subsidiary that handled the IT business) Premji relentlessly pursued Ashok Soota to join and head the division. Despite his initial scepticism, Soota agreed to take up Premji's offer to head Wipro's products

business. This not just ushered in a new phase of growth for Wipro, but also a new learning phase for Soota. "I have dedicated my book (*Entrepreneurship Simplified, From Idea to IPO*) to Premji along with two others (Dr Charat Ram and Bishan Sahai), because these are the three people from whom I learnt the most," says Soota, who went on to set up Mindtree with others and is currently the Chairman of another services company, Happiest Mind.

In 1990, when Wipro started delivering IT services, the landscape in India was still in its teens. Premji's determination helped him explore new paradigms in the industry. With overseas collaborations, Wipro Systems came into existence. It was India's first product company to launch a 16-bit multi-tasking computer. Then came the Y2K

boom in the late 1990s, and Wipro became the only Indian PC maker to obtain a National Software Testing Laboratory Certification. Plus, the operating systems of Wipro SuperGenius PCs were Y2K compliant. After that the Enterprise resource planning (ERP) wave took over and led to Web-based technologies.

This was the time when India had also opened up and became a global destination to develop software and run backend solutions. The gap between the market leader and the second company was little. In 1999/2000, Wipro was a leading software exporter ahead of Infosys, with software exports of ₹10.5 billion compared with Infosys' ₹8.52 billion. Addressing Stanford business graduates in 2006, Premji spoke about the IT services bet. "It's



easier to make money in services with lower risks than it is in products," Premji said answering a question if India would ever become a product business powerhouse. However, IT services are now being productised, blurring the lines to a great extent.

By 2000, Wipro was a big conglomerate with infrastructure engineering services, consumer products business and IT business with an annual consolidated revenue of ₹2,299 crore. The ability to focus on all these segments was a testimony of Premji's multi-tasking skills. "He knew the factors that could lead to success in each one of those, and he measured people on those factors. He knew what was critical to each business," Soota recalls.

### It's Personal

Through the many transitions what has been a constant at Wipro is Premji's personal values that have translated into a culture at the company. Suresh Senapaty, board member at Wipro Enterprises and a former CFO at Wipro, says, "As a leader, there are two things that stand out for me personally. The first is the values that he (Premji) lives by. He practices what he preaches and it has inspired the organisation and me personally. Second, the professionalism that he demonstrates. He creates an empowering environment and has allowed me unlimited opportunity to expand my horizons."

"The Spirit of Wipro" envisages all of Premji's business values in how to conduct business with integrity. For instance, the company set up an audit committee even though it was still not mandated by law, and giving bribes or favours to win a contract was a strict no-no. Premji also led some of the most path breaking people's initiatives, which have become a norm for most companies. Employee stocks options, diversity and skill development are a few of these. "Wipro always made heavy investments in training functions to develop people," says Soota.

Of course, not all went as planned.



**I THINK RISHAD'S (SON) BIGGEST LEARNING FROM HIS FATHER HAS BEEN A CERTAIN GROUNDEDNESS... PREMJI'S BIGGEST STRENGTH IS PERHAPS TENACITY"**

**YASMEEN PREMJI**  
Azim Premji's wife



**HE (PREMJI) PRACTICES WHAT HE PREACHES AND THAT HAS INSPIRED THE ORGANISATION AND ME PERSONALLY"**

**SURESH SENAPATY**  
Board member,  
Wipro Enterprises

For instance, bringing on board two CEOs, Suresh Vaswani and Girish Paranjpe at a time when the macro environment was not favourable, which led to the company lagging. After the failure of the twin CEO model, Premji brought in T.K. Kurien to lead Wipro in 2011, and the company is today led by a former TCS executive, Abidali Neemuchwala.

In 2007, Premji inducted his elder son, Rishad Premji, into Wipro. Slat-ed to be the heir to his father, Rishad joined Wipro as a business manager and moved back to India from London. He serves as the Chief Strategy Officer at Wipro and is also a board member. "I think Rishad's biggest learning from his father has been a certain groundedness," says Yasmeen Premji. Recently, their younger son Tariq Premji also joined the board of Wipro Enterprises.

In November 2012, Wipro announced a restructuring and the company demerged its consumer care and infrastructure engineering services into Wipro Enterprises, turning Wipro into a pure IT business company.

Apart from being one of India's biggest entrepreneurs, Premji is undoubtedly the face of corporate philanthropy in the country. He established the Azim Premji Foundation in 2001 with a focus on education, especially girls. Till date, he has committed over \$10 billion to various philanthropic causes through his Trust and family office. Joining the league of Warren Buffett and Bill Gates, Premji was the first Indian to give away over \$2 billion to Giving Pledge in 2013. Under the foundation, Premji has also set up the Azim Premji University in Bengaluru in 2010.

Last year, while interacting with school and college students during Wipro Earthian awards ceremony, Premji was asked about his goal in life. He answered: "To be successful in what I do and to the best of what I can do." A motto that drives him even today at the age of 73. **BT**

@rukminirao





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RETAIL RANKS  
AMONG THE  
WORLD'S TOP  
FIVE FASTEST-  
GROWING  
RETAILERS."

**BEST CEO**  
**CHAMPION OF**  
**CHAMPIONS & SUPER**  
**LARGE COMPANIES**

Total Income/ 3-yr CAGR

**₹2,98,299 cr/ -4.1%**

PBIT/ 3-yr CAGR

**₹50,381 cr/ 16.5%**

PAT/ 3-yr CAGR

**₹33,612 cr/ 13.9%**

3-yr Average TSR

**29.1%**

Average Mcap YOY Growth\*

**50.8%**

ROE/ ROCE

**11.1%/12.2%**

Cash/ Debt

**₹2,731 cr/ ₹1,16,881 cr**

Net Profit Margin

**10.7%**

\*For Oct 2017-Sept 2018;  
Standalone data; Total Income,  
PBIT & PAT net of extraordinary  
items; TSR: Total shareholder  
returns; Source: ACE Equity



# MIRACLES

## INDIA'S BEST CEOs

MUKESH D AMBANI, CMD , Reliance Industries

**MUKESH AMBANI IS BETTING ON CONSUMER BUSINESSES TO TAKE RIL'S STORY FORWARD.**

By NEVIN JOHN

Photograph by BANDEEP SINGH



**he right decisions are** always the toughest to make. Billionaire Mukesh Ambani took almost three years to make up his mind about investing in telecom business in 2010. It took another six years to design and build the digital ecosystem for the disruptive foray of Reliance Jio with 4G. India's most profitable company, Reliance Industries (RIL), has invested nearly ₹3 lakh crore in its subsidiary Jio so far. But Jio made a profit of ₹723 crore in its first year of operation on an operational revenue of ₹20,154 crore. According to the company, it made a profit of ₹2,124 crore in the first nine months of this financial year on a revenue of ₹27,732 crore.

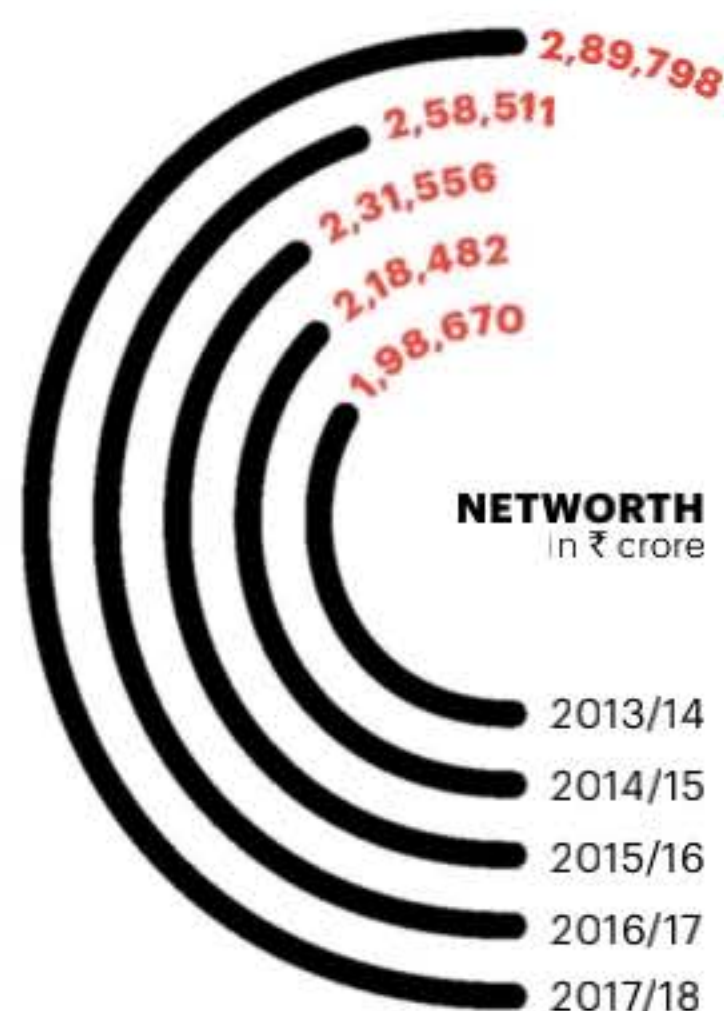


## INDIA'S BEST CEOs

MUKESH D. AMBANI, CMD, Reliance Industries

### GROWTH ALL THE WAY

RIL's compounded annual growth rate in networth has been a high 29.4%



### MARKET CAP (₹ crore)

2013/14  
3,00,405

2014/15  
2,66,847

2015/16  
3,38,703

2016/17  
4,28,909

2017/18  
5,59,223

Feb 6, 2019  
8,30,270

Source: Company

The success story is not limited to Jio. While building the 4G network, Ambani made a farsighted investment of ₹1.5 lakh crore to expand the petrochemical capacity at Jamnagar, Gujarat. It was the rise in petrochemicals margin that offset the sharp fall in gross refining margins (GRMs) in the last five quarters from \$12 to \$8.80 a barrel. The segment earnings before interest and tax (EBIT) of petrochemicals grew 63 per cent in the last financial year and 64 per cent in the nine months of this financial year. For the first time in the history of RIL, petrochemicals EBIT will overtake refining this financial year.

"Competitive cost positions and integration benefits is core to our oil to chemicals (refining and petrochemicals) business, driving sustained performance even in challenging global business environment," Ambani recently said. Buoyed by the growth of

petrochemicals and telecom, RIL's consolidated profit grew 20.6 per cent to ₹36,075 crore in the last financial year, on a revenue of ₹4,30,731 crore, which went up 30.5 per cent. In the first nine months of this financial year, the profit grew 14.4 per cent to ₹29,226 crore, while revenue grew 55.6 per cent to ₹4,69,326 crore.

The market capitalisation of RIL jumped 142 per cent to ₹8.15 lakh crore in the last two years until January 2019, making it the most valuable company on the stock market, ahead of TCS (₹7.6 lakh crore) and HDFC Bank (₹5.7 lakh crore). However, as a business group, the Ambani conglomerate is behind HDFC and Tata groups in total market value.

Mukesh Ambani's elder son Akash, who completed five years in RIL, is now in charge of strategy and development in Jio. His daughter Isha – who recently married Anand Piramal, son

of industrialist Ajay Piramal – has been working with the retail business, and his wife Nita Ambani is on RIL's board.

### Gamble of Billions

Cash flow from the refinery business has propelled RIL's bottom line in the last two decades. After Ambani took over as chairman of RIL in 2002, the company built its second refinery, forayed into retail business and ventured into exploration and production (E&P) of oil and gas. Of these, the export-oriented refinery has taken off well, but retail failed miserably in the initial phase. The E&P business also nosedived.

RIL made an investment of nearly \$10.5 billion in E&P at the Krishna Godavari (KG) basin but failed to scale up production, and faced the ire of government agencies. But statistically, RIL recovered most of its costs through the sale of 30 per cent stake in its upstream assets to BP Plc at \$7 billion in 2011 and through sale of gas. In the last two financial years, the loss from RIL's E&P business stands at over ₹3,000 crore. In 2017, Ambani and BP Plc Chief Executive Bob Dudley came together to announce a ₹40,000 crore investment in E&P to revive production. But it is not yet clear when the results will be seen.

The on-streaming of the ₹25,000 crore second refinery 10 years back did wonders for the company's cash position and it was debt-free until 2012. At that time, a common complaint used to be that Ambani was not deploying the accrued cash in business. Following that he made acquisition of shale gas assets in the US, but the high cost of asset development and falling crude prices post-2015 made the business unviable; RIL exited from some of the assets.

Though Ambani bought spectrum in 2010, his 4G plans were slow moving until 2014. In September 2016, Jio commercially launched its operation, and the subscriber base grew to 280.1 million in December 2018, inching close to Bharti Airtel, which lost 57 million subscribers in December 2018 and ended up with 284.2 million. The



## INDIA'S BEST CEOs

**MUKESH D. AMBANI**, CMD, Reliance Industries

largest telecom player Vodafone Idea, which has 421 million customers, lost 6.5 million subscribers in November.

Jio aims to get to 99 per cent coverage by May 2019, according to a Morgan Stanley report. The capital expenditure in the first nine months of Jio reached \$7 billion. The foreign brokerage expects the total capex to reach \$8 billion in this financial year and \$6.5 billion next year.

Parallel to Jio, RIL made another huge investment, about ₹1.5 lakh crore, to build the world's largest refinery off-gas cracker and its downstream units, and a para-xylene plant. The pet-coke gasification project will transform Jamnagar into a unique bottomless refinery. "While recently refining margins were weak, RIL has been relatively insulated due to its integration advantage. Petcoke gasification start should boost refining margins," Nomura states in a report. However, Kotak Institutional Equities states that "the recent sharp deterioration in refining and petchem margins may compound woes in the near term."

Under Ambani's leadership, the total assets of RIL grew 11 times to ₹6,17,525 crore in March 2018, compared to ₹56,485 crore in March 2002. The consolidated profit also witnessed a similar growth to ₹36,075 crore from ₹3,243 crore. The company's cash flow crossed \$10 billion in the last financial year.

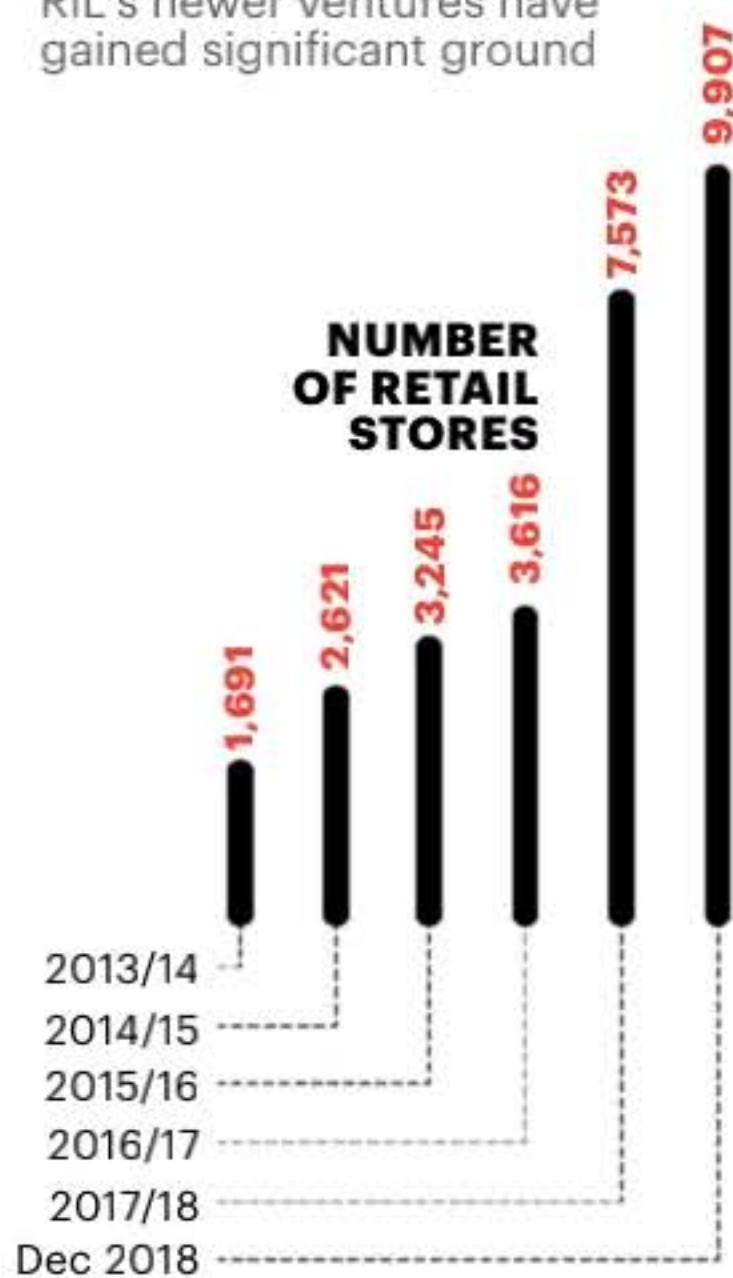
The investments have burdened the company with a gross debt of ₹2,74,381 crore. Ambani has, however, promised at a shareholder meeting that the company will again become debt free.

### Targeting Customers

Moving in tandem are RIL's consumer businesses. Reliance Jio is preparing the ground for an entry into home broadband services and recently bought majority stakes in cable operators DEN Networks and Hathway Cable. This will give the company an advantage in its fibre-to-home business and further threaten the non-mobile

## RETAIL IN FOCUS

RIL's newer ventures have gained significant ground



business of rivals such as Bharti Airtel.

At a recent shareholders' meet, Ambani said Jio is committed to building a deep-fibre network across India and its GigaFiber home broadband services would offer complete fixed-mobile convergence, where the users would be able to travel seamlessly between both mobile and broadband networks. Jio's goal, he said, would be to offer 4G and 5G coverage when on the move and WiFi when indoors.

Another customer focussed business, Reliance Retail, posted 104.9 per cent growth in revenue to ₹69,198 crore in the last financial year, while profit before depreciation, interest, and taxes (PBDIT) grew 114.5 per cent to ₹2,529 crore. The company posted a profit of ₹1,243 crore, according to its annual report. In the nine months of this financial year, the revenue grew by 109 per cent to ₹93,903 crore. PBDIT grew by 195 per cent to ₹4,278 crore. The retailer received a footfall of over 57 million across its stores during the Diwali festival period, up 25 per cent from the same period last year.

Reliance Retail has jumped 95 places on Deloitte's Global Powers of Retailing 2019 index to reach the 94th spot as revenues have soared on the back of growth in grocery, consumer electronics and fashion and lifestyle segments. Reliance Retail, which operates 9,907 stores in over 6,400 towns and cities, is India's largest retail chain, both by revenue and the total number of stores.

Over the past five years, the business has grown at a massive 45 per cent annually – doubling every two years. "Reliance Retail ranks among the world's Top five fastest-growing retailers," Ambani said in the annual report.

RIL is now a cluster of businesses, and there are possibilities of unlocking value in the company, say experts. Retail and telecom have the potential to become independent businesses. But it is up to the company to decide when. **BT**

@nevinji





**TCIEXPRESS**

# **ALWAYS ON THE MOVE FOR EXCELLENCE IN EXPRESS LOGISTICS**

Mr. Chander Agarwal, Managing Director TCI Express Ltd is breaking new grounds in the Express Logistics/Distribution Industry ensuring time definite door to door deliveries with new speed and span. A young company having achieved market capitalization worth Rs 2400 crore within a short span is acknowledged as the leader in express and redefining India's logistics services in post GST growth of the economy. In a conversation with Business Today Mr. Chander Agarwal shares his aspirations for the company which he has nurtured with his financial skills and out-of-the-box strategies.



■ **How did the idea or concept of TCiExpress emerge?**

TCiEXPRESS is a natural evolution of the companies using transportation from point-to-point and now to hub and spoke system, a solution for time definite express deliveries across India. With the emergence of GST, everyone expected on time deliveries with multiple destinations at one go. All customers started getting time savvy.

■ **What makes TCiExpress unique in its industry?**

TCiEXPRESS is a market leader in time definite door-to-door deliveries with containerized vehicles. Our matchless expertise in the industry has won tremendous goodwill of customers leading to the phenomenal growth of the company. Listed as a leading company on NSE and BSE, I feel proud to say that the company's growth in business revenue and in market capitalisation is one of the highest in the country.

■ **Where does TCiExpress stand in terms of market share of logistics business?**

The entire logistics industry is worth \$ 300 billion, out of which 60 percent is road express business that makes it worth \$180 billion. Out of this huge pie, TCiExpress has only about 5 per cent market share because 95 percent of the industry segment is unorganized. With the implementation of GST, the unorganized segment is expected to reduce once the companies start complying with GST norms and practises. However, I must mention that it is tough to sustain in an organized environment. But we, as a company have grown systematically for the past 20 years operating in a non-GST environment, as then there was never any level playing field in the industry. We continued to grow and prosper while many others perished.

■ **Considering the huge market that TCiExpress caters to, do you plan to implement franchise model?**

The unique thing about TCiExpress is that it operates 700 branches in India, and all of them are directly manned and equipped by the company. This helps to ensure quality service to customers. Therefore, we do not want to lose out our edge by giving out franchise. Instead, in the next five years we plan to scale the number of offices to about 2000 pan India. Probably, companies which are into this business, but want to get out, could become our vendors with terms and conditions spelled out in a vendor agreement. The vendors will only remain and function as fleet owners, plying trucks for TCiExpress. The manpower and customers will be of the company and will control vendors as their channel partners.

■ **What are the multi-modal services and who are the end users of TCiExpress?**

TCiExpress offers air cargo, surface cargo and e-commerce last mile delivery. Another interesting aspect in this context is that we are operating about 95 percent in B2B and 5 percent B2C segments that include last mile deliveries of retailers etc. We are the fastest growing company in B2B segment and the B2C business is also growing rapidly on the strength of quality services rendered.

■ **Are there any expansion plans of the company?**

TCiExpress envisages to invest almost Rs 1000 crores in the next 8 years that will cover acquisitions, expansion of sorting centres, opening of new offices and technology. We have not identified any acquisitions as of now, but eventually it will happen in India and beyond the borders too.

■ **What do you anticipate about logistics industry's future prospects?**

The most important thing is that this business is set to grow exponentially. The reason being that the express business grows double the GDP. If the GDP growth is 7 percent, express business will grow about 14 percent. But, TCiExpress is growing by about 19-20 percent that places us comparatively in a much better position. If we presume that in the next 20 years India's GDP will grow by 20 percent, then express business will always stand to benefit.

In other words, growth of normal transport business will be the same as GDP whereas growth of organised sector will always be double of GDP. If

the GDP is growing at a rate of 10 percent, TCiExpress will grow at a rate of 20-30 percent and this augurs well for the company.

■ **In what way have government policies benefitted logistics industry?**

Government has indeed been a very prudent enabler by implementing GST as a result of which working has been streamlined and some semblance is coming into the industry. If you look at the Niti Ayog report, in India, most of the investments are directed towards developing infrastructure, particularly construction of highways. About Rs 1 lac crore has been allocated for constructing highways. While not many airports are coming up despite the Udan project, which is aimed at connecting the hinterland by air. But there is no talk about air cargo facilities. Also, for the last 20 years the proposal for the much-touted Dedicated Freight Corridor (DFC), said to be a game-changer for the industry, continues to languish. Only one DFC is needed and it has been a two decade wait. If Mumbai-Chennai DFC, Chennai-Kolkata DFC, Kolkata-Delhi DFC come up one can imagine the extent of boost that the industry will get.

■ **What is the core strength of TCiExpress?**

We have grown on the foundation of a strong value system that is ethical and is customer-centric. The core policies of the company are aligned to meet customer aspirations and satisfaction, which is crucial and no compromise is brooked in fulfilling them. Our core strengths also include an extensive network, and a dedicated staff strength of over 30,000 on the company's pay roll, who ensure that the entire delivery system moves like a well-oiled wheel. TCiExpress has won several awards and that itself says a lot about our integrity and commitment to excellence. Also, customer appreciation about our services is on a very large scale, considering delivery in India is challenging because every location, city and the people are very different. Since we are better equipped with the practical know-how and have an equally sound network, we are placed at a higher niche. Knowledge of practical application is very important as we are in a business of constant movement across varied terrains which means, our logistics expertise has to be flexible and adaptable to local environment.

■ **After PM Shri Narendra Modi's call to 'Skill India', the industry is actively involved in this initiative. How is TCiExpress committed to skill development?**

At TCiExpress, skill development is imparted only to internal employees. We also get students from National Skill Development Council (NSDC) who are trained in logistics business. Training is very crucial for upgrading of skills and we are already training 10,000 employees in our group. Through vendor management, some 30-40 vendors have also been involved where the fleet owners take on the responsibility for training truck drivers etc. This is a very unique model. Logistics is going to provide mass employment. If today we are employing almost 10,000 people in the entire group, in the next five years when the turnover doubles, then 20,000 people will be employed and so on. In the next 25 years, we may be employing almost one lac people and then it will be a different ball game. Probably, between the process, a proper world-class training centre may then be setup.

■ **What would your message be to people in the logistics industry?**

Customer satisfaction should be the top aspiration of any service company. Also, opportunity is everywhere and we must keep our eyes open to grab it, pursue it with passion and pragmatic approach. Having a vision is equally important to achieve great goals.

■ **Where and how did you train to learn the rungs of the trade?**

After completing my Bsc. in management from Bryant College, USA, I trained for a year in Mitsui, USA, a Japanese company. On returning to India, I trained for a year-and-a-half in every department of TCi beginning from operations to logistics, marketing etc. I travelled in trucks, worked in docks in the night, went on the ship as a worker all of which gave me hands-on experience of how the business runs and understand the people who work and run the company. To lead one must first learn.



## INDIA's BEST CEOs

KENICHI AYUKAWA, MD & CEO, MARUTI SUZUKI

### BEST CEO LARGE COMPANIES

Total Income/ 3-yr CAGR

**₹81,907 cr/ 17.2%**

PBIT/ 3-yr CAGR

**₹11,349 cr/30.8%**

PAT/ 3-yr CAGR

**₹7,722 cr/27.7%**

3-yr Average TSR

**38.1%**

Average Mcap YOY Growth\*

**37.2%**

ROE/ ROCE

**19.8%/28.8%**

Cash/ Debt

**₹71 cr/ ₹111 cr**

Net Profit Margin

**9.4%**

\*For Oct 2017-Sep 2018;  
Standalone data; Total Income,  
PBIT & PAT net of extraordinary  
items; TSR: Total shareholder  
returns; Source: ACE Equity



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ven by his own high standards, 2017/18 was a stellar year for 64-year-old Kenichi Ayukawa, the top boss at India's largest passenger vehicle maker, Maruti Suzuki. His company closed the year with 50.1 per cent market share, the highest since 2000/01.

The significance of this cannot be overstated. Maruti's hold over the domestic market is unprecedented. Under Ayukawa, its grasp of the consumer psyche has only strengthened. No other

market leader in any of the top 10 passenger vehicle markets around the world has such a high market share. More importantly, it marked a complete turnaround from the time Ayukawa took over as the CEO and MD in April 2013. Maruti had just ended 2012/13 with a historically low sub-40 per cent market share. Also, the morale within the company wasn't the best, courtesy two years of labour unrest at Manesar.



