INDIA'S BEST MANAGERS ◆ BUDGET EXPECTATIONS

PRICE ₹200
JANUARY 28, 2022

Forbes INDIA

NEED FOR SPEED

Zomato is counting on synergies between food delivery and quick commerce to make its bunch of hyperlocal bets work. The challenge, though, may well be the unit economics

PLUS

- Meet Zepto's 19-year-old founders
- Q-commerce can be bigger than food delivery: **Dunzo's Kabeer Biswas**

DEEPINDER GOYAL, FOUNDER & CEO, ZOMATO, & **ALBINDER DHINDSA** (RIGHT), FOUNDER, BLINKIT

ISSN 2278-0440

Network 18 www.forbesindia.com

Pro-active
in Technology


MARKETING

With Blinkit, Zomato founder Deepinder Goyal feels he has figured out the quick commerce game

Quick and Furious

Think ‘instant’ and, in the Indian context, the immediate imagery that comes to mind is a moving picture of noodles, burgers, fried chicken, pizza delivery—and, away from food, an adhesive that holds the promise of sticking things in the snap of a finger.

It may have all started with coffee, though, with the quest for an instant, or soluble, variety. The British apparently granted the first patent to a ‘coffee compound’ in the 1770s and the Americans resorted to instant coffee ‘cakes’ during the Civil War. But it was a Japanese chemist in Chicago, Illinois, who is credited with developing stable soluble coffee powder, to which one just had to add water. That was in 1901 and, by the end of the decade, mass production had begun.

Over the century that followed, a lot more took the instant route—not just bun, patty and fries but, with it, gratification, consumerism and, as John Lennon reminded us, karma. Meanwhile, the instant F&B trolley rolled on, with everything from baby food, powdered eggs (fully dehydrated), soups and gravy to milk tea and juices finding takers.

Circa 2020, and instant grocery is par for the course. The bar has since been raised to quicken the pace of delivering it at your doorstep. Home delivery got a boost during the pandemic-induced lockdowns, as online grocery firms focussed on bringing home the weekly or monthly essentials—vegetables, meats, pulses, cereals, cooking oils, ketchup and the like. If you ordered by morning, and got your stuff by end of day, both online grocer and consumer were happy.

Perhaps the latter isn’t meant to be happy for too long. Or perhaps it’s the hyper-competition in this field that is compelling delivery players to keep raising the bar. So then came along one-hour delivery, then 30 minutes. And now the promise of 10 minutes—at least for daily essentials and impulse purchases like biscuits, cigarettes, juices, condoms and chips. Say hello to quick commerce.

The *Forbes India* cover story this fortnight is on an online delivery major that’s chosen the inorganic route to venture into the instant space. Started up in 2008 and IPOed in 2021, founder Deepinder Goyal points out that Zomato has figured the food delivery game and is making money from it. Now, with Blinkit (formerly Grofers) in its armoury, he’s confident of doing the same in quick commerce, the relatively small order sizes notwithstanding. As Goyal tells Rajiv Singh, who penned ‘Blink & Deliver’, quick commerce is not too different from food delivery. “Most of the mechanics are the same.” And, yes, for Goyal, “30 (minutes) is not quick, 10 is.” For more on all the action in the rapidly evolving hyperlocal commerce space, turn to page 20.

The first month of a new year is inevitably one of expectations from the months that lie ahead. One event that business and markets eagerly await is the Union Budget. In the *Forbes India* annual pre-Budget package, Salil Panchal dives into what will it take to close FY23 with 8 percent growth or thereabouts even as the pandemic rages on, and what the finance minister (FM) can do to boost exports, government expenditure and private consumption.

Other stories in the package analyse what the FM needs to do to generate employment, both rural and urban, and why the government’s social sector schemes will need beefed-up allocations at a time when the vulnerable are still reeling from disrupted incomes. That may well hinge on whether Nirmala Sitharaman is able to broadly meet the FY22 fiscal deficit target of 6.8 percent. Will she hit bullseye? For answers, turn to ‘Mind The (Fiscal) Gap’ on page 34.

STORIES TO LOOK OUT FOR

▲ (Left) Zomato founder Deepinder Goyal and Blinkit founder Albinder Dhindsa have come together to upend the delivery commerce landscape; (right) For the growth momentum to sustain in FY23, private consumption, driven by urban demand, will be a critical factor

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

Best,

B Carvalho

MICRO LABS: FASTEST-GROWING TRANSNATIONAL HEALTHCARE ORGANIZATION THAT HAS INSTILLED STRINGENT QUALITY STANDARDS

Micro Labs Limited was incorporated in 1973 by Late G.C.Surana. The company is a multi-faceted healthcare organization with state-of-the-art manufacturing facilities, R&D centers, and a strong distribution network. Their path-breaking research work has placed them amongst India's fastest-growing transnational healthcare organizations. They have 22 marketing divisions catering to leading therapeutic segments such as Cardiology, Diabetology, Pain management, Neurology, Dermatology, Veterinary, and more. The company is ranked 19th amongst all pharmaceutical companies in India by AWACS Retail Audit and is ranked 14th as per Prescription Audit by SMSRC.

Micro Labs aspires to deliver premium pharmaceutical products and build strong brands across therapy segments. They plan to achieve this by scientifically supported segments and processes and strong implementation capabilities. Their flagship brand Dolo-650is ranked No. 1 amongst all prescribed brands as per SMSRC Prescription Audit and is ranked 13th in Retail Audit for fever management. Today, they have operations in over 50 countries of Asia, Europe, America, and Africa with a strong domestic presence. They are exporting all major dosages in all therapeutic segments. They cater their products to doctors, retailers, health Institutions, and patients.

About the CMD

Dilip Surana is the Chairman & Managing Director of Micro Labs Limited with vast pharmaceutical experience of over 30 years. Born in Bangalore and being the eldest of three siblings, he joined his father early in the business. He took over operations in 1983 and rapidly absorbed the nuances of Corporate Management. At Micro Labs, he is responsible for overall strategic direction, Indian Business, and manufacturing. He set up 13 world-class state-of-the-art research and manufacturing facilities for Micro Labs, covering Active Pharmaceutical Ingredients (APIs) and finished dosage forms as well as infrastructure for new drug discovery. The manufacturing units are designed to meet the current global standards of GMP and safety standards for personnel.

He pioneered the concept of specialty-wise focused divisions in the Indian Pharmaceutical Industry as early as 1994 by introducing Cardiology, Neuropsychiatry, Ophthalmology divisions. He participates regularly in various international seminars and summits relating to the pharma industry. He is involved in the induction of Senior Pharma veterans in the company to bring in the much-needed professionalism in the company. Dilip also runs a GDA foundation which includes educational institutions – an undergraduate college and a management college called Surana College, besides helping several schools and hospitals.

Company at a Glance

Micro Labs is a multi-faceted organization with an annual turnover of INR 2700 crore. The company has 14 oral formulation plants including an injectable unit, a bulk drug facility, and a strong distribution network. They have 22 marketing divisions catering to leading therapeutic segments such as Diabetology, Cardiology, Pain management, Dermatology Neurology, and more.

The company has instilled stringent quality standards in the manufacturing process of each product. As a result, Micro Labs has to its credit, all the international regulatory approvals including US FDA, UK MHRA, MCC, South Africa, Health Canada, WHO, Geneva TGA, Australia Medsafe, New Zealand PAHO (USA), IDA (Netherlands) and many regulatory bodies of emerging markets reflecting the high standards of quality and regulatory compliance of research and manufacturing facilities.

They want to reach the top 15 in the pharma industry. "Our major goal is to focus and increase market share in the country that we operate. We have over 200 scientists and developers in our R&D team who are highly qualified and experienced in formulation and analytical development. We want to develop new formulations in various dosage forms including Solid dosage, liquid dosage, injectables, creams, ointments, etc," says Dilip.

Dilip Surana, CMD, Micro Labs Limited

Dilip encourages employees to believe in the different opportunities and possibilities in business. His emotional intelligence helps him create a positive impact on his employees, customers, and stakeholders. He says, "We motivate our employees by systems of rewards and recognition, incentives, skill development training, growth opportunities, and a highly productive humane professional atmosphere that have been blended by design."

During the pandemic, the company faced challenges in making medicines available to patients all over the country. They increased their efficiency many folds in the procurement of raw materials, production of finished goods, and distribution of the same across the country and globe. They also complied with government regulations as resilient warriors by steering the core team with a focused approach. This all became possible with the help of their team of production, supply chain, marketing, and sales.

Future Outlooks

Micro Labs is built on the four pillars of business belief: quality, ethics, customer focus, and respect for people. They understand customers' needs and focus on customer satisfaction. "We are adopting digitization, working therapies, augmenting customer skills in disease management through education and academic endeavours. Our vision is to make Micro Labs a strong, global, and domestic player," he asserts.

Dilip Surana concludes, "Adapt to technological changes and always be in hot pursuit of quality to become the market leader in the industry."

Contents

JANUARY 28, 2022
VOLUME 14
ISSUE 2

Forbes INDIA

ON THE COVER

AMIT VERMA

Private consumption is critical for the growth momentum to sustain

NEHA MITHBAWKAR FOR FORBES INDIA

Lodha Group's Soniya Prithiani Raisinghani believes in one mantra at work: Evolve, engage, empathise and own the outcome

IN FOCUS

INTERVIEW

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Forbes India is published fortnightly.

Editorial Office: Mumbai - Network18 Media & Investments Limited, Ground Floor, Empire Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai 400013, Maharashtra.
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Email: subscribe@forbesindiamagazine.com,
To subscribe or advertise, visit www.forbesindia.com
Forbes India is printed & published by Brian Carvalho on behalf of Network18 Media & Investments Limited & Printed at Spenta Multimedia Pvt. Ltd., Plot 15, 16 & 21/1, Village – Chikhloli, Morivali, MIDC, Ambernath (West), Dist: Thane – 421505 & Published at Empire Complex, 1ST Floor, 414, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

Editor: Brian Carvalho

TO OUR READERS
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NETWORK MANAGEMENT IN THE AGE OF AI

Change is critical to growth. Especially if you're running a business in today's volatile market. The silver lining is that we are at the peak of innovation, moving forward from a decade filled with disruptions, catalysing transformations. Over the years, enterprise IT has evolved to play a more significant role in business. Innovation, macro-economic factors, unexpected disruptions, and other internal and external factors have caused the change. Naturally, every organisation's IT architecture has also evolved to adopt new technologies. Innovation has helped enterprises redefine their business, achieving better outcomes and increased customer delight.

In more recent times, the pandemic has left an ineffaceable impact on both the IT sector, as well as the businesses it supports. For enterprises, transforming their business operations has been a crucial step towards achieving business continuity in the face of disruption.

MANGAING THE PACE OF CHANGE

Modernising IT infrastructure transforms the way your business functions. The IT networks drive the enterprise infrastructure by enabling connectivity between the several endpoints – your data centre, applications, IoT/IIoT sensors, and more. It is evident that IT adoption is complemented by network transformation.

Today's network edge encapsulates hundreds of endpoint devices comprising hardware of different makes, serving users with different permissions, and in the case of IoT – performing automated functions with multiple security policies. Within the next 2 years it is estimated that more than 50% of data will be generated outside the data center or cloud, likely coming from the estimated 55 billion IoT devices connected worldwide. This explosion of data and connected devices requires a new IT network design or approach.

LEADING WITH YOUR DATA

Most of today's data resides at the network edge. To improve business outcomes it is important to empower the data wherever it resides, simplifying its path to enable business functions all across the enterprise. From a windmill located on a remote hill, to the traffic signals of a bustling city, data needs to flow seamlessly through the network to its destination. The synergy between the enterprise network and enterprise IT ensures operational excellence.

Transforming the IT network for modern IT needs of enabling the intelligent edge requires a modern approach. One that has been perfected by Aruba. Traditionally, network monitoring is a manual process. But growing complexity, and introduction of unmanned IoT devices poses a serious challenge. AI-powered edge network intelligence has been critical to modern network management. Artificial Intelligence (AI) and Machine Learning (ML) technologies improve network management by enhancing existing network functions like process-automation, analytics, and security. Aruba has been at the forefront of realising modern-day network management, designed to automate, unify and protect edge infrastructure.

UNIFIED EDGE INFRASTRUCTURE FOR SEAMLESS OPERATIONS

Aruba has seen steady growth over the years, becoming a leader in WLAN, Cloud Networking, and Edge Switching. To serve the intelligent edge, Aruba acquired Silver Peak to become a leader in SD-WAN and transform into a true edge to cloud OEM of choice. In 2019, in response to the changing market, Aruba announced the Aruba ESP [Edge Service Platform], comprising a framework for Unified Infrastructure, Zero Trust Security, and AIOps offered with flexible IT consumption models.

Aruba Central is at the core of ESP [Edge Service Platform], bridging siloed networks, unifying infrastructure operations, and improving visibility with a single pane of glass. Powered by AI, the centralised management console provides insights based on real-time analytics to take pre-emptive actions and expose opportunities. With built-in security based on zero trust, network vulnerability from scaling is drastically reduced. Aruba AIOps, driven by Aruba Central – a cloud-native microservices based platform, moves operations from a reactive to a proactive posture with AI-based insights, assisted resolutions, and evolving security posture.

Kaustav Ray, Director - Solutions & Pre-Sales,
Aruba Global Partner Ecosystem
Aruba Networks, a Hewlett Packard Enterprise Company

Solutions like Aruba ESP help businesses address challenges of productivity, operations, and costs. Enterprises today value business agility, resiliency, and operational excellence as top priorities.

Aruba's seamless edge-to-cloud connectivity and AI-powered, ML-integrated network management solutions, implemented in collaboration with a Global System Integrator (GSI) partner, were integral to the digital transformation of a global renewable energy leader. Today, empowered by visibility, intelligence, and insights the data flows seamlessly from remote windmills to the company's data centres and across the business, enhancing operations.

"Customer First & Customer Last" has been and always will be the core ethos of Hewlett Packard Enterprise and Aruba continues to encapsulate this value with laser focus initiative of aligning to this digital growth via AI/ML technologies, while also simplifying network management to ease customer's impediments. Aruba's partnership with Global System Integrators (GSI) has been critical to the implementation of the modern network management solutions. GSIs have a global presence, years of experience, and the talent needed to cater to the modern customer's needs. Aruba's GSI partners have years of experience and expertise in building vertical industry solutions.

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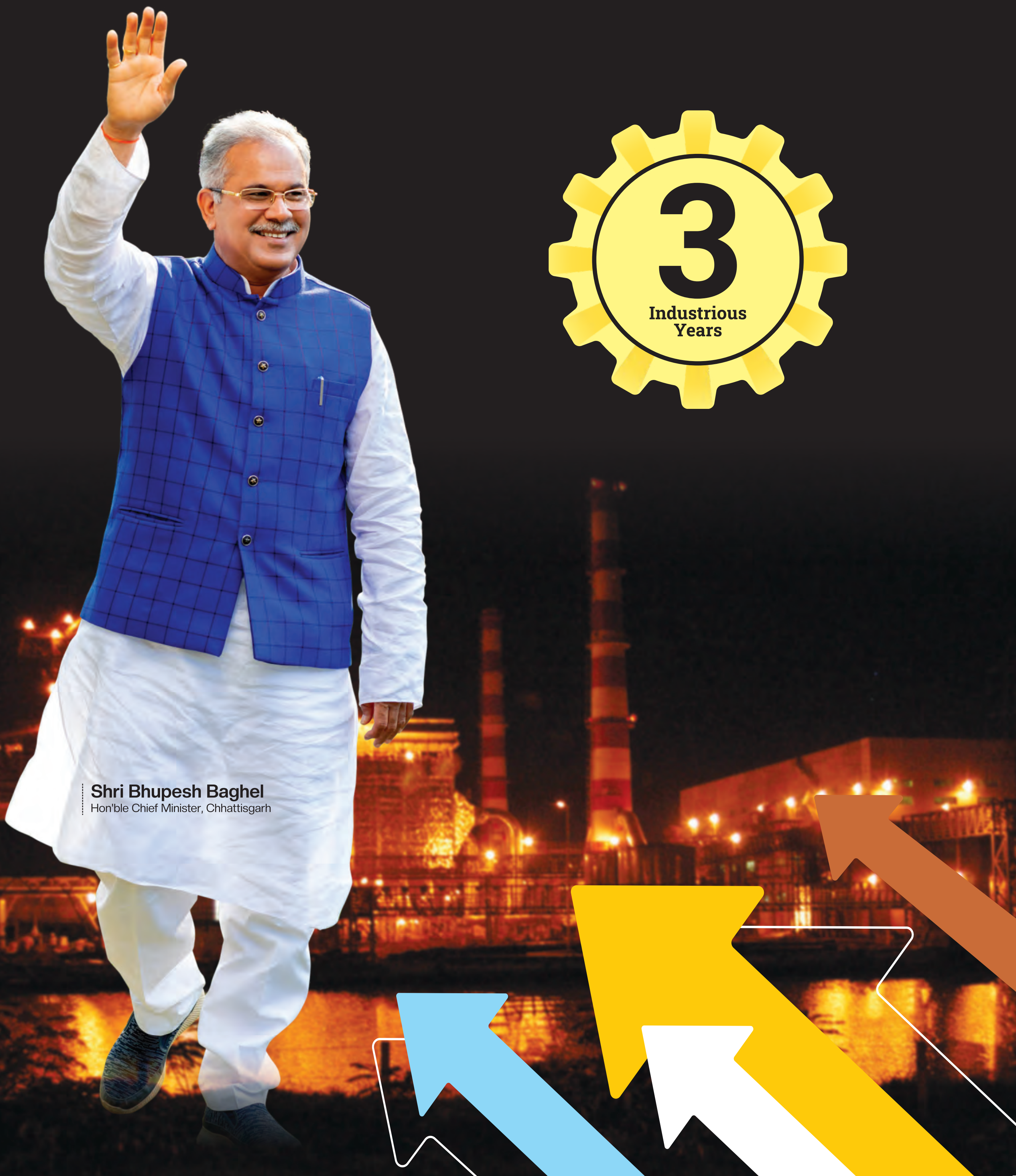
For Secured Interests & Unlimited Growth



Leading State
in Ease of Doing Business & Good Governance

Industial Units
1,751

Capital Investment
19,551 cr

Jobs Created
32,912


Visionary Leadership


Developed Core Sectors


Connectivity to Major Markets


Power Surplus State


Skilled Human Capital


World Class Infrastructure

Making Investment Rewarding

- Under the new industrial policy, special incentive package for investment in mega, ultra projects of steel sector
- Bespoke policy for mega and ultra mega projects, more robust and investor friendly single window system
- Paradigm shift for incentivising industrial growth in tribal areas
- Incentive of up to a maximum of ₹500 cr for investment in mega projects
- Incentive of ₹1000 cr for investment in Bastar division
- 30% reduction in premium for land allotment in industrial areas, rates of lease/rent reduced by 1%
- Category based complete exemption on power tariff for 5 to10 years to medium, large, mega and ultra mega core sector industries
- Special provisions for promoting minor forest produce, herbal and food processing units in the development blocks of 'C' & 'D' categories in backwards areas

Staying Offline
More than a third of the world's population has never used the internet: Report **P/16**

World's Most Expensive NFTs
The NFT trend might not die out anytime soon **P/18**

AUTO

Charging Ahead

Tata Motors has become the country's second-largest carmaker following a slew of recent launches, and revival of the EV fleet segment

TATA MOTORS IS ON A ROLL. Months after it set up a subsidiary that has become India's most valuable EV (electric vehicle) company, the automaker has raced past Hyundai Motors to become India's second-largest carmaker. In December 2021, Tata Motors sold as many as 35,300 units of vehicles, up from 23,545 units a year ago. In contrast, Hyundai sold 32,312 units during the same period.

Between October and December, Tata Motors sold 99,002 units of passenger vehicles (PV), up by almost 45 percent from the year-ago period.

"Tata Motors' PV business growth journey continued and set several new milestones during the quarter despite witnessing a shortfall in production due to the ongoing semiconductor crisis," Shailesh Chandra, president of the PV business, said in a statement. "Decade-high quarterly and monthly sales were recorded. In addition, the company also posted calendar year (CY21) sales of 331,178 units, the highest since the inception of the PV business."

The phenomenal rise to the second-highest automaker comes at a time when Tata Motors has a backlog of some 100,000 vehicles after supplies were affected due to a global shortage of semiconductors. India's automobile industry is grappling with a shortage of semiconductors, and has a backlog of over 600,000 vehicles for delivery. Semiconductors are critical components that are used in vehicles for numerous features, including navigation, infotainment and traction control, among others.

In October, the company, despite challenges, had also launched the Tata Punch, a small SUV, as it looks to capitalise on the boom in the Indian SUV market.

"Of course, December was an exception," says Puneet Gupta, director for automotive forecasting at market research firm IHS Markit. "But one thing is clear. You cannot underestimate Tata Motors now. It has been very consistent with its launches, and they have scaled their presence in the fastest growing segments in the industry. Its recent launches have all been successful."

The Nexon, which launched in 2017, the Harrier in 2019, and the Altroz in January 2020, contribute to over 60 percent of company sales. Of that, Altroz and Harrier were

Between October and December 2021, Tata Motors sold 99,002 units of passenger vehicles, up 45 percent from a year ago manufactured on the Alfa and Omega platforms, respectively. The two platforms, the first of which was introduced in 2018 on the Harrier and later the Altroz, marked a shift in the company's practice of developing specific platforms for every model. There is also the company's hatchback, Tiago—initially named Zica—that has been holding steady in terms of sales, and clocking over 6,000 units a month since the past few years.