# THE ROAD WARRIOR

**KENICHI AYUKAWA LED MARUTI TO A POSITION OF HISTORIC STRENGTH IN 2017/18 AND IS PREPPING THE COMPANY FOR FUTURE CHALLENGES.**

By SUMANT BANERJI  
Photograph by REUBEN SINGH

In 2017/18, in what was the company's 35th year in India, Maruti sold 1.78 million units, registering 16.7 per cent growth in revenues at ₹78,104.8 crore, on which it made a net profit of ₹7,721.8 crore. "The year 2017/18 was good for us. We introduced some new products that were generally well received by the market," says Ayukawa.

Ayukawa's obsession with not letting customers down means he is already looking at ways to tackle the future challenges. Unlike 2017/18, this financial year has not been the best for the domestic automobile industry. High finance, insurance and oil costs have dampened consumer sentiment. The industry registered its worst festive season in five years in 2018. Maruti reported 6.5 per cent growth between April and January so far. Double-digit growth for this fiscal is clearly ruled out.

"Globally, the economy is not doing very well, and that has impacted India too. Since the year began, oil prices have gone up and that is absolutely negative for the Indian economy. For the automobile industry, in the last few quarters, the cost of insurance has also gone up. Availability of finance at banks is another issue in addition to the depreciation of the rupee. With stock markets volatile, customers are hesitant about making new purchases," he says.



**MARUTI AND TOYOTA WILL WORK TOGETHER TO DEVELOP AN ELECTRIC VEHICLE PLATFORM THAT WILL BE AFFORDABLE AND PRACTICAL FOR INDIA AND OTHER EMERGING MARKETS"**

"The overall sentiment is that of a slowdown, that is true, but I believe in the potential of the Indian market. If there is any positive trigger, we may come out of this slow phase fast. The question is to predict and say when it will happen. We are also looking for the answer but it is not very easy to find." The company has been able to weather slowdowns better than others due to new launches, innovative marketing, wide network and substantial presence in rural areas.

The situation seems to be improving gradually. "The RBI did not raise rates. The rupee has appreciated and oil prices are coming down. But I suppose there will be a lag before it changes the sentiment. I think the fourth quarter may still be challenging for us. For the full fiscal year, for the industry as a

whole, it will be very difficult to achieve the growth levels of FY2018."

Further into the future, the impending electrification will disrupt the way the industry runs. Maruti is constrained by its parent Suzuki's lack of R&D heft as compared to bigger rivals such as Volkswagen, Renault-Nissan, Honda and Hyundai. To counter this, the company has joined hands with Toyota Motor Corp and will begin cross-badging some of its products such as the Brezza compact SUV, the Baleno premium hatchback and the Toyota Corolla Altis executive sedan. But more importantly, the two companies will work together to develop an electric vehicle platform that will be affordable and practical for India and other emerging markets.

"The customer is still not very excited about electric vehicles right now as issues such as pricing, charging and range of battery need to be fixed. These are the problems that we need to find answers to. Otherwise, the customers won't buy them," he says.

A more pressing question is Ayukawa's contract, due for a second three-year extension this April. As long as he is around, no challenge is big enough for Maruti. **BT**

@sumantbanerji



## INDIA'S BEST CEOs

**BHASKAR BHAT**, MD, The Titan Company

**FROM SELLING MECHANICAL WATCH MOVEMENTS IN TATA PRESS WAY BACK IN 1983, TO BUILDING THE TITAN COMPANY INTO A ₹15,656 CRORE-LIFESTYLE BRAND, BHASKAR BHAT HAS TAKEN LIFESTYLE TO THE MASSES.**

By AJITA SHASHIDHAR

Photograph by HEMANT MISHRA

# MR BOTS

I

**f Xerxes Desai** was the visionary behind the stylish Indian watch brand, Titan, it is Bhaskar Bhat, Managing Director, The Titan Company, who is crediting with ensuring that brand Titan is available through the length and breadth of the country. While former-MD Desai envisaged Titan as an aesthetic accessory that would adorn the wrists of fashionable Indians, Bhat ensured that watches be-

come aspirational even for the average Indian.

The 64-year-old MD of The Titan Company, in the twilight of his professional career, is known for his attention to perfect execution. Despite being the MD, he has always believed in rolling up his sleeves and travelling to the markets personally to understand his consumers. Titan's strong supplier and distributor net-





## BEST CEO MEDIUM COMPANIES

Total Income/ 3-yr CAGR  
**₹15,708 cr/ 9.5%**

PBIT/ 3-yr CAGR  
**₹1,710 cr/ 14.6%**

PAT/ 3-yr CAGR  
**₹1,255 cr/ 15.1%**

3-yr Average TSR  
**43.0%**

Average Mcap YOY Growth\*  
**84.9%**

ROE/ ROCE  
**24.5%/34.1%**

Cash/ Debt  
**₹612 cr/nil**

Net Profit Margin  
**7.4%**

\*For Oct 2017-Sept 2018;  
Standalone data; Total Income,  
PBIT & PAT net of extraordinary  
items; TSR: Total shareholder  
returns; Source: ACE Equity

work is Bhat's handiwork. "Bhaskar is a people's person and has spent a lot of time building a strong relationship with his suppliers and distributors," says Bijou Kurien, former COO of The Titan Company who is currently a Strategic Board Member at L. Catterton Asia Holdings.

While the legendary Desai focussed on the brand and its style quotient and had a fair bit of snob value associated

with him, Bhat perfectly complemented him by being the operational expert. "The two had very different styles of working and often people wondered how Bhaskar would fit into Mr Desai's shoes. But he did a wonderful job of it and his people management skills came in handy," says Kurien, who worked with Bhat for 20 years. Anyone can walk into Bhat's office and be sure to be heard. Bhat's simplicity is



**NOT ONLY  
DO THEY  
(CUSTOMERS)  
WANT TO  
BUY A GOOD  
PRODUCT, THEY  
WANT TO BUY  
FROM A GOOD  
COMPANY"**



known even outside office. It is well-known that he prefers taking public transport each time he travels to the Bengaluru airport as he finds it convenient. "If we were on a market visit and there were no cars available, he would happily jump into an autorickshaw," remembers Kurien.

"He insisted on flying economy class if the rest of his team was in economy. If the team travelled by bus for a market visit, he would instantly jump into the bus," remembers Raghu Viswanath, who was the national brand manager for Titan in the mid-nineties and is currently the MD of brand valuation company Vertebrand.

### Far and Wide

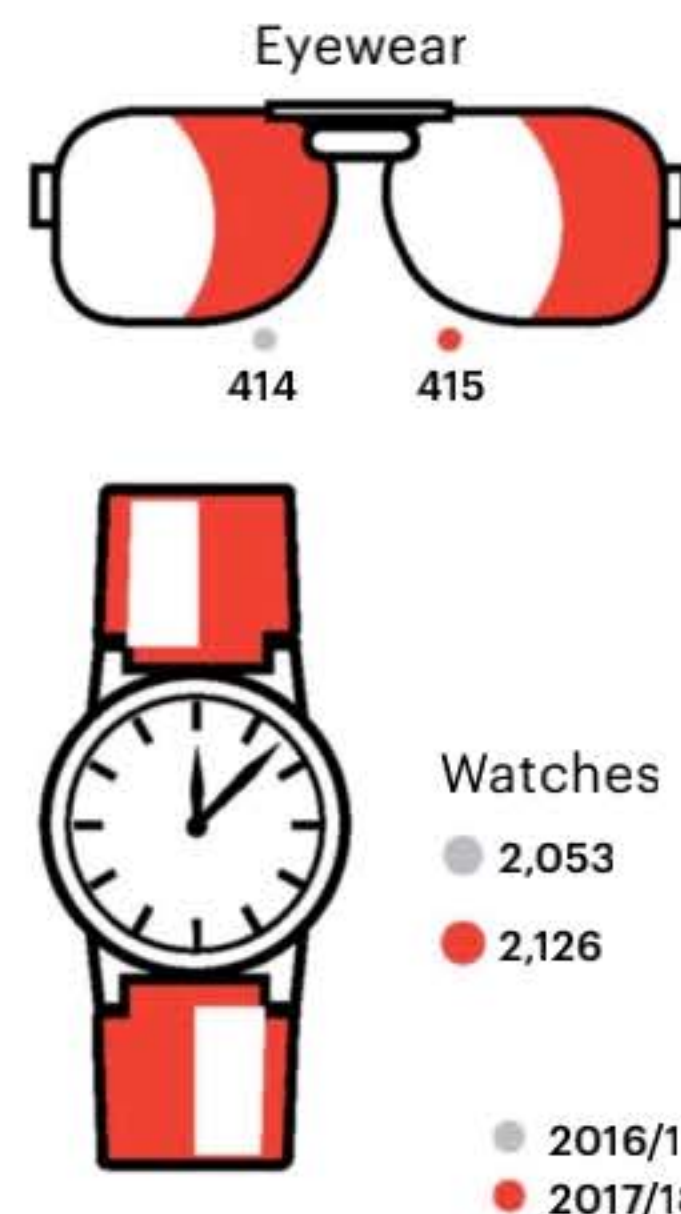
Bhat has many successes to his name but is quick to admit his mistakes too. When the company saw 20.75 per cent growth in revenue in 2017/18 after years of low growth, he said in an interview with *Business Today*: "We got preoccupied with delivering profits rather than keeping the innovation engine alive. We lagged in smart watches. The competitive scenario changed, and international brands came, bringing international designs."

The watch business, which had been posting low single-digit growth for a while, reported its highest ever profits in the last fiscal. In the same period, Titan's net profit soared 70.86 per cent, while its market cap grew from ₹41,082 crore in 2016/17 to ₹83,656 crore in 2017/18, making it the third most valuable Tata company after TCS and Tata Motors.

Titan's success is based on its approach. A lifestyle brand in most markets is associated with premium or luxury, but Bhat took lifestyle to the masses. When the jewellery business (Tanishq) was struggling in its initial years as it was positioned as premium and mostly offered west-

## EXPANSION MODE

While jewellery is its main revenue earner, Titan is diversifying into new avenues to expand its reach and offerings



Source: Company's annual report  
Figures are in ₹ crore

ern designs in 14- and 18-carat gold, Bhat played a huge role in switching to 22-carat gold and offering Indian designs. This appealed to customers and Tanishq today is a ₹13,000-crore brand.

Titan Eye, the company's eyewear brand, follows a similar plan. It offers spectacle frames for as low as ₹300 and is also available in traditional optical stores. The company has even started manufacturing spectacle frames and lenses in India. "Value is what we are good at," says Bhat. According to him, the India growth story is all about its population.

Titan as a whole reaches out to 18 million customers annually and Bhat's ambition is to reach out to 50 million customers in five years and hit ₹52,000 crore in terms of turnover. "Jewellery will be ₹40,000 crore, watches will be ₹17,500 crore and other businesses will be around ₹4,000 crore," he says.

Premium is a relative term, es-

pecially in a market like India, says Bhat, where quality and affordability are major factors. "Premium in India is the value we deliver. Are we giving you an authentic product, are we giving you a differentiated design, are we giving you trust, are we giving you a store experience and a buying experience that is transparent? People value that these days. Not only do they want to buy a good product, they also want to buy from a good company," he explains.

Within Titan, Bhat has always encouraged his colleagues to dare to think out of the box. He kicked off the Ignitor programme in which younger employees are encouraged to come up with ideas that could be developed into businesses. Titan's new businesses such as fragrances (Skinn), eyewear (Titan Eye) and saris (Taniera) are an outcome of this programme. **BT**

@AjitaShashidhar



## INDIA'S BEST CEOs

ALLURI INDRA KUMAR, CMD, Avanti Feeds



THE COMPANY IS LOOKING AT BOTH **ORGANIC AND INORGANIC GROWTH, APART FROM DIVERSIFICATION INTO RELATED ACTIVITIES**"

### BEST CEO SMALL COMPANIES

Total Income/ 3-yr CAGR  
**₹2,851 cr/ 16.8%**

PBIT/ 3-yr CAGR  
**₹632 cr/ 51.6%**

PAT/ 3-yr CAGR  
**₹416 cr/ 53.2%**

3-yr Average TSR  
**105.7%**

Average Mcap YOY Growth\*  
**105.6%**

ROE/ ROCE  
**54.9%/ 83.3%**

Cash/ Debt  
**₹13 cr/Nil**

Net Profit Margin  
**14.7%**

\*For Oct 2017-Sep 2018;  
Standalone data; Total Income,  
PBIT & PAT net of extraordinary  
items; TSR: Total shareholder  
returns; Source: ACE Equity





# LATTENRAI THEINKER

**FROM HUMAN  
HAIR TO SHRIMP  
FEED TO RELATED  
OPPORTUNITIES  
- ALLURI INDRA  
KUMAR CAN FIND  
THE LINK, AND  
MAKE IT WORK.**

By E. KUMAR SHARMA

Photograph by Reuben Singh



**uman hair and shrimp feed seem** to have little in common but Alluri Indra Kumar, a chemical engineer by training, tapped a linknode, and quite a big one at that. This opened up a business opportunity that started a bold new phase in his entrepreneurial journey.

The opportunity presented itself in 1991 after the government opened up the economy and started encour-

aging local production of shrimp to boost exports. Kumar was managing his family enterprise, a 100 per cent export-oriented unit, Srinivasa Cystine Ltd., a maker of the L-Cystine amino acid from human hair, since 1986. Amino acids are building blocks for proteins. That is what he needed to make shrimp feed, an ideal business to enter after the 1991 economic reforms considering the potential for exports.



## INDIA'S BEST CEOs

**ALLURI INDRA KUMAR**, CMD, Avanti Feeds

That was the beginning of Avanti Feeds. Till then, most of the shrimp feed consumed in India used to be imported. Avanti Feeds' first shrimp feed plant became operational in November 1994 with a capacity of 10,000 MT per year (the present capacity is 6,00,000 MT). There has been no looking back for him since then.

"Our past five years' compounded annual growth rate, or CAGR, is 33 per cent, higher than the industry rate of not more than 25 per cent," says Indra Kumar. The company, he says, is India's largest feed maker with a market share of over 45 per cent. It has a subsidiary, Avanti Frozen Foods Private Ltd, which processes and exports shrimps. The bulk of the shrimp produced by the subsidiary goes to the US and Europe – almost 65 per cent to the US, 20 per cent to Europe and 5 per cent to Japan. This is apart from the expansion of the footprint in Europe. Avanti Frozen has also explored markets in Korea and China over the past one year. Kumar says demand for seafood will keep rising as it is now seen as an essential component of a healthy diet as against meat. This presents a huge growth opportunity.

"Avanti Feeds' consolidated revenue rose from ₹2,615.74 crore in FY17 to ₹3,392.90 crore in FY18. This was a significant jump from a few years ago. In FY14, for instance, it had posted a revenue of ₹1,093.27 crore. Our goal is to become a billion dollar company by 2022," says Kumar. He is confident of meeting the target given the growth so far and points to the 30 per cent rise in consolidated turnover (of both Avanti Feeds and Avanti Frozen Foods) in 2016/17 and 24 per cent in 2017/18. The profit after tax grew 430 per cent in 2016/17 and 105 per cent in 2017/18. Avanti Feeds accounts for 83 per cent of the consolidated turnover.

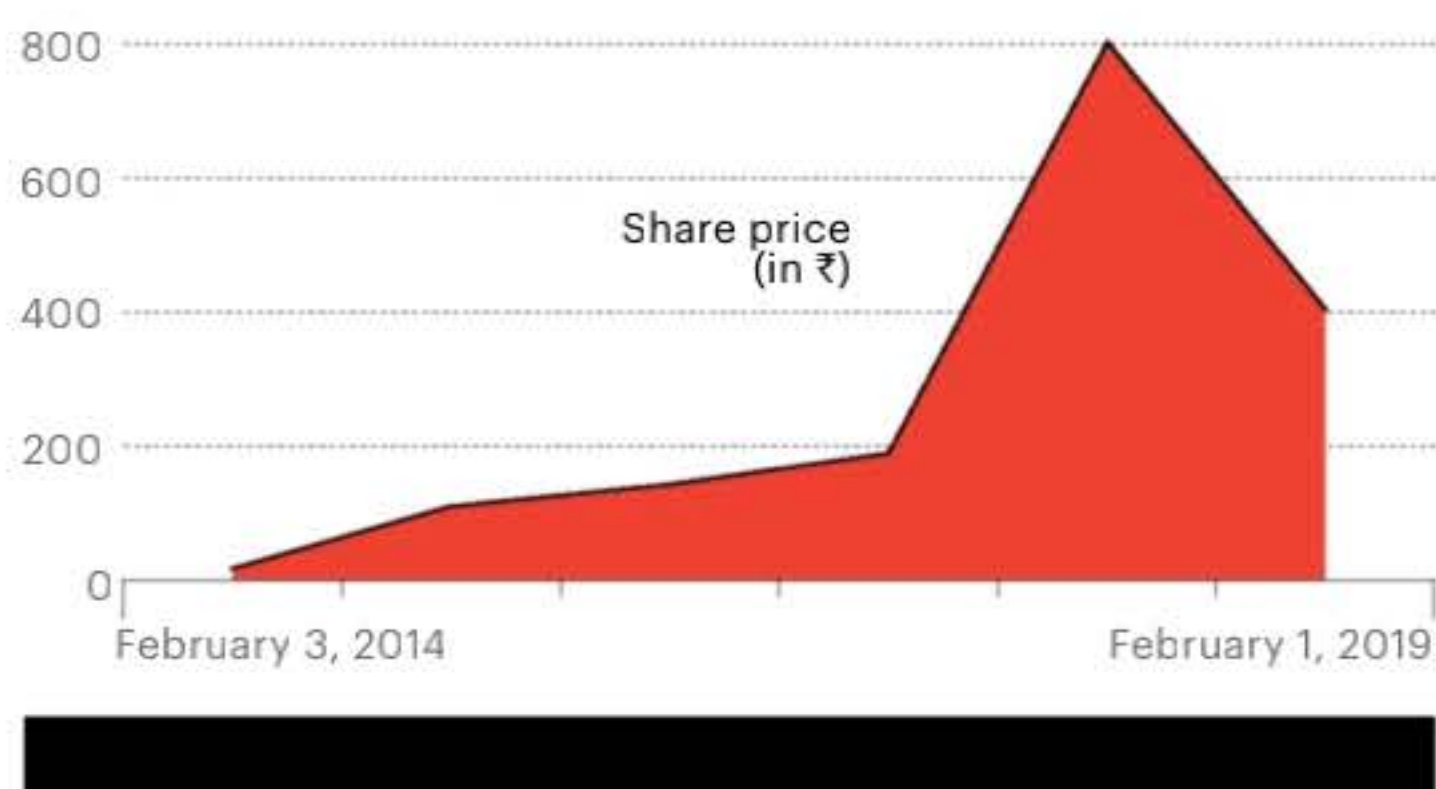
### Expansion Plans

In order to keep the momentum going, the company commissioned a

new shrimp feed plant with a capacity of 1,75,000 MT in 2017/18, which took the total capacity to 6,00,000 MT per annum. Plus, given that the feed it makes is food for shrimp, the company focussed on improving the feed conversion ratio and got it to 1:1.4 (for one kg shrimp, 1.4 kg feed is consumed) which, he says, is a lot of distance covered from the earlier figure of 1:1.7-1:1.8. The company also looked at import substitution in machinery for its new plants to bring in greater cost efficiency. Apart from these, a state-of-the-art shrimp processing plant with a capacity of 15,000 MT in the company's subsidiary in 2017/18 took the total installed capacity to 22,000 MT per annum. Today, Avanti has five feed plants and two processing units, all in Andhra Pradesh, except the one feed plant in Gujarat from where it also exports to west Asia. The shrimps are exported from Vizag. Indra Kumar, who divides his time between Gujarat (Valsad) and Andhra Pradesh, lives on the campus of one of his feed units in Kovvur in West Godavari district of Andhra Pradesh.

N.V.D.S. Raju, an independent director on the Avanti Feeds board,

### AVANTI FEEDS' STOCK HAS RETURNED 84% CAGR IN PAST FIVE YEARS



says: "I have known him for three decades, first as a banker to the company and over the past four years, more closely as a board member. He is quite transparent in his dealings. He has a good grasp of the business with focus on cost effectiveness and technical competency. Also, while taking calculated risks, he tries to ensure that he is able to manage the risks."

Indra Kumar, who gave a new growth spin to the business founded by his father, has already groomed the next generation to take charge. Both his sons, Venkat Sanjeev and Nikhilesh, are actively involved in the business. On the way ahead and the goal for 2022, Kumar says the company is looking at both organic and inorganic growth, apart from diversification into related activities. He says he can't spell out these plans as they are still being discussed internally. It is also looking at value addition in exports in collaboration with Thai Union, a leading Thailand-based frozen seafood company which has a 25 per cent stake in Avanti Feeds and 40 per cent in the shrimp processing company. **BT**

@EKumarSharma





# Strengthening Steel Sector with a Will of Steel

A leading brand acknowledged for its remarkable impact on India's infrastructure development is Kamdhenu Limited with its corporate office located in Cyber City of Gurugram, Haryana. An established market leader in TMT bars, the company has extensively captured the retail segment of the country to become the top brand in this category.

The phenomenal growth of the Rs.8000 crore worth company is propelled by the core values of honesty, transparency, commitment, quality assurance and customer satisfaction, besides an expansive network of over 10,500 dealers/distributors across the country. Among its premium products are earthquake resistant Kamdhenu SS 10000, TMT Bars and Kamdhenu NXT, "the next generation interlock steel". The own full-fledged steel and paint factory in Bhiwadi (Rajasthan) form the backbone of the company, which diversified into decorative paints in 2008.

Kamdhenu is the proud recipient of several honors including "India Power Brand 2016 Award", "Asia's Most Promising Brand – 2015-16", "World's Greatest Brand 2015 and 2017-18" amongst Asia & GCC in the categories of steel as well as paints. An ISO 9001:2015 certified company, Kamdhenu is also listed on BSE & NSE. Reiterating the company's commitment for sustaining an environment that encourages inclusive growth, Mr. Sunil Kumar Agarwal humbly mentions, "The credit to take Kamdhenu to where it is today, goes to my entire team and not to any individual, but yes, I have given my 100 % to Kamdhenu."

- **Mr Sunil Kumar Agarwal, Whole time Director of Kamdhenu Limited, nurtured the company since its establishment in 1994, with his exceptional business acumen and expertise in the steel industry to scale dizzy heights as market leaders in TMT manufacturing in the country. The credit goes to Mr Agarwal's aggressive and strategic expansion initiatives that India was introduced to the first-of-its-kind franchisee model where regional steel units came under the protective umbrella of Kamdhenu Brand for their growth and sustainability.**

What started as a family business of fabricating steel machinery for sugar manufacturing from district Muzaffarnagar, a prosperous sugar belt in Uttar Pradesh, eventually changed course with the dynamic ideas and vision of Mr Sunil Agarwal, who after completing his engineering

## **MILESTONE IN THE RECENT PAST OR COMING UP IN NEAR FUTURE**

➔ **Launched Kamdhenu SS10000, double rib premium TMT bar in 2013**

➔ **In the year 2015 Kamdhenu became largest TMT selling brand in retail segment in India.**

➔ **Launched Kamdhenu Nxt-TMT "Next generation interlock steel" for in 2017**

➔ **Achieved 17.50 lakh tonne TMT sales in 2018.**

➔ **Target of achieving 22 lakh tonne TMT sales in 2018-19.**

studies, closed that segment to set up a steel rolling mill. Thus began the arduous journey into this industry and the rest, as you say, is history.

Broadly, Kamdhenu has many business verticals namely Steel TMT bars, Structural steel, Wirebond, Pipes, Color Coated Sheets, Plywood, Paints, and a host of other items, all related to building material and necessary when anyone plans to build a house or a commercial setup. This move envisaged to create a brand that could cater to all building requirements under a single roof for the convenience of the customer and was also a penny-wise decision in the business sense as well. Living up to the expectations and aspirations of the niche customer segment further strengthened Kamdhenu's position as market leaders.

Rising to the call of PM Shri Narendra Modi for industrial and economic renaissance, Kamdhenu's existing model is aimed at and serves the objective of 'Make in India' initiative. In fact, the company's contribution is two-fold.

Even while the company continues to raise the benchmark of excellence, the social consciousness of Kamdhenu Group aspires to involve actively in several CSR initiatives. The company is associated with a charitable hospital based in Zirakpur, close to Chandigarh, where every year state-of-the-art medical equipment is installed and facilities are upgraded. Also, Kamdhenu associated with HBTU, Kanpur, the institution from where Mr Agarwal graduated, to install eight RO water systems to provide pure drinking water to the students who were earlier risking their health by drinking unfiltered water. In neighbouring locality in Chakkerpur, Gurugram, the company runs an educational institution up to class 5, for underprivileged children. Well-equipped with computer facilities, quality education is imparted to 200 children in the school. Kamdhenu believes in magnanimously contributing for the betterment of the society as and when required.

Kamdhenu's resolve of steel in quality, commitment and ethical practices is what makes the company a frontrunner in the industry inspiring others to emulate its high standards.





**Pioneering Kamdhenu to touch  
new horizons of steel industry**

**Sunil Agarwal**  
Director, Kamdhenu Limited



## BEST CEO AUTO & ANCILLARIES

Total Income/ 3-yr CAGR  
**₹26,438 cr/24.5%**

PBIT/ 3-yr CAGR  
**₹2,375 cr/47.8%**

PAT/ 3-yr CAGR  
**₹1,575 cr/88.8%**

3-yr Average TSR  
**33.8%**

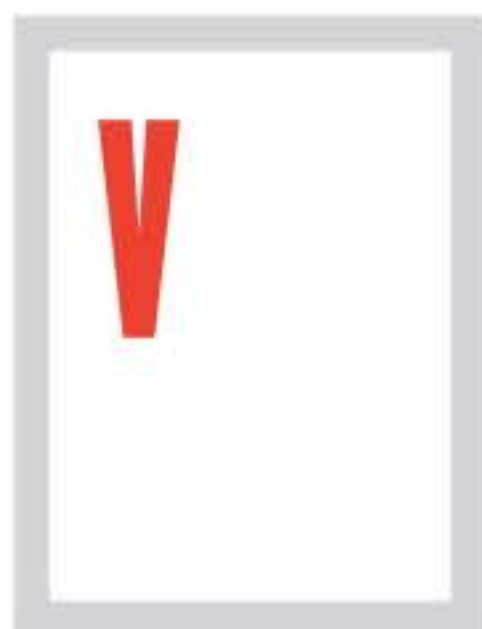
Average Mcap YOY Growth\*  
**46.1%**

ROE/ ROCE  
**23.7%/28.7%**

Cash/ Debt  
**₹1,004 cr/ ₹1,002 cr**

Net Profit Margin  
**5.8%**

\*For Oct 2017-Sep 2018;  
Standalone data; Total Income,  
PBIT & PAT net of extraordinary  
items; TSR: Total shareholder  
returns; Source: ACE Equity



**Vinod K. Dasari**, Managing Director and Chief Executive Officer of India's second largest commercial vehicle manufacturer, Ashok Leyland, is a content man. The results of past three financial years show the result of his and his team's hard work and risk-taking ability. For the first time, the company crossed the 1,00,000-mark in domestic medium and heavy commercial vehicle (M&HCV) truck sales in financial year 2018. The domestic M&HCV volumes increased more than 13 per cent CAGR (FY15-18) from the downcycle of FY13/14 and the market share rose to 34 per cent last fiscal. It also reported record revenues of ₹26,248 crore, up 30 per cent, and profits (EBITDA) of ₹2,739 crore for FY18.