"The overwhelming market response to Tata Punch launched in October is further boosting demand for the company's 'New Forever' range of cars and SUVs," adds Chandra. Tata's New Forever range has played a significant role in its much-celebrated turnaround as a carmaker, after decades of struggle. The new range of vehicles boasts high safety standards, better engine performance, and driving pleasure, aesthetic design, and rich features, in comparison to some of its previous models.

MONEY SHARMA / AFP VIA GETTY IMAGES

Meanwhile, in December, the automaker, which currently controls some 75 percent of the Indian EV market, sold 2,255 units of vehicles, up by some 439 percent, compared to the year-ago period. Between October and December, Tata Motors sold 5,592 units of EVs, up by 345 percent. The company is also ramping up its CNG presence, with the launch of a range of CNG vehicles that have found traction in recent times.

"Consequently, EV penetration touched 5.6 percent of PV sales during the quarter versus 1.8 percent in the same period in the last financial year," says Chandra. "EV sales also touched 10,000 units in 9MFY22 and crossed 2,000 monthly sales landmark for the first time in December (2,255 units). The ever-increasing demand for Nexon EV and Tigor EV, as well as progressive revival of the EV fleet segment were instrumental in driving this steep growth."

TATA MOTORS WILL INVEST $2 BILLION INTO THE EV SUBSIDIARY OVER THE NEXT FIVE YEARS

In October, Tata Motors had raised $1 billion from private equity major TPG Rise Climate for its yet-to-be operational EV subsidiary, valuing it at over $9 billion. Tata Motors will invest $2 billion into the subsidiary over the next five years.

The new company, Tata Motors believes, will leverage all the existing investments and capabilities of the parent company, in addition to channelising all the future investments into EVs and dedicated battery vehicle platforms and technologies, among others. Over the next five years, the company will also create a portfolio of 10 EVs while also partnering with Tata Power to create charging infrastructure to help with early adoption.

"We see a very positive outlook for Tata Motors," says Harshvardhan Sharma, head of auto retail practice at Nomura Research Institute. "At the moment, Tata Motors is being fuelled by tremendous growth by deploying stupendous efforts in electrical mobility segment. As a conglomerate, it is utilising all synergies across its group companies to solve the value chain requirements from battery, charging stations all the way till new tech hardware and software required for EVs. At the same time, with a fresh portfolio of SUV range, it is catering to both ends of the market and successfully navigating its growth."

"Over the past few years, the messaging from Tata Motors has been very consistent," adds Gupta. "They are a complete package with focus on quality, value for money, technology and design. Dealers and suppliers have also been rather excited about their comeback. That also means companies such as Hyundai will now have to stretch themselves and focus on ways to take on the Tata might."

Yet, over the next few months, as the global semiconductor concerns recede, Tata Motors might lose the second spot to Hyundai. "Going forward, semiconductor supplies will remain the key source of uncertainty," Chandra said in a statement. "Additionally, the impact of the new strain of Covid needs to be closely tracked. We will continue to work on business agility plan and take proactive actions to mitigate these risks." Meanwhile, it is not just the PV segment in which the company has shown stellar performance. The company's commercial vehicle segment also posted a 24 percent sales growth in December, with sales at 66,307 units. "Construction and infrastructure spending by central and state governments plus rising activity in sectors such as mining, petroleum-oil-lubricants and allied industries facilitated the demand for M&HCVs," Girish Wagh, executive director, Tata Motors, said in a statement.

• MANU BALACHANDRAN

TECHNOLOGY FOR GROWTH: SUPERTRON MAKES IT POSSIBLE WITH INNOVATION

Established in 1993, Supertron Electronics Pvt Ltd [SEPL] is one of the leading Indian company in IT product distribution and services with an ISO 9001:2008 Quality Certification. Today, moving from strength to strength the company has spread its presence to 57+ locations across the India. It is all about finding the niche and innovating to serve the need gap. In conversation with the Founder Chairman & Managing Director Mr. V. K. Bhandari to unravel the Supertron story.

In barely two decades, you have managed to steer Supertron to great success. Please tell us about your journey right from the beginning; what motivated you to start this business at a time when the entire industry was at a very nascent stage?

When Supertron went into business in the Nineties, India needed the benefit of IT hardware to become democratic. Supertron at this time, chose to work in product niches by engaging with prominent global principals, by marketing cutting-edge products, by working with credible trade partners, by extending wider and deeper across the Indian landmass and by ensuring that whenever and wherever a customer walked in to buy a product, it would available.

Over the years, Supertron followed a linear growth strategy: the Company focused largely on high-ticket but relatively low margin products and emerged to retain a spot among the five largest IT distributors in India. Gradually, Supertron broadened its product mix, graduated to solutions and introduced higher margin products.

What were the biggest constraints that you faced in your early years and how did you overcome them?

The Company was not well known and hence could not present credentials to large global principals. This led to a low scale and relatively weak credit rating that prevented it from mobilizing adequate low cost working capital. The licensed footprint was local and at best regional and it did not possess the resources to invest in Information Technology. Slowly and gradually, we built goodwill amongst our principals and also in the eyes of financial institutions and gradually they recognized our credentials.

What have been the tailwinds, if any, that you experienced in the early years of business? What was your first break from where there was no turning back?

We did not just do what was asked of us; we delivered more. We didn't just assume contracted ownership (do as we had been asked); we assumed emotional ownership of the client. The result: clients experienced an increase in market share, repeat consumer engagement, increased number of principals, wider footprint and larger portfolio. In view of this, the three most decisive decisions by the company were:

Firstly, when we became Acer's Eastern Indian distributor in 2003 (before going on to become a full-fledged national distributor in 2005). Also, the commencement of our relationship with Seagate as national distributor in 2006, expanded our footprint across the country.

Secondly, when we entered into an exclusive national distribution partnership with Dell, accelerating our growth. Thirdly, when we introduced a verticalised SBU-based approach for the enterprise, modern trade (large format display and e-tail/online) and general trade categories.

Logistics is one of the key components for success in your industry, especially in the past couple of years when the world at large has been undergoing the pandemic-led disruption. Please simplify for us your logistics and networking strategy and how it has delivered desired results.

Supertron's USP is its pan-India distribution network that makes it possible to reach products widest and deepest in the shortest of time at the lowest cost with the lowest payment defaults. We progressively strengthened our logistical efficiency, resulting in timely delivery coupled with frequent product replenishment, enhancing the working capital efficiency of our trade partners. The breadth of this distribution coverage makes it possible to distribute products quicker, address demand with speed and enter regions where the competition is not present. We have recently moved in 45,000 square feet warehouse in the outskirt of Chennai which acts as a hub, thereby optimizing the movement of the inventory in terms of volume and cost.

What do you do to ensure customers remain loyal to Supertron? What is your brand alliance formula?

We assume complete responsibility in the marketing of our principal's products across the regions of our appointment. We seek exclusive all-India distribution engagements that enhance our emotional ownership and all-India co-ordination. We help the principal's 'go-to-market' strategy by providing them with a real-time and bottom-up insight into marketplace dynamics.

You are mostly into traditional distribution; do you plan to venture into other channels over time?

Supertron arrived at a business-transforming decision a few years ago: access to the retail market parallel to the conventional distributor. The Company is graduating this pioneering market-engagement approach into all-India coverage with the objective to enhance speed of access, margins and market share. The company engaged in supply chain management for e-commerce giants like Amazon and Flipkart; Few years ago, we recently ventured into Value Added Distribution vertical with a prime focus is Unified Communication, AVS (Audio, Video and Surveillance). Focusing with a Consultative approach to understand and work together with System Integrator as well as their Customer by providing unique solutions based on future technology deployment audio, voice, data, networking and application (DNA of every business) protection and management offerings. This is one of the strongest business-strengthening initiatives being undertaken by us currently.

"We progressively strengthened our logistical efficiency, resulting in timely delivery coupled with frequent product replenishment, enhancing the working capital efficiency of our trade partners. The breadth of this distribution coverage makes it possible to distribute products quicker, address demand with speed and enter regions where the competition is not present. We have recently moved in 45,000 square feet warehouse in the outskirt of Chennai which acts as a hub, thereby optimizing the movement of the inventory in terms of volume and cost.

How do you ensure that your team and employees stay motivated and contribute to innovation and growth?

The Company is functionally a flat organization. The employees exhibit high emotional ownership and individual empowerment. The high people retention has helped enhance the knowledge pool and organizational effectiveness. We focus on empowering our people and creating a passion-driven workplace environment, helping retain our intellectual capital (95%, 2020-21).

Your son and daughter have joined your business. How are you mentoring them for what lies ahead and is there a difference in management styles between the two generations?

The second generation of leaders has been reared in the Supertron way of doing things. We do not see any deviation in purpose in this area. What we see instead is a refreshing and modern perspective that they bring to the business whether this is in the area of information technology or people management or product trends or data science management.

What is your roadmap for the foreseeable future and are you looking at diversification into adjacent products or backward/forward linkages?

In the space of just a year, WFH has emerged as one of the most decisive corporate developments. Companies are reimagining their future around a blend of physical office attendance and WFH. There has been a dramatic shift to the online mode of transacting. India's PC penetration is correcting upwards faster; digitalisation is irreversible; remote working is catalyzing PC offtake; laptop ownership per family has increased per family. There is a possibility that the Indian market could grow in the high percentage teens and Supertron growing faster.

The Company's vision is to professionalize extensively, enhance operational transparency, and move towards value-added distribution and command stakeholder respect.

The e-book, 'Empowering Society – Gifting Smiles' outlines all the thoughtful initiatives of the Supertron Foundation. Would you like to tell us in your own words, about how you choose to support these initiatives and if there is any particular cause that is dearest to your heart, and why?

Supertron is engaged in societal uplift (rural and urban) through the Supertron Foundation. The Company invested Rs.25.40 lakh in CSR initiatives in 2020-21. The Foundation's work has impacted the underprivileged across the health, disability, education and other interventions.

News By Numbers

TECHNOLOGY

Staying Offline

More than a third of the world's population has never used the internet, says a report by the UN's International Telecommunication Union

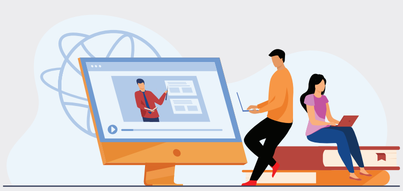
Globally, there was a **19.5%** surge in Internet users in the past two years

2019
4.1 billion users

2021
4.9 billion users

Gender Divide

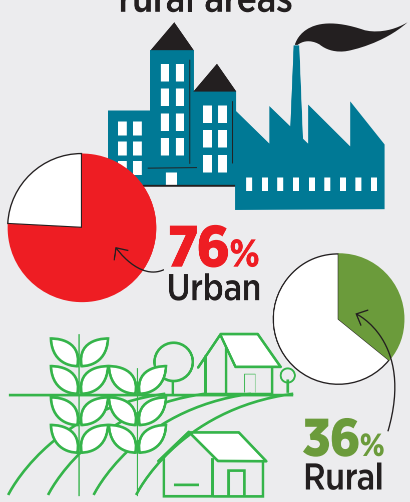
Globally, an average of **62%** men use the internet compared to **57%** women



Although the gender divide has almost been eliminated in developed countries (**89%** men and **88%** women are online), wide gaps remain in least developed countries (**31%** men compared to just **19%** women)

Urban-Rural Gap

Globally, people in urban areas are twice as likely to use the internet than those in rural areas



Generation Gap

On average, **71%** of the world's population aged **15-24** is using the internet, compared with

57% of all other age groups

• SAMIDHA JAIN

DIGILIVE PRESENTS GLOBAL BRANDS AND LEADERS 2021

DIGILIVE, the Best PR and Marketing Company in Asia and the Middle East that provides the best and quality services to Fortune 500 companies, recently took the initiative to honour all the brands & leaders around the globe for their extraordinary contribution to the world's economy.

DIGILIVE, the Best PR and Marketing Company in Asia and the Middle East took an effort to honour leaders and brands from across the globe for their remarkable contribution to the global economy. Keeping pace with their announcement, the platform received 100+ applications from the United Kingdom, United States, Middle East, Asia, Africa and more. As per the conversation with Mr Vikash Sorout (Managing Director, DIGILIVE). This is a prestigious award to honour business leaders for their determination and hard work. The Top 5 Brands & Leaders were featured on CNBC TV – World's Top Business News Channel.

This prestigious gala was a celebration of grit, innovation, persistence, versatility, and the thoughtful spirit of the leaders, who love to take the world by a storm. Here's looking at the top 5, up, close, and personal.

Carlos Santos:
CEO and Chairman of the Board of Ethos Asset Management, is actively involved in acquiring and structuring three investment funds. He is directly involved in four business areas of the companies: resource mobilization, project financing, wealth management, and commodities trading.

Mr Santos holds a bachelor's degree in Economics, three Master's degrees in Finance, Banking Accounting and International Taxation, and a PhD developer in Financial Instruments. As a reflection of his academic and professional excellence, he received the Ernst & Young Award: Best Economist (2016) and Banco de Portugal Award (2015).

Shrenik Ghodawat:
Managing Director of Ghodawat Consumer Ltd (GCL). He spearheads all the strategic functions of GCL and has a clear focus on taking GCL among the Top 10 FMCG companies in India. Under his leadership, GCL has become one of the fastest-growing FMCG enterprises in India and has recently earned a distinguished recognition of becoming an INR 1,000 cr revenue company with a 50% growth target for the next two years.

Dr. Aashish Sharma:
Managing Director at Singapore beverages Nepal believes in hard work, dedication and willpower which will help to showcase ourselves as one of the best beverage companies in the globe. Jeeru is like any other ordinary soft drink, just that it is not ordinary it is completely unique and its taste is beyond comparison. Jeeru as well other Singapore beverage product's such as London Dry (Tonic Water), Club Soda, Monsoon Dew, Club Cola, Fancy, Right have won Nepalese hearts.

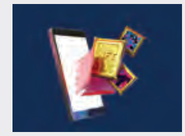
Sonica Aron:
An alumnus of XLRI Jamshedpur, having worked with companies like Pepsico, Roche Diagnostics, Vodafone, and AkzoNobel, She was heading HR for Philips Consumer Lifestyle business in 2012. She took a sabbatical for a year and then started Marching Sheep in 2013, with a vision of delivering meaningful and impactful HR interventions that benefit both organizations and employees.

Started as a one-woman army operating out of 1 city, today Marching Sheep delivers interventions and projects not only Pan India but globally, boasts of a healthy roster of clients across sectors, has a solid team of HR professionals passionate about the work they do, and their work and opinion are often quoted and published in leading publications.

TMSL: Mr Pratik Shah & Jigar Doshi, Founding Partners: We offer solutions that enable your organisation to use our capabilities on automation, expertise and experience front. Our Primary offering is Managed Indirect tax services with automation and technical expertise. Our managed services could be customised to fit your needs with either a completely outsourcing approach or a co-sourcing approach. In a complete outsourcing approach, we manage the indirect tax vertical end to end from compliance, reporting, advisory, litigations and internal reviews/ monitoring.

$4.1 mln

Cheapest non-fugible token sold as of August 6, 2021



SHUTTERSTOCK

DIGITAL ART

World's Most Expensive NFTs

Non-fungible tokens seemed like a trend that would die a natural death, but not anymore

The Merge

Price **$98.1** mln

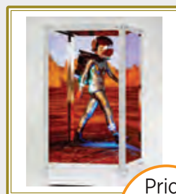
Year of Creation: **2021**
Date of Sale: **Dec 2-4**

Everydays: The First 5000 days

Price **$69.3** mln

Year of Creation: **2021**
Date of Sale: **March 11**

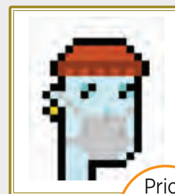
Human One: NFT Sculpture



Price **$28.9** mln

Year of Creation: **2021**
Date of Sale: **Nov 9**

CryptoPunk #7523



Price **$11.8** mln

Year of Creation: **2017**
Date of Sale: **June 10**

CryptoPunk #7804

Price **$11.8** mln

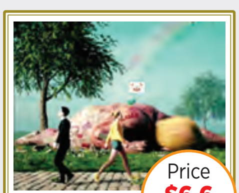
Year of Creation: **2017**
Date of Sale: **March 11**

CryptoPunk #3100

Price **$7.5** mln

Year of Creation: **2017**
Date of Sale: **March 10**

Crossroad



Price **$6.6** mln

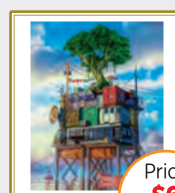
Year of Creation: **2020**
Date of Sale: **Feb 25**

A Coin for the Ferryman

Price **$6** mln

Year of Creation: **2018**
Date of Sale: **Nov 4**

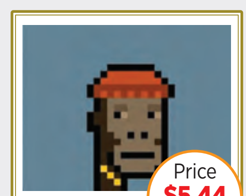
Ocean Front



Price **$6** mln

Year of Creation: **2019**
Date of Sale: **March 23**

CryptoPunk #5127



Price **$5.44** mln

Year of Creation: **2017**
Date of Sale: **July 30**

This Changes Everything

(World Wide Web Source Code)

Price **$5.43** mln

Year of Creation: **2021**
Date of Sale: **June**

Stay Free

Price **$5.27** mln

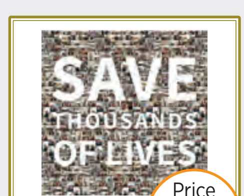
Year of Creation: **2021**
Date of Sale: **April 16**

CryptoPunk #7252

Price **$5.33** mln

Year of Creation: **2017**
Date of Sale: **August 24**

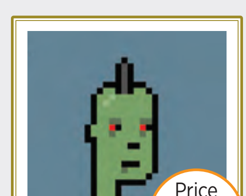
Save Thousands of Lives



Price **$5.1** mln

Year of Creation: **2021**
Date of Sale: **May 8**

CryptoPunk #2338



Price **$4.4** mln

Year of Creation: **2017**
Date of Sale: **August 6**

• NETWORK18 GRAPHICS

Chopra Sons Jewellers
EST. 1948

ALL THAT SHINES IS PRECIOUS: HERES WHY JEWELRIES FORM AN INDISPENSABLE PATH OF YOUR WARDROBE

House of PC by Choprasons Jewellers gives you the reason that makes jewellary a must for your warbrobe.

Priyanka Chopra, Founder - House of PC and Creative Director - Choprasons Jewellery House, being born and brought up among accomplished jewellery designers has always found herself keen and intrigued by the idea of jewellery being the best style approving accessory, Priyanka holds accomplished degree from established institutions from NewYork and London. Her acumen for a good design and a strong eye for detail forms the inspiration behind House of PC and its intricate jewellery pieces. With House of PC by Choprasons Jewellers, Priyanka wants to bring in the handcrafted technicality of gems and metals from the western areas and combine them with trendy, ready to wear modern design in India.

Not just her craft and sensibilities, but her study, research and technical know-how of the craft, makes her stand out from the rest. Priyanka would allure her audience with intricate details and full-pronged insights into everything shiny and precious.

Thinking of Jewelry as an investment: Besides the emotional investment and the sentiments that make jewellery priceless, the other factor that makes it last forever is its monetary value. Materials such as gold and diamonds have been high in demand for centuries regardless of the economic factors emerging globally. This high demand keeps your jewellery valuable and profitable whenever you resell it. Jewellery with higher gold content is always valuable.

Diamonds are equally sought after as these sparkling beauties, which have been in demand for centuries, are highly valuable in free form or in jewellery. Size and quality add to the value of a diamond. Large, high quality diamonds are valued for their outstanding cut, high clarity and fewer imperfections. Also, high quality coloured diamonds such as pink gemstones are rarer and tend to increase in value over time. Large diamonds with an unusual colour have the highest return value as they are more difficult to find.

So, when you buy a beautiful necklace or a unique engagement ring, always think of jewellery as an investment. The piece represents a moment that you will cherish forever. Most importantly, it always has an increasing emotional value as it is passed on to future generations of your family. This is what makes jewellery, truly priceless.

"As a millennial I believe in balance, that's the secret. Moderate extremism. The best of both worlds."

Instagram:-
houseofpc_, choprasonsjewellers_official

Priyanka Chopra, Founder - House of PC & Creative Director, Choprasons Jewellery House

Reasons That Make Jewellery a Good Investment:

Simple and Easy to Liquidate: One of the major reasons for making any financial investment is that you consider it as a backup if incase you need it in future and gold is one of the most easy to liquidate hard asset. In-case you happen to be in need to use your gold to make your ends meet, you just have to sell it to the buyer you prefer. There are always buyers ready to buy gold.

Proven Hedge Against Inflation: It has been tested time and again that gold provides a strong shield against inflation. Gold rates remain almost unaffected at the time of inflation and therefore, you do not have to suffer a loss when the inflation hits and even the currency rates go down in the global market. Talking in the Indian context, irrespective of how the rupee might be performing, investment in gold is always safe and is likely to give a good return on investment over time.

Wealth Creation: Gold is a precious metal and all of us know that. Gold holds a special place in any Indian household and is considered as wealth of the family, for example, the gold jewels are passed on from one generation to the other as a legacy and a symbol of family wealth.

"Within all the businesses that we are looking at today, the 10-minute delivery space is one of the most promising ones."

Deepinder Goyal, founder & CEO, Zomato

AMIT VERMA

Blink & Deliver

Can Blinkit—Grofers' new avatar and Albinder Dhindsa's 10-minute delivery act—help Deepinder Goyal add more muscle in Zomato's hyperlocal fight against loaded rival Swiggy, aggressive Dunzo and a bunch of upstarts?

By RAJIV SINGH

"We were perpetually hunting for an outrageous outcome. Quick commerce was that opportunity that made us flip."

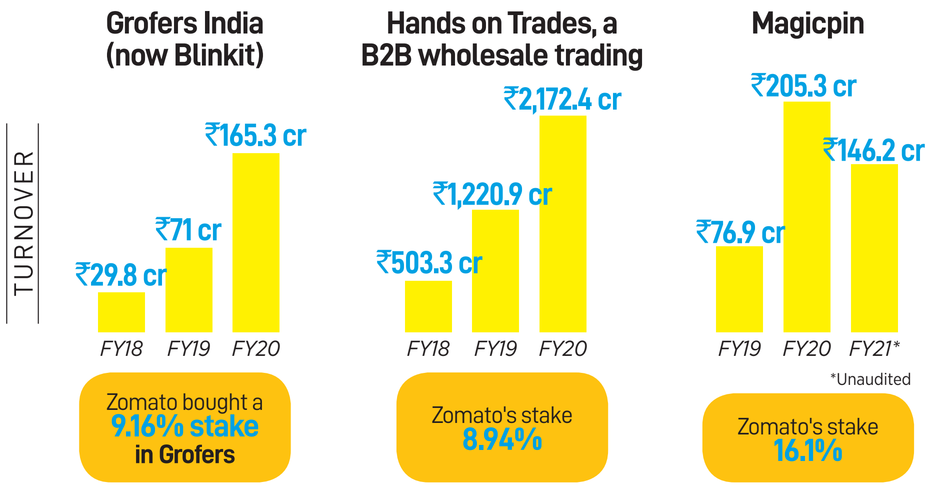
Albinder Dhindsa,
founder, Blinkit

"Thirty is not quick. 10 is quick," Deepinder Goyal asserts in the blink of an eye. It's a bright sunny day before Christmas Eve. The expansive corporate headquarters of Zomato in Sector 43 on the Golf Course Road in Gurugram is decked up with festive red and the founder and chief executive officer (CEO) of the online foodtech firm walks in at 1.30 pm. "I hope you didn't find much traffic," smiles Goyal, as he pulls a chair at the empty back porch of the building. "Over 70 percent of the time I sit on these chairs," he continues as he sanitises his hands, lights up a cigarette, and pours a glass of fruit juice.

Though it's lunch time, the office wears a subdued look as employees have been working from home. A huge yellow hoarding announcing 'Grofers is now Blinkit' does its best to brighten up the mood as Goyal sets the tone for an animated conversation around quick commerce. "Thirty minutes is neither here nor there," he says, alluding to the delivery time of some of Grofers' rivals in the segment. "Swiggy is still not

ZOMATO's WIDER PLAY

The biggest online food delivery player has made investments in hyper local and the health space over the last year



doing instant commerce," he reckons. Blinkit, in which Zomato is a minority investor, delivers in 10 minutes. "Only 10 minutes make sense," he says.

Around 18 minutes and 7.5 km away, Ananya Kar agrees with the 38-year-old entrepreneur who had a blockbuster IPO last July. "Delivery has to be really quick to make sense," reckons the high school student. From cup noodles to chips, chocolates, stationery and batteries, the 17-year-old refills her 'craving' list every night, and even afternoons, by placing orders on Blinkit. Tell her that there is a convenience store just 500 metres from her residence, and Kar grins: "Why go when you can get it in 10 minutes?"

Meanwhile, in Berlin, Germany, Shubhankar Bhattacharya decodes why venture capitalists (VC) loaded online grocery in India with the most funds last year. In 2021, the segment mopped up $1.7 billion to top the most-funded segments' chart; social platforms like Josh, ShareChat, foodtech and edtech followed, in that order. One undeniable-but-under-appreciated truth that drives consumer adoption—and VC interest—is that consumers love being lazy and will adopt solutions that enable them to stay lazy, explains Bhattacharya, general partner at Foundamental, an early-stage VC firm.

The pandemic provided the perfect reason, or excuse, for being lazy at home. "The rise of quick commerce has to be seen in this context," avers Bhattacharya. There has been a tectonic shift in the way people consume goods over the last two years. What if the future of all grocery, essential and retail purchases lies in a more 'on-demand' and 'streamed' version, the investor asks. "The latest avatar of that future is quick commerce startups and their 10-minute play."

Back in Gurugram, Goyal explains his quick play. Zomato, he underscores, is at the confluence of food and hyperlocal ecommerce. What powers the business is the last-mile hyperlocal delivery fleet, of over 3 lakh delivery partners on a monthly active basis. "This is a strong moat and it sets us up well for building one of the most meaningful hyperlocal ecommerce companies in India in the long term," he says. The company, he adds, is bullish about the various use cases it can plug its delivery fleet into. "We can be the primary contenders for building large businesses in hyperlocal ecommerce in India."

BLINKIT's PERFORMANCE

Clocking a run rate of over **4 million monthly orders**

Has more than **330 operational dark stores**

Plans to expand that to **500 dark stores by January 2022**

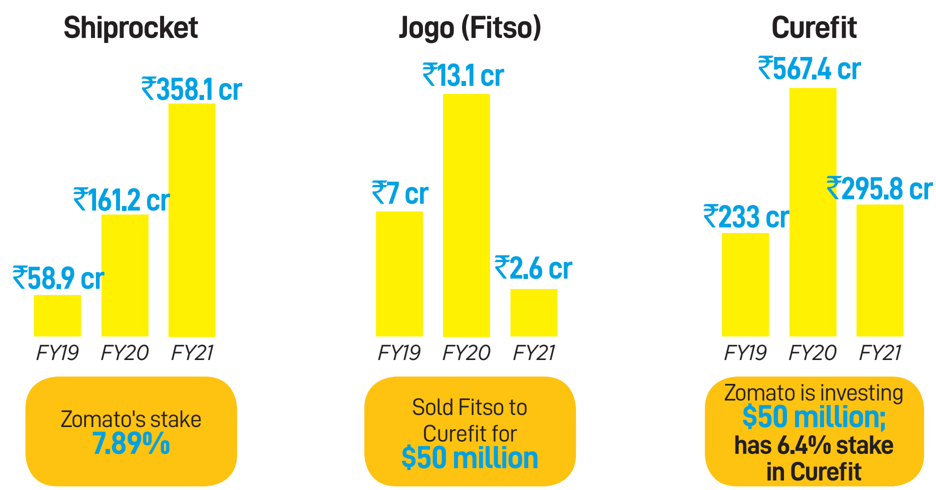
Opened **one store every four hours** in December

Retention numbers are better than food delivery business

Goyal's game plan is simple: To quickly invest rather than build in-house. Over the last few months, he has aggressively backed a bunch of hyperlocal ecommerce companies, including ecommerce enablers, to add more layers to the existing core of food delivery. Consider: Zomato has bought a 16.1 percent stake in Magicpin, a hyperlocal commerce startup; 7.89 percent in ecommerce logistics firm Shiprocket; 6.4 percent in online fitness firm Curefit, and a $100 million infusion for a 9.16 percent stake in Grofers, which was rebranded Blinkit in December.

Overall, Zomato reportedly committed $275 million across these four companies within a span of four months. "We want to take an investment route for these businesses rather than build them in-house," says Goyal. There is more money lined up: Another $1 billion over the next one or two years, and a large chunk of it will likely go into quick commerce.

The biggest and boldest bet seems



Verticals divested or shut down by Zomato

Shuttered D2C experiment in nutraceuticals

Sold Fitso to Curefit; shut down operations in Lebanon

Businesses divested or shut down contributed less than 1 percent to adjusted revenue and 13 percent to adjusted Ebitda loss in Q2FY22

SOURCE Filings to exchange

to be Blinkit. The quick commerce delivery player has been running at a scorching pace since it started its 10-minute pilot in August. Blinkit has opened over 330 operational dark stores across eight cities and plans to hit 500 by the end of January 2022. The company claims to be clocking a run rate of over 4 million monthly orders; and, in December, it claimed to be opening one store every four hours.

Hyperlocal commerce, Goyal reckons, is very close to what Zomato is as a business. “It’s just that a different product is being ordered, but most of the mechanics are the same,” he argues. Food and grocery, he lets on, are different things but the principles are the same. High online grocery penetration has remained elusive in India for the past 7-8 years. The country might finally be at an inflection point with widespread adoption in the 10-minute delivery format, he adds.

If one goes by the products delivered by Blinkit on December 31, the user base seems to be wide, and the items ordered diverse: From potato chips, cold drinks, ice packs, instant noodles and namkeens to matchboxes, hookah flavours, Covid-testing kits, lemons and condoms. “There is a product-market fit,” says Goyal, adding that people are realising the need for instant and are moving away from planning their needs a day in advance.

Blinkit not only fits into Zomato’s larger scheme of things but also gives it a presence in the hyperlocal space. Rival Swiggy is aggressively expanding its own presence here, with Instamart, and is reportedly in talks to buy a stake in bike taxi player Rapido. Dunzo has built a strong consumer base over the last few years and has bagged backing from Reliance Retail, which picked up a 25.8 percent stake by leading a $240 million round; Walmart-backed Flipkart is rapidly scaling its hyperlocal play and Amazon is getting bullish on its grocery business.

The scramble to get into quick commerce is not hard to fathom. The market in India is estimated to leapfrog to $5 billion in 2025 from $0.4 billion last year. And the growth is coming on the back of a booming online consumables market which is set to become $30 billion in 2025 from just $3.8 billion in 2020. Half of this growth will come from metro and Tier I cities, according to a report by consulting firm Redseer. “There is a lot of synergy between food delivery and quick commerce,” says Rohan Agarwal, director at Redseer.

Prod Goyal to elaborate on the potential synergies he envisioned between Zomato and Blinkit before making the investment, and his response is guarded. “I can only say what is out there in the public domain. Now we are a public company,” he smiles. “We are newly there. So I would prefer to err on the side of not saying stuff that I have not said earlier.”

The newly-listed company, though, is quick to learn from its solo grocery experiments. Twice since the onset of pandemic in March 2020, Zomato flirted with grocery delivery. The second time, it eventually abandoned a pilot run of 45-minute delivery in a few markets of Delhi-NCR in July last year. The first time was during the lockdown in mid-2020. In an email reportedly sent to its employees last September when it pulled the plug on its grocery venture, the food delivery major shared the reasons for exiting. The grocery service, the email outlined, had moderate success, faced a few challenges, including frequent changes in inventory and gaps in order fulfilment, leading to a poor customer experience.

Zomato CFO Akshant Goyal outlines three parts of the long-term play. First is ‘brutal

“For food delivery players, quick commerce is a means to capture extra wallet share of a user.”

ASHISH DAVE, CEO, MIRAE ASSET VENTURE INVESTMENTS INDIA prioritisation'. This means divesting or shutting down businesses that aren't likely to drive exponential value for shareholders in the long term. Second is invest in core food businesses and the ecosystem around them to make it a robust long-term value driver. And, lastly, build the hyperlocal ecommerce ecosystem by leveraging Zomato's key strengths to invest and partner with other companies to tap into growth opportunities beyond food.

The core of Zomato's investment strategy is to help the new companies scale. As they do, the CFO explains, the parent will provide capital and consolidate its holdings. This might lead to a potential merger at some point if the founders of these companies want to or, otherwise, would result in learnings and financial returns for Zomato.

"Q-commerce is serving the need for faster delivery among convenience-seeking customers in the metros."

ROHAN AGARWAL, DIRECTOR, REDSEER

The strategy, in a large part, is inspired by Chinese ecommerce. Alibaba and Tencent invested in the ecosystem, created multiple merger and acquisition (M&A) options, and in the eventuality of any M&A not panning out, realised windfall financial gains from investments made in market leaders across different categories. The Zomato CFO underlines that the company is only investing behind founders with potential to be market leaders. "All our investments are a mix of math and chemistry," he contends.

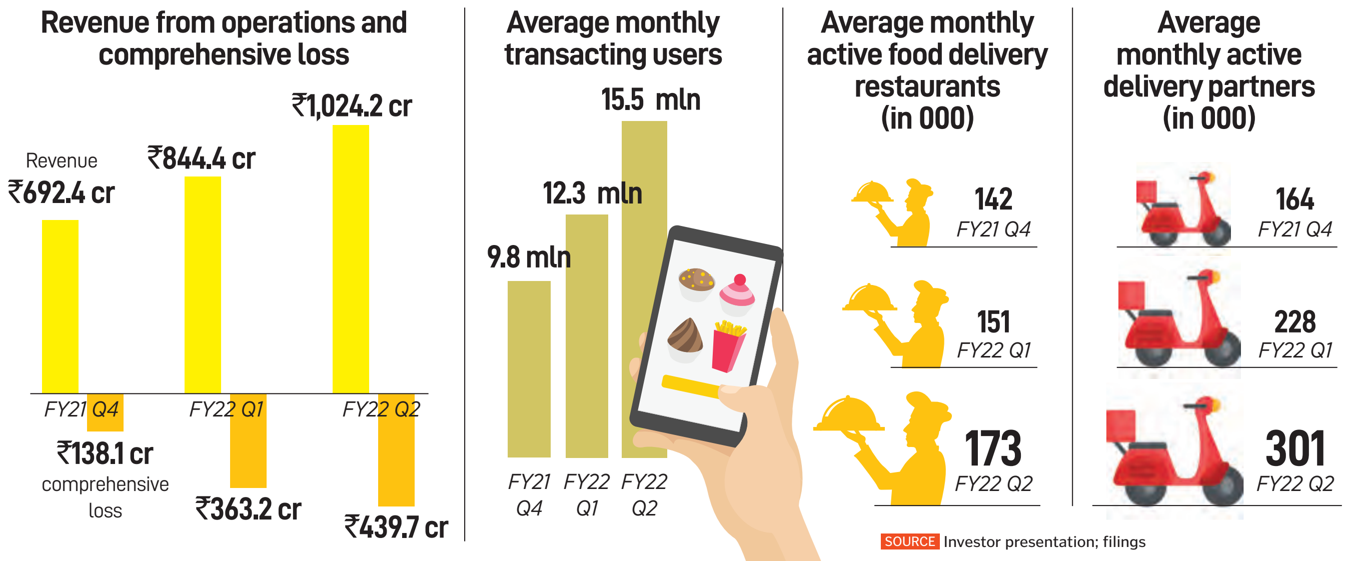
In Gurugram, Blinkit founder Albinder Dhindsa explains how and why the chemistry and math of Grofers didn't work out. For a company, which ironically had its origin in hyperlocal delivery, Blinkit is a sort of homecoming. "Back in 2015, we were a frontrunner

'My Board Knows We Run a Clean Ship'

Deepinder Goyal on his chemistry with Blinkit founder Albinder Dhindsa and trigger to invest in the company, the heady IPO success and how and what has changed in him as a founder

AMIT VERMA

ZOMATO'S REPORT CARD AFTER LISTING



SOURCE Investor presentation; filings

ON THE INVESTMENT IN BLINKIT
We are a minority financial investor. We (Albinder Dhindsa and I) have known each other for 20-something years. He left Zomato long ago and we have a professional relationship. Nothing more, nothing less. My conscience has to be clear. And as long as that's clear, nothing matters. People are going to say what they're going to say. India is a trust-deficit market. As long as my board knows what is happening, it is fine. I am good. I'm basically answerable to my board. My board knows that we run a very clean ship. That's all that matters.

ON GLOBAL PLAYERS & QUICK COMMERCE
There are a lot of companies across the world that are finding a great product-market fit in quick commerce. So that's where and when we started digging: Why does it make sense? Why is this going so fast? What do customers like about it so much? What is the use case? How is it different from next-day use case?

ON MAKING MONEY IN GROCERY
It's only until someone does it... there has to be somebody who does it one fine day. It may not be us, but there is always a first time. Four years ago, we used to hear that food delivery will never make money; now it does.

ON WHAT HAS CHANGED IN HIM AS A FOUNDER
I don't know. I think I'm still the same person. My motivation stays the same. My behaviour stays the same. I think my tolerance for bullshit has gone up. I used to expect everybody to work at my pace or at a pace higher than mine. I know that's not true.

ON ALLEGATIONS OF CHARGING A HIGH COMMISSION
Aggregators are responsible for the growth of the sector. We have invested billions of dollars into this. There are going to be people who only look at the margins and don't look at the net dollars being made. A lot of people don't understand that if the business grows 5x at the cost of hurting the margin by 20 percent, it's actually a big thing. It's a good thing.

ON SUCCESS AND HUNGER
I don't think of success. I don't have a definition. I don't consider myself as a successful founder. I think dissatisfaction drives me. And if there is something that drives me, I want to stick to it.

ON COMPETITION & RIVALRY
Earlier, competition was a bad and scary word. Now, it's a good [word]. We know how to manage our psychology when it comes to competition

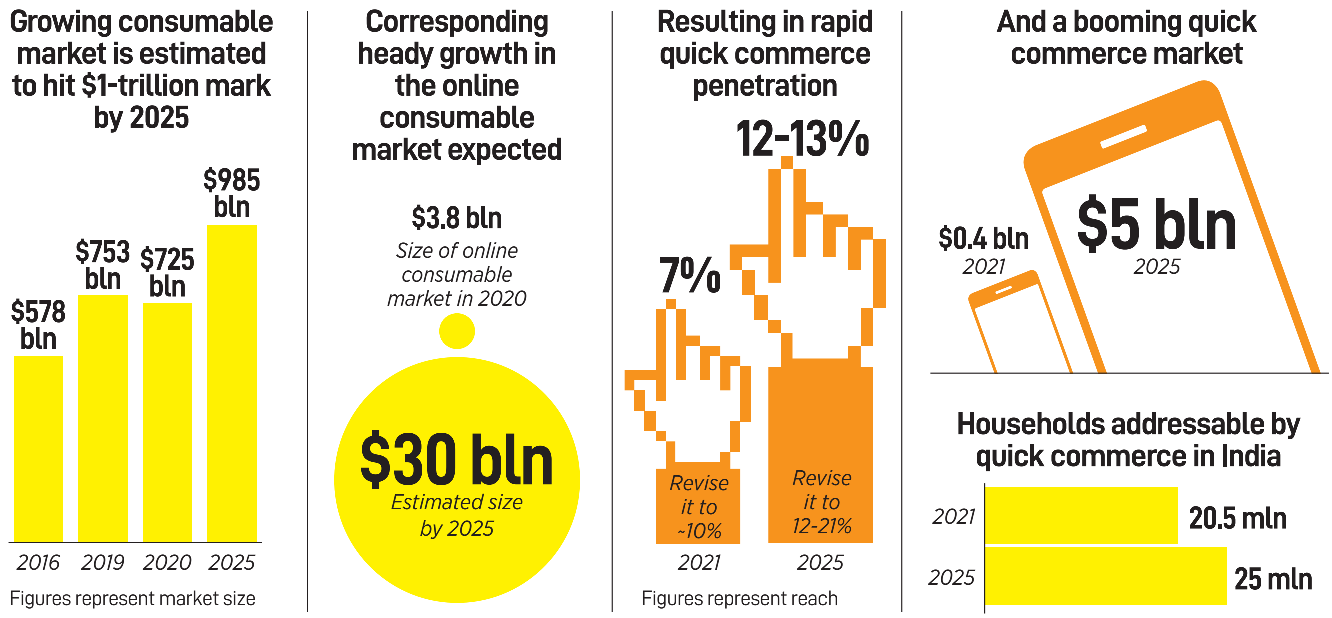
ON PEOPLE WRITING HIM OFF
I think there are still a lot of people who write us off. If I start paying too much attention or become too serious about people writing you off, there is no forward motion or momentum left in life. So it's cool.

ON LOSS-MAKING & IPOs
There are some businesses that have to go through a loss cycle. They have to get scale, only then they start making a profit. Food delivery is one such business. A lot of people and investors see that, and a lot don't. There are always two camps. And both are right in their own ways.

ON RESILIENCE & REBOUNDING
We've seen insanely tough times during Covid. So there is enough resilience. And it doesn't come from having all the answers. It comes from the confidence that we'll figure out the right answers. I know they're not always easy to find. But if you dig hard enough, they're there.

FACTORS DRIVING Q COMMERCE

HIGH CONSUMPTION STORY



in quick commerce," recounts Dhindsa, who headed international operations of Zomato before co-founding Grofers in late 2013.

Grofers' initial pace of growth, both in operations and in mopping up funds, was staggering. In November 2015, it raised $120 million led by SoftBank. The Series C round of funding, which also included existing backers DST's Apoletto Managers, Tiger Global and Sequoia Capital, was the third that year.

It had earlier raised $10 million and $35 million, bloating its funding kitty to just under $166 million.

What happened over the next two years, apart from a funding freeze in 2016 and 2017, was a series of pivots. From a marketplace model, Grofers moved to inventory-led model, it dumped the 90-minute delivery play and focussed on private labels to survive the bruising battle against leader BigBasket. Battling a funding crunch, in February 2018, the online grocery player raised money from existing investors at an approximately 40 percent lower valuation than its previous round in 2015. Survival was at stake.

A year later, in May 2019, it managed to raise $220 million from SoftBank Vision Fund and other investors. The funding round was not just the biggest in India's online grocery delivery, but it also came a few weeks after Alibaba-backed BigBasket raised $150 million. While both companies kept aggressively building war chests, losses piled up, and unit economics went for a toss. Grofers reportedly closed FY19 at a loss of ₹448 crore and revenue of ₹71.04 crore. BigBasket had losses of ₹348.27 crore on revenue of ₹2,380.95 crore.

Meanwhile, Dhindsa's struggle to raise funds continued. For investors, hyperlocal grocery had become a two-player race, and there was no meaningful growth. "For them, the question was why to put money here versus other segments which were more promising," he recounts. Dhindsa doesn't blame the investors. "They too have their skin in the game and didn't have any incentive to leave their portfolio company to die." At different points in time, he stresses, Grofers had different investors. "At some point, the same set of people backed out. Now, you can't take it personally."