What drove the change? "Philosophically speaking, I feel a certain change happened in the DNA of Ashok Leyland in the past few years," says Dasari, sitting in his office on the ninth floor of Ashok Leyland Towers, in south Chennai. "There is a sense of confidence among all layers of employees."

When the 52-year-old Dasari took over as MD in April 2011, the commercial vehicle industry was facing a massive downturn. Ashok Leyland reported ₹7,000 crore of debt, and a debt-equity ratio of 2.4:1. The first thing he did was get the right people. "I wanted each employee to think that it was his own company and to understand that he was contributing to the profit," he says. A massive cost reduction exercise was un-

**VINOD  
DASARI'S  
FOCUSSED  
LEADERSHIP  
HELPED  
DEBT-RIDDEN  
ASHOK  
LEYLAND  
AVOID A CRASH  
AND TURN  
AROUND.**

By K.T.P. RADHIKA  
Photograph by  
R. VARUN PRASAD

# THE MOTI





## INDIA's BEST CEOs

VINOD K. DASARI, MD and CEO, Ashok Leyland



NO COUNTRY  
IN THE WORLD  
HAS GONE  
**FROM EURO IV  
TO EURO VI IN  
THREE YEARS.**  
IT TOOK 8-10  
YEARS IN OTHER  
COUNTRIES"

# VATOR



## INDIA'S BEST CEOs

VINOD K. DASARI, MD and CEO, Ashok Leyland

dertaken and funds were invested back into growth. Product line was changed and the network expanded — by five or 10 times in some cases.

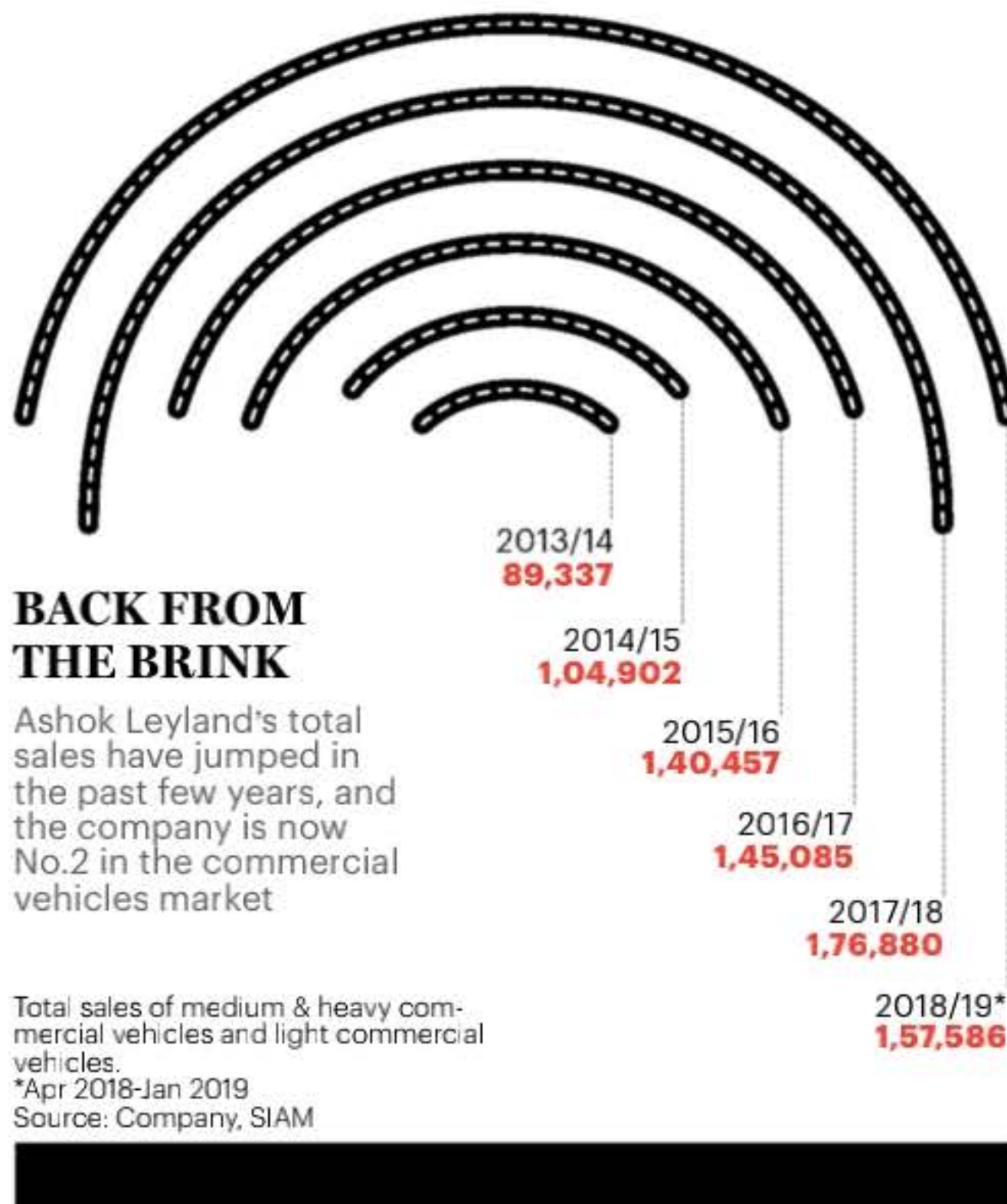
Dasari chose people with the right leadership skills. "Earlier, I was the only person responsible for profit. The first year we made this six, then 12, then 36. Now we have 453 profit and loss sections." The result came through in three years. From the brink of financial collapse, Ashok Leyland became a successful automobile company two years in a row from a market cap standpoint.

Among his employees, Dasari is known as a great motivator. "Employees know there is a problem because I have simply cut everybody's salary including mine. But you have to explain what is going on and what you are going to do about it."

Another achievement was convincing trade union leaders. Indian labour law does not allow laying off people. "I met the union leaders and said that when the company prospers, the employee must prosper. But when the company is in trouble everybody should contribute. So what can we do?" To his surprise the leaders said they would voluntarily not come to work and the company won't have to pay. "Now things are back on track and we are among the companies that pay the highest bonuses," he beams.

### Innovation is Key

Dasari says he believes in India and its capability to innovate. This helped Ashok Leyland too get through many challenges. For instance, when the transition from BS III to BS IV emission rules happened in the beginning of fiscal 2018, "it was the first time that a sudden decision was made saying BS III should be banned from tomorrow". What helped Ashok Leyland in this situation was the indigenous iEGR (Intelligent Exhaust Gas Recirculation)-based technology while every other company had a Selective Catalytic Reduction. The efforts paid off. The company sold more than 1,50,000 vehicles.



When the BS III issue came up, "we were the only ones who came up with a mechanical-based fuel pump."

Competition must be used to sharpen strategy and deliver better value. When asked how he feels being No.2 in the CV industry (No.1 being Tata Motors), Dasari says, "Yes, it will be nice to be No.1, but our vision is about being among the global Top 10 in trucks. We were at 19 and are now at 13. In buses we wanted to be among the global Top 5; we are now at four."

The recent slowdown in the CV industry is a short-term hiccup. A slow festival season combined with credit crunch in the market has meant poor sales. Another reason is that the industry is waiting to see the election results. "The industry will rev up with the Euro-VI pre-buy next year," he says.

The biggest challenge for the company would be increasing the speed of decision-making and launching prod-

ucts, processes and technologies. "The clock speed of our industry has been changing in the last five years. No country in the world has gone from Euro IV to Euro VI in three years. It took 8-10 years in other countries."

Dasari recently announced his decision to leave Ashok Leyland after being with the company for 14 years. "I am focussed on a careful transition. I am sure that the successive leadership teams will sustain the people element, which is the hallmark of Ashok Leyland."

Revelling in challenges, Dasari hums a line from a popular Tamil song from his favourite star Rajinikanth's *Murattu Kaalai*. "Podhuvaaga en manasu thangam/ Oru poattinu vandhdhuvittaa singam (We are generally very nice people but challenge us, and we become a pack of lions)." **BT**

*The author is a freelance writer based in Chennai*



## INDIA'S BEST CEOs

H. M. BANGUR, MD, Shree Cement



THE COMPANY IS EXPECTED TO TOUCH 45 MTPA. **THE EXPANSION MAY NOT PROVE CRAZY IN THE END AS THERE ARE ALREADY SIGNS OF REVIVAL**"

### BEST CEO CEMENT

Total Income/ 3-yr CAGR

**₹10,222 cr/ 14.8%**

PBIT/ 3-yr CAGR

**₹1,962 cr/ 52.2%**

PAT/ 3-yr CAGR

**₹1,384 cr/44.2%**

3-yr Average TSR

**14.7%**

Average Mcap YOY Growth\*

**2.3%**

ROE/ ROCE

**16.7%/18.4%**

Cash/ Debt

**₹121 cr/ ₹3,403 cr**

Net Profit Margin

**13.6%**

\*For Oct 2017-Sep 2018;  
Standalone data; Total Income,  
PBIT & PAT net of extraordinary  
items; TSR: Total shareholder  
returns; Source: ACE Equity





# CRAZY OVER CEMENT

**SHREE CEMENT BELIEVES IN BEING DIFFERENT. SO, IT EXPANDED DURING A DOWNTURN, AND EVEN BOUGHT A GULF-BASED COMPANY. THE BOLD BETS ARE SET TO PAY OFF.**

By ANIK BASU

Photograph by SUBIR HALDER



**T**he man who once gauged his mental faculties by religiously taking the annual Common Aptitude Test for MBA aspirants says crazy is good. In fact, to Hari Mohan Bangur, Managing Director, Shree Cement Ltd., crazy spells “better”.

“Any company that wants to improve has to do something new, something crazy,” says Bangur, 66, explaining the thinking at the ₹10,000-crore cement company that he runs from his riverfront office in Kolkata.

In his book, an organisation’s SOP – the standing operating procedure that lays out guidelines to help workers execute complex operations – can at times be a “hindrance” and what is then required is adjustment. “So, we try something crazy”.

Shree Cement’s annual report for 2016/17 extends the “crazy” philosophy further, starting with an epigram on the cover that says, “Being Crazy is

Heavenly”; it also features a Jack Ma quote in an inside page: “We are crazy, but we are not stupid.” Bangur gives the concept of craziness a local tweak: “At Shree, we do not think normal, we think different.” This “craziness” is, perhaps, reflected in the expansion drive that Shree Cement has embarked upon, even though oversupply and low demand over the past three years have forced Indian manufacturers to operate below capacity.

Data from the Cement Manufacturers’ Association of India pegs the country’s annual production at a little over half the installed capacity – 296 million tonnes (MTPA), as against a capacity of 502 MTPA. Often, at times like these, companies go for greenfield expansion to consolidate market share and feed emerging markets.

Shree Cement has taken this to another level, initiating both organic and inorganic growth – in Chhattisgarh,



## INDIA'S BEST CEOs

H. M. BANGUR, MD, Shree Cement

Jharkhand, Orissa, Rajasthan, Bihar, Karnataka, Bengal and Odisha. This is in addition to its plants in Uttarakhand, Haryana and Uttar Pradesh.

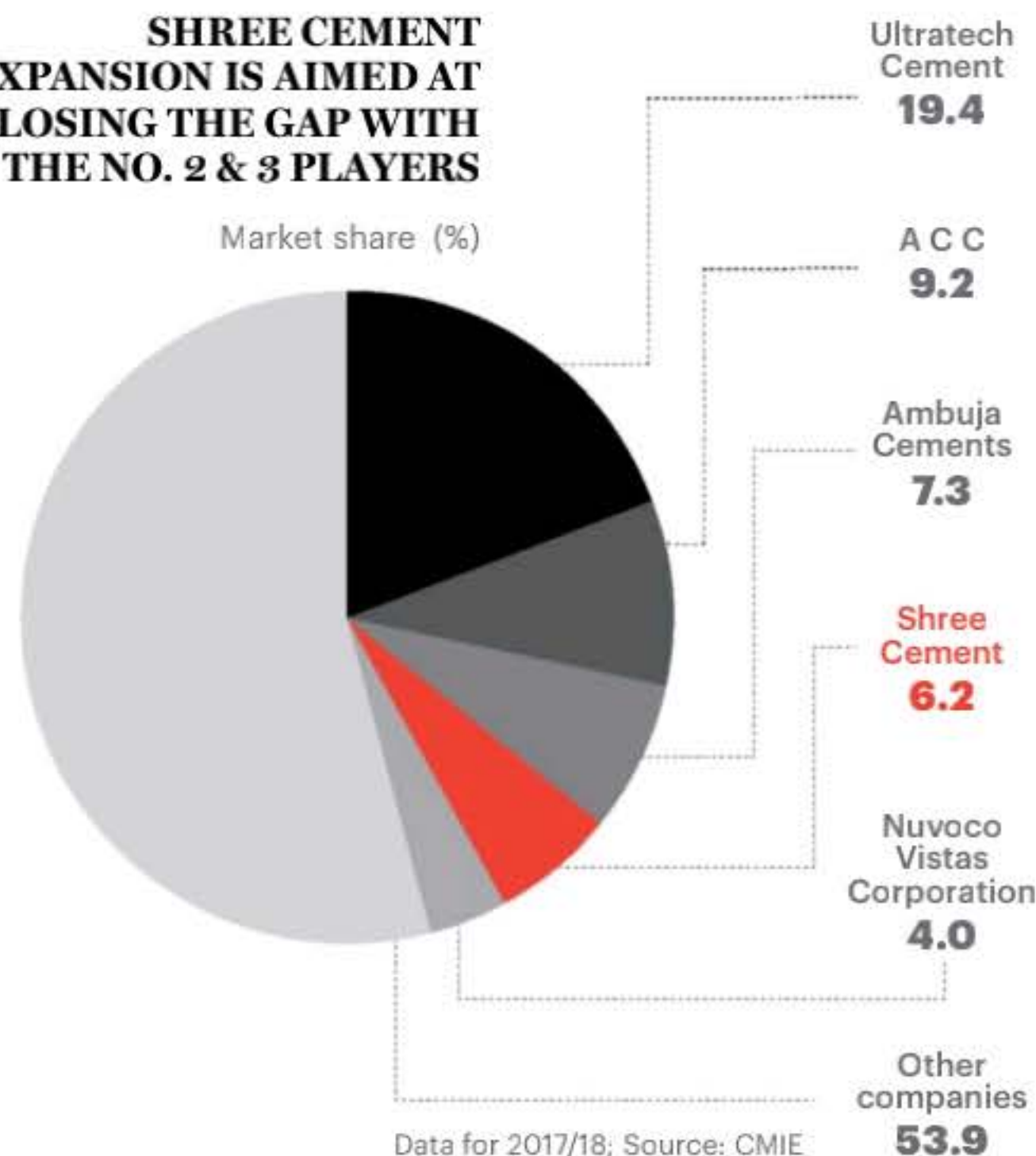
At present, the company produces some 37 MTPA cement at its existing units; after expansion, this is expected to touch 45 MTPA. The expansion may not prove crazy in the end as there are already signs of revival. An industry research note by CARE Ratings in November says the domestic cement industry clocked "robust growth of 14.4 per cent" in the first half of the current fiscal, driven primarily by government initiatives.

The most interesting gambit by Shree Cement, last year, however, was its biggest acquisition ever – and also its first venture outside India: a 97.6 per cent stake in Union Cement Co (UCC) in Ras Al-Khaimah, UAE, which has a production capacity of four MTPA. With a facility near the Saqr port, UCC exports half its output to other countries in the Gulf region and East Africa, according to the regulatory filing by Shree Cement. "In cement, you have to think international and act local," says Bangur.

But not everyone seems to be convinced by the company's moves. Says Milind S. Raginwar, Senior Analyst, Institutional Equities at Nirmal Bang: "The first mover advantage that helped initially has been waning." Shree Cement was strong structurally in finance and operations, but "this was when it was a single location cement manufacturer; with geographic expansion, it also faces challenges."

But for Bangur, challenges such as slumps are not new. Back in 2002, a four-year downturn found Shree Cement saddled with excess capacity and bank loans at 19 per cent; desperate for a bailout, the Bangur family agreed to a 50-50 ownership deal with the French group Vicat. It was a win-win for both. The French company wanted entry into India and the ₹800 crore valuation

### SHREE CEMENT EXPANSION IS AIMED AT CLOSING THE GAP WITH THE NO. 2 & 3 PLAYERS



of the Indian entity suited it, while the Bangurs wanted ready cash to reduce the sapping debt burden. "Everything was ready," recalls Bangur. "We even planned a champagne party."

However, what no one had bargained for was a change of heart for Hari Mohan the night before the agreement was to be signed. A 50-50 deal did not seem right on two counts. First, there was a question mark over who would run the company. Second, Bangur feared dilution of family stake in the coming years. He took a crazy call. Staking all, he decided to go it alone.

"I took a helicopter view," says Bangur about his decision, an approach inspired by Warren Buffett, whom he admires. The slump had to end, demand had to pick up, what was needed was the will to ride out the downturn. Today, we know it was not a crazy step after all. With net sales of ₹9,833 crore and net profit of ₹1,348 crore in 2017/18, Shree

Cement is the fourth largest cement company in India by revenue.

However, it is fundamentals that make Shree Cement the most sought-after stock among the peer group. British cement consultancy Whitehopleman, which reviewed eight Shree Cement units in 2016, gave the company a four-star rating, a notch below the previous year's highest five-star rating.

Much of what Hari Mohan Bangur has achieved stems from his hands-off approach. He is not known to visit the plants often, preferring to leave the units in the care of professional managers. It is something he has started doing with the Common Aptitude Test as well; he no longer sits for it, but encourages his staff to. "They do not get a salary hike or anything like that, stick in our minds." **BT**

*Anik Basu is a freelance writer based in Kolkata*



**BRITANNIA INDUSTRIES'  
MD VARUN BERRY  
IS SET TO TURN  
THE COMPANY  
INTO A TOTAL  
FOODS COMPANY.**

By AJITA SHASHIDHAR  
Photograph by RACHIT GOSWAMI



**Varun Berry, the tall and lanky MD,** of the 100-year-old biscuit manufacturer, has tall ambitions — to make Britannia a complete foods company by 2020. He says 2018 was a year of innovations. The biscuit manufacturer launched a host of new products such as milkshakes, chocolate-filled cakes and wafer biscuits, all of which, claims Berry, have done well in the market. “We really heightened our innovations last year. What we have launched till now is not even half of what we are going to do. As we sit here, the next few months will be the result of all that we have done in the past six-eight months.”

According to a report by Edelweiss, innovations account for around 5 per cent of Britannia’s revenue, and the ambition is to scale it up to 8-10 per cent in the next few years. Berry is excited about his company’s upcoming launch of long-shelf life baked croissants for which it entered into a joint venture with a Greek company, Chipita SA. “We have got some really exciting products coming up in cakes too. We have got some completely new-to-market products where we were not present but smaller players were there.” Getting into these newer categories will mean that Britannia will no longer be a biscuit-only company (80 per cent volume growth comes from biscuits). The company has invested ₹1,500 crore towards its innovation strategy.

Berry’s approach to business is contrary to his predecessor, Vinita Bali,

whose focus was on health and nutrition. “At one end you have consumers who have disposable income, who are looking for healthier options, and on the other end you have people for whom *bhukh-pyaas* is important, and for whom taste is important too... The larger population will look at products that fill their stomach and are tasty.”

Berry’s focus on taste has worked. In the past six years, the company has been registering an impressive revenue growth of 15 per cent a year. Profits have grown by close to 40 per cent a year in the last few years. The stock price of the ₹9,829 crore-company surged by 70 per cent last year.

#### **More to the Pie**

The soon-to-be total foods company is testing global waters as well. While Britannia exports to West Asia and also to the US and the UK, its first global manufacturing facility will come up in adjoining Nepal. “We will start selling products in Nepal that are made in Nepal. We have also started to seed markets such as Myanmar and Egypt where we are exporting products from the Middle East,” says Berry. The company is also planning to set up its own operations in Nigeria.

Another focus point is dairy. Berry has for long wanted to take the company’s ₹400 crore-dairy business back to the drawing board. The company has been running its dairy products business through contract manufac-

# THE TASTIER





## INDIA'S BEST CEOs

VARUN BERRY, MD, Britannia Industries

### BEST CEO FMCG

Total Income/ 3-yr CAGR  
**₹9,460 cr/ 9.2%**

PBIT/ 3-yr CAGR  
**₹1,447 cr/24.9%**

PAT/ 3-yr CAGR  
**₹948 cr/ 25.4%**

3-yr Average TSR  
**32.6%**

Average Mcap YOY Growth\*  
**54.2%**

ROE/ ROCE  
**32.7%/49.7%**

Cash/ Debt  
**₹97 cr/ ₹10 cr**

Net Profit Margin  
**10.1%**

\*For Oct 2017-Sept 2018; Standalone data; Total Income, PBIT and PAT net of extraordinary items; TSR: Total shareholder returns; Source: ACE Equity



NEWER CATEGORIES MEANS **BRITANNIA WILL NO LONGER BE A BISCUIT-ONLY COMPANY. IT HAS INVESTED ₹1,500 CRORE ON AN INNOVATION STRATEGY**"

turers, but recently set up a procurement network in Maharashtra, from where it collects 30,000 litres of milk per day. They started small. "We still haven't broken ground as far as the factory is concerned. We are evaluating the equipment and all of that," says Berry.

Dairy is a long gestation business and it will be a while before the company gets to a reasonable scale in

procurement. Meanwhile, it plans to strengthen its cheese and milkshake portfolios, and has exited commodity categories such as ghee. It's also strengthening dairy distribution and keeping prices competitive. Berry says the dairy business still has a lot of ground to cover, but this is the most exciting stage. **BT**

@AjitaShashidhar





ORAL SOLIDS (HARIDWAR)



LIQUID ORALS (HARIDWAR)



INJECTABLES / EYE DROPS / LVP / PFS  
(HARIDWAR)



HORMONAL PREPARATION (HARIDWAR)



DERMATOLOGY & COSMETICS  
(HARIDWAR)



AYURVEDIC / FOOD SUPPLEMENT  
/ NUTRACEUTICALS (HARIDWAR)



ORAL SOLID DOSAGE FORMS / INJECTABLES /  
LIQUID ORALS IN FFS & DERMATOLOGY  
(HARIDWAR)



ORAL SOLID DOSAGE FORMS - BETA LACTAM  
PREPARATIONS (HARIDWAR)



MULTI DOSAGE FACILITY (GUWAHATI)

## Akums Drugs & Pharmaceuticals Ltd. Healthcare with a Conscience

Akums is India's single largest Contract Research and Manufacturing (CRAMS) organisation responsible for manufacturing 12 % of all drugs consumed in the country, at present. Started by the brothers, Sanjeev Jain (Director, Business Development and Marketing) and Sandeep Jain (Director, Operations), Akums Drugs and Pharmaceuticals Ltd. was incorporated in April 2004. The company began with a single manufacturing unit dedicated to oral dosage forms. Today, Akums manufactures products for almost all multinationals and big pharma companies including Bayer, Fresenius Kabi, Boehringer Ingelheim, Allergan, GSK, Dr. Reddy's, Merck, Abbott, Novartis, Sun Pharma, Glenmark, Oriflame, Leeford, Chicco to name a few.

The list of top grosser includes products like ENO (GSK); Pepmelt and Pepfiz (Sun Pharma); Pudim Hara, Lemon Fizz, Honi-Tus Day & Night (Dabur); Digene FastMelt (Abbott), I-pill 21 days (Piramal); Paracip 100ml IV (Cipla) and many more. At present, Akums has built substantial global presence and endeavour to export their unique formulations around the world while redesigning global healthcare towards a happier world. Together, under the aegis of their father Mr. D.C. Jain, Sanjeev and Sandeep Jain have carved a unique place for themselves in the pharmaceutical space.

Akums has nine manufacturing facilities, out of which eight are located at Haridwar and ninth dedicated facility is in Guwahati. The nine units and the products they are dedicated to are as follows:

- Unit 1 — Oral solid dosage forms
- Unit 2 — Liquid orals
- Unit 3 — Injectables / Eye drops / LVP/ PFS

- Unit 4 — Hormonal preparations oral / Injectables
- Unit 5 — Dermatology & Cosmetics
- Unit 6 — Ayurvedic / Food Supplements/ Nutraceuticals
- Unit 7 — Oral solid dosage forms/ Injectables / Liquid oral in FFS & Dermatology
- Unit 8 — Oral solid dosage forms — Penicillin Block / Cephalosporin block/ Steroids/ Cytotoxics
- Unit 9 — Multi dosage facility

### THE FOUNDATION

Starting so young gave them a head start over others. Fortunately for them, starting at the delivery end of the pharmaceutical value chain meant that they understood the intricacies of the sector from the bottom-up. These early lessons helped them stand the tests of time as they made their way to the top of the value chain. While at their drug trading firm, the brothers had observed that in a bid to cut costs, a lot of drug manufacturers in India did not follow the





same quality standards for the domestic market that they would do for their export manufacturing. The Jain brothers felt this to be a very unethical and an unfair practice. They believed that quality drugs make a significant impact on the health and life of each individual of their country as well as the world. It was with this thought that Akums Drugs and Pharmaceuticals Ltd. was conceived. In 2003, the government announced excise and income tax-free zones in Uttarakhand, in and surrounding the town of Haridwar. As this city is considered to be one of the most sacred of places in India.

### **SERVICE OFFERINGS**

As the country's largest finished drug manufacturer, Akums is responsible for the health and well-being of millions of individuals. The company takes this responsibility very seriously, ensuring that every dosage unit that leaves their sites lives up to the most stringent quality standards. Akums is one of the few providers who offer customized, dedicated manufacturing units, tailored to the exact needs of their valued partners. The organization offers a comprehensive range of services starting from formulation development to market launch all en suite—

- Contract Research & Manufacturing Services (CRAMS)
- Formulation & development of Novel Drugs Delivery Systems (NDDS)
- New Formulations with DCGI approvals
- Institutional business
- Technology transfer
- Technical collaboration and joint venture
- Loan license

Akums' state-of-the-art manufacturing facilities are equipped to produce all modern dosage forms—tablets, hard gelatin capsules, soft gelatin capsules, powder in sachets, liquid syrups and suspensions, injections, eye/ear drops, ointments, creams, gels, lotions, ayurvedic and herbal preparations, nutraceutical and cosmetic preparations and many more.

Akums has plant-wise R&D and F&D departments equipped with best in class technology and manpower. Akums operates an ICH (Q1A2) compliant Centralized Stability Testing facility fitted with five walk-in Stability Chambers; these have the ability to perform stability studies for all dosage forms in every phase of development. Akums has appointed well-experienced, qualified and competent technical personnel in various departments like Quality Assurance, Quality Control, Production, Personnel & Administration, Engineering & Warehouse and more.

Apart from offering traditional contract manufacturing services, Akums works through a model wherein the latest advances in various therapies

that are yet to have reached India. Based on this intelligence, these product ideas/concepts are then developed further at Akums.

The company offers more than 4000 finished formulations; including fixed dose combinations, across all therapeutic segments and dosage forms.