Funding or no funding, what didn't change for Dhindsa was his eternal quest for a business that can lead to outrageous outcomes. The founder spotted a glimmer of hope last year, when he started tasting success in 10-minute delivery. "We saw a hockey-stick like growth," he says, adding that a few dark stores were opened in Delhi-NCR to pilot the venture. The plan to go for a SPAC (special purpose acquisition company) listing in the US was shelved just two weeks before filing the papers.

Though the listing would have provided

"Adding quick commerce capabilities to a food delivery fleet would allow it to generate high revenue per trip."

SHUBHANKAR BHATTACHARYA,
GENERAL PARTNER, FOUNDAMENTAL

Neeti Singh

Teacher

What she orders: Vegetables, fruits, dairy products, and ice creams for my children

Why 10 minutes?
"When I order things, I don't like keeping them for long... I want to make and give my family fresh food."

access to capital, it would not have let Dhindsa continue with his quick commerce experiment. "If you are going public, you can't be so dramatic in your plans," he says. Grofers needed another pivot. "There was a massive opportunity in having outsized outcomes," he says. "That's why the flip."

For the IIT-Delhi grad, Blinkit is another homecoming of sorts: From value to convenience. Before morphing into Blinkit, Grofers found its niche in Tier II and beyond. It was a company rooted in offering more bang for every buck to its users, largely in Tier II and beyond. From its EDLP (every-day low prices) to private labels, Dhindsa was wooing consumers in Bharat who were slowly gravitating towards ecommerce.

In 2018, the company was eyeing half of its sales from own brands 'HaveMore' and 'SaveMore', which catered to price-sensitive consumers. "Our focus is to service what we call the 'Real Bharat'," says Dhindsa. The Real Bharat, he explains, was largely the two-wheeler families who were yet to experience the world of ecommerce. "Our target is to bring the next 100 million new customers to ecommerce."

A year later, Dhindsa stayed committed to his vision. "We are clear about our target audience," he said in an interview in May 2019. "It is going to be middle India that goes after planned purchases and low-priced offerings," he said and reiterated the value proposition of Grofers, which had a presence across two dozen cities by the end of 2019.

Cut to 2022. Blinkit, the new avatar of Grofers, has brought Dhindsa back to Delhi, and top eight cities, and a new set of consumers who are not deal hunters but convenience seekers. "Now people don't want 'coming soon'. It has to be 'coming now'," he says.

Delhi businessman Alok Gupta uses quick commerce to place an order for his paan from the local betel shop every night. "I need one after dinner and I get it quick," he says. "It adds more pleasure to my Netflix viewing."

Marketing experts link the rise of the Netflix generation with that of instant consumerism. "It all started with Maggi," contends Ashita Aggarwal, marketing professor at SP Jain Institute of Management and Research. The two-minute noodles seeded the idea of quick food, and quick consumption. Then came a bunch of global QSR (quick service restaurant) players like McDonald's and KFC who whetted the appetite of Indians with burgers and fries. "They too were quick but inside the restaurant," she quips. Interestingly, the 90s was when Indians were slowly warming up to the idea of ordering food for in-home consumption.

There was a problem, though. "The food delivery by QSR players was fast, not quick," points put Aggarwal. Waiting for the food for close to an hour or so spoilt the fun of ordering. Pizza player Domino's changed the game with its '30-minute delivery or free pizza' promise.

In 2007, Indians woke up to a new form of quick entertainment in sport—the T20 World Cup. India winning the inaugural edition coincided with an era of Indians becoming restless,

Ananya Kar, 17

Student, class 12

What she orders: Noodles, chips, chocolates, stationary, batteries

Why 10 minutes?
"I don't like to wait. Ten-minute delivery is quick, and satiates my short-term cravings and requirements."

PHOTOGRAPHS: MADHU KAPPARATH

QUICK IS BIG GLOBALLY TOO

Gopuff

America's biggest quick commerce company valued at **$15 billion**

Philadelphia-based company **raised $1 billion** in July

Accounts for more than **70% of the US market**

Reportedly in talks to raise **$1.5 billion at a valuation of up to $40 billion**

Founded in 2013, most likely to go for an **IPO in mid-2022**

Getir

Istanbul-based grocery delivery app valued at **$7.5 billion**

Raised $550 million from the likes of Silver Lake, Mubadala, Sequoia and Tiger Global last July

Seven-year-old Getir reportedly raised almost **$1 billion last year**

Gorillas →

Germany firm **valued at $3 billion**

Reportedly in talks to raise at least **$500 million at a valuation of $6 billion**

Dija

British firm operates in London, Paris and Madrid

Raised $20 million in seed funding in December

Jokr

Rapid delivery venture secured **$260 million in Series B** funding in December 2021

American firm **turned unicorn with a valuation of $1.2 billion**

Raised **$170 million** last July

Delivers groceries and other consumer goods in 15 minutes

Flink

Berlin-based startup delivers food and other essentials in less than 10 minutes

Raised **$750 million in Series B** round led by DoorDash last year

Had a post-money valuation of **$2.85 billion**

Present in **60 cities across four countries,** where it covers 10 million customers

SOURCE Coresight Research; media reports

"While doing deals, chemistry with the founders is important for us, but math is equally important."

AKSHANT GOYAL, CFO, ZOMATO

exhibiting little patience and yearning for more bang for every buck. Smartphone adoption and internet penetration created a fertile ground for startups promising quick fixes in all walks of life. Online shopping to online delivery to online entertainment, everything grew at a rapid clip.

Though fast might be fun for consumers, for quick commerce founders, it brings its own set of challenges. The biggest is unit economics. Ankur Bisen, senior vice president (retail & consumer products division) at consulting firm Technopak, sounds a word of caution. "How will you make money?" he asks. The average order value is tiny, and doesn't make sense. The second problem is lack of differentiation. "If quick delivery is the only differentiator, then will it lead to customer stickiness?" he asks. The third problem is with the limited play of quick commerce. "It's a largely urban phenomenon and would likely stay confined to top cities," he adds. That food delivery players are getting into quick commerce, Bisen adds, also speaks about their inability to widen the food delivery play. The grocery business, he maintains, is not an easy one. BigBasket got acquired by Tatas and Dunzo reportedly has been bleeding heavily—a ₹225.7 crore loss on operating revenue of ₹45.8 crore in FY21. "Nobody has ever made money," he adds.

Zomato's founder, for his part, sounds optimistic. "Four years ago, we used to hear that food delivery will never make money. Now it does," smiles Deepinder Goyal, adding that there is always a first time. "If history was the only thing that ever happened, then nothing new would have ever happened." Perhaps it is their 'instant' chemistry that Goyal and Dhindsa are counting on to rewrite the history of Indian food delivery and quick commerce.

Udit Kalra, one of the young employees at Blinkit, who is leaving his hub with an order that has to be delivered in 10 minutes

MADHU KAPPARATH

‘I Don’t Understand The Difference Between 10 and 20 minutes’

Kabeer Biswas, co-founder of Dunzo, on the future of quick commerce and the need to charge a delivery fee

By RAJIV SINGH

Can an interview with Kabeer Biswas be short? Nah, it has to be quick. After all, quick commerce is the flavour of the season, and the co-founder of Dunzo is billed by his backers to build the largest quick commerce business in India. “We are not in the 10-minute space,” laughs the CEO of the hyperlocal quick commerce company as he gets ready for a 15-minute interview.

The trigger is Dunzo’s latest fund raise of $240 million, a round led by Reliance Retail which pumped in $200 million and picked up a 25.8 percent stake in the Mumbai-headquartered firm. “We are into 20 minutes,” smiles Biswas, alluding to the average delivery time taken by his startup. “I don’t understand the difference between 10 and 20,” he says. There is no data, he lets on, which shows how a 20-minute delivery is different from a 10-minute one. “We think we can make money by delivering in 20 minutes,” he smiles, as he justifies his move to stick to the 20-minute delivery proposition. On so much capital getting into quick commerce, the founder says all kinds of commerce are getting quick. “Even the Amazon guys have started delivering fast,” he tells *Forbes India*. Edited excerpts:

You have been into hyperlocal delivery for a while now. Was it always called quick commerce?

The only thing we understand is that consumers want it quickly and it’s important to get it delivered to them as quickly as possible. The Indian model of quick commerce won’t be similar to what we find across the globe. In India if you want to make money in instant deliveries, you would need to

charge a delivery fee. For instance, in Bengaluru, we have two options. Those opting for a 15-minute delivery have to pay ₹25, and those who can wait for 45 minutes don’t have to pay any fee. The point is if you are delivering instantly, you need to charge a fee. Customers are okay with a reasonable time of delivery, which is 15 to 20 minutes.

So would there be free lunches?

To make sustainable high margins in instant delivery, we need to charge a fee. If the order size is big, instant delivery can be free. There is a need for instant delivery. That is for sure. People want to digitise their daily and weekly transactions. This is a category which will most likely be bigger than food delivery, and there is enough data to show that.

Will speed alone be instrumental in deciding the winners?

Right price, right selection and right price points also matter a lot. You don’t go to the nearest shop to buy things. You look for price, selection, quality, speed and reliability. These are the five pillars of any commerce. If you are great at three or four of them, you can trade off the fifth one. But just doing one doesn’t work. It’s important to be fast, but you need to make the economics work in the long run.

Even the language of global quick commerce players is changing...

Yeah, have a look at the websites of most of the big ones... they started with something like 15 minutes, but as they expanded, they took away this promise completely. Now they say ‘daily essentials delivered in minutes’. I think it’s crucial to think of quick commerce business from a three-dimensional perspective rather than a unidimensional one. F

The Omicron Reset

The Covid variant will likely disrupt business and social activity again. But economists are confident that India will trend close to the 8 percent growth path in FY23, aided by exports, government capex and private consumption

By SALIL PANCHAL

The year just gone would seem dichotomous for most in India. For the professionals, it would have meant adjusting to a hybrid model of working remotely from homes during the scarring second pandemic wave and then back to office towards the end of the year. Jobs and salaries in the metros and large cities were secure and grew, if you were in the IT/ITES, pharmaceuticals, health care, financial services and chemicals space. But for the self-employed who ran small business it meant seeing their revenues dwindle.

By mid-2021—as vaccinations gathered pace and new Covid-19 cases slowed—business activity and sentiment improved. India's GDP had soared by a robust 20.1 percent by June-end, simply due to a statistical low base of 2020. Investor sentiment boosted stock indices, rising 22 percent in 2021 and assisting corporates to raise fresh capital through record initial public offerings (IPO). But, by the end of the year, much of the euphoria turned into concern: The markets corrected over 10 percent from a Sensex peak of 62,254 points in October.

Foreign investors had intensified sales by then as global central banks announced plans to tighten liquidity and focus on battling inflation by raising interest rates. The Covid-19 virus was not done yet and the new variant B.1.1.529 (Omicron) spread across 125 countries from late November, hurting mobility and consumer sentiment.

The Centre for Monitoring

For the growth momentum to sustain in FY23, private consumption will be a critical factor. This will be driven by urban demand, in the form of more jobs, better wages and activity of contact-intensive services, including malls, restaurants, retail stores, movie halls and gyms

Indian Economy (CMIE) recorded a fall in consumer sentiment in December 2021. The weekly index of consumer sentiments for the week ended December 26 was at 55.1, down from a year's peak of 61.9 on November 21. "The fall in consumer sentiments in December after five months of an impressive rise raises some questions regarding the recovery of the economy," says Mahesh Vyas, managing director and CEO of CMIE, in his website column.

WILL GROWTH SUSTAIN?

Several financial institutions and investment banks have projected India to grow in the range between 7.5 percent and 9.5 percent for the 12 months ending March 2022. But with uneven global growth, more emerging variants and concerns of a tightening of local interest rates in 2022, will India be able to take 2021's success story ahead?

The Nomura India Business Resumption Index inched up to 120.3 for the week ending January 2 from an upwardly revised 120.2 during the prior week. But Nomura's chief India economist Sonal Verma says, "India seems to be on the cusp of a third wave" and warns of a rise in more cases due to "elevated mobility and a rising positivity rate". "While early signs point to a lower mortality rate, it bears close monitoring," she adds. India's number of Covid cases (seven-day average) is back to a three-month high, at 22,939 on January 3.

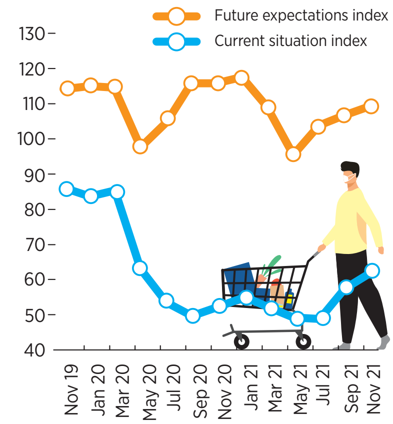
"We are obviously seeing recovery but it is not yet broad based," says Crisil's chief economist Dharmakirti K Joshi. The consumption of goods, rather than services, has gone up faster in the Western economies compared to India. Exports from India hit a lifetime monthly high in December last year at $37.29 billion, led by the booming IT/ ITES sectors. The first nine months of FY22 (April to December 2021) showed a 48.8 percent jump in exports at $299.4 billion for the same period compared to a year earlier. Demand for exports grew as those economies moved out of lockdowns quicker.

Exports, and government capex, are expected to continue to drive growth in the next financial year, led by road projects awarded by the National Highways Authority of India (NHAI), which has been robust in FY22.

But for the growth momentum to sustain, private consumption will be a critical factor. This, in all likelihood, will, in FY23, need to be driven by urban demand, possibly in the form of more jobs, better wages and the activity of contact-intensive services, including malls, restaurants, retail stores, movie halls and gyms. Joshi admits consumption at this stage is not broad based. "Contact-based services will take longer to recover. The urban poor have been hit harder than the rural poor

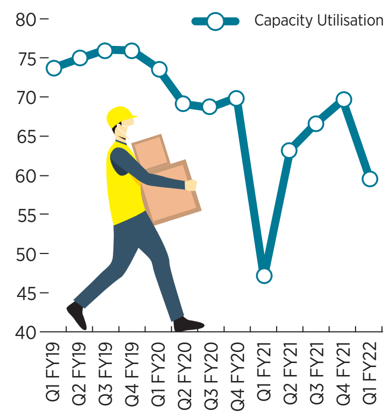
PRASHANTH VISHWANATHAN / BLOOMBERG VIA GETTY IMAGES

Consumer Confidence During the Pandemic



SOURCE RBI

Capacity Utilisation Data



Note: This is a survey of manufacturing companies in India, to get a snapshot of demand conditions. The capacity utilisation data relates to mid-2021 and is part of the order books, inventories and capacity utilisation survey (Obicus) quarterly data released by the RBI in October last year

SOURCE RBI

who were benefited by several fiscal measures last year," says Joshi. Income disparity is being reflected in consumption disparity.

The salaried middle-class and migrant workers faced the brunt in the first wave but in the second wave it was the rural poor who were struggling to acquire basic health care and emergency care services.

But Joshi, like other economists, forecasts a still-impressive pace of growth for FY23, even if it is a notch lower than the current fiscal. "If the Omicron impact strengthens, we would have crossed the third wave and services will show a rebound in activity due to pent-up demand." Joshi pegs India's FY23 GDP at 7.8 percent which will normalise into FY24 at 6 percent, after the surge in pent-up demand will have faded away.

"We are seeing recovery, but it is not broad based... uncertainty is an enemy of investment decisions."

DHARMAKIRTI K JOSHI,
CHIEF ECONOMIST, CRISIL

PRIVATE INVESTMENT CAUTIOUS, DEMAND UNHURT

The government has been pushing for growth with fiscal spending on infrastructure projects, but the acceleration will need to come from the private sector. However, with uncertainty over business activity, corporates—despite strong performance-linked incentives from the government—may be slow on the pedal to push for fresh investments until obstructions clear. "Uncertainty is an enemy of investment decisions," Joshi says. In previous years, infrastructure and utility sector giants over-invested during bull runs of 2003-08 and 2010-11, often creating overcapacity, haphazard growth and led to rising non-performing assets and weakened balance sheets by 2015.

But Barclays chief economist Rahul Bajoria is not worried about Covid-19 hurting growth or demand. "Covid-19 will not be a demand [issue]. We will not see a pullback in demand," Bajoria says. It is a supply issue, in the sense, the impact would be due to government restrictions on mobility or access to services. "Consumption has recovered much faster than what most economists thought earlier. We have a glass half full view on the growth cycle."

But while demand appears to be strong, companies are not rushing to invest. They will be risk-averse for a few more months despite some improvement in their balance sheets. This could mean that only some sectors, such as pharmaceutical and health care, would be looking to expand. Automakers will need to plan their car launches and build necessary inventory for those despite uncertainty due to supply constraints and pending bookings.

Carmaker Maruti Suzuki had in its September-ended quarter indicated that it will continue with its "strong launch pipeline" in the coming months, despite a dealer inventory of 60,000 cars and over 250,000 bookings pending at that time. But the company has not disclosed production or sales projections for the October 2021 to March 2022 period due to supply side uncertainty on account of semi-conductors. "What is unclear is whether companies will see a return to better capacity utilisation rather than there being a case for outright investment growth," Bajoria says. Several companies may want to wait to understand the impact of the fresh uncertainty as Omicron spreads.

Demand for domestic residential homes also appears to be on a firmer footing. "The pent-up demand got flushed out in 2020. Buyers are not willing to wait for 3-4 years [as seen pre-Covid-19] for occupancy; they now seek ready-to-occupy or completely furnished flats," says Anuj Puri, chairman of Anarock Property Consultants. Unsold inventory of property in India's top seven cities—Mumbai region, Pune, NCR, Bengaluru, Chennai and Hyderabad—has reduced by 19.2 percent to 638,190 units in 2021 from a 2016 peak of 790,500 units, Anarock data shows.

The pandemic has hurt income and household livelihood since 2020. The proportion of households where more than one person is employed has fallen to about 24 percent in 2021 from nearly 35 per cent in 2016. At the same time, households where only one person is employed has risen to 68 percent in the first 11 months of 2021, from 59 percent in 2016.

The gig economy had picked up towards the last quarter of 2021, but it might scale down a bit again. "This has got reflected in poor consumer confidence index," Bajoria says, where consumer confidence is low due to the lack of certainty [see chart]. Economists evaluate rural demand looking closely at the need for jobs through the government's MGNREGA scheme. Nearly 11 crore people

Economists feel the economy will bounce back from the Omicron threat this year. Construction, manufacturing and agriculture sectors are likely to remain unaffected in this fresh wave

in India have demanded jobs in 2021-22, according to data from the Ministry of Rural Development. In the same period, 9.3 crore people were offered employment. Bajoria believes the demand for MGNREGA jobs in the first half of 2022 could be better (lower) than what we saw for the same period in 2021.

NO DRAMATIC RATE TIGHTENING

Joshi and Bajoria do not foresee a sharp tightening of interest rates from the Reserve Bank of India (RBI). "There might just be a 50 bps of hikes in the reverse repo rate," Bajoria says. The RBI will need to continue to stay accommodative towards growth even as inflation rises. In the last year, inflation in India has risen more due to 'imported inflation'—rising commodity prices and fiscal measures. But domestic sources of inflation, like food, were largely benign. In 2022, imported inflation may not rise further. The rate of inflation will start to come off.

RBI's Monetary Policy Committee is likely to keep interest rates unchanged in its February 2022 meeting. With the rise in the positivity rate in Covid-19 cases and spread of Omicron, there could be more restrictions on mobility which could prompt the RBI to not tighten rates and support domestic economic recovery and growth for some more time. The RBI has forecast India to grow by a lower 8.2 percent in FY23, compared to 9.5 percent growth estimate for the current fiscal.

Maharashtra, Delhi, Gujarat, Tamil Nadu, Kerala, Chandigarh, Haryana, West Bengal, Telangana and Karnataka have, in January, announced fresh restrictions on mobility and social gatherings. 2022 could see a fresh disruption in business and social activity, as in the previous two years. The ruling government has a tricky path ahead, with the need to keep room for more fiscal relief measures. It will also keep an eye on the upcoming assembly elections, particularly in Uttar Pradesh, Punjab, Uttarakhand and Gujarat later in the year.

It is quite likely that the economy will bounce back from the Omicron threat at some point this year. Contact-intensive services might take longer to recover in their business cycles if restrictions continue to be imposed but it is unlikely that nationwide lockdowns will be imposed again, as in 2020. But urban jobs might once again come under pressure if people, from a health perspective, are unable to resume their jobs quickly. Construction, manufacturing and agriculture sectors are likely to remain unaffected in this fresh wave. Prompt fiscal and monetary measures will alleviate the pressures.