The product offering includes:

- **685 DCGI approvals**
- **250 FSSAI approvals**
- **63 Patent applications**

Apart from offering all standard dosage forms, Akums has also developed some specialized formulations that involve a variety of controlled-release mechanisms. These technologies can be applied to a number of products to enhance the patient drug experience:

### **IN-HOUSE BREAKTHROUGH TECHNOLOGIES:**

- Bi-Layered sustained release tablet-in- tablet
- Multiple Tablets in a capsule
- Inlay Tablet
- Gastric Floating Tablet
- Instant & sustained release products
- Form, Fill & seal Technology
- Mouth Melt Powder and Tablets
- Aqueous base Injectables
- Oral Jellies
- Preservative Free Formulations

### **ACHIEVEMENTS**

Akums has consistently strived towards achieving highest standards of quality, at par with international benchmarks. Some of awards presented to Akums for their excellent performance across diverse areas of work and production are:

- **INDIA PHARMA LEADER AWARD** by Department of Pharmaceuticals, Government of India
- **National Award for Excellence in Product Quality and Outstanding Entrepreneurship** by Government of India
- **Best Emerging Companies Excellence Award and Best Corporate Governance Award** by Business Today
- **India Pharma Award for Excellence in Contract Research – Formulation Development** by UBM India for 3 years consecutively.
- The company's growth and contribution to the pharmaceutical industry earned it a well-deserved position in the list of India's Next Fortune 500 companies, with an overall sector ranking of 12



**RAJEEV  
JAIN HAS  
THE UNIQUE  
ABILITY TO  
THINK LIKE A  
CUSTOMER AND  
COME UP WITH  
MARKETABLE  
PRODUCTS.**

By NEVIN JOHN  
Photograph by  
Rachit Goswami

# THE RISK TAKING



**C**

**Clarity about clients,** customers and the company differentiates Rajeev Jain, Managing Director of Bajaj Finance (BFL), India's most valuable non-banking finance company (NBFC), from others. In his words, the company is in the business of giving money to people who don't want money. Jain's team finds customers with the help of business intelligence and data analytics; offers tailor-made loans; and cross-

sells products while reaching out to new geographies.

The 48-year-old Jain, who joined BFL as the CEO during its inception in 2008, has built the Bajaj group's financial services empire along with Sanjiv Bajaj, the younger son of Bajaj group Chairman Rahul Bajaj, and former CEO of Citibank India, Nanoo Pamnani. "We are highly entrepreneurial on one side and institutional on the other.



## INDIA's BEST CEOs

RAJEEV JAIN, MD, Bajaj Finance



WE ARE HIGHLY ENTREPRENEURIAL ON ONE SIDE **AND** INSTITUTIONAL ON THE OTHER."

### BEST CEO FINANCIAL SERVICES

Total Income/ 3-yr CAGR  
**₹13,329 cr/ 33.9%**

PBT/ 3-yr CAGR  
**₹4,056 cr/ 44.1%**

PAT/ 3-yr CAGR  
**₹2,647 cr/ 43.4%**

3-yr Average TSR  
**64.9%**

Average Mcap YOY Growth\*  
**70.5%**

ROE/ ROCE  
**20.3%/ 12.7%**

NET NPA  
**0.4%**

Net Profit Margin  
**19.9%**

\*For Oct 2017-Sept 2018;  
Standalone data; Total Income,  
PBT & PAT net of extraordinary  
items; TSR: Total shareholder  
returns; Source: ACE Equity

The entrepreneurial spirit enables us to think quickly, while the institutional culture ensures that we research, assess and create a business plan," says Jain.

Rahul Bajaj rates him as an "outstanding professional". The praise stems from Jain being vocal and expressive about ideas and his ability to think like a customer and thus come up with marketable products.

Pamnani remembers that it was in

the Sea Lounge of the Taj Mahal Palace in Mumbai that he first met Jain and spent about two hours talking with him before giving the job offer. "He is a smart business person with great execution skills. His ability to think broadly is outstanding," Pamnani says.

Jain's core strength is to be able to sense the ground reality and build a business from scratch. Jain calls BFL a collective entrepreneurship. "Between



## INDIA'S BEST CEOs

RAJEEV JAIN, MD, Bajaj Finance

the three of us, we always ended up making the right decisions," says Jain, but adds that they are only at the opening page of the success story. "The bigger opportunity is going to come in the next 8-10 years," he adds.

In the 10-11 years of its journey, BFL has grown from two lines of business to about 27 lines. The recently started home finance business registered a profit of ₹22.31 crore on a revenue of ₹147.74 crore in the last financial year.

BFL has financed 9.9 million purchases of consumer durables in the last financial year against 7.2 million the year before — a growth rate of 38 per cent. Its Existing Member Identification card (12.9 million in operation) enables customers to get instant finance after the first purchase.

BFL's revenue has risen 33 per cent to ₹13,329 crore in the last financial year, while profit increased 44 per cent to ₹2,647 crore. The assets under management (AUM) had risen 40 per cent in the last financial year and it stood at ₹1,09,930 crore on consolidated basis as on December 2018. The NBFC's consolidated borrowings stood at ₹92,889 crore with a mix of 35:53:12 between banks, money markets and deposits. The market valuation of BFL has increased by 150 per cent to ₹1.5 lakh crore in the last two years.

### Next Big Thing

"Lending is not an issue. But until the customer pays the last instalment, the lender will not make money. So we are in the business of managing risk," explains Jain. "We want to do business only with mass affluent customers who have a minimum of ₹6 lakh annual income," he adds. In rural markets, BFL deals with customers with annual income above ₹3.6 lakh.

"Retail loans should not have any papers. Last year, we launched the Bajaj Finserv Wallet app for EMI card customers. Customers can get a micro credit of ₹5,000-15,000 with click of

two buttons," says Jain. His target is to reach out to the customer with pre-approved loans, rather than the customer reaching out to the company.

Banks and financial services companies traditionally function in the B2C space. But Bajaj is in B2B2C — business to business to customer. "First, we reach out to manufacturing companies such as LG and Samsung and negotiate a deal. They offer us a margin for the additional sales that we bring in. Usually, they pay this margin from their marketing spend. This helps us offer consumer durables loans of zero per cent interest to customers," says Jain.

On a wider scale, the strategy at Bajaj Finance is to acquire customers through one product and then use technology and analytics to create propensity models to cross-sell multiple products to them. "We track closely so that no abuse takes place due to cross-marketing," says Jain.

Jain expects the next big opportunity to come in 2020/21, when the country's per capita GDP is projected to cross \$2,000. Globally, this is an inflection point for retail lending and the cycle tends to continue for six-seven years.

Jain says their lower capital cost helps them register high return on equity. "Banks have social obligations which I don't have. I don't have to do 40 per cent priority sector lending. I don't have to reserve CRR (Cash Reserve Ratio) and SLR (Statutory Liquidity Ratio). Our rural business is not because of social obligation unlike for the banks," he says.

Earlier, Bajaj's 80 per cent capital came from banks. This is down to 35 per cent. "We are committed to grow our balance sheet by 25 per cent and net income by 20 per cent. We want to double balance sheet and profit in three-and-a-half years," says Jain.

The product coverage is largely complete, but distribution needs more. BFL plans to expand to 2,500 cities. A challenge before Jain is that whatever



## BAJAJ FINANCE HAS 27 BUSINESS SEGMENTS NOW

SINCE INCEPTION IN  
2008, BAJAJ FINANCE  
HAS SPREAD ITSELF  
ACROSS 1,613 LOCATIONS  
(AS ON SEPTEMBER 2018)

IN 2017/18, BFL  
DISBURSED 15.32  
MILLION NEW LOANS

THE BIGGEST CHUNK  
WAS FOR CONSUMER  
DURABLES AND DIGITAL  
PRODUCTS, WHICH  
ACCOUNT FOR OVER 45%  
OF BFL'S BUSINESS

9.2 MILLION OF THE NEW  
LOANS WERE TO REPEAT  
CUSTOMERS

BFL puts out in the market is copied by others. "You can't enjoy the fruit of your work for a long time. How do you reinvent every day? You need to disrupt the market while identifying the gaps in the product portfolio."

A trap that Jain wants to avoid is becoming slow. "When companies become large, they become slow, tolerate mediocrity, stop challenging themselves and become bureaucratic. The challenge is not to fall into that trap." **BT**

@Nevinji



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SCINDIA**  
MP, LOK SABHA,  
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**RAM MADHAV**  
NATIONAL GENERAL  
SECRETARY, BJP

## THINKERS



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UBI EXPERT, ECONOMIST,  
UNIVERSITY OF LONDON



**S. GURUMURTHY**  
BOARD MEMBER, RBI,  
EDITOR, THUGLAK



**SANJEEV SANYAL**  
PRINCIPAL ECONOMIC  
ADVISOR, MINISTRY  
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**INDIA'S BEST CEOs**

**C.P. GURNANI, MD AND CEO, TECH MAHINDRA**

# ALPHEUS



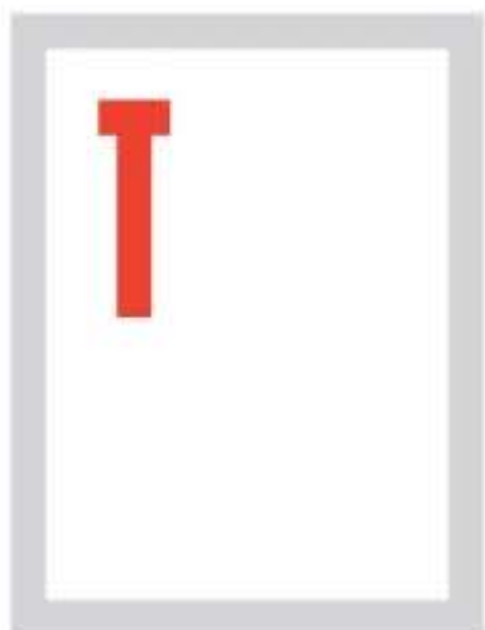
**C.P. GURNANI'S FORMULA IS TO BREAK DOWN COMPLEX ISSUES AND TACKLE THE PARTS ONE BY ONE.**

By RUKMINI RAO  
Photograph by Reuben Singh



## INDIA'S BEST CEOs

C.P. GURNANI, MD AND CEO, TECH MAHINDRA



**he Satyam scam** which surfaced in 2009 was an unheard of corporate fiasco for the Indian IT industry until then. When Tech Mahindra won the bid to acquire the beleaguered software company, which was the fourth largest software exporter back then, Chander Prakash Gurnani's career was about to take a giant leap. The then Managing Director Vineet Nayyar and Mahindra group Chairman Anand Mahindra turned to Gurnani and appointed him as the CEO of Mahindra Satyam to steer the merger and acquisition, as well as minimise the collateral damage. Gurnani took the proverbial bull by its horns, breaking down complex issues and tackling them one by one. Decisions were taken based on data, insights and the 'right thing to do.' "It was about breaking the problem into manageable parts and getting the right guys to deliver," says Gurnani. Perhaps that is why Mahindra Satyam did not lose any client.

After the merger of Mahindra Satyam and Tech Mahindra, he took over as the CEO and Managing Director of the new entity. From an annual revenue (standalone) of just over ₹6,001 crore in March 2013 to over ₹23,660 crore in March 2018, Gurnani has led the company to a prime position in the Mahindra group.

Gurnani's early corporate stints with JK Synthetics and other companies was a self-discovery phase. "I finally discovered what I liked: Instead of dealing with machines alone, I liked

dealing with people and machines, and instead of being thrown into a situation with a manual, I liked to get into the problem and solve it," recalls Gurnani. Even now he continues to do what he loves the most: "dealing with people" and "taking challenges head-on". Today, Tech Mahindra is counted among the top five IT companies in India with a market cap of over ₹65,000 crore.

Tech Mahindra continues to transform. "Tech M will be digital inside and digital outside," says Gurnani. The company's digital business now contributes 33 per cent to the overall revenues. In the third quarter of FY19, digital revenues grew 10 per cent on a quarter on quarter basis. In the past two years, the company has been making strategic acquisitions and partnerships in the area of artificial intelligence, Blockchain and other digital technologies. For instance, it plans to spend over ₹500 crore in the next five years to set up an artificial intelligence centre in Canada. It has collaborated with Gao Feng Advisory Company to set up a joint artificial intelligence lab in Shanghai and is launching India's first Blockchain district in Telangana. The digital push has also resulted in significant acquisitions such as design company Pininfarina in 2015, The BIO Agency in 2016, Inter-Informatics in 2018, DynaCommerce in 2019 and a partnership with Toshiba to build a smart factory. **BT**

@rukminirao



TECH M WILL  
BE **DIGITAL  
INSIDE AND  
DIGITAL  
OUTSIDE."**

### BEST CEO IT AND ITES

Total Income/ 3-yr CAGR  
**₹25,513 cr/ 9.1%**

PBIT/ 3-yr CAGR  
**₹4,977 cr/19.5%**

PAT/ 3-yr CAGR  
**₹3,999 cr/ 22.1%**

3-yr Average TSR  
**7.4%**

Average Mcap YOY Growth\*  
**39.6%**

ROE/ ROCE  
**22.5%/25.3%**

Cash/ Debt  
**₹1,929 cr/ ₹255 cr**

Net Profit Margin  
**16.9%**

\*For Oct 2017-Sept 2018; Standalone data; Total Income, PBIT & PAT net of extraordinary items; TSR: Total shareholder returns; Source: ACE Equity



## INDIA'S BEST CEOs

SAJJAN JINDAL, Chairman, JSW Steel

**SAJJAN JINDAL,  
CHAIRMAN OF  
JSW STEEL,  
BUYS WHEN  
EVERYONE  
SELLS.**

By NEVIN JOHN  
Photograph by  
RACHIT GOSWAMI



# VALUE HUNTER





**very time** a crisis strikes, Sajjan Jindal scouts for an opportunity in it. When many of his industry rivals have lost their steel businesses due to high debt, Jindal has emerged as a strong contender for the distressed assets. In the past, he bought the insolvent Monnet Ispat and is currently waiting for the final outcome of the bid for Bhushan Power and Steel, in which JSW Steel's offer of ₹19,700 crore was favoured by the Committee of Creditors, against Tata Steel's ₹17,200 crore offer.

Even during the downturn in the Indian steel industry between 2012 and 2016, JSW Steel was executing expansion projects and buying out companies. The downturn of the steel cycle trapped many of the bigger steel companies and most of them failed to service their loans in this period. But Jindal did a tight rope walk: he cut costs, explored new markets and stuck to the deadlines of loans repayments.

During the steel sector downturn in India post-2012, Jindal enriched the product mix with new steel grades, enhanced the quality benchmarks and closely monitored the margins. Post-demonetisation, when the market went dull again, he increased the exports to offset the domestic decline.

Jindal earlier told *BT* that his company will try to stay on top in capacity through organic and inorganic

growth. With an aggressive growth strategy and efficient project monitoring mechanism, the company will continue building steel plants at nearly 50 per cent cost compared to competitors, he said.

The result is that JSW Steel, which made a loss of ₹850 crore in 2015/16, posted a record consolidated profit of ₹6,113 crore in 2017/18. The stock surged 223 per cent in two-and-a-half years to a market value of around ₹1 lakh crore as of September 2018, when JSW replaced Lupin from the Nifty 50. But the stock has witnessed a 33 per cent fall since then because of pricing pressure and threat from imports. The company's market value stands at about ₹67,000 crore early February.

In the last financial year, the revenue of JSW Steel went up to about ₹65,100 crore, while the earnings before interest, depreciation, tax and amortisation (EBIDTA) rose 22 per cent to ₹14,794 crore. The profit increased 76 per cent to ₹6,113 crore. The crude steel production went up by 3 per cent to 16.27 million tonne (MT).

It's Jindal's agility that helped JSW stay strong. When Jindal was building his first steel plant at Vijayanagar in Karnataka in the late 1990s, the industry was in doldrums and he had to go through corporate debt restructuring to retain his business, an experience that he often shares in public platforms. The company has since then always posted operational profits.

JSW Steel's consolidated revenue from operations increased 11 per cent to ₹20,318 crore in the third quarter of 2018/19, while EBIDTA increased 17 per cent to ₹4,501 crore, implying a margin of 22.2 per cent. But the profit for the quarter declined 10 per cent to ₹1,603 crore, after incorporating the recently acquired Italy-based Aferpi. As on December 2018, JSW Steel's con-

## BEST CEO METALS & MINING

Total Income/ 3-yr CAGR  
**₹65,188 cr/ 11.8%**

PBIT/ 3-yr CAGR  
**₹10,900 cr/ 18.5%**

PAT/ 3-yr CAGR  
**₹4,859 cr/23.8%**

3-yr Average TSR  
**50.9%**

Average Mcap YOY Growth\*  
**56.3%**

ROE/ ROCE  
**17.8%/ 16.8%**

Cash/ Debt  
**₹601 cr/ ₹36,519 cr**

Net Profit Margin  
**7.0%**

\*For Oct 2017-Sep 2018; Standalone data; Total Income, PBIT & PAT net of extraordinary items; TSR: Total shareholder returns; Source: ACE Equity

solidated net debt was ₹46,000 crore.

The scenario for steel doesn't look promising in the short term in India; imports have increased while exports have fallen. Price of steel dropped by an average of over 10 per cent between October and December 2018. According to brokerage Edelweiss Securities, the earnings of metals companies may go down from 2019. JSW, however, forecasts a shortage of steel in 2021. The current crisis is for the short term and Jindal is unfazed. **BT**

@nevinji



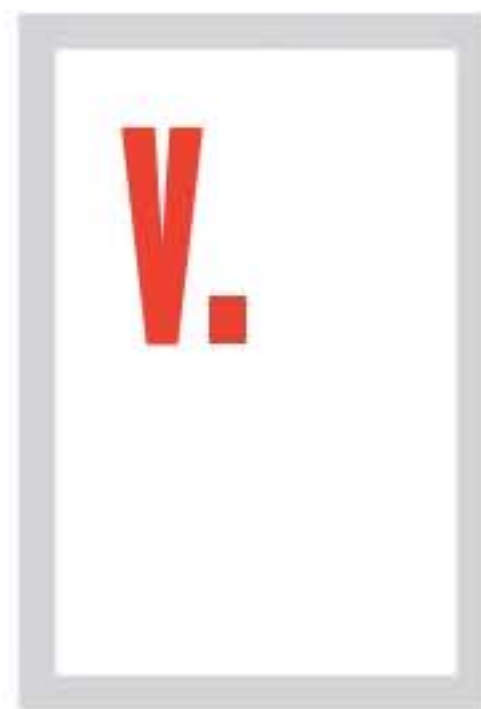
THE COMPANY  
(JSW STEEL)  
WILL CONTINUE  
BUILDING **STEEL**  
**PLANTS AT NEARLY**  
**50 PER CENT COST**  
COMPARED TO  
COMPETITORS"



# WHEN IT'S MORE

**DESPITE NO BIG PRODUCT LAUNCHES IN THE US LAST YEAR, NATCO PHARMA GAINED FROM ITS STRATEGY OF FOCUSING ON A FEW BIG PRODUCTS. IT NOW HOPES TO BUILD ON THIS.**

By E. KUMAR SHARMA  
Photograph by  
REUBEN SINGH



**C. Nannapaneni** Chairman and Managing Director of Natco Pharma, prefers to stay in the background and lets his son and the Vice Chairman and CEO, Rajeev Nannapaneni, to take charge while he mentors, urging all to singularly focus on product development. He sees no reason to worry thereafter. This is partly because Rajeev Nannapaneni is not only well-regarded within the company for his business acumen but also known for zeroing in on the right business opportunities.

Ask Rajeev Nannapaneni on what stood out about the last 12 months and he says: "The past 12 months saw sustained earnings on launches in previous years, coupled with the domestic oncology portfolio doing well. Also, our focus on certain global markets like Brazil and Canada worked well." He also gives credit to the "strategy of focussing on a limited number of niche generics instead of trying to do everything. This seems to have worked in a very competitive scenario in generics, especially in the US." He says integral to Natco's strategy is its focus on unique generics where there is limited competition. "Two or three smart launches can pay for everything. We typically tend to focus on seven-eight filings in the US in a year, as against, say, 25 to 40 that some prefer. We feel it is a good strategy for our size (₹2,242 crore consolidated revenue and ₹2,131 crore standalone revenue for 2017/18)."

The focus, he says, is on technology, unique products, therapeutic areas and unique markets. For this, he says, "We have a good R&D set-up and people who tend to choose products that are hard to make."

In the last 12 months, while the company had no new and big product launches in the US, it built on its launches from the previous year. Sig-



## INDIA's BEST CEOs

V.C NANNAPANENI, CMD, NATCO PHARMA



THE COMPANY HOPES TO **DIVERSIFY BEYOND THE US AND NEARLY DOUBLE THE REVENUE FROM THE DOMESTIC MARKET OVER THE NEXT THREE YEARS**"

### BEST CEO PHARMA & HEALTHCARE

nificant among them was the launch of the generic version of Teva's drug Copaxone in the US in the second half of 2017 for multiple sclerosis with its partner Mylan apart from Doxorubicin Hydrochloride Liposome injection, a generic version of Janssen's brand Doxil, an oncology product. This is in partnership with Dr Reddy's.

"While the upside of limited products is that you contain costs and are more focussed, the downside is that you have nothing to fall back upon for a period if you are wrong," says Rajeev Nannapaneni. Analysts say one reason behind Natco's better performance is that not many players had eaten into its market. The aim, says Nannapaneni, is to come up with newer products. For instance, he is upbeat about the launch of the generic version of Revlimid, expected to be launched in March 2022 in the US. The innovator product has an estimated market size of close to \$6 billion in the US. It is expected to be perhaps higher by 2022. Then, the

company is also excited about the generic version of Ibrutinib tablets.

The company hopes to diversify beyond the US and nearly double the revenue over the next three years from the domestic market and from markets other than the US and India. In fact, just last month, Natco initiated work on greenfield manufacturing facilities for producing niche agrichemical products in Andhra Pradesh with a total capital expenditure of ₹100 crores. The India revenue was close to ₹800 crore last year (2017/18). The revenue split varies each year, depending on product launches, but tends to be around 40 per cent each for the US and India. V.C. Nannapaneni, who was just 36 in 1981 when he set up Natco, has seen several challenging phases. That he mentors leaders in the company is reason to believe that the focus on product development will remain the cornerstone of the company's future. **BT**

@EKumarSharma

Total Income/ 3-yr CAGR

**₹2,131 cr/43%**

PBIT/ 3-yr CAGR

**₹902 cr/ 65.3%**

PAT/ 3-yr CAGR

**₹698 cr/ 60.8%**

3-yr Average TSR

**27.5%**

Average Mcap YOY Growth\*

**14.1%**

ROE/ ROCE

**29.2%/34.6%**

Cash/Debt

**₹172 cr/ ₹173 cr**

Net Profit Margin

**33.1%**

\*For Oct 2017-Sept 2018; Standalone data; Total Income, PBIT & PAT net of extraordinary items; TSR: Total shareholder returns; Source: ACE Equity



## INDIA'S BEST CEOs

IS JHA, Former CMD, PowerGrid Corporation of India



GRID BALANCE  
IS ONE OF THE  
**MOST CRITICAL  
ELEMENTS...**  
WE REQUIRE  
EFFECTIVE  
EVACUATION  
OF ELECTRICITY  
AND PROJECT  
EXECUTION"

### BEST CEO PSU (EX-BFSI)

Total Income/ 3-yr CAGR

**₹30,974 cr/ 19.9%**

PBIT/ 3-yr CAGR

**₹18,068 cr/ 12.4%**

PAT/ 3-yr CAGR

**₹8,239 cr/ 18.3%**

3-yr Average TSR

**14.6%**

Average Mcap YOY Growth\*

**-0.7%**

ROE/ ROCE

**16.8%/ 10.4%**

Cash/ Debt

**₹2,170 cr/ ₹ 1,31,213 cr**

Net Profit Margin

**27.7%**

\*For Oct 2017-Sept 2018;  
Standalone data; Total Income,  
PBIT & PAT net of extraordinary  
items; TSR: Total shareholder  
returns; Source: ACE Equity



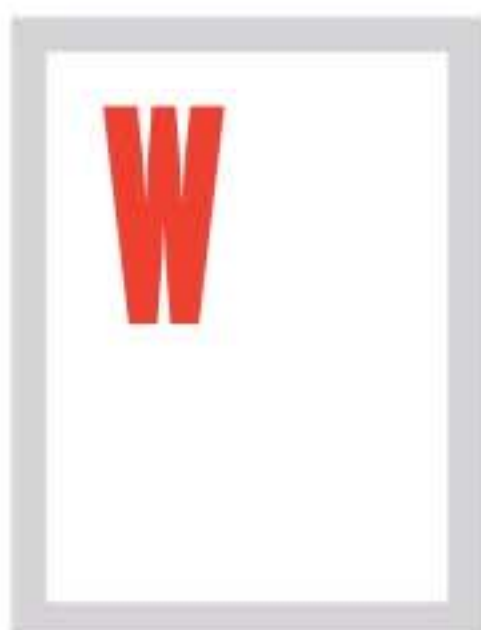
# CIRCUIT MAKER

**I.S. JHA'S FOCUS ON SPEED  
OF EXECUTION OF PROJECTS  
HAS DONE WONDERS FOR  
POWERGRID.**

By ANILESH S. MAHAJAN

Photograph by SHEKHAR GHOSH





**hen he was sworn** in as a member of the Central Electricity Regulatory Commission, on January 21, 2019, Indu Shekhar Jha made history in the annals of India's power circles. Just hours earlier, he had relinquished charge as Chairman and Managing Director of Power Grid Corporation of India (PGCIL), nearly four months before he was scheduled to retire. Jha is the first chairman in three decades of PGCIL's history to relinquish charge and be appointed a central regulator.

At PGCIL, Jha carries the reputation of being a 'doer' with proven project execution skills. He is also credited with full integration of all grids to form a national grid. Equally important are his efforts to bring about a change in the mindsets of the corporation's officers, infusing them with the need to take along all stakeholders. With him in a regulator's position, there is hope that more pro-active steps will be taken as Jha understands the power sector well. This is significant because after 2015, PGCIL has leaned heavily towards creating an evacuation facility for grid-connected renewable resources, and officials say, "a proactive regulator is crucial to understand the challenges that the grid and its transmission players face".

When he was at PowerGrid, Jha concentrated his efforts on increasing the speed of project execution. "Time saved is money saved," Jha says. He is of the opinion change needs to be institutionalised and this includes "delegating powers, developing trust among colleagues, organisationally clearing vendor bills rapidly, creating space for new ideas to flow from the bottom to the top," he says. And that's why PGCIL projects that used to be completed in 48 months just four years ago, now take less than 30 months. In the last fiscal, PGCIL reported a turnover of ₹30,766 crore. In three quarters of this fiscal, the public sector company has already crossed ₹25,589 crore and has an inventory of projects worth about ₹80,000 crore which are likely to be completed within 2-3 years.



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## INDIA'S BEST CEOs

I.S. JHA, Former CMD, Power Grid Corporation of India

In the first week of February, the government initiated the process to identify and appoint Jha's successor at PGCIL, handing interim charge to Ravi P. Singh who served as Director, Personnel.

### Making Things Work

Many of Jha's colleagues believe he was lucky too – he didn't have to focus on designing new projects and neither did he struggle with congestion issues. As luck would have it, Jha's primary job – execution of projects already in the pipeline – played to his key strengths. Prior to his appointment as PGCIL chairman too, Jha was a director in charge of project execution.

Around the time Jha took over at PGCIL, the government's energy sector watchdog, Central Electricity Authority (CEA), projected peak demand at 235 GW and power requirement at 1,611 billion units by the end of 2021/22 in its latest Energy Power Survey Report. This would be around 17 per cent and 15.4 per cent lower than the respective projections in the previous report.

The report notes that India's current transmission projects – under construction and in the planning phase – should prove adequate given India's installed capacity of 349.28 GW vis a vis peak power demand of 164.8 GW.

From 2013, India's power transmission network grew from 274,588 circuit Km to over 410,000 circuit Km. The five interconnected regional grids transmitted 812,746 Mega Volt Amp (MVA) this fiscal against 530,546 MVA five years back.

### Primed to Win

PGCIL benefitted when the government rewrote the rulebook to mandate that all strategically important projects would only go to the state-run PGCIL instead of – as was the case previously – allocation via tariff-

based competitive bidding.

Private players were left fuming but the decision helped improve the state promoted transmission giant's numbers. Jha made the most of this and every other opportunity that came his way.

After the implementation of criti-

# 30

MONTHS

Number of months  
PowerGrid usually  
takes to finish  
projects; about four  
years ago this was  
48 months

# ₹80,000

CRORE

Projects worth  
this much are  
in PowerGrid's  
inventory and  
are likely to be  
completed within  
2-3 years

# ₹700

CRORE

Allocation in Interim  
Budget 2019 for  
PowerGrid's green  
corridor; up from  
₹500 crore in the  
last fiscal

cal projects such as green corridor, PGCIL was also able to improve its working with state governments either via the nomination route or through joint ventures.

In the Interim Budget 2018/19, the government provided ₹700 crore for this corridor, increasing spending from ₹500 crore in the last fiscal. Right now, 74.1 GW of installed capacity comes from renewable energy sources and which the government wants to increase to 175 GW by 2022. The corridor involves grid extensions and upgrades to connect renewable energy plants to the grid. This is a critical factor if India is to remain on course, and make the most of the 2015 climate agreement in Paris.

Organisations like the Institute for Energy Economics and Financial Analysis have pointed to the pressing need for hefty investments if grid infrastructure is to keep pace with renewable capacity addition, and for new households getting electricity.

This would naturally mean a much larger role for PGCIL. "Grid balance is one of the most critical elements of the entire chain... We require effective evacuation of electricity and also need to execute the projects quickly," says Jha. PowerGrid is already doing this, he adds in the context of the joint venture with the Bihar state transmission company and a similar offer made to the Uttar Pradesh transco.

Just before he relinquished charge at PGCIL, the power ministry recommended upgrading the PSU from Navratna to Maharatna status. In that scenario, the management can autonomously decide on investments not exceeding 15 per cent of its net worth, without seeking prior government approval. At present, for PGCIL, this limit is ₹1,000 crore. If the PSU does become a Maharatna, the next PGCIL chairman will have a lot more space to play. **BT**

@anileshmahajan



## SBI CARD AND ETIHAD GUEST LAUNCH PREMIUM VISA CREDIT CARD FOR INTERNATIONAL TRAVEL

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Extensive global reach through Etihad Airways' network to over 100 destinations worldwide; provides benefits on 100+ Etihad Guest partners including leading hotels and partner airlines

Launched against backdrop of rising international travel by Indians; spends in Middle East by SBI Card customers have risen by CAGR of 66% from FY14 to FY 18, indicating the popularity of the destination among Indian travellers

**S**BI Card, one of India's largest credit card issuers, and Etihad Guest, the loyalty programme of Etihad Airways, today launched a unique travel specific Visa credit card for members and savvy Indian travellers. The card, which will be available in two variants, Etihad Guest SBI Card and Etihad Guest SBI Premier Card, will offer more rewarding experiences and bring an unmatched value proposition to Etihad Guest members and international travellers from India.

The card has been launched against the backdrop of increasing international travel in the country; the Indian traveller is looking for unique experiences with an increasing demand for premium brands and products in India, and the world over. Aviation passenger traffic in India has grown 12.7% annually for the past five years and IATA forecasts project India to become the third largest aviation market by FY25. Travel is a key spend category for Indian consumers, with 33% of overall card spends in the SBI Card portfolio made within the travel industry. India is a key strategic market for Etihad Airways, currently offering 147 weekly flights across 10 gateway cities in the country. The airline provides Indian travellers greater choice, more convenience and increased connectivity via its home, Abu Dhabi. IATA's 2018 India Aviation report shows about 41% of India's direct international connectivity is to the Middle East, with much of it directly to the UAE.

Etihad Guest SBI Card and Etihad Guest SBI Premier Card offer complimentary Etihad Guest Silver Tier Status along with 2,500 Etihad Guest Miles, and Gold

Tier Status with 5,000 Etihad Guest Miles respectively, upon first card swipe so cardholders can start collecting rewards straight away.

Additional benefits include additional excess baggage allowance of 10kgs and 15kgs respectively and priority boarding, 3-10% discount on direct Etihad Airways bookings as well as the new Guest +1 voucher, allowing cardholders to take a companion along with them on a reward flight in any cabin or destination.

Mr. Hardayal Prasad, MD & CEO, SBI Card, said...

**"At SBI Card, it is our constant endeavour to build associations and create products that bring enhanced value to consumers. With Etihad Guest, we are pleased to initiate our first international co-brand partnership. Through this tie up with Etihad Guest, we seek to offer a powerful product which will complement the lifestyles of affluent and urban Indians who frequently travel overseas. Etihad Guest SBI Card and Etihad Guest SBI Premier Card will bring Indians travelling to and via the Middle East an exceptional travel experience along with maximum value in its segment. At SBI Card, we have observed that travel constitutes an important consumption category for our cardholders and with increasing disposable incomes and greater global exposure we expect this segment to continue growing rapidly."**



(From left to right) Hardayal Prasad, MD and CEO, SBI Card, Shilpa Shetty Kamra and Yasser Al Youssef, Vice President Commercial Partnerships, Etihad Airways at the launch of Etihad Guest SBI Card.



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UNION MINISTER OF STATE,  
HOME AFFAIRS



**Col. RAJYAVARDHAN  
RATHORE**  
MINISTER OF STATE,  
YOUTH AFFAIRS & SPORTS, I&B



**KAPIL SIBAL**  
MP, RAJYA SABHA,  
CONGRESS & FORMER  
UNION MINISTER



**SHASHI THAROOR**  
MP, LOK SABHA,  
CONGRESS & AUTHOR



**Y.S. JAGAN  
MOHAN REDDY**  
LEADER OF OPPOSITION,  
ANDHRA PRADESH  
LEGISLATIVE ASSEMBLY

## ECONOMISTS & ANALYSTS



**JAYATI GHOSH**  
ECONOMIST, PROFESSOR,  
JNU



**PRONAB SEN**  
FORMER CHIEF STATISTICIAN,  
COUNTRY DIRECTOR, IGC



**DEVINDER SHARMA**  
FOOD & TRADE  
POLICY ANALYST



**MAHESH VYAS**  
MANAGING DIRECTOR  
AND CEO, CMIE



**R. JAGANNATHAN**  
JOURNALIST, AUTHOR,  
THE JOBS CRISIS IN INDIA

## ARTISTS



**KANGANA RANAUT**  
ACTOR



**RANVEER SINGH**  
ACTOR



**PRASOON JOSHI**  
ADMAN, LYRICIST,  
CHAIRPERSON CBFC



**SHUJAAT KHAN**  
SITAR MAESTRO



**RAHUL RAM**  
LEAD SINGER,  
INDIAN OCEAN

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LIFE INSURANCE CORPORATION OF INDIA

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**DIAGEO**



# INDIA'S BEST CEOs

**MUKESH AMBANI  
WAS CHOSEN AS  
THE CHAMPION OF  
CHAMPIONS BY THE  
JURY FROM THE FOUR  
WINNERS OF THE SIZE  
CATEGORIES**

PHOTOGRAPH BY BANDEEP SINGH



**Champion  
of Champions**

**Mukesh  
D. Ambani**  
Chairman & MD,  
Reliance  
Industries

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr) /3-YR CAGR	3-YEAR AVG TSR
2,98,299 cr/ -4.1%	50,381/16.5%	29.1%



**Kenichi Ayukawa**  
MD & CEO, Maruti Suzuki India

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr) /3-YR CAGR	3-YEAR AVG TSR
81,907.3/17.2%	11,349.1/30.8%	38.1%



**Bhaskar Bhat**  
MD, Titan Company

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr) /3-YR CAGR	3-YEAR AVG TSR
15,707.7/9.5%	1,710.1/14.6%	43%



**Alluri Indra Kumar**  
Chairman & MD, Avanti Feeds

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr) /3-YR CAGR	3-YEAR AVG TSR
2,850.9/16.8%	631.7/51.6%	105.7%



## INDIA'S BEST CEOs

### RANKINGS BY SIZE

#### Super Large Companies



**Mukesh D. Ambani**  
Chairman & MD,  
Reliance Industries

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
2,98,299 cr/-4.1%	50,381/16.5%	29.1%



**Mukesh Kumar Surana**  
Chairman & MD, Hindustan  
Petroleum Corporation

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
2,21,229.8/1.7%	9,768.6/26.2%	54.8%



**D. Rajkumar**  
Chairman & MD, Bharat  
Petroleum Corporation

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
2,39,468.1/-0.1%	12,031.3/14.6%	28.8%

#### Large Companies



**Kenichi Ayukawa**  
Managing Director & CEO,  
Maruti Suzuki India

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
81,907.3/17.2%	11,349.1/30.8%	38.1%



**Sajjan Jindal**  
Chairman & MD,  
JSW Steel

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
65,188/11.8%	10,900/18.5%	50.9%



**T. V. Narendran**  
Managing Director,  
Tata Steel

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
60,500.3/12.5%	12,815.2/14.2%	27.3%

# 50.1

PER CENT

**Maruti Suzuki India's**  
market share in 2017/18,  
the highest since 2000/01.

Standalone data; Total Income, PBIT  
& PAT net of extraordinary items;  
TSR: Total shareholder returns; ^He  
resigned in November 2018.  
Source: ACE Equity



**Winner**

#### Medium Companies



**Bhaskar Bhat**  
Managing Director,  
Titan Company

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
15,707.7/9.5%	1,710.1/14.6%	43%



**Vinod K. Dasari<sup>^</sup>**  
CEO & MD,  
Ashok Leyland

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
26,438.1/24.5%	2,374.5/47.8%	33.8%



**Navin Agarwal**  
Chairman,  
Vedanta

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
49,390/12.7%	7,717/11.1%	61.7%



**Venu Srinivasan**  
Chairman & MD,  
TVS Motor Company

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
15,274.4/14.9%	935.3/24.4%	34.5%

#### Small Companies



**Alluri Indra Kumar**  
Chairman & MD,  
Avanti Feeds

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
2,850.9/16.8%	631.7/51.6%	105.7%



**Makarand  
Balachandra Gadgil**  
Executive Director,  
Graphite India

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
3,047.1/25.9%	1,395/111.6%	198.8%



**B. Balaji Rao**  
Managing Director,  
VenkyS (India)

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
2,715/15.5%	386.8/56.8%	170.7%



## INDIA'S BEST CEOs

### RANKING BY SECTORS

#### Auto & Ancillaries



**Vinod K. Dasari<sup>^</sup>**

CEO & Managing Director,  
Ashok Leyland

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
26,438.1/24.5%	2,374.5/47.8%	33.8%



**Kenichi Ayukawa**

MD & CEO,  
Maruti Suzuki India

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
81,907.3/17.2%	11,349.1/30.8%	38.1%



**Siddhartha Lal**

Managing Director & CEO,  
Eicher Motors

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
9,289.9/43.4%	2,963.3/54.7%	23.7%



**Winner**

<sup>^</sup>He resigned in  
November 2018.

#### Cement



**H.M. Bangur**

Managing Director,  
Shree Cement

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
10,222.2/14.8%	1,962.4/52.2%	14.7%



**Yadupati Singhania**

Chairman & MD,  
JK Cement

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
4,718.9/11.5%	702/22.9%	16.7%



**Jamshed Naval Cooper**

Managing Director,  
Heidelberg Cement India

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
1,909.4/5.1%	282.1/21.1%	23.5%

#### FMCG

**Varun Berry**

Managing Director,  
Britannia Industries

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
9,460/9.2%	1,446.7/24.9%	32.6%



**B. Balaji Rao**

Managing Director,  
VenkyS (India)

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
2,715/15.5%	386.8/56.8%	170.7%



**R.G. Chandramogan**

Chairman & MD,  
Hatsun Agro Products

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
4,295.7/13.5%	206.3/23.0%	46.8%



Standalone data; Total Income, PBIT & PAT net of extraordinary items; TSR: Total shareholder returns. Source: ACE Equity



## Financial Services



**Rajeev Jain**  
Managing Director,  
Bajaj Finance

TOTAL INCOME (₹cr)/3-YR CAGR	PBT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
13,329.2/33.9%	4,056.4/44.1%	64.9%



**Motilal Oswal**  
Chairman & MD, Motilal  
Oswal Financial Services

TOTAL INCOME (₹cr)/3-YR CAGR	PBT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
1,307.4/115.1%	406/83.9%	64.2%



**Kapil Wadhawan**  
Chairman & MD, Dewan  
Housing Finance Corporation

TOTAL INCOME (₹cr)/3-YR CAGR	PBT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
10,775.6/21.6%	1,756.6/23%	37%

**₹65,000+**

**CRORE**

The market cap of  
**Tech Mahindra**,  
which stands as one  
of the top five IT  
companies in India

## IT & ITES



**C.P. Gurnani**  
Managing Director & CEO,  
Tech Mahindra

TOTAL INCOME (₹cr)/3-YR CAGR	PBT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
25,513.1/9.1%	4,977.3/19.5%	7.4%



**Madhukar Dev**  
Managing Director,  
Tata Elxsi

TOTAL INCOME (₹cr)/3-YR CAGR	PBT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
1,431.1/18.5%	364.7/32.5%	20.8%



**K.K. Natarajan**  
Executive Chairman,  
Mindtree

TOTAL INCOME (₹cr)/3-YR CAGR	PBT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
5,515.1/15%	811.1/5.7%	13.1%

## Metals & Mining



**Sajjan Jindal**  
Chairman & MD,  
JSW Steel

TOTAL INCOME (₹cr)/3-YR CAGR	PBT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
65,188/11.8%	10,900/18.5%	50.9%



**Sanjay Gupta**  
Executive Chairman, APL  
Apollo Tubes

TOTAL INCOME (₹cr)/3-YR CAGR	PBT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
4,371.3/27.4%	226.4/33.9%	66.9%



**Navin Agarwal**  
Chairman,  
Vedanta

TOTAL INCOME (₹cr)/3-YR CAGR	PBT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
49,390/12.7%	7,717/11.1%	61.7%



**Winner**

Standalone data; Total  
Income, PBT, PBT & PAT net  
of extraordinary items; TSR:  
Total shareholder returns.  
Source: ACE Equity



# You can change your destiny

**J**ourney of Dr. Arvinder Singh is proof and validation of the above statement. Born in a middle class family, he suffered from polio with 80% disability during his childhood. Yet, despite all odds, his achievements are numerous and diverse. He is an MBBS, MD (Gold Medallist) and the only postgraduate doctor in India to have received a gold medal for his MBA from IIM (Indore). He holds a diploma from Oxford University (UK). He is pursuing his law courses from National Law University, Bangalore.

He also has a special interest in Alternate Dispute Resolution (ADR) which involves facilitating out of court settlements. He is a certified Commercial Grade Mediator, Business Negotiator and Arbitrator. He recently published a book "Doctors and Law", focusing on rights and duties of healthcare professionals and patients. He is also affiliated as an Associate Arbitrator to Chartered Institute of Arbitrators, London (UK).

Dr. Singh has vast experience as an entrepreneur and in corporate world too. He owns and runs Arth Diagnostics, Udaipur working as CEO and Chief Pathologist. It's a success built on his previous experience as the National Business Head and Vice President in Dr Lal Path Labs and earlier as Delhi and State Business Head for Piramal Diagnostics (Mumbai)

Alongside his illustrious medical career, another area of his interest is to predict human potential and career guidance. He uses techniques like 3D Aura Reading which scientifically charts the *Chakras* Energy, Aura Power, Emotion Meter etc. These parameters when combined with proper psychometric analysis can reliably predict and help in career and peak performance achievement. He is a certified coach who can guide the path to success in a customised manner. He has received a National Award for his work on Intelligence Enhancement and has also published a book with Times Group, on the subject 'Ten Tools to Creative Genius' which was among the top 100 Amazon best sellers in India.

When asked about his advice to young entrepreneurs, the doctor says "it is important to spend time with oneself. Spend a week or so with yourself and find out what do you want to achieve in life, what are your goals and write them down as writing them gives confirmation to our conscious mind. Create a smart goal which is specific, measurable, achievable, and relevant plus time-bound." Dr. Singh advises, "In fact it is smart to divide your goal along various aspects like financial goals, physical goals and adventurous goals,



Spend a week or so with yourself and find out what do you want to achieve in life, what are your goals and write them down, as writing them gives confirmation to our conscious mind. Create a smart goal which is specific, measurable, achievable and relevant plus time-bound.



cover every aspect and feed your spiritual, emotional, mental and physical body. Balancing all four aspects brings more happiness and peace. Moreover such practice results in a more fulfilled life."

For his illustrious work and achievements, Dr. Singh has received a number of awards. Prominent among them being, the Young Entrepreneur Award, Business Leader Award, Most Promising Brand Award, Icon of Mewar, a National Award by Psychologists Forum and Rajasthan Government for Human Intelligence.



## INDIA'S BEST CEOs

### SECTOR

## Pharma & Healthcare



### V.C. Nannapaneni

Chairman & MD,  
Natco Pharma

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
2,130.7/43%	902.3/65.3%	27.5%



### Hari S. Bhartia

Co-chairman & MD,  
Jubilant Life Sciences

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
3,352.5/0.7%	502.9/21.4%	88.7%



### Arun Kumar

Group CEO & MD,  
Strides Pharma Science

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
2,469.6/33.9%	1,027.2/77.1%	-15.2%



### Chirayu Amin

Chairman & CEO,  
Alembic Pharmaceuticals

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
2,985.9/13.8%	537.4/13.7%	9.6%

# ₹2,242

**CRORE**

The consolidated  
revenue of **Natco  
Pharma** in 2017/18

# 2

**YEARS**

Average implementation  
period of key projects  
during I.S. Jha's tenure at  
**PowerGrid**. Earlier, this  
used to be four-five years



**Winner**

## PSU (EX-BFSI)

### I.S. Jha\*

Chairman & MD, Power  
Grid Corporation of India

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
30,973.6/19.9%	18,067.5/12.4%	14.6%



### Mukesh Kumar Surana

Chairman & MD, Hindustan  
Petroleum Corporation

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
2,21,229.8/1.7%	9,768.6/26.2%	54.8%



### M.V. Gowtama

Chairman & MD,  
Bharat Electronics

TOTAL INCOME (₹cr)/3-YR CAGR	PBIT (₹cr)/3-YR CAGR	3-YEAR AVG TSR
10,779.2/13.7%	1,952.5/9.9%	17.5%



Standalone data; Total Income, PBIT & PAT net of extraordinary items; TSR: Total shareholder returns. \*He resigned in January 2019. Source: ACE Equity





# FIT FOR FUTURE

**ALLIANCES WITH RIGHT PARTNERS WILL BE KEY IN BUILDING A SUSTAINABLE AND SMART BUSINESS ECOSYSTEM.**

By DEEPANKAR SANWALKA

**E**

**everything is seemingly fine,** but there is a sense of unease. Everybody seems to be geared up for tomorrow, yet there is a nagging disquiet that something is amiss. This paradox has been the one constant in most of my conversations with CEOs in the past six months.

The sentiment echoed across the board, as captured in PwC's 22nd Global CEO Survey, launched in Davos at the World Economic Forum last month. While 42 per cent of global CEOs still expect growth to happen, nearly 30 per cent are projecting a decline. What is the basis of this curbed confidence? The survey reveals three important trends:

With trade conflicts, political upsets and a projected slowdown in global economic growth, there has been a marked increase in uncertainty, which is reflected in the decrease in confidence around business prospects over the near term.

Across the survey, one notices a general theme of hunkering down as CEOs adapt to the strong nationalist and populist sentiment sweeping the globe. The threats they consider most

pressing are less existential and more related to the ease of doing business in the markets where they operate. When asked to identify the most attractive foreign markets for investment, CEOs are narrowing their choices and expressing more uncertainty.

In addition to the fault lines developing geopolitically, CEOs are working to bridge the gaps in their organisations, especially in the context of translating the deluge of data into better decision making.

While traversing the first two challenges would require interventions beyond the immediate control of an organisation, the third aspect is addressable by any business. Or so it may seem.

Despite data and analytics (D&A) and artificial intelligence (AI) being buzzwords for over two decades or more, the gap between the information that CEOs need and what they get has not closed significantly. The reasons are primarily three-fold: lack of a cohesive or collaborative approach towards data collection by various teams; reliability and validity; and most importantly,



**ON ATTRACTIVE FOREIGN MARKETS FOR INVESTMENT, CEOs ARE NARROWING CHOICES AND EXPRESSING UNCERTAINTY"**

lack of analytical talent to make sense of that data. Addressing this skill gap is as much about retraining and reskilling as about taking a relook at Science, Technology, Engineering and Mathematics (STEM) education in India, to make it industry relevant.

The data deluge is also increasingly exposing businesses to the threats around data protection and privacy. Cybersecurity can no longer be viewed only from the lens of compliance and enforcement or be limited to heavily regulated sectors like banking – it has to be part of the boardroom discussions as a whole. This is as true for a start-up as for a major conglomerate. Intertwined in this data driven business environment is the aspect of building trust with all stakeholders.

As technology-led disruptions become the norm, and the focus on building future-fit, agile and resilient organisations is enhanced, the onus of overcoming barriers and leading with foresight sits squarely with the CEO. Organisations are keenly looking at their corner offices to not only address the day to day operational issues, but anticipate, prevent and protect the organisation from tomorrow's disruption.

This is an enormous ask. And probably no business leader can tread the path alone. Alliances with right partners will be key in building a sustainable and smart business ecosystem. **BT**

*The author is Partner and Leader Advisory, PwC India*



# HOW WE DID IT

**THE SHORTLISTING PROCESS ACCOUNTS FOR BOTH QUANTITATIVE AS WELL AS QUALITATIVE ASPECTS.**

PHOTOGRAPH BY RACHIT GOSWAMI



**THE JURY:** (Sitting, from left) Ranjit Shahani, Former MD, Novartis India; Harsh Mariwala, Chairman, Marico; Nimesh Kampani, Chairman, JM Financial Group; (standing, from left) Gautam Kumra, Senior Partner and MD, McKinsey India; and Piyush Pandey, Executive Chairman and Creative Director, Ogilvy South Asia

**T**

**his is *Business Today's*** seventh ranking of Best CEOs in India. We published our first such ranking in 2012 in partnership with INSEAD and Harvard Business Review. In 2013, *Business Today* teamed up with PricewaterhouseCoopers (PwC) to work out a new methodology and conduct the survey. We have been using this methodology that takes into account both quantitative performance as well as qualitative aspects since then.

We started with the quantitative exercise to shortlist the top three performers in each segment. Before calculating the quantitative performance, we used a series of checks and filters. Our study universe was the BT500 ranking of India's most valuable companies. Only companies with revenues of more than ₹1,000 crore within the BT 500 universe were considered. The data was sourced from Ace Equity. Our study period was three years: 2017/18, 2016/17 and 2015/16. Then, companies whose accounting period was only between nine and 15 months in these periods were considered. Companies whose latest audited financial year results were

not available were eliminated from the list. We also removed companies that reported a net loss in any of these three financial years. Companies that listed during the study period were also not considered. Three companies were eliminated due to ethical reasons. To qualify for the rankings, CEOs (or executive heads) must have been on the post for the full study period. In case of PSUs, the period was a minimum of one fiscal.

A total of 238 companies qualified for the study. To arrive at the rankings, growth in total income, profit before interest and tax (PBIT) and total shareholder returns (TSR) were considered. These parameters were taken net of extraordinary income and expenses. Only standalone numbers were used.

Companies were assigned a score on the average of year-on-year absolute change and three-year compounded annual growth rate (CAGR) in total income and PBIT. For banking, financial

services and insurance (BFSI) companies, profit before tax was considered in place of PBIT. Both absolute growth and CAGR carried equal weight of 16.6 per cent. TSR was calculated by taking into account the net price change plus dividends. Companies were scored on three-year TSR average and were given a weightage of 33.3 per cent. All three scores were added to arrive at the final score. Non-BFSI and BFSI companies were assigned a separate score.

For better comparability, the companies were split into four categories based on total income – super large, large, mid-sized and small. Companies with total income of ₹1 lakh crore and above were placed in the super large group, while those between ₹50,000 crore and ₹1 lakh crore were considered large. Mid-sized companies were between ₹10,000 crore and ₹50,000 crore and small companies had total income of ₹1,000-10,000 crore.

Our knowledge support partner, PwC India, reviewed and validated the process. Names of three top CEOs in each group – overall, and sector-wise – were placed before the jury, comprising Harsh Mariwala, Chairman, Marico; Piyush Pandey, Executive Chairman and Creative Director, Ogilvy South Asia; Nimesh Kampani, Chairman, JM Financial Group; Ranjit Shahani, Former MD, Novartis India; and Gautam Kumra, Senior Partner and MD, McKinsey India. **BT**



**COMPANIES WERE SPLIT INTO FOUR CATEGORIES BASED ON TOTAL INCOME - SUPER LARGE, LARGE, MID-SIZED AND SMALL.**



# THE HUB

POLICY

110

## HEALTHY PUSH

*As India goes to polls, the Modi government's flagship health insurance scheme can be a game changer in some key states. Will it be able to deliver?*

122

INTERVIEW

**"STATES FREE  
TO TOP UP  
INCOME SUPPORT  
SCHEME"**

PIYUSH GOYAL



126

CORPORATE

### AN EYE FOR AN EYE

Tata Motors and Mahindra & Mahindra, two home-grown auto firms, find themselves yet again in a pitched battle for the third position in domestic passenger vehicles. But the fight this time promises to be longer and more intense



134

HBR

### Creative Job Titles Can Energise Workers

They reduce burnout and increase satisfaction



# HEALTHY PUSH



AS INDIA GOES TO POLLS, THE **MODI GOVERNMENT'S FLAGSHIP HEALTH INSURANCE SCHEME** CAN BE A GAME CHANGER IN SOME KEY STATES. WILL IT BE ABLE TO DELIVER?

By JOE C. MATHEW

## THE PROGRESS SO FAR

FEB 1, 2018

**Union Budget**  
announcement

MAR 21

**Cabinet**  
approval

MAR 27

CEO  
appointed;  
team **size**  
**of two**

MAY 11

**NHA**  
incorporated

JUN 14

Ministers'  
**Conclave**

AUG 15

PM announces  
**PM-JAY** and  
pilot launch







**SEP 23**  
**PM-JAY**  
launched  
by PM

**DEC 11**  
**Five lakh**  
hospital  
admissions

**JAN 2, 2019**  
**100 days**  
of launch,  
formation  
of NHA

**JAN 30**  
**10 lakh**  
hospital  
admissions



To the casual eye, nothing could be sweeter than Prime Minister Narendra Modi's letter to 75 million households in seven different languages in the last four months. The attempt was to reach out to the underprivileged — some 100 million families or about 500 million Indians who are included in the Socio-economic and Caste Census list of 2011 — and tell them about the ₹5 lakh worth of medical treatment each of these families is entitled to every year through the Centre's new flagship health insurance scheme: "Prime Minister Jan Arogya Yojana (PM-JAY) – Ayushman Bharat". The letter also reminded them about other big social welfare measures initiated (or re-branded) by the current government to improve the living conditions of India's poor and how the prime minister, with his personal experience of poverty, could help craft schemes to ensure ease of living for the least privileged.