India's GDP Forecast (%)

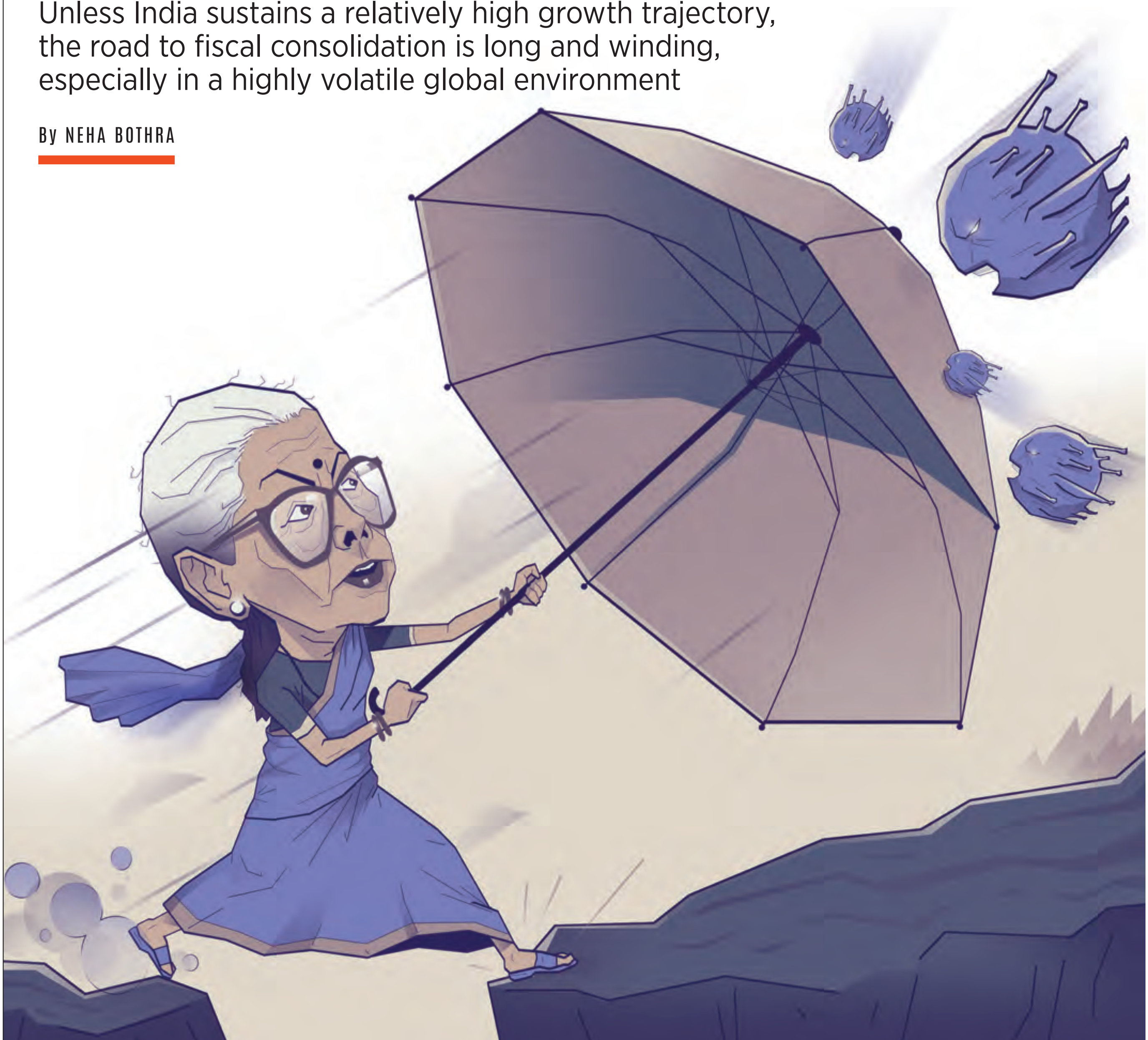
	FY22	FY23
World Bank	8.3	7.5
IMF	9.5	8.5
Moody's	9.3	7.9
Fitch Ratings	8.4	10.3
S&P Global Ratings	9.5	7.8
Morgan Stanley	7.5	7.2
Goldman Sachs	9.1	9.8
RBI	9.5	8.2
Barclays	10	7.8

SOURCE Official press statements; media reports

Mind The (Fiscal) Gap

Unless India sustains a relatively high growth trajectory, the road to fiscal consolidation is long and winding, especially in a highly volatile global environment

By NEHA BOTHRA



CHAITANYA DINESH SURPUR

In a few days, the finance ministry will roll out Budget 2022 preparations with the traditional halwa ceremony amidst lofty wish lists of India Inc and the sharp scrutiny of economists. Grappling with unprecedented challenges posed by the coronavirus pandemic two years ago, the government moved the goalpost by raising the FY22 fiscal deficit target to 6.8 percent from 3 percent. It aims to reduce it to 4.5 percent in FY26.

This plan has allowed Finance Minister (FM) Nirmala Sitharaman to increase spending on social welfare schemes and infrastructure development by up to ₹40 lakh crore. But there are strings attached, which has the money market tied up in knots. For one, government borrowing is likely to remain elevated at around ₹12 lakh crore. The Centre's debt burden, as a percentage of GDP, has considerably increased to 60.5 percent in FY21 from 51.6 percent in FY20. Some economists expect it to touch 85 percent in the current fiscal. “A big concern for the markets is that fiscal deficit can remain higher for the next couple of years,” says R Sivakumar, head of fixed income at Axis Mutual Fund. Unless India sustains a relatively high growth trajectory, the road to fiscal consolidation is long and winding, especially in a highly volatile global environment.

As of end-November, incremental revenues comfortably exceeded expenditures, and fiscal deficit stood at ₹6.96 lakh crore or 46.2 percent of the budget estimate. If data for the first nine months released by the government is a fair indicator, then it seems unlikely that the North Block will deviate from its indicated fiscal agenda.

Most economists *Forbes India* interacted with largely echo this view. Devendra Pant, chief economist, India Ratings and Research, is hopeful that the fiscal gap will shrink by 20 basis points to 6.6 percent in FY22. Suvodeep Rakshit, chief economist, Kotak Institutional Equities, says, “6.8 percent is not a difficult target for the FM to achieve.” He does not rule out the possibility of fiscal deficit in the range of 6 to 6.5 percent in the current financial year. Nikhil Gupta, chief economist at Motilal Oswal Financial Services, is of the view that fiscal deficit is likely to be pegged at 6.8 percent. Public finance expert M Govinda Rao, former director, National Institute of Public Finance and Policy, expects the government to marginally overshoot the fiscal deficit target by 20 basis points.

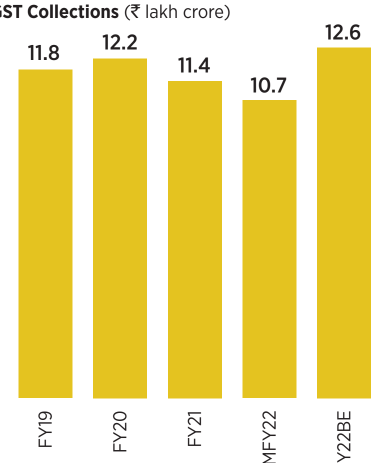
Importantly, the government stands to miss its divestment target of ₹1.75 lakh crore by a huge margin, unless it successfully launches the much-awaited initial public offering (IPO) of the Life Insurance Corporation (LIC) before March end. “Fading hopes of the disinvestment target being met portend a fiscal deficit of ₹16.5-17 lakh crore in FY22,” says Aditi Nayar, chief economist at ICRA.

BUOYANT TAX REVENUE

Aided by economic recovery, revenue receipts during April to November of the current fiscal stood at ₹13.6 lakh crore or 76 percent of the budget estimate versus 40 percent during the same period last year. The central government coffers have been ringing with better-than-budgeted net tax collections that stand at ₹11.4 lakh crore or 73.5 percent of the budget estimate in comparison to 42 percent in the corresponding period of the previous fiscal. “GST is the money machine,” says Rao. Between April and November, the government garnered ₹10.7 lakh crore or 85 percent of its targeted GST collections for FY22. In fact, the central government could additionally gain around ₹80,000 crore from GST this fiscal.

ROBUST TAX MOP-UP

GST Collections (₹ lakh crore)



SOURCE Finance Ministry, GSTN

FOCUS ON DIVESTMENT

Budgeted target
₹1.75 lakh crore

Current mop-up
₹9,330 crore

The windfall on the GST front has come as a huge relief for the government as it has once again failed to meet its disinvestment target. It was confident of monetising assets worth ₹1.75 lakh crore, but so far has sold assets to the tune of ₹9,330 crore. All eyes are on the LIC IPO, which the government is keen to execute this fiscal, but currently there are no definite details available on valuation and offer size. “I expect the LIC IPO this fiscal, but the process is longer than expected due to the complexities involved. The sale of BPCL can spill over to the next fiscal though,” Rao says. Gupta has a different perspective on the disinvestment debacle. He points out that total revenue receipts could exceed budget estimates by ₹2 lakh crore in FY22. “Considering the robust pace of tax growth, the government may actually want to push the divestment plan to next year—when tax growth perhaps will not be as strong,” he says.

The higher-than-expected dividend payout of ₹99,122 crore from the Reserve Bank of India (RBI) will also help bolster the government’s balance sheet. In the previous fiscal, the central bank had transferred ₹57,128 crore to the government.

LACKLUSTRE CAPITAL SPENDING

Budget 2021 was largely applauded for its underlying intent to rekindle the animal spirits of the economy with its thrust on infrastructure spending to boost jobs and GDP. However, so far, the government has deployed less than 50 percent of its budgeted outlay of ₹5.54 lakh crore for capital expenditure towards infrastructure development to engine growth and create employment.

INFOGRAPHICS: SAMEER PAWAR

Revenue expenditure stood at ₹18 lakh crore or 61.5 percent of the budget estimate versus 63.3 percent in the corresponding period of FY21. Nayar says the 15 percent increase in revenue expenditure offset the sharp contraction in capital spending in the third quarter. Total government expenditure was up by five percent versus 21 percent during the same period last year. Moreover, the rise in capital and revenue spending did not outpace the growth in revenue collections.

"The government's increase in spending has not been in line with the high growth in revenue collections," says Gupta. Pant points out, "Expenditure on subsidies during April-November was only 68.5 percent, with major savings in petroleum subsidies, where only 9.5 percent of the budgeted amount was spent." Dismal capital spending can slam the brakes on growth. Nayar says, "The subdued rise in government spending so far does not augur well for the pace of GDP growth. Although expedited transfers to the States may provide some support." Rakshit is optimistic that capital spending will pick up in the next three months. "The pace of infrastructure spending could have been higher, but there were challenges due to the second Covid wave, seasonal impact on construction," he adds.

Rao is unfazed. He says he is more concerned about the government's path towards fiscal consolidation, and conservative government spending is a step in that direction. He expects supply chain disruptions to continue in the coming months. "Unless issues like shortage of chips, power and coal are resolved, GST collections will not sustain in the coming three months."

"Expect the central government's fiscal deficit at around 5.8 percent in FY23."

SUVODEEP RAKSHIT,
SENIOR ECONOMIST, KOTAK INSTITUTIONAL EQUITIES

MARKET JITTERS

The dominant view is that the government will not stray from its plotted fiscal roadmap in the current financial year. But the yield on the 10-year government bond has crossed 6.5 percent—the highest since February 2020—signalling an element of discomfort in the money market. "The market is not just reacting to the FY22 fiscal target, but the fiscal deficit for the coming year. The government has stayed away from giving any guidance on the future path of fiscal consolidation given the uncertainties around the Covid situation," explains R Sivakumar of Axis Mutual Fund. The government is likely to stick to its growth agenda and support the nascent signs of economic recovery, implying the need for higher borrowing to finance the deficit. Kotak Institutional Equities expects the central government's fiscal deficit at around 5.8 percent in the next fiscal; 5 to 5.5 percent in FY24; 4 to 5 percent in FY25; and between 3.5 percent and 4.5 percent in FY26.

Besides, the market is also resetting expectations from the central bank, although RBI Governor Shaktikanta Das has time and again reiterated the central bank's resolve to do whatever it takes to support growth. The likelihood of a shift towards a neutral policy stance has gathered momentum in the face of spiralling retail and wholesale price inflation.

Liquidity tightening is also underway, and brokerages do not rule out rate hikes in the current calendar year. Sivakumar believes yields will rise more on the shorter end of the curve. "Currently the yield curve is very steep, we expect it to substantially flatten this year," he adds. Nayar expects the 10-year yield to intermittently harden as the central bank moves towards policy normalisation. "Yields could climb to 6.7 percent in Q4FY22 if the government has to raise additional funds in March to offset the lower-than-budgeted disinvestment inflows," she notes. The LIC IPO is the joker in the pack that can swiftly turn around the fiscal situation and the sombre mood on Mint Street.

FISCAL SNAPSHOT

Item	Budget Estimate (BE) FY22 (₹ lakh cr)	Actuals 9MFY22 (₹ lakh cr)	% of BE
Total Receipts	19.76	13.79	69.8
Revenue Expenditure	29.29	18.01	61.5
Capital Expenditure	5.54	2.74	49.4
Fiscal Deficit	15.07	6.96	46.2
Revenue Deficit	11.40	4.43	38.8

SOURCE Controller General of Accounts *as on November 30, 2021

EXXEELLA EDUCATION: AIDING STUDENTS TO PICK THE BEST PROGRAMS AND UNIVERSITIES AROUND THE GLOBE

Exxeella has been instrumental in the creation of ITM, a brand new Master's program at Concordia University St. Paul in the US.

(Left) Aravind Arasavilli, Chairman (Right) Sowjanya Rasamsetty, CEO

The edtech industry has been riding the crest, with more and more students opting for courses offered by various international universities. A look at the search behavior of students would bring to the fore the fact that thousands of them are on the lookout for the best courses and the universities that offer them.

It is here that the significance of an international students' recruitment firm comes into play. Such a role has been undertaken with maximum success by the United States-based Exxeella Education Group LLC. The company, which has operations in India, has been into massive recruiting of aspiring Indian students to various international universities and colleges across the globe. Exxeella has, till date, sent thousands of students to foreign institutions.

Concordia University St. Paul partnership

According to Aravind Arasavilli, the young and dynamic Chairman of Exxeella Education Group LLC, "We are strategic partners of Concordia University St. Paul, one of the most prominent universities of the US. Enhancing the value of our portfolio and strengthening our collaboration with Concordia, we have recruited 300-plus students to this institution of the United States in a wide-variety of programs".

Significantly enough, Exxeella Education Group has been instrumental in the creation of a brand new Master's program at Concordia University St. Paul. ITM, a STEM program, was integrated into the renowned university's course curriculum following a meeting Aravind Arasavilli had with Concordia University at its campus in the US.

The meeting proved to be a landmark for Exxeella Education Group, as Aravind Arasavilli was able to convince the Concordia program director about the need for the ITM course, which is sought after by students from India and also other regions of the globe. The ITM program is now open and has begun enrolling ambitious students.

Helping students to choose the best

The India operations of Exxeella Education Group has seen a huge amount of success owing to the fact that it has been able to help a large number of students to secure admissions to their dream programs they had dreamt of enrolling into. Aiding students find the best courses and universities that offer them these courses is professionally undertaken by Exxeella's India team, led by the company's CEO Sowjanya Rasamsetty.

Students who come calling are imparted the best information on the aspects relating to overseas education and its prospects. The number of Indian students who have secured admission to various top-of-the-line programs at the best universities around the globe stands testimony to the manner in which Exxeella Education Group has been making its welcome interventions in the higher education arena.

The number of students who have enrolled in the US universities through the Exxeella route adds to the trust and expertise that Exxeella holds aloft.

Students who wish to enroll for programs with universities of their choice can get in touch with Exxeella Education Group at its website *https://www.exxeella.com*

Get On With the Job

The Budget must move beyond structural reforms and big infra projects to fund the rural jobs programme, generate urban employment, develop industry-oriented skills, and enable collection of good quality data on migrant and informal workers

By DIVYA J SHEKHAR

WASEEM ANDRABI / HINDUSTAN TIMES VIA GETTY IMAGES

A BSF and CISF recruitment rally in Srinagar. Despite an economic recovery, the unemployment rate touched 7.9 percent in December

The optimistic economic recovery in India is yet to reflect in the labour market.

India's unemployment rate touched a four-month high of 7.9 percent in December 2021, according to the Centre for Monitoring Indian Economy (CMIE), which also records urban unemployment at 9.3 percent and rural unemployment at 7.28 percent. Economists tell *Forbes India* that there continues to be wage and work insecurity among those employed, which makes it important for the upcoming Budget to prioritise creating a targeted, sector-specific approach toward job-creation and skill development.

"Though Budget 2021 helped reduce the intensity of unemployment, it has failed to address the problem in a significant manner. Unemployment is still higher than pre-Covid levels and workers' participation rate has increased very marginally," says labour economist KR Shyam Sundar, who is a professor at XLRI, Jamshedpur.

He explains this through the latest Periodic Labour Force Survey (PLFS) data released by the government for the January-March 2021 quarter. In urban areas, which saw an exodus of migrant workers moving back to rural areas in the wake of the pandemic, the unemployment rate was at 9.4 percent. This was lower compared to 10.3 percent in October-December 2020 and 13.3 percent in July-September 2020, but slightly higher compared to the pre-pandemic levels of 9.1 percent in January-March 2020.

With the pandemic continuing and the third Omicron wave, Finance Minister Nirmala Sitharaman must assume that there will be uncontrollable factors that will hurt the economy, and by extension, job creation, Sundar says. "So the labour market scenario, coupled with economic distress, is going to pose substantial challenges that the Budget will have to tackle."

Economists say last year's Budget, with respect to jobs, was infrastructure-centric and focussed on long-term structural changes. It was supposed to translate into employment, but that has not happened so far, says Rosa Abraham, assistant professor, Centre for Sustainable Employment, Azim Premji University.

In the last Budget, Sitharaman had announced allocations, including seven Mega Investment Textiles Parks (MITRA), economic corridors and national highway works for Tamil Nadu, Assam, Kerala and West Bengal, and ₹18,000 crore to support augmentation of public bus transport services. There was also the production-linked incentive (PLI) scheme across 13 sectors, with an outlay of ₹1.97 lakh crore over five years.

All this is good signalling, but ultimately these projects have long gestation periods, and implementation takes time, says Nalini Gulati, country economist at International Growth Centre (IGC). "Implementation of many of the schemes, like the textile mega park, is happening now, one or two months prior to the Budget. So it takes a whole year or more for some of these projects to be operationalised. The government needs to have strategies for job creation that can be implemented quickly given that the situation is dire."

Abraham agrees, saying that while the PLI provision might promote job creation, an infrastructure-oriented approach looks to alleviate second-order problems without tending to the first-order problem of jobs not being there. "For example, there was much applause about Gross Value Added (GVA) in the construction sector growing by 15 percent, which was a result of the infrastructure push, but that did not translate into employment growth or wage increase for workers," she says. "These schemes take time to manifest and we need a more targeted approach, like the employment guarantee scheme. We also need to promote more universal public services like health care and education, to get jobs."

While also focusing on agriculture, alternative rural non-farm employment prospects must be improved, says Sundar. Another important budgetary measure, he adds, must be to increase allocation toward the scheme under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), India's largest rural public works programme. Since it is demand-driven, higher demand is considered a good indicator of stress in the labour market, and vice versa.

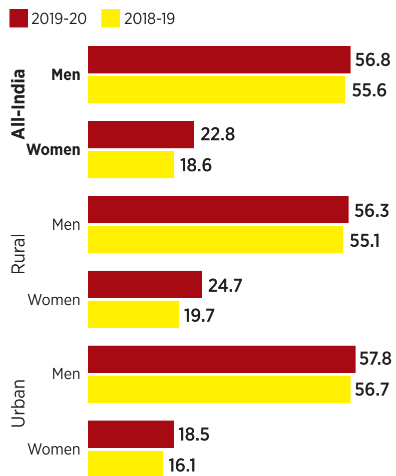
In FY21, according to the EcoScope research report dated December 9 by Motilal Oswal Financial Services (MOFS), as many as 112 million people, or 9.3 million workers per month, were employed under MGNREGA due to the reverse migration from urban centres to rural areas. Between April and November 2021, this number increased to 11.2 million people per month, a growth of 20 percent. "This confirms the gradual pace of reversal in the reverse migration that occurred in the wake of Covid-19. Migrant workers, thus, are yet to feel confident enough to move back to urban centres," says the report.

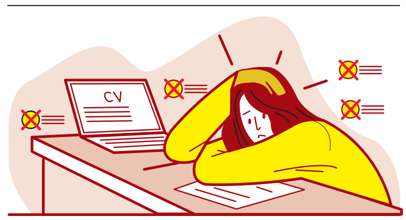
The Centre had allocated ₹61,500 crore to the programme in 2020-21, which was revised and increased by 81 percent to ₹111,500 crore. Last year, however, budgetary outlay was reduced by about 35 percent to Rs73,000 crore. "MGNREGA is a labour market shock-absorber and the finance minister should increase both the number of work days from 100 to at least 150, and increase the wages. At any rate, the outlay has to substantially increase," says Sundar.

The government, he says, should also consider an urban labour market programme on the lines of MGNREGA to alleviate the distress

Help Women Get Back to the Workforce

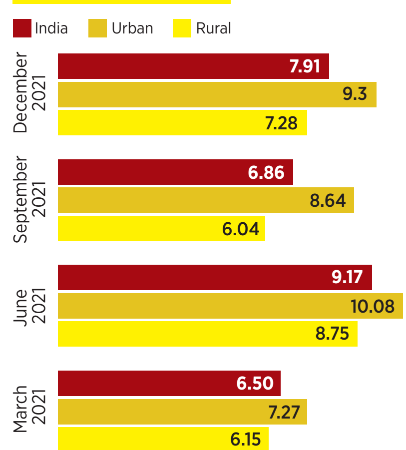
The Periodic Labour Force Survey 2018-19 and 2019-20 indicates a huge gap between labour force participation rates (by usual status) of men and women:





The Unemployment Problem

Unemployment Rate (%)



SOURCE Centre for Monitoring Indian Economy

INFOGRAPHICS: SAMEER PAWAR

caused due to Covid-19 to informal and casual workforce in urban areas. Such schemes are already in place in a few states, including Kerala, Jharkhand, Odisha and Himachal Pradesh. According to Sundar, there needs to be provision for a direct benefit transfer scheme in urban areas—on the lines of the PM-Kisan for rural farmers—to help affected and below-poverty-line workers in sectors like construction, hospitality, tourism, as well as small traders and street vendors.