Modi's letters are driving enrolment to this scheme in many parts of the country. For most North and North Eastern states which have never had similar state-run health insurance schemes (unlike several South Indian states), the scheme is expected to be a game changer. Every day, Indu Bhushan, the head of the National Health Agency (NHA), which implements the PM-JAY, updates the number of enrolments through his tweets — "4.22 lakh beneficiary e-cards generated, bringing the total e-cards to 1.36 crore", he wrote on February 8.

However, the flip side of Modi's outreach and to an extent the design of the PM-JAY is that it enables the Centre to take all the credit for the programme while sharing substantial financial and administrative burden with the states. This is compelling several states (especially non-BJP ruled ones) to disengage with an otherwise ambitious programme. Delhi is yet to join the scheme. Odisha and Telangana are running their own health insurance programmes without linking them with the PM-JAY. West Bengal and Karnataka have decided to pull out from the agreement with the

# 500mn

The number of beneficiaries the scheme is expected to cover

## THE KEY NUMBERS

from 23 Greenfield States

E-CARDS ISSUED

# 91.1 Lakh

NO. OF HOSPITAL ADMISSIONS

# 3.4 Lakh

AMOUNT AUTHORISED FOR ADMISSIONS (₹)

# 290.5 Cr

NO. OF CLAIMS SUBMITTED

# 2.9 Lakh

CLAIMS SUBMITTED AMOUNT (₹)

# 240.3 Cr

AVERAGE CLAIM SIZE (₹)

# 8,290

CLAIMS APPROVED

# 2.5 lakh

CLAIMS APPROVED AMOUNT (₹)

# 191.1 Cr

HOSPITALS EMPANELLED

# 5,869



NHA and offer the same facilities through state-specific programmes. Chhattisgarh has expressed a similar desire and Kerala announced a thoroughly modified version of the PM-JAY in the state Budget presented in the first week of February.

As politics takes upper hand in an election year, it seems the pan-India implementation of the PM-JAY is likely to turn messy in the short term. "You should not judge a scheme by what has happened in the first four months. You have to see the promise of the scheme, and see what is likely to happen in the next four years. And from that perspective, this will have a huge impact," says Bhushan.

But politics is the least of the scheme's worries. Providing free treatment means more central and state allocations for the scheme and equipping government hospitals with necessary infrastructure and human resources. It also means getting more private healthcare establishments enrolled at package rates that are agreeable to them. Not to forget the most important task of strengthening the primary healthcare system to reduce the load on secondary and tertiary care that the PM-JAY offers. While these have been the focus of governments in varying degrees over the years, will the scheme be able to live up to the hype being generated around it?

### The Scheme

The PM-JAY aims to cover expenses for 1,350 medical packages covering surgery, medical and day-care treatments, including medicines, diagnostics and transport, for 500 million poor people. The central government has allocated ₹2,400 crore for the first six months of the current year, and ₹6,400 crore for 2019/20, for the scheme. It offers national portability, allowing patients to get treatment from any empanelled hospital in any part of the country. The IT backbone created by the NHA provides seamless identification, verification of beneficiaries, pre-authorisation of treatments and online payments. "The (central) budget provision has gone up to ₹6,400 crore. Besides the central government's contribution of 60 per cent, if one adds state governments' contribution, this should add up to over ₹10,000 crore, which is a decent amount to begin with," says

## "BETTER QUALITY HOSPITALS SHOULD HAVE BETTER RATES"

**Indu Bhushan**, CEO of the National Health Agency, talks on the PM-JAY as the ambitious scheme, launched by the prime minister on September 23, completes four months: Excerpts:

PHOTOGRAPH BY SHEKHAR GHOSH

### What has been the progress?

We have issued more than 83 lakh beneficiary cards in the last four months. Every day we are issuing close to 3,00,000 cards. There are 10,000-15,000 hospital admissions every day. The authorised amount for treatments has crossed ₹1,200 crore. We have empanelled close to 14,000 hospitals and are looking at another 3,000 applications.

### How many states have enrolled?

We have signed MoUs with 33 states and UTs (out of 36). West Bengal seems to have withdrawn, but we don't know if it has withdrawn completely.

### Will NHA empanel the hospitals?

The implementation is entirely by state governments as health is a state subject. We provide resources and guidelines. We also monitor/supervise, provide support, including the IT backbone.

### How does portability work?

When a person, let's say, goes from UP to Mumbai, the Mumbai hospital will check if the person is eligible and will ask UP to pre-authorise the treatment.

### What if the patient is from a state not part of the programme?

It has to be done by the state, and if it is a critical situation, with special permission from the minister, we can do it. This cannot be the norm.

### Hospitals have been cribbing about the pricing?

They are still cribbing and some of their complaints are justified.

### You are not averse to revising?

Of course not. We want to bring in some more sophistication, but also gradation, as better quality hospitals should have better rates. Also, we realise that in metros, the rates may be different.

### What is the current treatment universe now?

Apart from organ transplant, everything else is included. We have also included a flexible clause called unspecified procedure package. It can be availed up to ₹1 lakh per family.

*For full interview, log in to [business today.in](http://business today.in)*



## "ONE BY ONE THE STATES ARE REFUSING TO PARTICIPATE. IT IS NOT JUST FOR POLITICAL REASONS"

**VISHAL BALI**, Executive Chairman, Asia Healthcare Holdings



Sakthivel Selvaraj, Director, Health Economics, Financing and Policy, Public Health Foundation of India. In addition to administrating the IT infrastructure, the NHA has prepared about 36 guidelines for states to identify beneficiaries, empanel/de-empanel hospitals, train Arogya Mitras (who guide patients), select insurance agencies and set rules for funding of treatment through state-run trusts.

Close to 14,000 hospitals (public and private) have been empanelled. Another 3,000 applications are pending. Even though all government hospitals get empanelled automatically, three-fourth treatments are being offered by private healthcare providers, mostly from the unorganised sector. But why are organised corporate healthcare providers missing in action?

### Private Sector

"We have welcomed the scheme and said it is a bold move. We will deal with the process gaps as we go along," says Rajit Mehta, Managing Director and Chief Executive Officer, Max Healthcare. Speaking on behalf of the industry in general, Mehta says private healthcare providers have informed the government that they are willing to offer all their services if there is agreement on a scientific basis for pricing. "The government is considering our suggestions. Meanwhile, if there is any need, we have asked them if they can give some flexibility in choice of procedures or fix a quota, say some beds or something like that, till the pricing is fixed. That dialogue is on."

The organised players are hesitant to embrace the PM-JAY for multiple reasons. First, their experience with existing health insurance schemes in various states and central government schemes like the CGHS (Central Government Health Scheme) has not

been positive. Government rates are rock bottom, somewhat compensated by high volumes, but what has been worrying them is the delay in payments. With only 10,000-15,000 hospitalisation cases a day so far, there are no payment issues with the PM-JAY at the moment, but industry fears that as numbers increase, this might become a cause for concern. As Mehta points out, the industry is also looking for differential pricing to match the quality, level of infrastructure and experience of people employed at private hospitals.

The organised sector is in general wary of adopting all the packages, though some are testing the waters by empanelling for some. "With such a significant

undertaking (like PM-JAY), there are areas that need work, such as value-based provider payment mechanisms, adequate financing, capacity expansion, innovative skilling, seamless claim management, preventive health, technology standards and sustainable pricing. The industry, with its supporting ecosystem, is working with governments to ensure that the programme scales up and gives long-

## TOP FIVE PROCEDURES

**By number of hospital admissions**

PTCA - double stent

Coronary Angiography

PTCA - single stent

External Fixation (Long Bone)

Coronary Balloon Angiography





## "WE HAVE WELCOMED THE SCHEME. WE WILL DEAL WITH THE PROCESS GAPS AS WE GO ALONG"

**RAJIT MEHTA**

Managing Director and Chief Executive Officer, Max Healthcare

term value to people across India," says Siddhartha Bhattacharya, Secretary General, Healthcare Federation of India.

### States' Worry

In a letter to the Union health ministry in January, Rajiv Sinha, Additional Chief Secretary of the West Bengal government, accused the Centre of issuing entitlement letters (Modi's letter) to beneficiaries in the state without the knowledge of the state government. The letter said the Centre had agreed to run the PM-JAY as a joint scheme by combining it with the existing state-run Swasthya Sathi Scheme and allow beneficiaries to use the Swasthya Sathi family card issued a year ago for the joint scheme. Referring to the PM's letter as a violation of this agreement, West Bengal announced withdrawal from the PM-JAY. In February, West Bengal Finance Minister Amit Mitra said the state government was already providing free treatment, including free drugs and diagnostic services, to all its citizens in government hospitals. He added in addition to this, more than 25 million people had been enrolled under Swasthya Sathi. "Till November 2018, 3,38,385 patients had availed of treatment amounting to ₹333.73 crore", he said.

Kerala has a different problem. It says the financial support from the PM-JAY is too little while the additional burden is much bigger. Presenting the state

budget, state Finance Minister Thomas Isaac said when details of the PM-JAY came out, "it was like a mountain giving birth to a mouse". He said the premium agreed by the central government under an earlier scheme which assured just ₹30,000 was ₹1,250 per person, while for the PM-JAY, it was just ₹1,100 per person. "Moreover, the central government will provide only 60 per cent of this. It is estimated that for benefits worth ₹5 lakh, the premium will be more than ₹8,000. There are 42 lakh beneficiaries in the existing scheme, whereas under Ayushman Bharat, the central government provides assistance to only 18 lakh families. The total expense for us is ₹800-1,000 crore whereas the central assistance is below ₹100 crore. The situation has placed the entire financial burden on the state government but the whole credit (for implementing the PM-JAY) goes to the Centre," he explains. Kerala has announced its own programme, though unlike West Bengal, it is yet to officially pull out of the PM-JAY.

Vishal Bali, Executive Chairman, Asia Healthcare Holdings, says that for a country like India, any move towards universal healthcare is an excellent initiative. "The bigger question is the funding. What one is beginning to see is that one by one the states are refusing to participate. And it is not just for political reasons," he says. Bali says what is required is a clear policy direction.

Big corporate hospitals might be hesitant, non-BJP ruled states might be opting out, but BJP-ruled states are pulling out all stops to run outreach programmes. Modi's letters are being distributed at public functions by local party functionaries. Of 14,000 hospital enrolments, the 23 greenfield states (mostly in North East

and North India and ruled by BJP or its allies) account for close to 6,000 empanelled hospitals. Of this, 1,628 hospitals - 966 of which are private — are in UP alone. Enrolment and empanelment of hospitals in such electorally significant states are expected to pay rich dividends to the BJP in the coming general elections.

The dependence on states

for part funding and implementation thus has merit as well as disadvantages. The fact that the latest social sector initiative of the BJP — the massive income support programme for small and marginal farmers — is completely central funded also talks volumes about the lessons learned from the collaborative PM-JAY exercise. **BT**

# 3,000

Number of hospitals whose applications for empanelment are pending



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TCS



# “States Free to Top Up Income Support Scheme”

The country's interim Finance Minister, **Piyush Goyal**, speaks to *Business Today's* Prosenjit Datta, Rajeev Dubey and Anilesh S. Mahajan about the Budget's fiscal math, the role of states in the new income support scheme for farmers and the government's plans to fulfil its promises in an election year. Edited excerpts:

Photographs by Bandeeep Singh







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**How was this news broken to you that you have to present the Budget? How much time did you get to prepare for the Budget speech?**

By the time I came in, most of the work was done. Prime Minister (Narendra) Modi was very clear with his vision. And most of the things were already completed by the prime minister and Finance Minister Arun Jaitley. I came to know only on Wednesday night (January 24, the Budget was presented on February 1) that I have to present the Budget. I got eight days to prepare for it. The prime minister gave me support, and the finance minister, despite his health, also gave great support. I was in regular touch with him. He prepared the broad framework for the Budget.

**One criticism of the Budget is that the figures might not match up. There are apprehensions about revenue numbers as well as expenditure statistics. How is the government dealing with it? How confident are we about meeting the fiscal deficit numbers?**

This government, in the last five years, has shown that it is honest with budgets. We have achieved whatever we have promised. Last year, there was some slippage as we did not get GST collections from March. This year, if you remove the ₹20,000 crore allocated for the PM Kisan Samman Nidhi Scheme, we are comfortably meeting the targets. It is easy for any government to adjust 10 bps (fiscal deficit as per cent of GDP). But instructions from the prime minister are clear. The job of the finance ministry is to aggregate the statistics from different ministries/departments. Whatever is the truth, present the truth.

**How do you respond to talks about off-Budget spending?**

Our budgets are comparable to what has been the convention. For example, in 2014, we inherited unpaid bills of ₹1.6 lakh crore. Just imagine, for an important expenditure on 'one rank one pension' for armed forces, the Congress government provided ₹500 crore. And we

are spending ₹35,000 crore on this. There are certain expenditures for which a person cannot wait. A person needs a house. We are committed to providing shelter to every citizen by 2022 and that plan cannot wait. The bank recapitalisation capital will return with profit. On January 31, the good news came that three government banks had come out of the RBI's prompt corrective action restrictions.

I think these are good investments. We are forced to do this because of bad decision-making between 2008 and 2014, which led to indiscriminate lending. We inherited a problem. We are not fighting shy of sorting out these problems.

**How confident are you about meeting the non-tax-revenue targets for the current fiscal?**

Every year, you will see that 50-55 per cent disinvestment happens in the last two months of the fiscal. We will be able to do this.

**There is criticism that the government may not have the entire data required to execute the PM-Kisan Scheme announced in the Budget. A handful of states have legalised contract farming and there are farmers who are forced to leave their land fallow because of various reasons. And there is very little information about landless farmers. How do you see this situation?**

We have already got a lot of data. But we will surely need the help of state governments as agriculture is a state subject. A major portion of the data will be with state





governments. At present, the scheme is focussing on those who own land. The critics do not see what this scheme will do. It will benefit 120 million farmers. Most people leave their land fallow due to circumstances which do not allow them to continue with farming.

There are challenges related to other interventions such as Minimum Support Price, or MSP, as many a time it does not help. Does this income support scheme mean that we are set to move away from these types of benefits?

Not at all. The MSP will continue. For the first time, the government has announced MSPs for all 22 crops. The MSP is now 1.5 times the cost. If we go through the data of procurement under the NDA vis-à-vis 10 years of the UPA, the procurement levels are 15-20 times more than the previous numbers.

**Many see the PM Kisan Scheme as a step towards universal basic income. Are we looking at it any time soon?**

You are missing a point. This is the respect we are extending to marginal farmers and small landholders. They are facing adversities but are still contributing to our nation. They are ensuring our food security. This step is required to be seen from this perspective. This is not a replacement for MSP or any other income source. This will give them some cash in hand to pay for some emergent needs.

**Should we expect some top-up from BJP-ruled states?**

You need to ask the respective state governments. They are free to do it. I am not privy to any information. Many states have completed their Budget preparation exercise.

“

**This government, in the last five years, has shown that it is honest with budgets. We have achieved whatever we have promised. Last year, there was some slippage as we did not get GST collections from March**

”

**How are GST numbers looking? Are you optimistic about meeting the target of 18.2 per cent growth in collections, especially when the rates are being rationalised?**

The collections crossed ₹1 lakh crore three times in the last fiscal. And we clocked 11-12 per cent growth last year. The numbers in our budgetary estimates are slightly lower because we have given refunds – even of the past — and have decided to come up with a cleaner slate. We might have taken a small hit, but it is a small price for streamlining the process and ensuring money in people's hands. We are the fastest-growing economy. The investment cycle is coming back. The numbers at capital goods manufacturers are encouraging. Highways are being built; airports are being built and the railway is investing. We have been realistic in our GST collection targets. Remember, at one time the Congress projected growth of 4-24 per cent in one fiscal. Our approach is very well calibrated and based on feedback from various quarters. We are already reaching the target of ₹1 lakh crore a month. We only have to reach ₹1,15,000 crore. I am sure we will be able to achieve this.

**Your critics also say the NDA government did not provide enough funds for the defence sector's capital requirements. Most of the funds go into paying salaries or pensions, and very little is left for capital requirements.**

On the contrary, the PM Modi-led regime must be complimented for taking bold decisions, especially those related to defence forces. We recently lost two of our pilots in an aircraft crash. All this is a result of poor decision-making of the previous government. We have allocated ₹3 lakh crore for defence, and I said on the Floor of the House that the government was committed to providing more funds if required. Anything required to maintain the integrity, sovereignty and security of our motherland will be our highest priority.

**Your first Budget speech talked about artificial intelligence, but there is hardly any allocation for the same...**

Artificial intelligence is not something on which the government will have to spend. The government is creating an ecosystem. Recently, Prime Minister Modi invited some of the best people in artificial intelligence to come and speak to his ministerial colleagues and the top bureaucracy. He believes that India has a unique opportunity to leapfrog by absorbing what is best in the world and become a leader. His vision is not small. His vision is to make India the greatest country in the world. **BT**

@prosaicview; @rajeevdubey, @anileshmahajan



# AN EYE FOR

*Tata Motors and Mahindra & Mahindra, two home-grown auto firms, find themselves yet again in a pitched battle for the third position in domestic passenger vehicles. But the fight this time promises to be longer and more intense.*

*By SUMANT BANERJI*

*Photograph by BANDEEP SINGH  
and RACHIT GOSWAMI*



**Anand Mahindra**  
Chairman,  
Mahindra & Mahindra

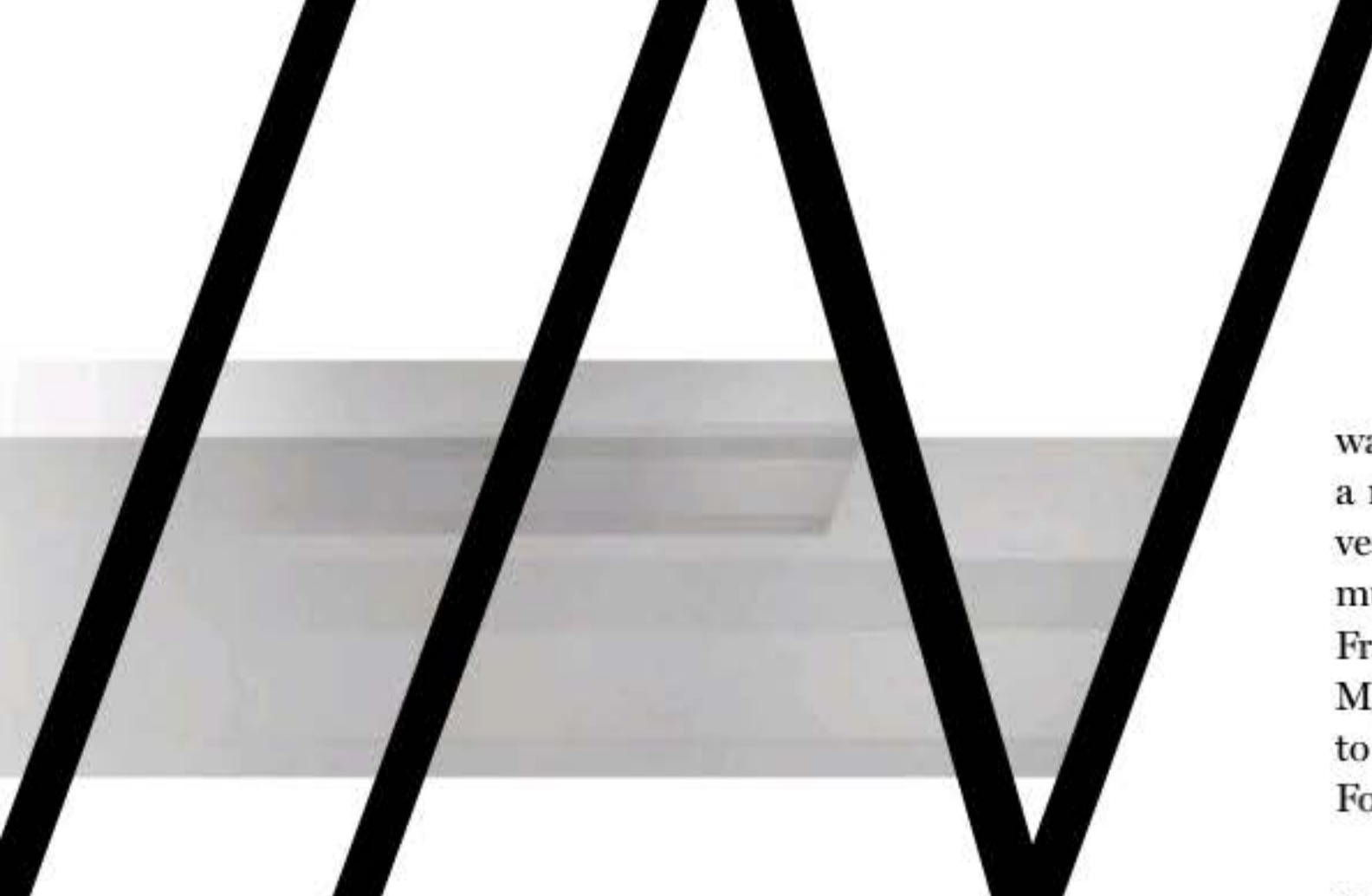




**Guenter Butschek**  
CEO and MD, Tata Motors

# A VEY E





**THEIR RESPECTIVE JOURNEYS** spanning over seven decades, Tata Motors and Mahindra & Mahindra – two of India's biggest and strongest home-grown automobile companies – have often found themselves staring at each other in the face. At the height of the craze for diesel vehicles in the domestic market in 2013/14, Mahindra outstripped Tata to become the third-largest player in the highly competitive passenger vehicle segment. The government's fuel pricing policies helped Mahindra – a ₹24-per litre gap between diesel and petrol fuelled demand for diesel-powered SUVs, helping the company at the cost of Tata. It coincided with a period of prolonged slump for Tata and for some time, Mahindra remained head and shoulders ahead of its compatriot.

The tide has turned. The diesel bull run has ended – a litre of petrol today costs only about ₹6 more than diesel, and the share of diesel vehicle sales has dropped from a high of 47 per cent in 2012/13 to 35 per cent in this fiscal so far. It is Mahindra facing the macro-economic headwinds now, made worse by its inability to counter competition on its own turf. At the same time, Tata Motors has got a second lease of life courtesy an overhaul of its portfolio and multiple launches in the last two years. As a result, while Mahindra has lost some ground – its market share has dropped from 11.57 per cent in FY13 to 6.98 per cent this fiscal (April-December 2018) – Tata has edged up from a low of 5.35 per cent in fiscal 2015 to 6.8 per cent.

The No.3 position is up for grabs once again; the first two being occupied by Maruti Suzuki and Hyundai, respectively. While it was easy for Mahindra to overtake a dispirited Tata Motors in 2014, this time it looks like the beginning of a long battle. Tata Motors has momentum on its side and the odds may be stacked against Mahindra. But the latter is no pushover. It has embarked on a product blitzkrieg to regain its position in SUVs. The signs are encouraging. In their own ways, both companies are firing on all cylinders with eerily similar strategies at times. There can, however, be only one winner.

#### **Separated at Birth**

Founded within a few months of each other in 1945, that Tata and Mahindra would turn out to be rivals

was not part of the original script. Tata started out as a manufacturer of heavy trucks and buses, gradually venturing into 'ladder on frame' utility vehicles, and much later in 1998 into passenger cars. (In 'Ladder on Frame' the chassis and the vehicle's shell are separate.) Mahindra's prowess as an SUV maker is largely due to its genesis as a licensed importer and assembler of Ford's Willys Jeep.

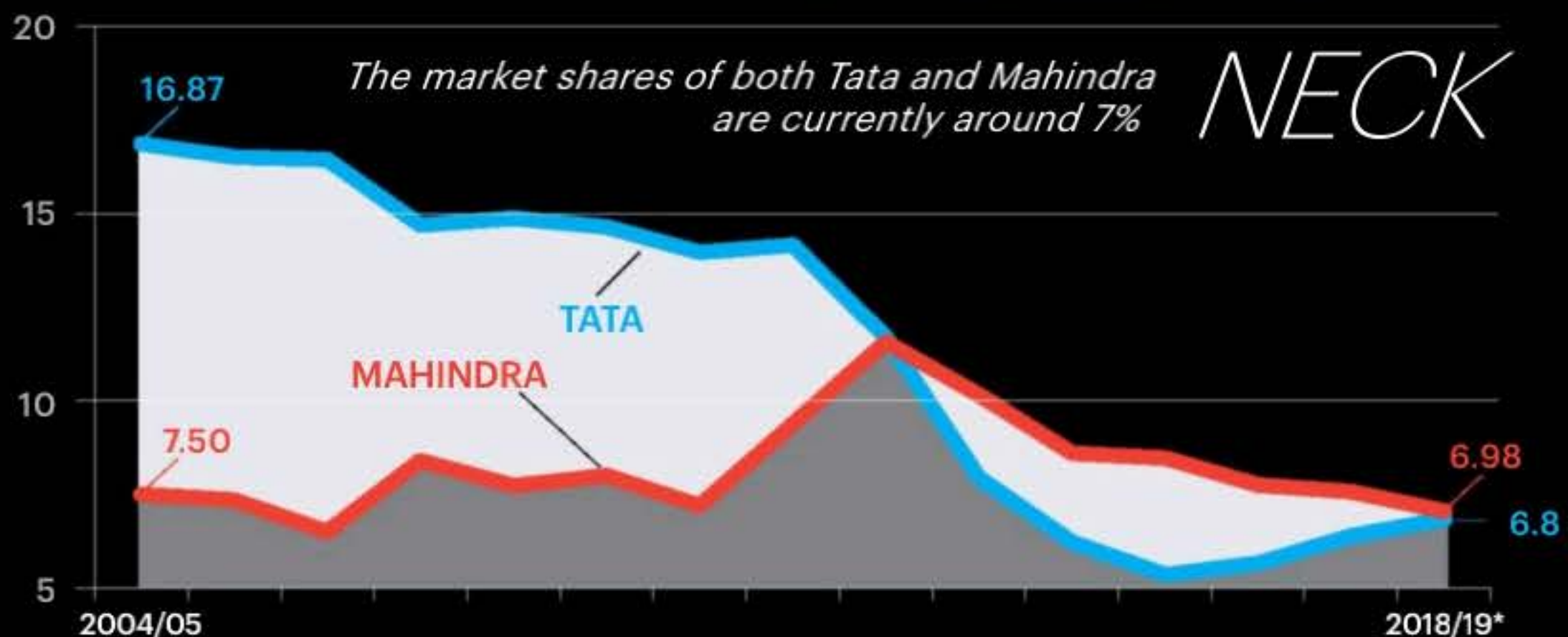
With evolution of their portfolios, the two companies have increasingly crossed each other's paths in the last two decades. Tata first forayed into the passenger vehicle segment and with that straight into the Mahindra territory in 1991 when it started manufacturing Tata Sierra followed by Tata Estate, Tata Sumo and Tata Safari through the decade. The success of these products was modest at best and Mahindra had no reason to feel threatened. In 1998, Tata went into cars with the Indica hatchback and later Indigo and Nano. That put Tata comfortably ahead of Mahindra in the domestic passenger vehicle segment but the paths diverged. Mahindra wanted to be the pre-eminent utility vehicle maker and Tata was no competition.