The MOFS report referenced above states that on an aggregate basis, the total number of workers in the listed universe (about 3,500 companies) has stood at 6.5 million for the past three years (FY18-20), which amounts to under two percent of the country's total employment. "Furthermore, the share of the IT sector, the largest in the listed space, would be just around three percent (including indirect employment) of the total employment. Without wage inflation, better employment growth in these sectors is unlikely to have a nationwide impact, unless complemented by some other broad measures," the report says.

"The share of urban jobs is falling, and within that, the share of better-paid, salaried jobs is also falling," says Gulati, echoing the need for a comprehensive urban jobs strategy across key sectors in urban centres, as well as support to MSMEs. "We also need much better data availability on workers

"Allocation for MGNREGA has to increase. We have to honour this guarantee of work on-demand."

NALINI GULATI,
COUNTRY ECONOMIST, INTERNATIONAL GROWTH CENTRE

to correctly assess the situation and gaps, and strategies can only be based on that," she says.

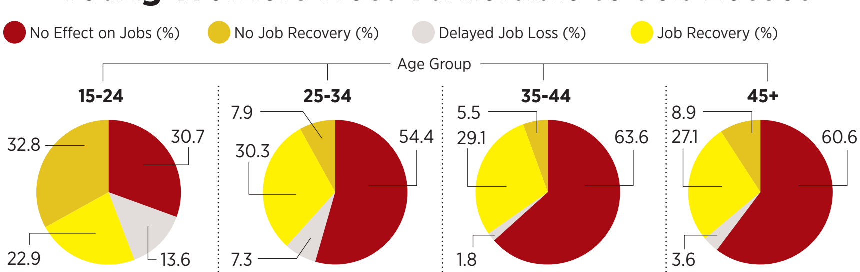
New labour codes were passed in Parliament a year ago, but the rules are yet to be finalised. The government also launched the e-Shram portal in August 2021 for creating a National Database for Unorganised Workers (NDUW), and linking them to social security schemes. It targeted registering 380 million people. As per the e-Shram portal dashboard, on January 5, 189 million registrations, roughly 50 percent, have been completed so far. "The aim should be to use this data to create productive, robust employment with social protection. The latter is especially important given the informalisation of jobs in the economy," says Gulati.

Abraham says the Budget needs to have a targeted focus toward creating jobs for women and youngsters, who are most vulnerable in the workforce *[see boxes]*. "Most youngsters have withdrawn from work entirely and the current pool now is a much older workforce. This also speaks to a loss of talent," she says. According to her, the Budget must focus on apprenticeship schemes or bridge courses that can link education to employment, which will facilitate the re-entry of young workers.

Gulati says the government needs to recognise the changing realities of work, and public skilling programmes must be revamped so people can make use of them to pivot. She points to how the Deen Dayal Upadhyaya Grammeen Kaushalya Yojana (DDU-GKY), the placement-linked skill training programme for poor rural youth, has been lacklustre in the previous year. Employment generation under the scheme fell to just 50,000 in 2020-21 compared to 1.5 lakh in 2019-20, she says.

"As recovery happens, when Omicron is behind us and people in rural areas are again willing to migrate to urban centres, then maybe the DDU-GKY programme can come into focus once again," she says. "But it needs to be much more than just conducting job fairs. There must be special migration support for women because they face more constraints in accepting job offers and also tend to drop out of jobs due to various challenges."

Young Workers Most Vulnerable to Job Losses



SOURCE State of Working India 2021 report, Azim Premji University

So Near, Yet So Far

The government is set to miss its budgeted disinvestment targets yet again, even as the shortfall could be partly offset by buoyancy from other tax revenues this fiscal

By POOJA SARKAR

The initial public offering (IPO) of LIC, the largest insurer in the country, is expected to fetch anywhere between ₹80,000 crore and ₹1 lakh crore

The sale of debt-laden carrier Air India to the Tata Group in October 2021 was the highlight of the year for the government when it comes to its ambitious disinvestment programme. After all, it took the government over four years to find a buyer for the Indian airline. But that deal alone is not close enough to reach the target the government has set for itself.

During the budget in February 2021, Finance Minister Nirmala Sitharman had set a target of ₹1.75 lakh crore for the year and was hoping to sell some of the assets that the government had put on the block in the last few years. The target was a downward revision from the ambitious target of ₹2.1 lakh crore the year before, which it could not meet. For FY21, the government managed to raise ₹32,845.18 crore.

"The government is unlikely to reach the budgeted divestment target in FY22. We are pencilling in a shortfall of ₹75,000-1 lakh crore. However, the revenues' upside will offset the divestment shortfall," says Suvodeep Rakshit, senior economist

SHUTTERSTOCK

at Kotak Institutional Equities.

Rakshit adds that the fiscal deficit will also be subjected to higher expenditure on account of subsidies, the rural employment guarantee scheme, health expenditure and other accounts. But in the end, he expects the government to stick to the budgeted fiscal deficit target of 6.8 percent of GDP.

Rakshit is not the only one who thinks the government is set to miss its target. Rahul Bajoria, chief India economist at Barclays, says, "We expect a shortfall of ₹50,000 crore on the divestment front. The proposed divestment of Life Insurance Corporation of India (LIC) remains the elephant in the room, and if it does not go through, the shortfall could be even wider."

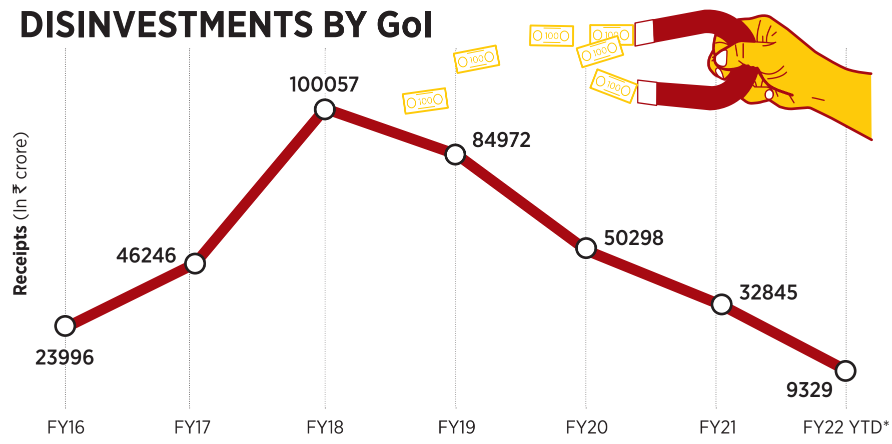
While the consensus on the street is clear that the shortfall could be partly offset by the considerable buoyancy from other tax revenues for the government this fiscal, it is unlikely the government will be able to reach its disinvestment targets.

According to the Department of Investment and Public Asset Management (DIPAM) website, which comes under the finance ministry and takes care of sale of public sector enterprises as well as monitors dividends received from PSUs, during the current year (2021-22) it has received ₹44,446.62 crore as on January 3. Of the total receipts, it received ₹9,329.9 crore through pure divestments and ₹35,116.72 crore through dividend receipts.

The divestments of ₹9,329.9 crore have essentially come in from various offers for sale (OFS), including the government's sale of some of the Specified Undertaking of The Unit Trust of India's (SUUTI) stake in private lender Axis Bank worth ₹3,994.33 crore, and the National Mineral Development Corporation (NMDC) OFS worth ₹3,651.37 crore.

While it is yet to account for the

DISINVESTMENTS BY GoI



FY22 YTD- Does not include Air India sale as deal is yet to get final approvals
Data: Forbes India Research

Air India sale process, on October 25, the government finally signed the share purchase agreement with the Tata Group to sell Air India, Air India Express and 50 percent stake in ground handling services firm AISATS for ₹18,000 crore. According to the transaction, the Tatas will pay ₹2,700 crore as equity and take over ₹13,500 crore worth of debt of the airline. The government had put a reserve price of ₹12,906 crore for the incoming buyer and had created a special purpose vehicle (SPV) that took over nearly 75 percent of the debt of the airline, which stands at nearly ₹46,262 crore and lies with the government.

"The sale of Air India does provide a strong signal to the investor community on the seriousness of the political will behind such decisions. Once the prevailing uncertainty is behind us, we do expect the government to stick to a path of aggressive divestments in the coming years," adds Bajoria.

Over the last four years, the government has been heavily dependent on buybacks to fill its coffers and meet fiscal deficit targets. It has found it difficult to raise capital through the strategic sale of assets. Since 2019, the government has been trying to sell its 53.29 percent stake in retailer-cum-refiner Bharat Petroleum Corporation Limited and the pandemic has further delayed the stake sale process. The street is also expecting The Banking Laws (Amendment) Bill, 2021, which will open the doors for the government to reduce its stake in two public sector banks from the current 51 percent to 26 percent. The government is equally keen on the strategic sale of its stake in the LIC-controlled IDBI Bank.

"In addition to boosting government revenues, the listing of LIC could have wider implications."

RAHUL BAJORIA,
CHIEF INDIA ECONOMIST, BARCLAYS

One of the largest sales that is expected to fill the government's coffers before the financial year ends is the initial public offering (IPO) of LIC, the largest insurer in the country, which is expected to fetch anywhere between ₹80,000 crore and ₹1 lakh crore. Bankers have started working on the process and it is expected to be a bumper IPO for Indian capital markets, but with the sudden surge in cases of the coronavirus and its Omicron variant across the country—particularly cities like Mumbai, Delhi, Bengaluru and Kolkata—it is yet to be seen how the work progresses on the capital issue programme.

Bajoria says, "LIC could likely mark the biggest IPO in Indian history. In addition to boosting government revenues, the listing of LIC could have wider implications for banking, finance and insurance industries in the country."

LIC's IPO, however, is not a cakewalk. Anil Gupta, vice president and sector head for financial services at ratings agency ICRA—who also believes that the government is set to miss its disinvestment target—says, "The key to the LIC divestment are the proposed amendments to the LIC Act and the restatement of past financials, and arriving at the embedded value of LIC, which will be a key determinant of its valuation. Further, given the target size of the IPO, attracting long-term investors with deep pockets will be critical for achieving the proposed divestment."

One thing the government cannot lose sight of is the fact that it needs to garner as many resources as possible keeping in view the medium-term fiscal situation and the infrastructure spending targets.

Post the sale of Air India, Tuhin Kanta Pandey, secretary at DIPAM, had told Moneycontrol that the department is confident about the sale of BEML, Shipping

The government signed the agreement for the sale of Air India to the Tata Group in October

PUNIT PARANJPE / AFP

Corporation of India, Neelachal Ispat Nigam Limited, Pawan Hans, Central Electronics Limited and Bharat Petroleum by the end of FY22 and set the cash registers ringing for the government.

On January 3, DIPAM announced an extension of the last date for invitation of queries for expression of interest for the proposed 100 percent divestment of HLL Lifecare Limited. It is re-pursuing the 100 percent sale of Projects and Development India Limited, which comes under the department of fertilisers.

It is expected that the government will maintain a high target of asset monetisation over the medium term in order to finance higher capital expenditure. According to the Controller General of Accounts (CGA), the government's revenue receipts (actuals) up to November 2021 stand at ₹13.58 lakh crore, while the budgeted estimate for FY22 is ₹17.88 lakh crore. During the last Budget, the government reported a fiscal deficit of 9.5 percent, higher than what economists and corporates were expecting. For the coming year, it has budgeted an estimate of 6.8 percent, which is still higher than the government's comfort zone.

"We expect the government to continue [to] budget aggressively in terms of sale of non-strategic companies, along with asset sales," says Rakshit of Kotak Institutional Equities. "However, execution will be key and will need to be more efficient than in a business-as-usual scenario. There will likely be challenges that are both market-driven as well as organisational in some of the sectors."

The divestment targets in the revised estimates for FY2022 could be substantially revised downward, but the shortfall vis-a-vis the target is expected to be carried to the next Budget as a lot of ground work for the divestment of many identified entities is already under process.

While the government has another three months before the accounts are taken care of, on August 23, 2021, it introduced the National Monetisation Pipeline (NMP) to raise nearly ₹6 lakh crore.

Gupta of ICRA explains, "The NMP is different from divestments as the government intends to give identified cash-generating assets on lease. Given the steady cash flow generation of these assets, we expect investor interest to be strong in NMP, and the cash flows from such monetisation will be instrumental in recycling the capital deployed in these completed projects to new projects identified as part of the ₹111 trillion national infrastructure pipeline." F

The Ground Reality Of Welfare Schemes

With budgetary allocations being cut, major social welfare schemes are plagued by lack of funds, delayed payments and implementation gaps

By NAINI THAKER & NAANDIKA TRIPATHI

SUMIT SARASWAT / SHUTTERSTOCK

There are high expectations from the Union Budget 2022-23 to be presented by Minister of Finance Nirmala Sitharaman on February 1. With the looming third wave of the Covid-19 pandemic, the lessons learnt from the past two years need to be taken into account. The most vulnerable sections of society have suffered the most and the rural economy is yet to recover, and a focus on health, nutrition and employment is needed. *Forbes India* analyses the impact of last year's Budget, and expectations from the upcoming one, along these three parameters.

The number of people seeking work under MGNREGA increased by 43 percent to 133 million in FY 2021-22

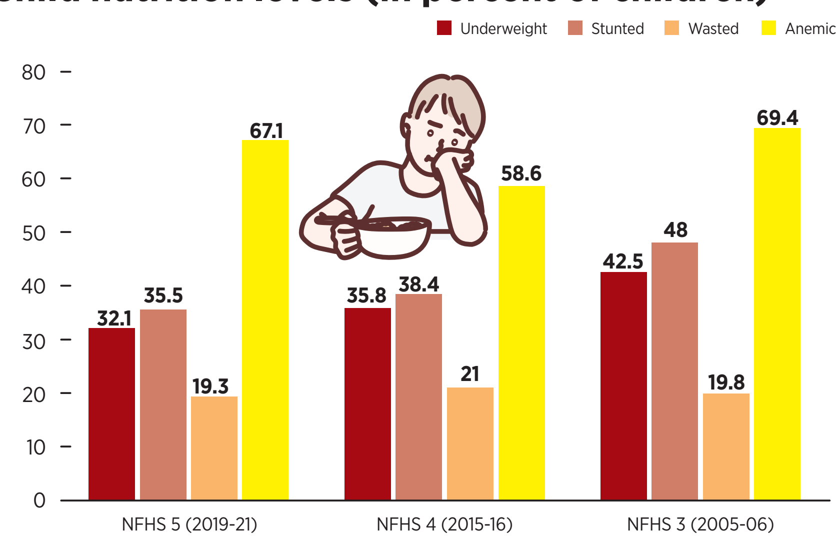
About 6 hours from Mumbai, in the village of Yelapur in the Sangli district of Maharashtra, Sangeeta Kamde starts her day at dawn and works for close to 9 hours a day for a monthly salary of ₹3,000, to support her physically disabled husband and two children. She is an Accredited Social Health Activist (Asha), a key component of the National Rural Health Mission (NRHM), which is one of the two sub-missions of the National Health Mission (NHM).

"I have not received my salary for two months now. Even if I borrow money from someone, how do I repay them?" she says, adding that on days when she does not get any transport, she walks up to 20 km for her work. Kamde often has no choice but to seek financial help from her mother, and takes up tailoring work for additional income. "*Mahine ke* ₹3,000 *mein kya hoga humara* [How will ₹3,000 a month suffice]?" she asks.

It has been about four years since het last pay hike. This, despite Sitharaman announcing an increase in allocations in 2021-22 towards 'health and wellness' by 137 percent to ₹2.23 lakh crore from the previous year's budget estimate (BE) of ₹94,452 crore. However, the 2020-2021 budget included various sectors, including the Ministry of Health and Family Welfare (MoHFW), Poshan Abhiyaan, Department of Drinking Water and Sanitation, Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (Ayush) and others.

The budget for the MoHFW alone dropped by about 10 percent, from revised estimates (RE) 2020-21 of ₹78,866 crore to BE 2021-22 of ₹71,269 crore. "We need to increase our investment in the public health system. India spends only about 1.2 percent of its total GDP on health care—one of the lowest in the world," says Dr Ambarish Dutta, public health expert and additional professor at the Public Health Foundation of India. The US, the UK and China

Child nutrition levels (in percent of children)



SOURCE National Family Health Survey

INFOGRAPHICS: PRADEEP BELHE

spend 8.5 percent, 7.9 percent and 3.2 percent respectively.

Some of the significant schemes under MoHFW include Ayushman Bharat, Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) and NHM. The allocation for Ayushman Bharat was more than doubled, from ₹3,100 crore in RE 2020-21 to ₹6,400 crore in BE 2021-22. The flagship scheme has two parts: Setting up health and wellness centres, and Pradhan Mantri Jan Arogya Yojana (PMJAY), which provides health insurance of up to ₹5 lakh per family.

Despite the focus on Ayushman Bharat in the last Budget, the scheme has been criticised. According to a September 2021 report by the Confederation of Indian Industry (CII) and Boston Consulting Group (BCG), only 25 percent of beneficiaries eligible under PMJAY are enrolled under the scheme so far. “One major change that needs to be brought about,” points out Dr Dileep Mavalankar, director, Indian Institute of Public Health, Gandhinagar, “is adding out-patient care, which is missing right now.”

The question critics are asking is: How many people actually got treated for Covid-19 under PMJAY, and if they got treated in private hospitals, can they be reimbursed? According to a report published by Public Health Foundation of India and Duke Global Health Institute, “Despite its best intentions, the Covid-19 coverage by PMJAY remains extremely low at 1.77 million tests and 0.6 million hospitalisation, accounting for 0.49 percent and 14.25 percent respectively of the total tests and hospitalisation during the period from April, 2020 to June, 2021.”

The private sector plays a significant role in the Ayushman Bharat scheme, as PMJAY provides health insurance for secondary and tertiary care hospitalisation across public and private empanelled hospitals.

“The reality is that the private sector has shown that they are not being able to deal with the kind of crisis we are going through—overcharging, rejecting critical patients, inducing unnecessary care are rampant. During the first wave, the private sector was shut. While PMJAY is being promoted extensively, I believe the focus should shift to strengthening primary care through NHM, and health and wellness centres,” says Dr Indranil Mukhopadhyay, health economist and associate professor at OP Jindal University.

NHM saw barely a 4 percent increase to ₹36,576 crore in BE 2021-22. The scheme focusses on health system strengthening, reproductive, maternal, neonatal and child health, adolescent health and communicable and non-communicable diseases in rural and urban areas.

Kamde says there are four Ashas in the district, handling 12 villages. This means there is one Asha for 4,000 people. “During the pandemic, Ashas were the only frontline workers available on ground. Similarly, on an average there is only one nurse for five villages. That is not enough. There has to be more investment in terms of human resources,” says Mavalankar. “What we need are strong primary care and secondary care.”

“In our village, there are two children who are extremely underweight,” says Bharati Chauhan, the only anganwadi worker in Waghjipur village in Sanand, about 150 km from Ahmedabad in Gujarat. “Due to the pandemic, children aren’t coming to the anganwadi anymore, but we make *sukhdi* (an Indian sweet made from wheat flour and jaggery in ghee) for them every Thursday, and send it to their homes.”

But that alone is scarcely a good enough replacement for mid-day

46

Allocations to the Ministry of Women and Child Development (in ₹ cr)

Umbrella ICDS (Total)

Includes: Anganwadi Services Scheme; Pradhan Mantri Matru Vandana Yojana; National Creche Scheme; POSHAN Abhiyaan; Scheme for Adolescent Girls; Child Protection Scheme

22,031.66
Actual 2019-2020

28,557.38
Budget 2020-2021

20,038.31
Revised 2020-2021

Saksham Anganwadi and POSHAN 2.0

(Umbrella ICDS - Anganwadi Services, POSHAN Abhiyaan, Scheme for Adolescent Girls, National Creche Scheme)

20,105
Budget 2020-2021

SOURCE Ministry of Finance

meals, which have been stopped due to the pandemic. Before Covid-19, Chauhan and her helper would provide children with two meals a day, one at 11 am and another at 2 pm. "We would cook hot meals in the anganwadi and teach them how to eat—not to remove vegetables, not to waste food," she says.

As of October 14, 2021, the Ministry of Women and Child Development estimates that there are 17.76 lakh severely acute malnourished (SAM) children and 15.46 lakh moderately acute malnourished (MAM) children in India.

In order to reduce malnutrition, the Poshan Abhiyaan scheme was launched in 2018. Also, the government provided additional nutrition through the Supplementary Nutrition Programme (SNP) under Anganwadi Services (AWS) and Scheme for Adolescent Girls (SAG) under the umbrella Integrated Child Development Services (ICDS) scheme to children (6 months to 6 years), pregnant women, lactating mothers and out-of-school adolescent girls (11-14 years). In Budget 2021-2022, Mission Poshan 2.0 (Saksham Anganwadi and Poshan 2.0) was announced as an integrated nutrition support programme.

Experts were hoping for an increase in allocations for nutrition. However, says Mukhopadhyay, "While they've clubbed all the schemes under Saksham Anganwadi and Poshan 2.0, the overall allocation has reduced." The total BE for ICDS was ₹28,557 crore in 2020-21, and the RE dropped to ₹20,038 crore. In Budget 2021-22, the BE under Saksham Anganwadi and Poshan 2.0 is ₹20,105 crore, almost a 29 percent drop. And although there is an existing SAG, Mukhopadhyay feels, "We need to focus on nutrition for girls in the adolescent age group. That's where a lot more resources need to go in."

Allocations to the Ministry of Health and Family Welfare for 2021-22 (in ₹ cr)

	2020-21 RE	21-22 BE
Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)	7,517	7,000
Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY)	3,100	6,400
NATIONAL HEALTH MISSION	35,144	36,576
• National Rural Health Mission	28,367	30,100
• National Urban Health Mission	950	1,000
• Tertiary Care Programs	312	501
• Strengthening of State Drug Regulatory System	130	175
• Human Resources for Health and Medical Education	5,386	4,800

SOURCE PRS Legislative Research

Pallavi Patel, director of Chetna, an Ahmedabad-based NGO, says schemes like Poshan 1 and 2 are well documented, with all aspects being taken care of. But there are gaps in implementation. "The execution should be done strategically, with a proper provision of finance and human resources, with an involvement of NGOs, because they are working at the ground level," she says. "Spending money on television advertisements might have no value; the Budget should be decentralised at a district and block level, for them to decide what kind of awareness should be generated."

As part of ICDS, Take Home Ration (THR) is provided for children aged 6 months to 3 years, and pregnant and lactating women. "However," says Patel, "due to the severe food insecurity in most rural households in India, THR gets distributed among other family members, and rarely has any effect on women and children."

The mid-day meal scheme, run by the Ministry of Education, provides hot-cooked meals to all children studying in classes 1 to 8 in government and government-aided schools. As per RE 2020-21, ₹12,900 was allocated to the scheme, which dropped to ₹11,500 crore during BE 2021-22, a 10.8 percent drop. "The impact of closing down mid-day meals and ICDS during the pandemic is likely to be disastrous, pushing children into severe under-nutrition," says Mukhopadhyay.

On September 29, 2021, the Cabinet Committee on Economic Affairs approved the new Pradhan Mantri Poshan Shakti Nirman scheme for government and government-aided schools for 2021-22 to 2025-26, with a financial outlay of ₹1.31 trillion. The existing mid-day meal scheme will be included in this programme. "There are already enough schemes and programmes. It's not that we need more schemes, but we have to strengthen the existing ones and provide better quality nutrition and prioritise protein-rich foods like eggs," says Mukhopadhyay.

The number of people seeking work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) increased by 43 percent to 133 million in FY 2021-22. However, the government reduced the allocation for the scheme by 35 percent in 2021-22.

All of the ₹73,000 crore allocated to MGNREGA in FY 2021-22 has already been utilised, and 21 states currently have a negative net balance of funds. The Government of India allocated additional funding of ₹25,000 crore to

MGNREGA and the total allocation now stands at ₹98,000 crore.

The Centre allocated ₹61,500 crore for the programme in 2020-21, before it announced a national lockdown, which witnessed a mass exodus of workers from cities to their homes in rural India. It increased the allocation by 81 percent to ₹1,11,500 crore in 2020-21, but subsequently reduced it by 34 percent to ₹73,000 crore for 2021-22.

Activists say that with little money left, payment of wages will get delayed, as it has happened each year. This will discourage workers from MGNREGA work, leading to depressed rural consumption and causing continued stagnation of the economy. The additional ₹25,000 crore that has been allocated is not even close to the amount of additional funding required for MGNREGA to be implemented properly.

Implemented in 2006, MGNREGA aims to provide at least 100 days of unskilled wage employment to adult members of a rural household, and is meant to be a lifeline for the rural poor—nearly 147 million active workers—during times of economic distress and natural calamities. Yet, this programme has major setbacks due to various reasons like delayed payments and unavailability of work.

"There are many loopholes in the entire process," explains Richa Singh, a member of Sangtin Kisan Mazdoor Sangathan (SKMS), in the Sitapur district of Uttar Pradesh. "It's very difficult to get work under MGNREGA. And even after getting work, another problem is getting payment on time. For instance, there's a woman named Reena who has not received her payment for the last two years. We've been fighting to get her 90 days of wage payment of ₹18,000. This situation is really sad. The government doesn't have any intention to resolve their problems. There is no regularity of giving them work when they need it."

According to a study by LibTech India and People's Action for Employment Guarantee, as of December 4, 2021, more than ₹4,500 crore in wages is pending with the Centre, beyond the stipulated 7-day period. The number of transactions pending at the Centre are 2.88 crore, or 9.7 percent of the total number of wage transactions.

"Often, payments are rejected due to technical reasons. Too much digitisation makes it difficult for labourers to get their payment on time," says Singh. Last year, 64.36 lakh transactions, or more than 2 percent of the total number of transactions, were rejected. Of these, 50.42 lakh transactions still stand rejected, amounting to ₹280.42 crore in rejected wage payments.

The government actually cut allocations to two major programmes—MGNREGA and the National Food Security Act—which saved the government in 2020-21, says Nikhil Dey, founder member of Mazdoor Kisan Shakti Sangathan (MKSS) & National Campaign For Peoples Right to Information (NCPRI). Both these schemes saved millions of Indians from starvation after complete loss of their livelihoods. Although the government has repeatedly promised that there is no shortage of funds, the ground reality appears to be different.

"When there is no money in the pipeline, people stop coming to work. They get disappointed and frustrated with the scheme," says Dey. "There are people who live a hand-to-mouth existence. The government does not even pay the required compensation of .005 percent per day for delayed wage payments, and they hide the delay on the management information system [MIS]. So there are multiple ways in which the government is showing how it's violating the law."

The issues that people are facing on the ground are a routine set of issues, says Rakshita Swamy who is associated with the People's Action for Employment Guarantee (PAEG) and Social Accountability Forum for Action and Research (SAFAR). When people submit their demand for work applications, they are not provided dated receipts. Because under the law, if work is not provided to an applicant within 15 days of application, then the state government is bound to pay an unemployment allowance to them.

"Administration or field level functionaries don't give these receipts. So that is one of the major challenges that workers are facing. The second, of course, is delayed wage payments, which is not so much on account of logistical issues like banks or Aadhaar, but because of inadequate funds. If you see the MIS, many states are in the red, and they have a negative balance, which means they have given work to MGNREGA workers but they've not been paid wages. These are some of the major challenges that need to be addressed immediately." F

MGNREGA

EXPENDITURE DETAILS FOR FY 2021-22 (1 APR- 4 DEC)	₹ CRORE
Total expenditure (this FY)	78,304.18
Payments Due (for expenditure in this FY)	10,115.50
Total Expenditure including Payments Due (this FY)	88,419.68
Total Budget Allocation	98,000
Total Budget Remaining	19,695.82
Total Funds Released	78,092.18
Net Balance	-212
Actual Budget Remaining	9,580.32

SOURCE People's Action for Employment Guarantee & LibTech India

Riding On Hope

2021 was a tough year for India's auto sector due to semiconductor shortage and supply constraints. 2022 may not be so as the situation is improving and inquiries have been a lot better. The EV push will also help

By MANU BALACHANDRAN


ARUN SANKAR / AFP

In December, retail automobile sales were down by 6 percent, mainly due to supply constraints

It's been a rather difficult time for India's automakers.

A second wave of Covid-19 alongside a global shortage of semiconductors had affected sales of vehicles across the country last year. In December, a period when automakers offer discounts before the close of the year, retail sales were down by 6 percent. A month before that, they were down by 19 percent, something unusual for the world's fourth-largest automobile market.

"December is usually seen as a high sales month where OEMs (original equipment manufacturers) continue to offer best discounts to clear the inventory due to the change of year," Vinkesh Gulati, president of the Federation of Automobile Dealers Association (FADA), said in a statement. "It was, however, not the case this time as retail sales continued to disappoint, thus wrapping up an underperforming calendar year."

Much of the slowdown in car sales was due to supply constraints, especially since automobile manufacturers have been grappling with a global shortage of semiconductors. Semiconductors are critical components that are used in vehicles for numerous features, including navigation, infotainment and traction control, among others.

The global shortage had to do with the phenomenal demand for semiconductor chips from the electronics industry as people turned to their phones, televisions, and game consoles due to global lockdowns. In addition, the shutdown of factories, and a trade war between the US and China had also added to the massive shortage globally, hampering productions at automakers globally.

"With semiconductor shortage continuing to play spoilsport, PV (passenger vehicle) sales in spite of huge bookings closed in red in December. Dealers, however, saw slight ease in vehicle supply, thus giving some hope of improvement," adds Gulati.

"2022 will be much better than 2021," RC Bhargava, chairman of Maruti Suzuki, tells Forbes India. "2021 was perhaps the worst period as far as semiconductors were concerned. But the situation is improving now, with plants resuming work and newer plants being set up. But, it would still take some time to organise."

Maruti Suzuki, for instance, has a pending order book of over 250,000 vehicles. "We have had big cuts of production in August, September, October and partly in November as well due to the semiconductor chip shortage," Shashank Srivastava, senior executive director, marketing & sales, told Forbes India earlier. "If you look at the demand parameters for booking, inquiries have been much better. Real demand will be tested once you have a regular supply."

According to estimates, the Indian automobile industry is looking at a backlog of nearly six lakh vehicles. These include some one lakh vehicles each for Mahindra, Tata Motors and Hyundai, apart from the 2.5 lakh at Maruti Suzuki.

"Demand isn't going to be a problem," says Puneet Gupta, director for automotive forecasting at consulting firm IHS Markit. "There is a massive backlog with every company. As far as semiconductors go, India's buyers are a lot more flexible even if they do not get sun roof or other infotainment. That could help amid the semiconductor crisis."

In December, the government had approved a staggering ₹76,000 crore incentive scheme for semiconductors under which India will set up more than 20 semiconductor design, components manufacturing and display fabrication (fab) units over six years.

While the semiconductor issue might see some reprieve over the next few months, especially in the next six months, concerns continue on the Omicron front. And that is certain to cause some disruption. At its peak, India is expected to have some 13 lakh cases a day. While hospitalisation rates continue to be low, any plans to restrict movement and push for further lockdowns could impact manufacturing and retail sales.

Ratings agency ICRA had revised growth forecast for the domestic passenger vehicles industry to 8 to 11 percent in the ongoing fiscal from the earlier estimate of 14 to 17 percent due to the semiconductor shortage. For the two-wheeler segment, it said the volumes are expected to contract by 1 to 4 percent in FY22 against an earlier prediction of 6 to 8 percent growth.

"Various state governments have announced Covid-19 restrictions. Work and education from home have resumed and will have a negative effect on auto retail. With the fear of health care expenses rising again, the customers are shying away from closing their purchase decisions," said FADA.

Yet, with the economy expected to grow at over 8 percent this year, there could be a silver lining. "We may not see the kind of disruption that we had seen last year, with even the government's new policies indicative of that," adds Bhargava. "The economy will also perform better this year, which is a positive for

"Demand isn't going to be a problem. There is a massive backlog with every company."

PUNEET GUPTA,
DIRECTOR FOR AUTOMOTIVE FORECASTING, IHS MARKIT

demand. There won't be a lack of demand between 2022 and 2023, especially since dealers have to fill up inventory."

Automakers will also look to the Budget this year to provide some impetus to the growth.

"The government needs to take a hard look at the sector," adds Gupta of IHS. Between 2001 and 2011, the automobile sector grew at a CAGR of 12 percent. Since then, between 2011 and 2019, it has grown at a CAGR of 1.5 percent.

In addition, exports from India are falling and the likes of Ford and General Motors have left the country. That sends a wrong signal about the sector, and it is rather alarming. Gupta also points to Ford's decision to invest some 900 million to upgrade factories in Thailand, immediately after its decision to pull out of India. "We really need a long-term roadmap to put the sector on the right path," he says.

Last year, the government had announced a much-awaited vehicle scrappage policy that will incentivise purchase of new cars while also helping phase out polluting vehicles.

"We may see the demand of hybrid vehicles being promoted in this Budget as the hybrid powertrain is considered as a bridge between ICE and EVs (electric vehicles)," says Harshvardhan Sharma, head of auto retail practice at Nomura Research Institute.

The automobile sector is in the midst of a transition to EVs, although the pace hasn't been as rapid as it is in Europe and the US. Domestic manufacturers have also been busy making largescale investments into their electric play.

Last year, Tata Motors decided to set up a subsidiary for its EV play and, in the process,

"In FY21, the Centre has focussed on Atmanirbhar Bharat and shown support for the manufacturing sector, particularly for tech innovation in automobiles."

HARSHVARDHAN SHARMA,
HEAD, AUTO RETAIL PRACTICE, NOMURA RESEARCH INSTITUTE

became India's most valuable EV company, after raising $1 billion from private equity major TPG Rise Climate. The deal values the yet-to-be operational subsidiary at over $9 billion and the capital infusion is expected around March. Tata Motors will also invest $2 billion into the subsidiary over five years.

"The Indian market story might be slightly different," Shailesh Chandra, president of passenger vehicles at Tata Motors, told Forbes India earlier. "Today, the Indian passenger vehicle market would be 3.5 million units a year. If you fast forward to 2030, this will grow by double to nearly seven million. If you take a 30 percent penetration, it would mean 2 million EVs."

The rest of the seven million, Chandra reckons, will be ICE vehicles. "So, there is a growth opportunity in both these spaces," Chandra says. "ICE (internal combustion engine) vehicles will become more emission friendly."

Last year, India sold some 156,000 units of EVs, of which 126,000 were two-wheelers. In contrast, over 21 million vehicles that run on ICE were sold in FY20, of which 17 million were two-wheelers. China sold some 1.3 million EVs in 2020, according to Singapore-based market research firm Canalys, accounting for over 40 percent of the global EV sales.

To push its electrification agenda, the Indian government had revised the Faster Adoption and Manufacturing of Hybrid and EV or FAME-II scheme, increasing the electric two-wheeler incentive to ₹15,000 per kWh (up from ₹10,000) and doubling the subsidy limit to 40 percent of the two-wheeler's price. FAME was launched in 2015 and provides subsidies and upfront incentives on the purchase of EVs. Then there are various state-wise incentives for EVs.

"In FY21, the government has shown a strong focus on Atmanirbhar Bharat and its support for the manufacturing sector, particularly for technology innovation in the auto sector," says Sharma of Nomura. "In this Budget too, the government is likely to focus on key issues such as employment generation and economic recovery by tapping opportunities in manufacturing, engineering and digitalisation which is essential for moving towards a $1 trillion economy goal." F

Good Leaders, Great Businesses

When seniors lead with empathy and inspiration, business results are delivered as a byproduct

By **ASHWIN SRIVASTAVA AND OJAS MISRA**

SAMEER PAWAR

Greatness in business results is achieved through greatness in people management. Some great leaders across India understand that and have exemplified the same in the new normal. Great Manager Institute® has evaluated them to identify the best in India, through its study, the Great People Manager Study, the largest of its kind, the results of which are published in *Forbes India*.

The process involved registrations of 10,273 managers (including self-nominations) from 4,189 organisations, spanning all sectors. Evaluation was done for about 18 months starting April 2020, thus being able to assess and analyse greatness in leadership during one of the worst crises ever faced by humankind. Here are some key insights:

Great leaders create self-belief in their team: One of the leaders on the list challenges her team members to go beyond their limits, making HR learn IT, nurturing their career in the process. Her team has shown zero attrition in the last seven years, and all of them have grown to become celebrated leaders. This is one example of what sets a great people manager apart. Sometimes, when the focus is on the career path of their team members, business results are delivered almost as a byproduct.

Fun and celebrations lead to inspiration: The behaviour area where the top 100 leaders score the maximum, in comparison to the other leaders, is in their ability to inspire with fun and celebrations. This is a deviation from the scores of last years, showing the pandemic has set apart those leaders, who can celebrate in tough times. One leader in the top 100 list increased the hours meant for fun-based learning and saw business results go up.

Women leadership connects better: The women leaders in the top 100 show a higher score in the core behavior area of Connect (part of the Connect, Develop, Inspire framework) than their male counterparts, showing that they build a deeper personal relationship with their team. One of the leaders in the list conducts voluntary sessions with her team to deal with their personal challenges through wisdom derived from her life experiences. This helps her build a motivated Gen Z workforce.

This year, the list of top 100 comprises 20 percent women, with 31 percent coming from the IT/ITeS/software industry. The digital revolution is reflecting in not only the business numbers of the software industry but also in the growth of its leadership. There are managers at all levels, junior to CXO, as part of this list.

People management has become key to success in career and business. An evaluation of the anatomy of India's greatest leaders in people management shows they achieve tangible business results, while building deep connections with their team members, focusing on their development, and inspiring them towards greatness. This is what sets the consistent high performers apart.

ASHWIN SRIVASTAVA IS THE CO-FOUNDER AND OJAS MISRA IS A MARKETING ANALYST AT GREAT MANAGER INSTITUTE.

Top 100
Great People Managers

The list is a diverse mix of founders, CEOs, senior and junior managers

NAME | Designation | Organisation

ABHISHEK MANDAL
Executive Vice President, Sales
Lodha Group

ADITYA ARORA
Chief Executive Officer
Teleperformance

ALVIN DSILVA
Team Leader, Operations
DCB Bank Limited

AMIT RAMANI
Founder & CEO
Awfis Space Solutions Pvt Ltd

AMIT SAHNI
Vice President, Sales
RD Dutta & Co Pvt Ltd

AMIT KUMAR SAHOO
Head of Human Resources
TA Digital

AMITABH RAY
Managing Director
Ericsson India Global Services Pvt Ltd

ANDY PONNERI
Senior Vice President, Business Leader, India
Synchrony International Services Pvt Ltd

ANKITA SINGH
Senior Vice President & Global Head, HR, Admin, IT, Travel
Cignex Datamatics Technologies Pvt Ltd

ANU AGGARWAL
Director
Anu Aggarwal Foundation

ANUBHAV KUMAR GUPTA
Senior Engineering Manager
Pitney Bowes India

ASEEM BAKSHI
Associate Director, Process
Blazeclan Technologies

ASHOK SOOTA
Executive Chairman
Happiest Minds Technologies Ltd

ASISH RAHA
Vice President—Human Resources
AMRI Hospitals Ltd

ATUL BARJATYA
Director, Head, Channel Sales, Research Solutions
Merck Lifesciences Pvt Ltd

ATUL BIST
Senior Assistant Vice President & Head, Technology, Media, Telecom & ESDM
Invest India

AYUSH KHANDELWAL
Associate Vice President
Netcore Cloud Pvt Ltd

BALAJI KS
SVP, People and Client Success
Rishabh Software Pvt Ltd

C PREM KUMAR
Senior Vice President
Sobha Realty

CHETAN KUMAR JAIN
AVP, Global Quality Resource Center
Amway India Enterprises Pvt Ltd

DEBOSMITA GHOSHAL
Head, HR and Soft Skills and Communication Training (AVP)
GI Outsourcing

DEEPA BHUSHAN
Director, Schools
CP Goenka International School

DEEPAK KHETRAPAL
CEO and MD
Orient Cement Ltd

DEEPAK KUMAR PARASHAR
Principal Consultant, Microsoft Business Application Services practice
Infosys Ltd

DEEPAK YADAV
Senior Director, Project Management
Iris Software Pvt Ltd

DEVESH CHAWLA
Founder & CEO
Chatur Ideas

DEVIKA TOMAR
Founder & Creative Director
AVS International Pvt Ltd

DIBYAJYOTI PATTANAIK
Director
Annapurna Finance Pvt Ltd

DINESH KUMAR
General Manager, Operations
ElasticRun

GAGAN ARORA
Founder & CEO
Vertex Global Services

GANESH POOJARY
Vice President, Human Resource Managament and Administration
Lodha Group

GAURAV KAMBLI
Delivery Module Lead
Mphasis Ltd

GLORY NELSON
Chief People & Strategy Officer
Xebia IT Architects India Pvt Ltd

GOBINDA CHANDRA PATTANAIK
Managing Director
Annapurna Finance Pvt Ltd

GURMEET SINGH BHATIA
General Manager & Cluster Head
Inox Leisure Ltd

GYANENDRA SHUKLA
President & Director (CEO)
JK Agri Genetics Ltd

HARIDASS SUPRIYA
Director, Human Resource
Logic Information Systems India Pvt Ltd

HARSH AGRAWAL
Software Development Engineer-3
Sporta Technologies Pvt Ltd

JAYAKUMAR K
Director
KIDMR Target

JAYAPRAKASH SHETTY
Deputy General Manager, HR
Wonderla Holidays Ltd

JAYEN NAIK
Senior Vice President, Operations and Projects
Nexus Malls

JOYANTA BESTERWITCH
Senior Manager, Technical Solutions
Kissflow Inc

JYOTI ARORA
Principal
Mount Abu Public School

KESHAV GOYAL
Executive DIrector
Shakun Industries

KINGSHUK NEOGI
Group Project Manager
Infosys Ltd

KULATHENDRAL LOGANATHAN
Head of Operations
Vaibhav Global Ltd

KUNAL CHAUHAN
Head, Digital Engineering
Qualitest

LOHITH SG
Assistant General Manager, Sales
Century Real Estate

MANISH KUMAR
Vice President and Zonal Head
HDFC Bank Ltd

MANJUSRII MANILAL
Head/GM, Sales, Marketing & Customer Service
HM Constructions

MOHAMMAD ADNAN KHAN
Regional Business Head
RDC Concrete India Pvt Ltd

MONIKA NAGPAL
VP, Marketing
Group Landmark

NADEEM AHMAD SIDDIQUI
National Sales Head
ROI Net Solution Pvt Ltd

NATARAJAN LAXSMANAN
Vice President Operations-APJ
Alight Solutions (NGA HR India Pvt Ltd)

NAVEEN MUNNANGI
Managing Director
Belcan India Pvt Ltd

NEHA NIGAM
Regional Training Manager
Amway India Enterprises Pvt Ltd

NILAY BHARGAVA
Business Head, South
Godrej Housing Finance

NISHA SINGHANIA
Co-Founder & Director
Infectious Advertising

PARUL MATHUR SAXENA
SVP, Human Resources and Training
Infocom Network Ltd (Tradeindia.com)