In the last five years, the advent of new-age compact SUVs that have a monocoque body structure and are more car-like in road manners has blurred the line between a passenger car and an SUV. (In Monocoque body structure, the chassis and the shell are manufactured as one entity.) Once India's undisputed utility vehicle king, Mahindra has struggled due to its ill-preparedness in the compact SUV segment and increasing competition in other segments. Its last big success was XUV500 in 2011. Since then, it has launched at least two significant products in the sub-four metre utility vehicle space – KUV100 and TUV 300. Both have failed to live up to expectations.

**“Market leadership is a crown of thorns. We are not focussed on market share but making sure our products are a hit”**

ANAND  
MAHINDRA



NECK  
AND

\*Apr-Dec 2018; Source: SIAM

"Whatever could go wrong has gone wrong in their business – adversity towards diesel, higher taxation on bigger vehicles, more competition in their bread and butter segments," says Jinesh Gandhi, Senior VP-Equity Research, Motilal Oswal Securities. "M&M had a very distinct positioning in rural markets because of road and infrastructure constraints. The roads have improved, so the relevance of their products has reduced. That market has shifted from high to low UV (utility vehicle) relevance. They have been found lacking in managing the structural change in the industry towards smaller UVs."

**"With the Harrier, we think we will have a chance to become No.3 on a more sustainable basis"**

GUENTER  
BUTSCHEK

Mahindra's market share in small UVs between fiscal 2012 and 2018 more than halved from 55.6 per cent to 24.2 per cent. Mahindra has been caught napping in this new category of SUVs. "Market leadership is a crown of thorns. We are not focussed on market share but making sure our products are a hit," says Anand Mahindra, Chairman, Mahindra Group. "If we look at true blue 'ladder on frame' SUVs, we are still very strong there, but if you add every monocoque wannabe crossover vehicle in the mix, the segment really expands. So, we are not in that game anymore."

It is reminiscent of Tata's own struggles in the passenger car segment in the first half of this decade. Following the debacle of Nano – against a production capacity of 2,50,000 units, the most it ever sold in a year was under 75,000 units in 2012/13 – and a dry pipeline, Tata saw its market share erode from 14 per cent to 5.35 per cent between fiscal 2012 and 2016; it dropped from third to sixth in the pecking order. Like Mahindra, its first few products were aimed at a revival. Bolt hatchback and Zest compact sedan also did not succeed and it was still dependent on products like Indica and Indigo, which were way past their sell-by date. But in 2015, it struck gold with the Tiago small car and followed it with the Nexon compact SUV in 2017. As a result, the company has been able to outperform the industry for 35 months on the trot, growing its sales by 23.5 per cent in the January-November 2018 period, and gaining market share in the process.



# HITS

**AND**

# MISSSES

*The two companies have had their share of success and disappointment. Here are a few of the major ones*



**Mahindra**  
Scorpio, Bolero,  
XUV500

**Launched in 2002**, Scorpio was Mahindra's first in-house product developed for the world. It was credited with resuscitating the company in India. A proven bestseller, its appeal remains undiminished after so many years

**The bare bones**, no frills Bolero is Mahindra's entry-level SUV and a big hit in rural markets. Before compact SUVs became all the rage, it was also consistently India's largest selling SUV with sales peaking at over 1,00,000 units per annum in 2014

**XUV500** was Mahindra's first attempt at a more premium seven-seater SUV and also its last bona fide blockbuster success. It is the leader in its segment, successfully fending off competition from Tata Hexa and Jeep Compass in recent times



## HITS

**Tata**  
Indica, Tiago,  
Nexon



**Tata ventured into** passenger cars with Indica in 1998. After teething troubles, the car went on to become a big hit. As one of the first small diesel hatchbacks in the country, it was a big draw with fleet owners and had a successful two-decade run in the domestic market

**Tiago was the first hit** product from Tata's new design and engineering philosophy. It has re-energised the brand and as a key mass market product helped Tata arrest the slide in market share

**With Nexon**, Tata has managed what Mahindra has not been able to do — crack the compact SUV segment. This volume generator has built the company's image as a reliable carmaker



The new-found confidence is reflected in the company's strategy for the future. On January 23, Tata launched a premium five-seater SUV, Harrier, which has been developed in collaboration with its UK subsidiary Jaguar Land Rover. A premium hatchback codenamed 45X to compete with the likes of Maruti Baleno and Hyundai Elite i20 would be next, plugging another gap in the company's portfolio in India. A seven-seater full-sized SUV based on the Harrier platform codenamed H7X as a mid-size sedan is also under development. The company hopes to regain its

long-cherished ambition of becoming the No.3 player in the domestic market on the back of these launches.

"It is an important target for us. It is also part of our vision statement. We wanted to get there by the end of fiscal 2020, but when we achieved it for the first time in October 2017, followed by July and November 2018, it was a positive surprise," says Guenter Butschek, CEO and Managing Director, Tata Motors. "With Harrier, we think we will have a chance to become No.3 on a more sustainable basis."

Mahindra needs a similar transformation. With





**As the erstwhile** leader in the SUV space, Mahindra was always aware of the potential of compact SUVs but did not have the right products in Quanto, TUV and KUV. Its half-hearted venture into passenger cars with Logan (with Renault) that later became Verito (when Renault exited the venture) was also a grand failure



**Mahindra**  
Quanto, TUV300,  
KUV100, Logan/Verito

## MISSES

**Nano continues** to haunt Tata as the mother of all failures presenting a template for others on how not to brand a car in India. Zest, Bolt and Aria were also Tata's feeble first attempts at breaking away from the past without any success

**Tata**  
Nano, Zest,  
Bolt, Aria



a diesel-heavy portfolio, the growing unpopularity of the fuel has put it at the receiving end. While Scorpio continues to bring in over 50,000 customers per annum, the Bolero is now well off its peak of more than 1,00,000-unit sales four years back. The need for technology is acute and Mahindra needs a new bestseller. For this, the company has accelerated joint development with its South Korean subsidiary, SsangYong, while roping in Italian design house Pininfarina, which it acquired in 2015, and its North American technical centre for design and engineer-

ing. The first product borne out of this conjunction, the seven-seater utility vehicle Marazzo, was launched in September 2018. It is beginning to make its presence felt in the domestic market.

In October, Mahindra launched the Alturas G4 premium SUV, a rebadged version of SsangYong Rexton. In mid-February, it will take another crack at the compact SUV segment with XUV300. Based on SsangYong's Tivoli platform, the company has again dipped into the South Korean company's reserves. A range of petrol engines is also being developed for each of its product before the transition to BS-VI fuel in 2020, which will make diesel vehicles even more expensive to own. These are important products for Mahindra. The company aims to sell 9,000 units of these models every month. It should be enough to keep it ahead of Tata.

"The compact SUV segment has gathered a lot of momentum over the last three-four years. The growth has been almost 44 per cent. The segment clocks sales of around 40,000 units a month. So, it is a very important segment to be in, because even if a product gets 10 per cent share, it's a good 4,000-5,000 units a month. It is a very healthy figure," says Pawan Goenka, Managing Director, M&M. "XUV300 is also a very critical product for us. We have traditionally been a 'ladder on frame'-based manufacturer and our first monocoque product was XUV500. That was premium, but the 300 is a more mass-market product with higher potential for volumes."

While Tata battled a perception issue as its products were viewed as unreliable and low on quality, Mahindra does not have any issue on that front. Even then, regaining its market leadership position in the utility vehicle segment may be a bridge too far.

"Thankfully for them their brand has not taken a beating. M&M customers are still not that dissatisfied with their products – an XUV or a Scorpio customer is still happy with his vehicle," says Gandhi of Motilal Oswal. "They (Mahindra) know where they went wrong with their product launches in the past and have completely overhauled their design and engineering functions for their new launches. I don't think they will ever be the market leader again. Their past glory was in a secluded environment of no competition. Now competition is strong and from mainstream players. They can recover a part of their lost market share with the new products they are launching. In some sub-segments like XUV (500) or Scorpio, they will have leadership, but in a broader SUV market – where they will also have to compete with Maruti and Hyundai – it will be very difficult for them to compete."

### Electric Warriors

Both companies are early movers in India's electric car story and already have had a few skirmishes. Electric mobility in India is being spearheaded by govern-



# GAMECHANGERS



## Tata

Harrier, 45X, H7X

**The premium five-seater SUV Harrier** is the first genuine joint effort between Tata and JLR and seeks to expand Tata's arc into the more premium category. A seven-seater version with H7X will take the story forward. With 45X, Tata will plug the premium hatchback gap in its portfolio



## Mahindra

Marazzo, Alturas, XUV300

**Much like Harrier for Tata**, Marazzo is Mahindra's global seven-seater people mover developed by teams in India, North America and Italy. Mahindra is digging into its South Korean subsidiary SsangYong for premium SUV Alturas as well as another shot at the compact SUV segment with XUV300. The company hopes incremental volumes of 9,000 every month from the three models

ment- owned Energy Efficiency Services (EESL) – a joint venture of four power public sector units. EESL aims to electrify nearly 80 per cent of the 5,00,000 vehicles being used by government agencies across the country that are used for less than 80 kms every day. It aggregates demand and gives out mega tenders to bring down prices.

When EESL first held discussions with the automobile industry in August 2017, five players – Mahindra, Tata, Hyundai, Renault and Nissan – showed interest. Eventually, only three bid for the first tender of 10,000 vehicles. Mahindra, which is a first mover in electric cars in India – it acquired Chetan Maini's 24-year-old Reva car company in 2010, and already has two brands in the open market – was expected to be the front-runner. But Tata pipped it with a bid of ₹11.2 lakh for e-Tigor to Mahindra's ₹13.5 lakh for e-Verito.

Tata's bid for annual maintenance contract (₹0.25/km) was substantially lower than M&M's (₹1.35/km). The prices are inclusive of GST and a five-year annual maintenance contract. In the first lot of 500 vehicles, Tata has supplied 350 vehicles while Mahindra has delivered the balance 150 cars. Mahindra had to match Tata's price to bag the contract, but it was not happy and openly questioned Tata's pricing.

"It is difficult to comprehend the price quoted by the L1 bidder (Tata Motors), though we have been in the electric vehicle business for some time and we know the cost structure and subsystems very well," Goenka of Mahindra had said after the tender was opened in October 2017. "We will not make money on the cars we supply to EESL. We will lose money on every car."

"I do not know the specifications of the L1 car since it is not yet out in the market, unlike the Verito, which has been in the market for some time. But Verito is a bigger car and has a 20.5 kwh electric motor, which can do 170-180 kilometres on full charge. We don't know what the battery size of the L1 car is," he added.

The not-so-subtle attack shattered the veneer of healthy rivalry that otherwise exists between the two firms. Tata Group Chairman N. Chandrasekaran emphatically countered Mahindra's claims, while Butschek said he would be happy to fill in if Mahindra wanted to opt out.

"We will be making enough money from each of the units that we sell to EESL. As of now, we will be selling 6,500-7,000 units. And if the other company opts out, we will lap up the rest of the order as well," Butschek said. "All I can tell you now is that we are capable of meeting all the order requirements."

The gloves are off. As the two companies face off yet again in a direct fight, expect some more fireworks. **BT**

@sumantbanerji

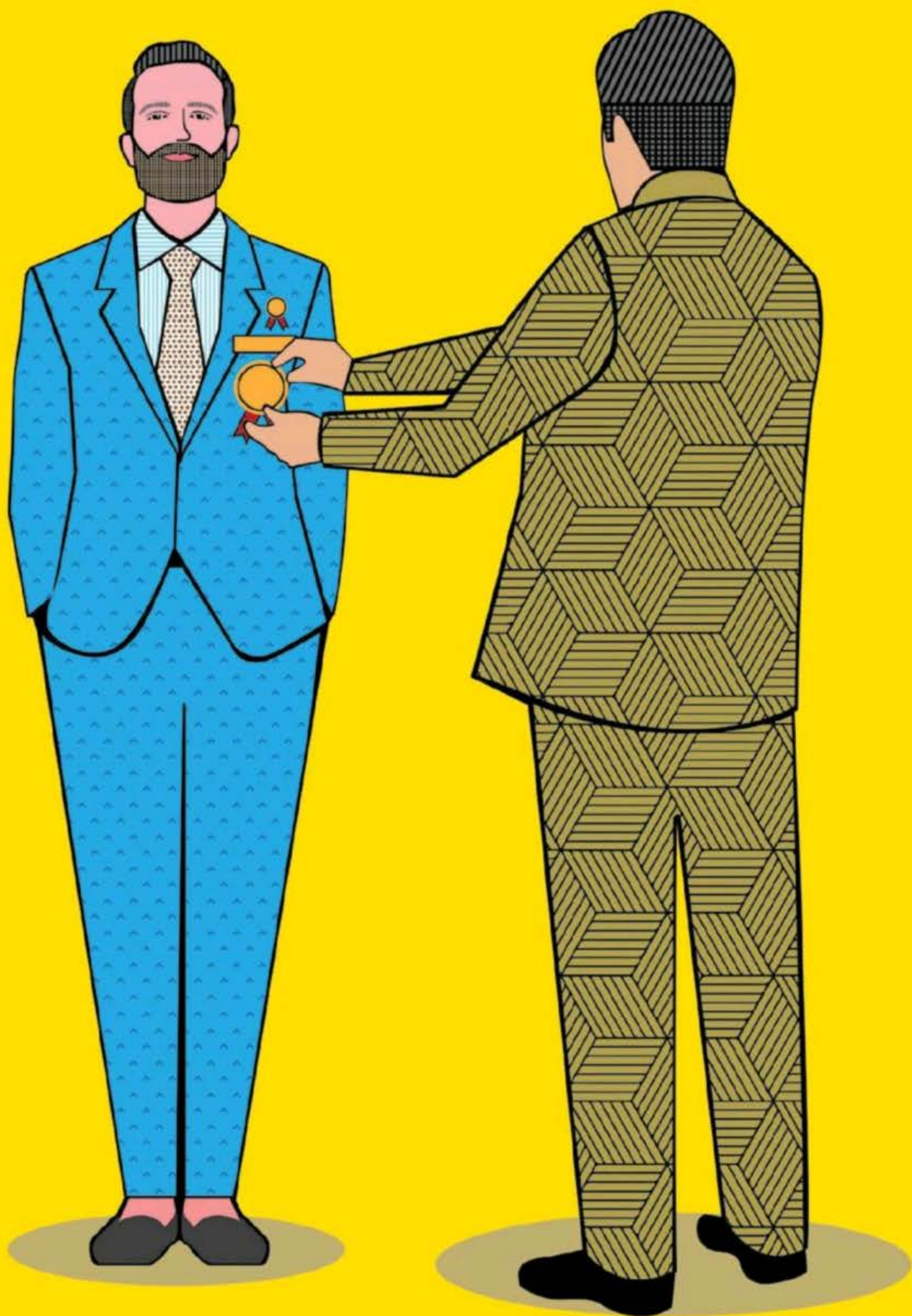


# CREATIVE JOB TITLES CAN ENERGISE WORKERS

They reduce burnout and  
increase satisfaction.

Illustration by Raj Verma









**Retitling won't work in every organisation. The practice has been more common at start-ups and at dominant companies such as Disney and Google. Large companies try it with small units to gauge employee reactions... Rebranding job titles around the "why of work", unique cultural traits, and employees' personal identities can have important effects on how outsiders respond to the jobs and how people in the jobs see themselves**

**OB TITLES DON'T** usually generate much excitement. They're printed on business cards, emblazoned on LinkedIn pages, and used in formal introductions. Some organisations, however, see them as a chance to get creative. Consider Disney, which calls its theme park workers "cast members" and its engineers and multimedia experts "imagineers". Subway's line workers are "sandwich artists". At some companies, receptionists are "directors of first impressions" and PR people are "brand evangelists".

It would be easy to dismiss retitling as a silly exercise in euphemisms. But over the past decade, London Business School Professor Dan Cable has come to view it as a legitimate tool for improving workers' attitudes and boosting recruitment. "The traditional view of job titles is that they're about standardisation and benchmarking," he says. "But titles often send the wrong signals and fail to attract the best applicants. Companies should recognise that they are powerful symbols of who we are, what we can do, and what others can expect from us."

Cable and two colleagues published a 2014 study on "self-reflective" job titles, and Cable has since expanded his work in the area. The paper took a deep dive into a local chapter of the Make-A-Wish Foundation, whose CEO invited employees to create fun titles to supplement their official ones. "Although we were sceptical in the beginning, our firsthand observations and in-depth interviews made us wonder whether there are real psychological benefits to retitling work," Cable says. Employees described

how their new and improved titles made their jobs more meaningful and helped them cope with the emotional challenges of serving families with sick or dying children. The researchers concluded that the initiative reduced stress by helping people focus on the more purposeful aspects of their jobs.

To see if that dynamic would hold up in a full-fledged experiment, the researchers worked with employees at a hospital chain. With one group, they outlined how the retitling had improved life at Make-A-Wish and then asked the workers to suggest new titles for themselves. (An infectious disease specialist became a "germ slayer", a nurse who gave lots of immunisations became a "quick shot", an X-ray technician became a "bone seeker".) The researchers surveyed the workers, along with members of two control groups, about their attitudes towards their work before the retitling and five weeks later. They found that those who had been asked to choose new titles had lower levels of emotional exhaustion, felt more validated and better recognised for their work, and experienced greater "psychological safety", which can promote free information exchanges. They concluded, "Rather than viewing titles solely as sources and reflections of formality and rigidity or mechanisms of bureaucratic control, our research suggests that titles can be vehicles for agency, creativity, and coping."

Cable has continued to explore how firms can benefit from retitling. At a large European brewery, he tried a different approach: Instead of having each



employee create a unique title, he asked workers who performed the same function to agree on a new title that everyone would share. A survey three months later showed that those employees were 16 per cent more satisfied with their work and 11 per cent more closely identified with the company than employees in a control group.

Cable has since created a methodology for companies looking to launch retitling initiatives. In step one, employees reflect on their job's purpose (including who is served, who is affected by the quality of the work, and what value is created) and on questions of identity (including what aspects of the job the employee does particularly well or differently from other employees or competitors). In step two, employees brainstorm potential new titles, perhaps crowdsourcing ideas from other employees, and, with their manager's input, decide on new ones. Much of the value of this activity lies not in the new titles but in the process that leads to them. "The exercise causes job incumbents to ask themselves, 'What is the purpose of the work, and what is my unique connection to it?'" Cable says. "Most employees knew the answers to these questions at some point, but it is easy to forget them in the midst of day-to-day hassles."

Some may be slow to warm to the idea. Laszlo Bock, Google's SVP of "people operations", was initially turned off by his novel title; among other concerns, the fact that it wasn't clearly an HR job made him worry that it would be harder to find a new job if he left Google. But he's grown to see the benefits, including that the title sounds less administrative and more strategic.

Retitling won't work in every organisation. The practice has been more common at start-ups and at dominant companies such as Disney and Google. Cable suggests that large companies try it with small units to gauge employee reactions. For those that want to experiment with retitling, there's another significant benefit: Unlike many HR initiatives, this one costs almost nothing. Says Cable: "Rebranding job titles around the 'why of work,' unique cultural traits, and employees' personal identities can have important effects on how outsiders respond to the jobs and how people in the jobs see themselves."

**About the Research** "Job Titles as Identity Badges: How Self-Reflective Titles Can Reduce Emotional Exhaustion," by Adam M. Grant, Justin M. Berg, and Daniel M. Cable (*Academy of Management Journal*, 2014). This article was first published in the May 2016 issue of *Harvard Business Review* ([www.hbr.org](http://www.hbr.org)). Copyright©2016 Harvard Business School Publishing Corporation. All rights reserved.



## "It Gave Employees Ownership of Their Roles"

A few years ago, when **Susan Fenters Lerch**, former CEO of the Make-A-Wish Foundation of Michigan, attended a seminar at the Disney Institute, she heard a discussion of how people's titles influence their feelings about their jobs. So when she returned to the office, she let her 31-person staff create their own titles to supplement the ones on the org chart. She described the process to *HBR*. Edited excerpts follow.

### Why did you try self-created titles?

We faced challenging situations, working with families whose children had serious health issues. I was looking to do something fun that would give employees a sense of control. People kept their traditional titles, but everyone created an additional, fun title. I became "the fairy godmother". Our finance director became "the minister of dollars and sense". The office manager became "the keeper of keys," from Harry Potter. I used both titles on business cards and in e-mail – I put the supplemental title in italics.

### What did it accomplish?

Creating new titles gave people a way to describe how they felt about the job. It gave them ownership of their role. The new titles often became a conversation starter with external people – they'd ask about it, and it created an opening to explain what you do.

### What if someone could not come up with something clever?

We'd sit down, talk about it, play around with words together. Most people came up with things they felt really good about.

### I'm not sure how this would go over in my workplace.

For it to work well, the leader has to be comfortable with it, and it has to make sense for the organisation. It could be challenging in a large one, where many people have the same title. It's probably better suited to a smaller, less traditional organisation.



# WHY BAD GUYS WIN AT WORK

By TOMAS CHAMORRO-PREMUZIC

Illustration by  
Safia Zahid



**N**OT ALL PSYCHOPATHS are in prison – some are in the boardroom,” Robert Hare famously said during his aptly titled lecture, *The Predators Among Us*.

Psychopathy is one of three “dark triad” traits, the other two being narcissism and Machiavellianism. It should be noted that, unlike clinical personality traits, these traits are normally distributed in the population – e.g., you can score low, average or high – and perfectly indicative of normal functioning. In other words, just because you score high doesn’t mean that you have problems, either at work or in your personal life. And despite the antisocial implications of the dark triad, recent research has highlighted a wide range of career-related benefits for these personality characteristics.

Psychopathic individuals are generally more dishonest, egocentric, reckless, and cruel than the population average. Machiavellianism is somewhat more related to superficial charm, interpersonal manipulation, deceit, ruthlessness, and impulsivity. People who score highly on this trait are morally feeble and likely to endorse the idea that “the end justifies the means” or agree that “it is hard to get ahead without cutting corners here and there.” Narcissism relates to unrealistic feelings of grandiosity, an inflated – though often unstable and insecure – sense of self-worth, and a selfish sense of entitlement coupled with little consideration for others. As the term, and the legend of Narcissus, suggests, narcissistic individuals are so self-indulged that they may end up drowning in their own self-love – this makes it harder for them to focus on others. Narcissists are often charming, and charisma is often the socially desirable side of narcissism: Silvio Berlusconi, Jim Jones, and Steve Jobs personified this.

In a recent study on representative German businesses, narcissism was positively linked to salary, while Machiavellianism was positively linked to leadership level and career satisfaction. These associations were still significant even after controlling for the effects of demographics, job tenure, organisation size, and hours worked.

Previously, an impressive 15-year longitudinal study found that individu-



als with psychopathic and narcissistic characteristics gravitated towards the top of the organisational hierarchy and had higher levels of financial attainment. In line with those findings, according to some estimates, the base rate for clinical levels of psychopathy is three times higher among corporate boards than in the overall population. This is also consistent with earlier conceptualisations of psychopathy among businessmen. In his classic 1940's book *The Mask of Sanity*, Hervey Cleckley noted that the psychopathic businessman works industriously and appears rather normal, except for his periodic sprees of "marital infidelity, callousness, wild drinking, and risk-taking".

So why do these bad guys win?

In part, because there is clearly a bright side to their dark side. As found in a study examining the overlap between positive and negative personality characteristics, extraversion, openness to new experience, curiosity, and self-esteem are generally higher among dark triad personalities. In addition, dark triad traits tend to enhance competitiveness, if only by inhibiting cooperation and altruistic behaviours at work. In addition, studies have shown that psychopathic and Machiavellian tendencies facilitate both the seduction and intimidation tactics that frighten potential competitors and captivate bosses. This explains why individuals with these personality characteristics are often great actors, as well as succeeding in (short-term) sexual relationships.

Yet it is important to understand that all these individual gains come at the expense of the group.

Although there is clearly an adaptive element to the dark triad – which explains why bad guys often win – their success comes at a price, and that price is paid by the organisation. In evolutionary terms, dark triad personality characteristics constitute the essence of the free-riding. And the more polluted or contaminated the environment – in a political sense – the more these parasitic

personalities will thrive.

Not surprisingly, a number of studies have linked the dark triad to higher incidents of bullying. Moreover, meta-analytic studies have shown significant associations between the dark triad and counterproductive work behaviours (theft, absenteeism, turnover, sabotage, etc.). In an impressive analysis of all the scientific studies published between 1951 and 2011, Machiavellianism, narcissism, and psychopathy were all positively linked with counterproductive work behaviours and poor organisational citizenship, and Machiavellianism and psychopathy were also negatively linked to actual job performance (as opposed to career success). As reviews have highlighted, "Ponzi schemes, Internet fraud, embezzlement, insider trading, corruption, and malfeasance" can all be attributed to dark triad personality traits.

But as the saying goes, everything is better in moderation. For example, studies have shown that an intermediate – rather than low – level of Machiavellianism predicts the highest level of organisational citizenship, perhaps because Machiavellian individuals are politically

savvy and good at networking and managing upwards. In another study that examined military leadership, the best leaders displayed the bright-side features of narcissism while inhibiting its dark-side traits: they were high in egotism and self-esteem, but low in manipulativeness and impression management.

So, perhaps one may think about dark-side tendencies as overused strengths – tendencies that are fairly adaptive and conducive of short-term success, but may nonetheless lead to problems in the long term, especially if one is not aware of them. That is, the dark side represents the toxic assets of our personality. You can certainly turn them into career weapons, but the group will generally lose the more you win. Furthermore, when the primary goal is to ensure that a group or organisation outperforms its rivals, it will be generally advantageous to minimise the incidence of dark triad leaders. Personality is an important career lubricant, but dark triad traits are effective at the individual rather than group level.





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POWER MACHINES TO  
STAY PRODUCTIVE

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TIME TO STOP YOUR  
BRAIN DRAIN

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LEADERSPEAK:  
SUDHANSHU VATS



RETAIL TECH

## BUILT IN VIRTUAL REALITY

Virtual reality has been mostly good for games and entertainment, but Ford is now using it to design cars.

Illustration By Ajay Thakuri



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**THE FUTURE OF VIRTUAL** reality (VR) is not certain as the technology is yet to be used for mainstream applications. Although one can browse Facebook and YouTube in VR, this required many experiments with the technology, headset and other accessories. But this time, American auto giant Ford has decided to try and design cars in augmented reality (AR) and virtual reality settings. The company is using a suite of tools called Gravity Sketch that enables users to develop design ideas in 3D instead of creating traditional 2D sketches and converting them to 3D models, all of which takes a lot of time and efforts. The Ford team was able to create a design in a mere 40 hours using this software.

London-based Gravity Sketch was among the first companies to offer a platform to create a real-time 3D design in AR and VR with no CAD (computer-aided design) training. In fact, there is no need to learn engineering vocabulary and cumbersome keyboard commands. Better still, it allows teams across locations to collaborate on the design and incorporate the results into the workflow in real time. The output can be exported in a variety of formats.

According to Michael Smith, Design Manager for Ford, one of the biggest benefits of designing in VR is that it truly unleashes creativity and fosters the development of user-centric and customer-centric designs from start to finish because “we could get ourselves into the mind and the virtual body of our customers. Jumping right into 3D gives us a 360-degree view of a vehicle as it is being created.” Consequently,

designers can develop a model at a human scale, with everything being exactly where it ought to be. The method lets them prototype the experience a customer will have, and not just how a customer will fit into the vehicle. It is also possible to explore how the car interacts with the environment.

In Ford’s demonstration, one can see a designer wearing a VR headset and moving his arms and hands around to manipulate the virtual object in front of him – a wireframe model of a car. As designers use gestures and motion tracking to create a 3D model in VR, the same can be turned around

**DESIGNERS USE GESTURES AND  
MOTION TRACKING TO CREATE  
A 3D MODEL OF THE CAR IN  
VIRTUAL REALITY, AND THE VR  
MODEL CAN BE TURNED AROUND  
360 DEGREES, TIPPED ON ITS  
SIDE OR EVEN TURNED  
UPSIDE DOWN**



360 degrees, tipped on its side or even turned upside down. Instead of making multiple sketches and detailing on paper, it is now possible to integrate everything into one form with various experts stepping in to take up different aspects of the design process. In the traditional method, a 2D sketch is made and scanned to create a high-resolution illustration, and it is then fed into a computer to create a 3D model. The new method shortens the entire procedure and leaves more time for creativity besides exploring new perspectives provided by the scale-free VR platform. **BT**

## ROBOTICS

# GAME FOR IT



OVER THE PAST two-three years, AI-enabled machines have beaten humans time and again whenever there has been a breakthrough – be it the system teaching itself the rules of the game or upskilling itself to win exceptionally complex thinking games like Go or developing the strategies needed to overcome tricky obstacles to reach a goal as in *Montezuma’s Revenge*. Recently, there has been another development – a robot has managed to play *Jenga* with the greatest of expertise.

*Jenga* is a game that looks deceptively simple, but you need to be extremely careful. It features a tower of 54 blocks (each has a different shape), and players need to extract the pieces without letting the tower fall. Built by the MIT (Massachusetts Institute of Technology) Media Lab, the *Jenga*-playing robot uses an interesting combination of tools and skills to tackle this game. The tools include a soft-grip prong or arm, a force-and-pressure-sensing wrist cuff and a camera. The robot makes careful movements with the help of these and tests each block by moving it a little until it is satisfied that the tower will not fall. Understandably, *Jenga* requires an understanding of physics and physical activities unlike games like Go or Chess, which are more cognitive. It is hoped that a robot’s ability to play *Jenga* so well will pave the path for an entirely new class of robots which can be used for similar tasks at the industry level. **BT**



## PERSONAL TECH

# POWER MACHINES

A LOOK AT INNOVATIVE WORKHORSES WHICH WILL KEEP YOU AHEAD OF THE PACK.

By Nidhi Singal

**W**HAT DO MOST successful CEOs require to stay ahead in their game? Besides resources and talent, they also look for power-packed personal devices, not just over-the-top smartphones but laptops which are veritable workhorses. Unlike smartphones, the pace of innovation has not been frenetic in the laptop space. But of late, patents have been filed by top companies such as Apple and Lenovo, breathing new life into the industry. Based on patent applications, rumours are rife that a laptop with a folding OLED (organic light-emitting diode) display from Lenovo or one from Apple sporting a massive secondary touchscreen and replacing both keyboard and touchpad could hit the market soon. But before they arrive, we look at a few unique and upmarket laptops which combine innovation, design and productivity to emerge as the best in business that one could wish for.

The widely anticipated MacBook Pro with a dual display (Retina display with touchscreen for keyboard and trackpad) is yet to make an appearance, but ZenBook 14 (₹89,990 onwards) from Asus has a similar technology to offer. It boasts an ultra-portable design, an ultra-light chassis, a bezel-less display and a NumberPad



**HP SPECTRE X360**

touchpad where LEDs underneath the touchpad light up when the NumberPad is activated. Long-pressing the NumberPad icon puts it back to the normal touchpad mode. The patent-pending NumberPad is made of five layers, including a black layer with number cutouts at the bottom, a grey, translucent ink layer, a layer with silver particles, an inked switched layer and a glass layer on the top. The ZenBook Pro 15 takes it a step further with a ScreenPad (trackpad), an interactive display that

switches functionality to gel with the application or programme in use. ScreenPad apps are compatible with a wide range of programmes, including music players with controls, launchers for app shortcuts, calculators, numeric keys, ScreenPad Office and Adobe Sign. Its price starts at ₹1,84,990 and variants are available with Intel i7 and i9 processors.

This is not a new technology, though. The Touch Bar on Apple's MacBook Pro works similarly. Being a bit more versatile, the Touch





**ASUS ZENBOOK  
PRO 15**

a lot of features from the MacBook Pro, including the Touch ID and the security chip. Other features include an Intel i5 processor, macOS Mojave and more than eight hours of battery backup. MacBook Air price starts at ₹1,14,900.

If you are looking for a laptop extraordinaire, go for HP's Spectre x360. This convertible sports diamond-shaped corners and one of them houses an angled USB Type C connector. There are narrow bezels on all sides and a neat, rectangular speaker grill just above the keyboard. Security features are many, including an infrared camera, a fingerprint reader, a camera-kill switch (a physical switch to turn off the camera) and a privacy screen. Pressing the F1 key activates the privacy screen mode and the screen appears dark to everyone except the user. Also, the touch display with 4K resolution protected with Corning Gorilla Glass can be used to write and draw using the HP digital pen, which is sold separately. The machine is powered by 8th gen Intel i5 processor, comes with 8 GB RAM and the pricing starts at ₹1,29,990. Another variant with 16 GB RAM and 8th gen Intel i7 processor is available for ₹1,89,990.

If you want to go for a simple Windows machine, take a look at the recently launched devices. The Surface Pro 6 is a Windows 10 tablet with a 165-degree kickstand and a Type Cover or detachable keyboard. It also features a 12.3-inch display, supports Surface Pen, and comes with artificial intelligence features available on Office 365. This one is priced at ₹83,999. The Type Cover and Surface Pen can be purchased separately. You can also opt for the all-new Surface Laptop 2 that features a PixelSense Touch display with keyboard and trackpad and up to 14 hours of battery backup. It is priced at ₹91,999 onwards. Both are powered by 8th gen Intel i5/i7 processor and are available in various configurations. **BT**

@nidhisingal

**APPLE MACBOOK PRO  
WITH TOUCH ID**



Bar replaces function keys on the keyboard and automatically switches between relevant tools depending on what you are doing. For instance, icons for composing, replying, archiving, junking and flagging messages appear under Mail, but predictive text input and formatting options take over as soon as you start writing an e-mail message.

Apart from the Touch Bar, the MacBook Pro is worth considering due to its power under the hood and the security it brings to the table.

Other than the Touch ID fingerprint scanner for unlocking the machine or password-protecting folders, it also comes with Apple's T2 Security Chip that includes a Secure Enclave coprocessor for providing secure boot and encrypted storage capabilities. Available in 13-inch (powered by 8th gen Intel i5 processor) and 15-inch (8th gen Intel i7), the Pro, with Touch Bar and Touch ID, is priced at ₹1,69,900 onwards. The recently upgraded MacBook Air (13 inches and without Touch Bar) also borrows



PRICE  
₹13,999

5,000 mAh  
BATTERY

13 MP+5 MP  
rear camera

6.3-INCH  
FHD+ Display  
with v-notch

SAMSUNG GALAXY M20

# LATE, BUT IMPRESSIVE

By NIDHI SINGAL

**XIAOMI HAS EMERGED AS** the undisputed king in the sub-₹15,000 smartphone category, followed by Honor and Asus. Samsung has taken its time to enter the fray, but it has finally come up with a compelling device.

The Galaxy M20 features a bright, 6.3-inch bezel-less display with 2,439x1,080p resolution. There is a small v-shaped notch at the top and a sleek chin at the bottom, giving the M20 more screen estate. However, the rear and the sides have a plastic feel and attract finger impressions. The fingerprint scanner is quick to unlock and so is the face recognition but the latter is not as secure as Apple's Face ID.

The M20 has a neat user interface backed by impressive performance.

Besides Google apps and services, Samsung has added a few more apps including a voice recorder, e-mail, My Files, Facebook, Samsung Notes and Game Launcher. The Samsung Max app helps users save mobile and Wi-Fi data and also offers privacy protection. But the phone is not secured by military-grade Samsung Knox. I liked its performance as there was no lag as I played games or ran multiple apps in the background. It is powered by Samsung's Exynos 7904 processor, comes with 4 GB RAM and managed to score 109506 on the AnTuTu benchmark. Of the 64 GB onboard storage, close to 50 GB is user accessible.

On the camera front, you will find a vertical dual-camera set-up at the rear (13 MP+5 MP) that captures good

images and retains natural colours in good light. Other than the auto mode, which has an ultra-wide photo-capture feature, I was able to switch between live focus, beauty, Pro mode, panorama, stickers and continuous shots. But unlike the live focus used for bokeh images in many flagship phones, this one works if you are capturing human faces and not inanimate objects. Moreover, I found the 8 MP selfie camera just about average.

The phone packs in a 5,000 mAh battery and lasted me a day and a half on heavy usage. The charger bundled in the box supported fast charging and took me a little over two hours to juice up the battery. **BT**

@nidhisigal



## HP SPROCKET PLUS

HASSLE-FREE  
PHOTO PRINTER

BY NIDHI SINGAL

WORKS WITH  
Sprocket appCONNECTS  
over  
BluetoothSLOT FOR  
printoutsPRICE  
₹8,999

**IN THE ERA** of digital cameras, smart-phones and image-sharing platforms, printing photographs is an old-school practice. But you will still find some niche printing solutions and holding the hard copies would take you on a journey down memory lane. HP's Sprocket Plus is an upgraded version of the original Sprocket and comes with some exciting features.

Portable and compact, this one is slightly big (141.9 mm/5.59 inches) but quite thick (17.8 mm/0.71 inches) compared to iPhone XS Max. It houses minimal controls – just a power button and a microSD slot (for charging) on the right panel and a slot for printouts at the bottom. Setting up the Sprocket Plus was a delight. After installing the printing sheets as instructed (upside down) and switching on the device, I had to pair it with the Sprocket app, available on both iOS and Android. I followed the instructions on the app and connected the gadget with my smartphone via Bluetooth in less than a minute. After that, I could access not only my phone's photo gallery but also the images on my Instagram, Facebook and Google accounts. But to do so, you must sign in to those accounts first.

The editing tools within the app make photo-printing more fun. I was able to adjust background brightness, add filters, include artworks and even scribble or add text to an image. The last two features can be used to personalise the prints. I could also zoom in and out and rotate the image using two fingers before hitting the print icon on the app.

However, prints sized 2.3x3.4 inch looked darker than what appeared on the screen. Unlike the traditional prints on a photo-printing sheet which offers some shine, these prints looked dull with visible lines. HP uses a thermal heating-based printing method called Zink (zero ink), and the paper used is water-resistant and cannot be torn easily. A set of 20 HP Zink (2x3 inch) photo paper is available for ₹539 and a pack of 50 costs ₹1,149.

Although everything sounds good about this pocket-sized and hassle-free photo printer, there is scope for improvement. If you are looking for alternatives, Fujifilm's Instax cameras with spot printing are worth considering. You will find a wide range of cameras starting at ₹4,499 (offer price) where the printable image size is 2.4x1.8 inch. In fact, images printed on 2.4x2.4-inch film by the Instax Square SQ10 camera are quite impressive. **BT**

@nidhisingal

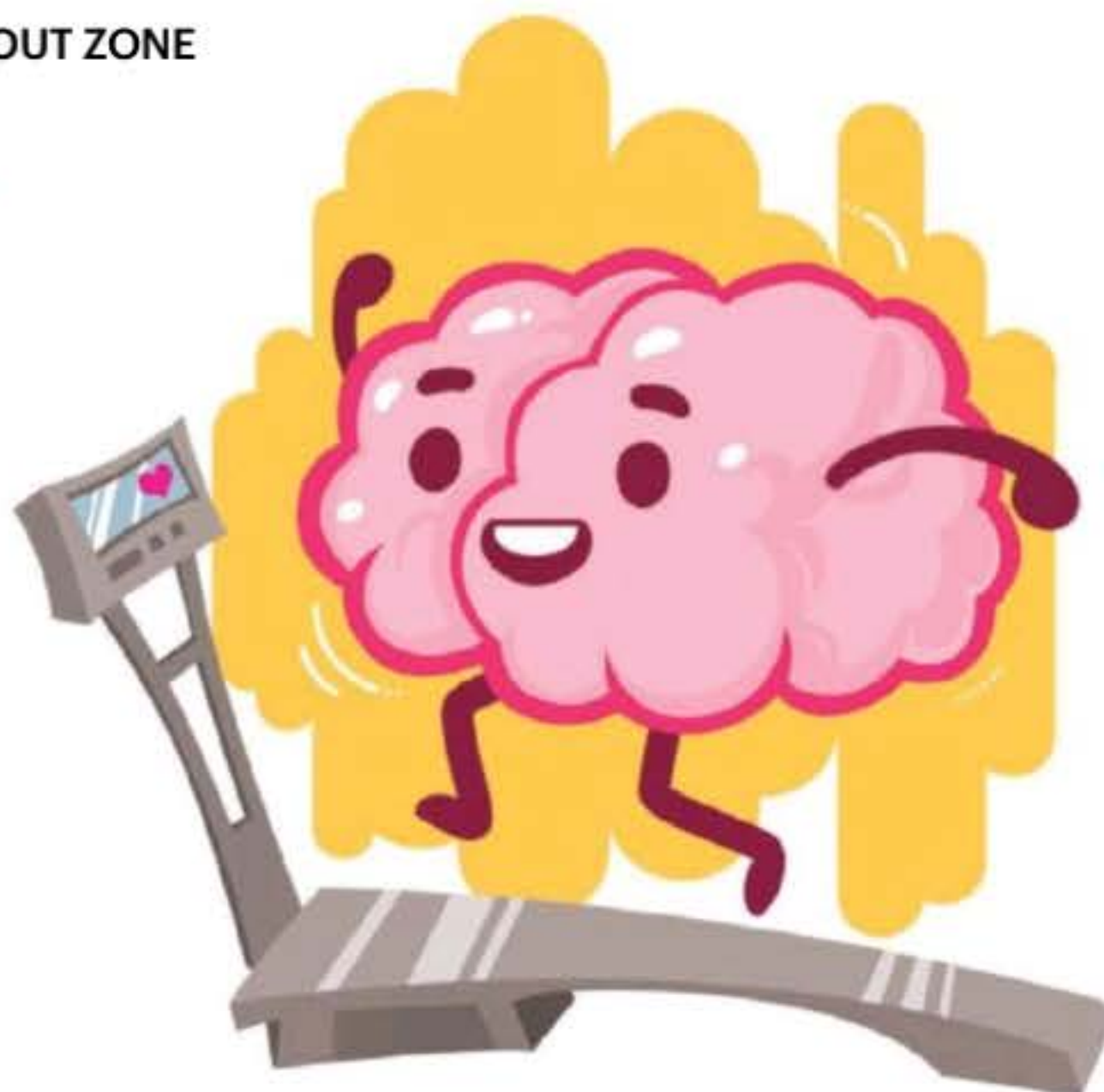


## EXECUTIVE HEALTH

BRAIN  
DRAIN

THE REAL REASON BEHIND ALZHEIMER'S IS NOT KNOWN YET, BUT THERE ARE WAYS TO DELAY THE ONSET OF THIS PROGRESSIVELY DEBILITATING DISEASE.

By E. Kumar Sharma



**DEMENTIA IS A** constellation of symptoms, affecting cognitive and intellectual abilities and impacting memory, reasoning and communication abilities. However, Alzheimer's disease, the most common indicator of dementia, is often considered a problem of the aged. After all, it typically strikes when people are past 65 or so. But here is a catch – doctors say such cases are on the rise in India. "They account for nearly 15 per cent of the cases I come across compared to just about 2-3 per cent around five to seven years ago," says Dr Arun Shah, a neurologist and Director at the Department of Neurology in Sir H.N. Reliance Foundation Hospital and Research Centre, Mumbai. This could be due to the rise in India's elderly population and growing awareness among people, which drives them to seek medical help at an early stage. Prevention is always better, though, and doctors think there are ways to delay its onset if people

in their prime are serious about health and wellness.

According to Dr Shah, an unhealthy lifestyle, coupled with a stressful professional life and irregular sleep patterns, could affect your health. "If you are not

PHYSICAL AND MENTAL EXERCISES could help delay the medical condition and keep your brain functioning the way it should

getting enough sleep, it will hinder the cleaning of amyloid protein buildup (known to be toxic to nerve cells) in the brain. These are large and sticky lumps called plaque, and there is a dominant hypothesis today that it is the culprit causing Alzheimer's," he says. The neurologist, therefore, recommends a healthy and active lifestyle. "Try and do something new as you get older. You can learn to play a musical instrument or learn a new language or

take to playing card games that involve the use of reasoning." These physical and mental exercises could help delay the medical condition and keep your brain functioning the way it should.

There is little clarity on what causes Alzheimer's, although there is a theory that genetic components could play a role and some people with a family history could be at a greater risk. Plus, there are early signs which may start showing around the age of 50. For instance, one could become more forgetful, face difficulty in planning or problem-solving, become increasingly withdrawn, exhibit mood swings or show an inability to find the right words to complete a sentence. There are different theories about what triggers these, but Dr Shah says, "At the moment, from the pathology point of view, we know that amyloid is the key, but it is not proven yet whether a change in amyloid deposit will improve cognition."

DETERMINING  
THE CAUSE

**WHAT CAUSES** Alzheimer's? Amyloid hypothesis is a popular theory that says how two types of proteins – amyloid and tau – could be the source of the problem. But newer studies and findings are emerging as well. For instance, a recent article in the *New Scientist* says, "Compelling evidence that the condition is caused by a bacterium involved in gum disease could prove a game-changer in tackling one of medicine's biggest mysteries, and lead to effective treatments or even a vaccine." According to Dr Shah, there are several theories out there – be it the mitochondrial cascade hypothesis highlighting a gene-related trigger or death of nerve cells due to toxicity of protein deposits. "It is still early stage, and there is no conclusive evidence," he points out. Even then, researchers are working on finding a cure or an antidote, and we may get there soon. **BT**

Compelling evidence that the condition is caused by A BACTERIUM INVOLVED IN A GUM DISEASE COULD PROVE A GAME-CHANGER in tackling one of medicine's biggest mysteries





**Virtus in Arduis: I Did It My Way**

**By Parthasarathi Shome**

Publisher: **Orient BlackSwan**

Pages: **304**

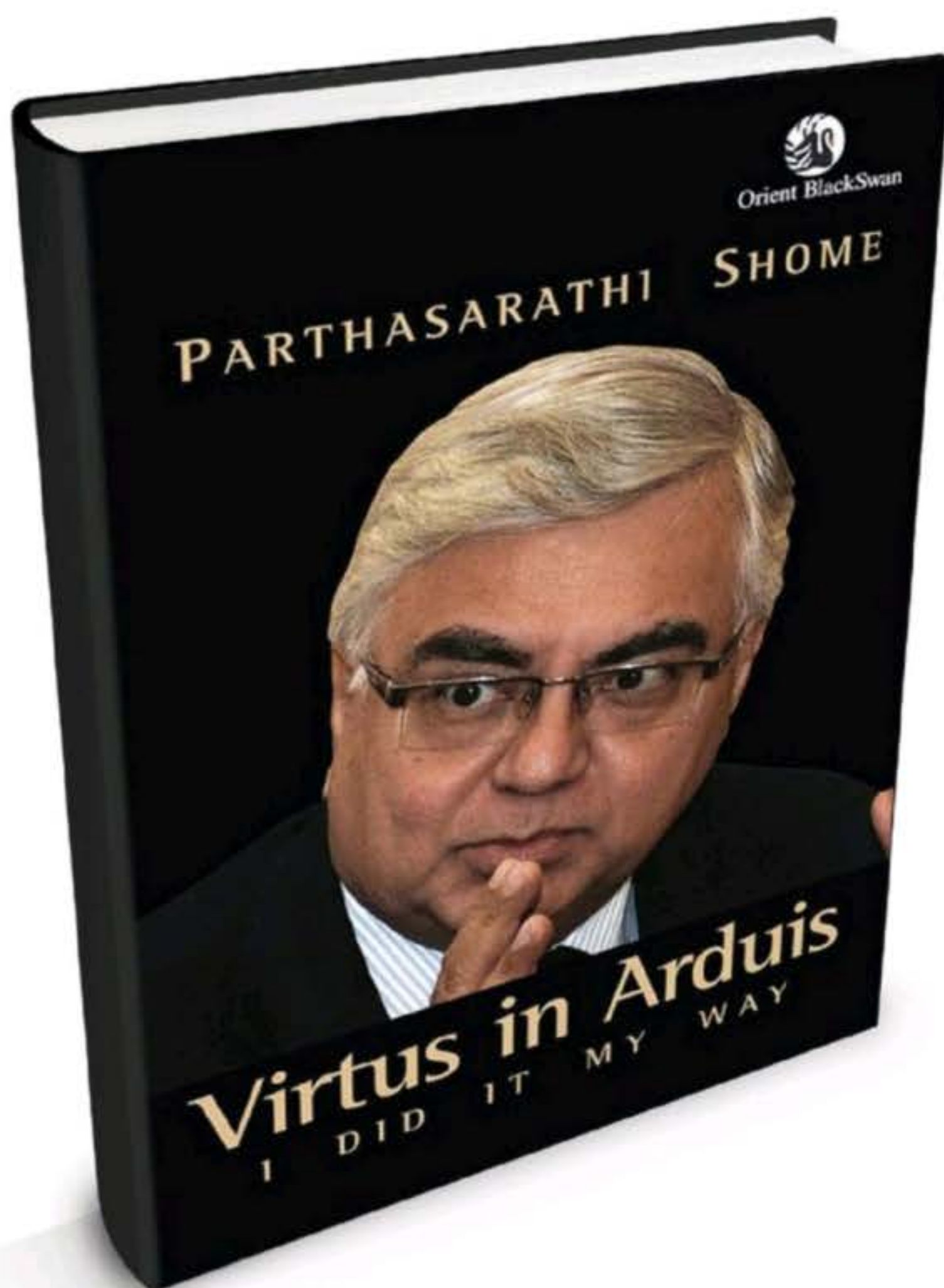
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#### EX-LIBRIS

# A TAX EXPERT'S MEMOIRS

SHOME'S HANDLING OF TAX REFORMS IS LEGENDARY AND HIS AUTOBIOGRAPHY MOSTLY CHRONICLES THAT; BUT YOU WILL ALSO FIND GLIMPSES OF LIFE'S RICH HUES.

By Dipak Mondal



#### IN JULY 2004, PARTHASARATHI

Shome was at the IMF headquarters chairing a meeting with Venezuelan delegates when he received a call from P. Chidambaram, the newly appointed Finance Minister of the UPA government. PC, as Shome affectionately calls him in his latest book *Virtus in Arduis* (virtue in hard work), had connected at 3 a.m. Indian time and asked him to join the finance ministry as an advisor on tax matters. A short conversation followed, sprinkled with Chidambaram's Wodehousian humour, and Shome agreed to pack his bags and shift

to India in 15 days. It is one of the few anecdotes that would make you smile. The rest of the book features a detailed account of Shome's tax reform initiatives (mostly as an IMF recruit) across the globe, a short but more personalised account of his alma mater days, descriptions of a few memorable trips and a rare glimpse into his childhood years.

Shome has had an illustrious career as an academic, economist, tax administrator and advisor to governments. So, it is not surprising that in his autobiographical journey, he has made sure to thank all his

teachers – from Presidency College in Kolkata, Delhi School of Economics, the University of Rochester and the Southern Methodist University in Dallas, Texas. He keeps mentioning many of his teachers and colleagues with difficult Lat-Am and European names, but that alone does not make the book a difficult read. It is his area of expertise – tax reforms, public finance and macroeconomy – from which there is no escape.

Those ready to take the plunge will surely find a few gems. Throughout the book, Shome has



chronicled his efforts as an IMF expert to reform and change complex tax structures in countries which nurtured even more complex political and social ecosystems. He has worked in Latin America, Africa, East Europe and a host of Asian countries, and often found it tough to convince governments to go ahead with essential tax reforms. Some of these incidents are fascinating and one can relate them to what has happened in India. At times, readers would have liked him to narrate the impact of the reforms but the author has deliberately stayed away from further elaboration and left it to others to pass the verdict.

Shome is an avid traveller and travelled widely from one continent to another in the course of his work. He tries to share some of his travel experiences but does so parsimoniously.

Understandably, a substantial portion of the book covers his work in India in various roles – as an advisor to the finance ministry and many state governments, as director of the National Institute of Public Finance and Policy and also as the RBI Chair Professor at the Indian Council for Research on International Economic Relations. But the most interesting bits are from his work as a representative of the finance ministry for rolling out the VAT regime. He details the intense haggling with the states, their various terms and conditions, their demand for compensation (in case of revenue losses), the ensuing logistics and infrastructural challenges and, finally, the training of tax officers to get them up to speed. All that will remind you of the year-old Goods and Services Tax (GST) and the hiccups it is still facing. Shome has also described what he did in getting the GST ball rolling in 2007, his work on the Direct Taxes Code and the role he played as the chairman of the Tax Administration Reform Commission. The seven-member body came up with several recommendations and the Narendra Modi government later adopted many of those.

Overall, this is not an easy book to read unless one has a penchant for these intriguing but complex topics. The language is lucid enough but you will find tax and economic jargon aplenty, and some old-world vocabulary. Given his close encounters with so many politicians, bureaucrats and academicians across the globe, Shome could have treated his readers with many more interesting anecdotes and titbits. But that could have diluted the depth and insight meant for serious readers who must dive deep to gain knowledge. As the title suggests, there is excellence to be achieved from tough challenges. **BT**



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**SUDHANSHU VATS**, GROUP CEO, VIACOM 18

WHEN VATS TOOK OVER THE REINS IN 2012, VIACOM WAS A SIX-CHANNEL NETWORK. TODAY, IT HAS GROWN INTO 46 CHANNELS WITH A HUGE REGIONAL PRESENCE.



PHOTOGRAPH BY RACHIT GOSWAMI

**Q. The biggest challenge you faced in your career**

**A.** Our film business started in 2011 but did not do well for two-three years. So, we refined our slate and entered the projects at the storyboard stage. We also brought back the marketing investment concept and made it more targeted to measure a film's performance. We now try and predict the first weekend of our film and all our marketing is geared towards the targeted weekend. We have become profitable over the past three years. In fact, this business is helping the overall Viacom 18 portfolio deliver robust growth when the ad environment is tight.

**Q. Your best teacher in business**

**A.** The person who has influenced me most is former president A.P.J. Abdul Kalam. In his book titled *The Wings of Fire*, there is a quote that I often share with people: *If you learn to leave your mark on the sands of time, then don't drag your feet.* You have to take a decision, take risks and move ahead.

**Q. Two management lessons for young people**

**A.** Have the patience and the ability to drill down. Roll up your sleeves and dirty your hands and dig it out for a little while. Hopping from one place to another very quickly may not be a great thing. It is important to dig your heels in something you want to do. Second, follow your heart, discover what you are good at and stick to it for a while. Do not let opportunities distract you.

**Q. Two essential qualities a leader must have**

**A.** The foremost is authenticity and the second is responsibility. If you are a leader, you have to be responsible for all your actions. Many times, these actions may have been carried out by your team on your behalf. But the responsibility rests with you. **BT**

**"FOLLOW YOUR HEART, DISCOVER WHAT YOU ARE GOOD AT AND STICK TO IT FOR A WHILE. DO NOT LET OPPORTUNITIES DISTRACT YOU."**