PHILIP MASIH
Vice President
2COMS Group

PRAMOD BIKSHAPATI GANJI
Vice President, Business Development
Infibeam Avenues Ltd

PRAVEEN NAIR
Founder and Managing Director
Xcubated Business Solutions Pvt Ltd

PRIYA BIYANI ARORA
Chief Creative Officer
Sociosquare Digitech Pvt Ltd

RAMAKRISHNA RAO
Head of Learning and Organisation Development
Page Industries (Jockey India)

RAMESH RANJAN
Director, Marketing
24-7 Intouch

RANJITH RAVINDRAN
Team Leader
Alight Solutions (NGA HR India Pvt Ltd)

RAVI SIDULA
Senior Manager, International Taxation
Infosys Ltd

RAVINDRA DANDEKAR
Team Leader, Operations
DCB Bank Limited

RENU JETHANI
Associate Vice President, HR
Sutherland Global Services Pvt Ltd

SAMEER MATHUR
Managing Director
ROI Net Solution Pvt Ltd

SAMEER MEHTA
CEO
Dr Mehta's Hospital

SANDEEP KUMAR
Head, HR Operations, India
Sodexo India Services Pvt Ltd

SANJIV MARWAH
Director
JK Business School

SAROJ KUMAR DASH
Senior Vice President, Product & Strategy
Religare Finvest Ltd

SAVIO VINCENT MENDONCA
Vice President, Internal Audit
Blue Dart Express Ltd

SEKHAR GUDURU
Regional IT Head
Tata Consultancy Services Ltd

SERGE DE VOS
Managing Director,
AB-InBev GCC

SHIVA PRASAD RS
Senior Director, EHS
Biocon Ltd

SHWETA GULATI
Regional Controller
Blue Dart Express Ltd

SIDDHARTH PANDEY
CEO
Successive Technologies

SMIT JOSHI
CEO and Founder
Green Apex Technolabs LLP

SNEH JAIN
Co-Founder & Managing Director
The Baker's Dozen

SONIYA PRITHIANI RAISINGHANI
Associate Vice President, Sales
Lodha Group

SRINATH GURURAJARAO
CHRO
Nexval Infotech Pvt Ltd

SUJATHA GADE
Principal
Diamond Jubilee High School, Hyderabad, Managed By Aga Khan Education Services, India

SUNIL VISHWAKARMA
Director, Risk Management
Sporta Technologies Pvt Ltd

SUNIL JAYWANT YEWALE
Head, Customer Retention & Growth
Netcore Cloud Pvt Ltd

SUPRIYA KAKAR
Project Lead, Digital Services
Blazeclan Technologies

SUSHANT VERMA
Engineering Manager
Rakuten India Enterprise Pvt Ltd

SYED ARIFULLA
Senior Manager (former)
Mphasis Ltd

TONY JOSEPH FERNANDEZ
Manager, Talent Engagement & Advisory
PIT Solutions Pvt Ltd

TRISHNEET ARORA
Founder and CEO
TAC Security

USHA JAISWAL
Head, Human Resources
Systematix Infotech Pvt Ltd

VAIBHAV KAUL
Associate Director, Creative Strategy
VDX.tv

VANDANA JAIN
Facilities Site Manager
Sophos Technologies Pvt Ltd

VARUN LUTHRA
Senior Manager, Learning & Development
Mphasis Ltd

VENKAT JYOTHI SWAROOP V
Senior Program Manager
TekWissen Group

VIKAS CHADHA
Managing Director
GI Outsourcing

VINAY RANJAN
Director, Personnel & Industrial Relation
Coal India Ltd

YOGESH ARORA
Senior Creative Manager
VDX.tv

Top Companies

2COMS Group
3Pillar Global
Aditi Staffing India Pvt Ltd
Amway India Enterprises Pvt Ltd
Blazeclan Technologies
Blue Dart Express Ltd
Century Real Estate Holdings Pvt Ltd
DCB Bank Limited
Sporta Technologies Pvt Ltd
EagleBurgmann India Pvt Ltd
Eisai Pharmaceuticals India Pvt Ltd
Gozoop Online Pvt Ltd
Gramener Technology Solutions Pvt Ltd
Hamilton Housewares Pvt Ltd
Iris Software Pvt Ltd
PERSOLKELLY India Pvt Ltd
Kissflow Inc
Lodha Group
Metro Cash and Carry India Pvt Ltd
Multivista Global Pvt Ltd
Netcore Cloud Pvt Ltd
Nexval Infotech Pvt Ltd
NV Distilleries & Breweries Pvt Ltd
Rakuten India Enterprise Pvt Ltd
ROI Net Solution Pvt Ltd
Sagacious IP
VDX.tv
Wonderla Holidays Ltd

METHODOLOGY

IN ITS THIRD YEAR OF THE Great People Manager Study, Great Manager Institute followed a rigorous four-layer process to arrive at the final list of 100 greatest people leaders in the country.
The process involved feedback from various stakeholders associated with the manager, evaluation of their practices that make them special, and reputation checks, involving technology-driven methods powered by surveys and quantitative evaluation tools.
As the first layer, a survey is sent out to the stakeholders who the nominated managers directly influence through their work. Based on it, selected managers, who score above a particular threshold, receive a Certificate of Merit and move to the next round. This survey is based on the Connect, Develop, Inspire framework created by Great Manager Institute, and collects both qualitative and quantitative responses. Qualitative responses are quantified using our AI-powered tool called Opinion Behavior Mapping and Analytics Tool.
As the second layer, the managers are required to share a list of practices they conduct with their team, and the tangible and intangible impact these practices have on the teams and the organisation. These practices are then evaluated through a mechanism of binary rating against set parameters. Uniqueness, relevance and impact of the practices are taken into consideration.
The scores from the first layer and second layer are normalised and combined with 2/3rd weight to first layer score and 1/3rd to second layer score. The final scores are then used to select the managers for the next round.
The third and final layer of evaluation include organisation permissions and reputation checks, along with various manual audits for any flagged cases. Based on the same, the final 100 list of managers is derived, which is then sent to *Forbes India* for publication.
Throughout the next years, these leaders will be honoured for their contributions to building a people-centric India that focuses on achieving sustainable business results.
The organisations whose people managerial effectiveness score—score based on grand mean of percentage positive scores by all employees—crossed the industry benchmark, and had more than 10 percent of their assessed managers receive Certificate of Merit, also receive Certification as Companies with Great People Managers.

Suresh Surana & Associates LLP is the audit partner of the study

Leading From The Front

Amit Ramani, founder and CEO of Awfis Space Solutions, on navigating the crisis brought about by Covid and growing the business

By **ANUBHUTI MATTA**

AMIT VERMA

"We were all paranoid when the lockdown was announced," says Amit Ramani, founder and CEO of Awfis Space Solutions, a co-working space. What if people never returned to work was a question that bothered Ramani when the first lockdown was imposed in March 2020.

Even during the crisis, Ramani was clear about a few things. First, he had to lead from the front. "For as long as it was important for me to be home, I did. But when things started to get better, I got back to work because seeing is believing. My presence would probably motivate other employees to help customers," he says. Second, he had to be empathetic towards all stakeholders—employees, customers and landlords. "It was a first for everybody. It was most important for me to understand what was at stake for everybody and act accordingly," he adds. Third, employee wellbeing would mean customers will be taken care of. "We took all major steps to take our employees' health, both mental and physical, seriously. In the first wave, we did not see a single infection," Ramani says. And last, he continues, "The importance of communication. I think we over-communicated during the pandemic because it's important to be crystal clear and truthful. All our stakeholders were kept in the loop constantly."

Apart from these managerial decisions, Ramani says the decision to engage employees in a way that business pivots came from them has been his most successful attempt at fighting the crisis. From tying up with existing office spaces to be managed and run by Awfis to setting up an online shop to sell work-from-home essentials such as desks, chairs or electronics were ideas that came from the team.

AMIT RAMANI | 47
Founder and CEO, Awfis Space Solutions Private Limited
What makes him a great manager: Keeps employee wellbeing at the centre, believes in being honest and truthful to all stakeholders

"The sign of a good manager is that you have to be the first and the last person standing in any crisis."

What was a 50 to 55 centre-strong business, spread over 30,000 sq ft across the country in April 2020, is now—he claims to be the largest network of any player in Asia—60,000 sq ft of shared office space available through Awfis across 15 cities. "In three months, we will be in three to four additional cities," he says.

Experts say this model is here to stay. "Flex spaces have found themselves at the centre of occupiers' hybrid work arena as organisations re-evaluate and reimagine a flexible and an agile world of work. Operators investing in elevating user experience will emerge as key differentiators in this highly competitive segment," says Ramesh Nair, CEO, India, and MD, market development, Asia, at Colliers, a real estate consultancy.

VOLVO CARS INDIA SETS THE STAGE FOR THE FUTURE OF MOBILITY

The first panel discussion on the Future of Mobility presented the challenges to EV use and adoption, and initiatives that might help address them.

The adoption of EVs marks the frontline in humanity's fight against climate change. There's been a concerted push towards electrification of mobility across the world. And it's important. Especially for India, fresh off a commitment to reduce emissions by 1 billion tonnes by 2030.

To assess the road ahead, a panel of thought leaders gathered on Moneycontrol 'Future of Mobility', a special virtual discussion, presented by Volvo Cars India. Hosted by Parth Charan, the panel featured Mr. Jyoti Malhotra, MD, Volvo Cars India, Karan Virwani, CEO, WeWork India, and Ravin Mirchandani, Chairman, Ador India, unpicking the challenges to EV adoption and use in India.

A Leap Of Faith

The biggest apprehensions about electric mobility revolve around the economics and ease of EV use. In order to make EVs a more logical and natural choice, consumers need greater assurances about its practicality, which Jyoti Malhotra alluded to. "We need to have the right kind of skill and infrastructure to offer customers peace of mind", he said.

Ravin Mirchandani, who is an ardent proponent of EVs, said that range anxiety is only about "30 – 40% of the reason why people are hesitant about EVs. The big one is financing." Karan Virwani added that the creation of a conducive EV ecosystem could be expedited. "We can take the first steps and lead the change".

One Step At A Time

The panellists did spot shoots of promise. Ravin Mirchandani spoke about growing investments in EV-related technologies. Jyoti Malhotra shared how Volvo Cars India adds value to the EV ownership experience. "We are going to encourage customers to not only buy an electric charger, but also power it in a sustainable way."

There was agreement on the positive role played by the Government in promoting EVs. Public incentives will help set up India's first gigafactories in Gujarat. They have helped make EVs more cost effective. "From GST to road taxes, there has been support. Together we can bridge the gap", Jyoti Malhotra said, on making EVs more affordable. Others are prepared to lend a hand too. Karan Virwani spoke about real-estate providers like WeWork offering charging facilities for customers.

The Time Is Now

The gathered experts foresaw an accelerating cycle of regulation and investment, which will help create a support system for EVs. "Customers will soon cross the line on the debate over cost of ownership of EVs and ICE-powered vehicles", said Jyoti Malhotra.

Ravin Mirchandani also struck a positive note on the progress made. "We are at par with developed countries, in terms of policies". This approach could work, if Indian customers switch to EVs. They are being coaxed by ever-improving terms of EV ownership, better technology, and a growing awareness of their own responsibility towards the environment.

Get more insights on how EVs are creating a better future here https://www.moneycontrol.com/news/evs-electric-vehicles

moneycontrol FUTURE OF MOBILITY

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Nurturing Meaningful Relationships

Amitabh Ray of Ericsson Global Services India empowers people and gives priority to employees' work-life balance while taking decisions

By **MANSVINI KAUSHIK**

AMITABH RAY | 58
Managing director, Ericsson Global Services India
What makes him a great manager: His ability to take up challenges and provide employees autonomy at work

"The pandemic has created an opportunity for employers to help people figure out what really matters to them, and help them find purpose in what they do."

For Amitabh Ray, managing director of Ericsson Global Services India, nurturing trust among employees and clients has been the most crucial aspect that has helped the company sail through the pandemic. "Building trust, as always, has been critical to our work culture during the pandemic where physical supervision is replaced with management by objectives. The cordial employee-employer relationship at Ericsson has helped it perform far better than others," he says.

Ray points out that the increased dependence on digital technologies, creation of new business models and working formats have been the key changes brought in by the pandemic. "Overnight things changed. Ericsson's response was equally quick. On an average, companies took 11 days to go fully remote. We did it even faster and helped our customers pivot as well," claims Ray.

Before joining Ericsson, Ray worked as vice president of IBM, and was a partner at PwC. He credits his success to taking up challenges that others didn't. "I have always volunteered to take up work that helps my organisation deliver value to our clients, regardless of how difficult or hopeless those appeared to be," he says.

"We are mindful of the changing situation and have built different scenarios for all possible circumstances. For us, our employees' work-life balance will continue to be a critical aspect of decision-making," he says. "The pandemic has taught us to be fluid with our strategy and be prepared for every eventuality. It has created an opportunity for employers to help people figure out what really matters to them, and help them find purpose in what they do."

"Amitabh has the ability to empower people. He encourages employees to be independent and creates an environment of self-motivation. He's connected with his employees and takes feedback very seriously. Needless to say, people admire him and attribute a great portion of their success and learning to his leadership style," says Abhay Vaish, global head of IT services & ADM delivery at Ericsson. F

DEBARSHI SARKAR FOR FORBES INDIA

The Inclusive Leader

Atul Barjatya of Merck Life Science believes in creating a suitable atmosphere for his team to give their best

By **SAMIDHA JAIN**

Atul Barjatya has been in various managerial positions in the pharma industry for 26 years, and if there's one thing he believes in, it is leveraging motivated teams and enabling them to give their best. "I strongly believe that everyone in the team wants to contribute to the organisation, and the leader's job is to ensure a suitable atmosphere to facilitate their inclusiveness," says the 49-year-old Barjatya who started his career as a medical representative in 1992 and is now director, head of channel sales–research solutions at Merck Life Science, a science and technology company based in Bengaluru.

NEHA MITHBAWKAR FORBES INDIA

There might have been various personal and professional challenges over the past couple of years of the pandemic, but leading from the front, he managed to increase team engagement and deliver on financial targets, becoming the only team at Merck to have continuously done that since 2017.

"My natural style to manage is to push team members ahead and back them up wherever needed. However, when the pandemic struck, I had to lead from the front, right from fixing the weekly team interactions to setting up meetings with important customers, while continuously tackling various unforeseen challenges," he says. To lift the morale of his subordinates, Barjatya made sure to celebrate even the smallest of successes, and organised inspirational as well as entertaining workshops for them.

Prachi Naik, a sales associate at Merck Life Science and who has been with the company for 13 years, started working with Barjatya as her manager in 2019. "He thinks from the perspective of his subordinates, and motivates them to do their best.

ATUL BARJATYA | 49
Director, head of channel sales–research solutions at Merck Life Science
What makes him a great manager:
His ability to think from the perspective of his subordinates, and lead in a way which makes them feel inspired

"I strongly believe that everyone in the team wants to contribute to the organisation, and the leader's job is to ensure a suitable atmosphere to facilitate their inclusiveness."

He never emphasises his position to get the work done, but leads in a way that makes people feel inspired," says Naik, adding that she looks up to him for his leadership and management skills. F

Investing in People

At Infectious Advertising, Nisha Singhania believes in catering to the motivations not just of clients but also her team

By **MANSVINI KAUSHIK**

The advertising industry has been one of the worst affected sectors by the pandemic. With businesses finding it hard to stay afloat, advertising expenditure took a back seat. Agencies were staring at massive losses at the beginning of 2020, but Nisha Singhania, co-founder and director of Infectious Advertising, was not one to give in.

Despite the challenges brought in by the pandemic, Singhania and her team toiled every day to prove resourceful to their clients. "The initial days of the pandemic were tough. Clients were withdrawing from advertising and cutting down on budgets. In response, we started controlling our operating costs and moved to newer cost-effective work-from-home models. We started actively pitching to new businesses, offering solutions that were relevant in the pandemic," says the 47-year-old, adding that the client-first approach helped the company bounce back within months. She is now optimistic about 2022. "We plan to grow our existing businesses, venture in newer digital avenues, and actively increase our client base."

Singhania says understanding and catering to the drives and motivations of their clients and her team helped the company stay afloat. "We are in a people's business. Be it our employees or clients, if you are there for them when they need you, they will reciprocate too. The more you invest in people the more they give back," she says.

NISHA SINGHANIA | 47
Co-founder & director, Infectious Advertising
What makes her a great manager: Puts her workforce and clients' needs first

"If you are there for your people when they need you, they will reciprocate too. The more you invest in them, the more they give back."

Singhania started her advertising journey 23 years ago and has worked with Gray, Leo Burnett, Rediffusion Y&R and Saatchi & Saatchi. The recipient of many prestigious awards, Singhania founded Infectious Advertising in 2013 with Ramanuj Shastry. Today, the agency has more than 50 employees and works with clients like IDFC, Tata, National Geographic, UltraTech Cement, Inorbit Malls and Tribhovandas Bhimji Zaveri.

Ramanuj Shastry, co-founder and director of Infectious Advertising, says Singhania encourages her team to overachieve. "I have watched Nisha lead and manage organisations and people for more than 13 years. She likes to explain the rationale and process behind her decisions and likes to discuss and invite questions. Not only does this foster trust but it also minimises resentment and misunderstanding," he says.

Think Globally, Act Locally

Serge De Vos tweaked his leadership style for an Indian setting and inspired employees to deliver the best results in a pandemic year

By **KATHAKALI CHANDA**

A few months after he relocated to Bengaluru as the head of brewer AB-InBev's Global Capability Center (GCC), an angry Serge De Vos convened a meeting to review a project that was derailed. "I was very disappointed and did some tough talking," says the Belgian.

Once done, a colleague took him aside and told him public dressing-downs were often considered humiliating in Indian offices. "Do it in a one-on-one meeting, he told me," says De Vos. "It made me realise respect had a different connotation in Indian culture. Point out shortcomings, but make sure your people don't feel disrespected."

When he moved to the Bengaluru office in 2018, De Vos wanted to make the Bengaluru centre the best GCC office. But it couldn't be achieved on his own, so he coined the slogan 'create your legacy' to inspire every employee to pitch in. "The year I joined, employee engagement was at 62 percent. In 2021, it's at 92 percent," he says. "We did that by putting people first."

In a pandemic year of rollback of job offers, De Vos says the GCC stood by the offers made to fresh recruits. "Our budgets were curtailed, but we cut costs elsewhere," he says. "The percentage of salary hikes this year was the largest I have seen in my 14 years in this company." AB-InBev also tied up with Manipal Hospitals to set up a dedicated Zoom room for employees and their families, delivered ergonomic furniture to facilitate work from home and signed staff up for mental health sessions. De Vos believes his people-first policy amped up productivity as, in 2021, the company delivered its best results in the last four-five years. "All this while working from home."

Says Pawan Agarwal, director, Rest of Africa Operation: "Serge can clearly communicate what he expects from you and then mentors you towards it. He is the best manager I've had in my 20-plus years." F

SERGE DE VOS | 46
Managing director, AB-InBev GCC
What makes him a great manager: Putting people first and pushing them out of their comfort zone to achieve higher goals

"Be a humble and empathetic leader who dreams big."

NISHANT RATNAKAR FOR FORBES INDIA

The Catalyst

Shiva Prasad RS maintains a balance within his team between experienced members and fresh recruits

By **JASODHARA BANERJEE**

NISHANT RATNAKAR FOR FORBESINDIA

After managing production facilities of various kinds—paper manufacturing, textile manufacturing and now pharmaceuticals—for about 25 years, Shiva Prasad RS, 51, believes that the most important factor in managing large teams is keeping a balance between older members who may not have high educational qualifications but have years of invaluable experience, and younger members who are academically accomplished and know the most recent technologies.

The senior director of environment, health and safety (EHS) at Biocon manages a team of 58 employees and another 40 to 50 contractual employees at the Special Economic Zone in Jigani near Bengaluru, and joined Biocon in 2017 as associate director. The company has five facilities in India, in Vishakhapatnam, Bengaluru and Hyderabad.

"We take fresh water from Kaveri, and supply the treated water for the manufacturing process, and domestic usages; we also supply recycled water to the cooling towers," says Shiva Prasad. "We handle effluent treatments, according to the norms of the pollution control boards, and have a separate sewage treatment plant. We also treat the rejects in the evaporators, handle hazardous waste, and fermentation waste." Various kinds of liquid and solid waste are categorised and segregated, based on being hazardous or non-hazardous, biodegradable or biodegradable. Shiva Prasad also works with vendors authorised by the pollution control board in the disposal of these waste materials, and ensures compliance.

"My role is like that of a catalyst between the people who are working at the facility and what the company's requirements are."

With multiple critical processes running simultaneously at the facility, Shiva Prasad says that although ensuring processes is a priority, he has to ensure the people are trained as per requirement. "To run the process, I need a strong operating team. For instance, if the quality of water is not correct, then the entire manufacturing process will be affected."

"Shiva Prasad handles the effluent treatment plant operations; what we call the Zero Liquid Discharge facility. He handles multi-departments and a multi-complex facility, by interacting with EHS department personnel as well as Biocon's biologics and Syngene department personnel. His main role is to look after the water and waste management at the Biocon Park facility," says Ravi Kiran Sivala, head of corporate EHS at Biocon. "He is effective, gives freedom to the managers, and monitors them at regular intervals."

SHIVA PRASAD RS | 51
Senior director, EHS, Biocon
What makes him a great manager: Being effective, giving freedom to his managers, and monitoring them at regular intervals

"My role is like that of a catalyst between the people who are working at the facility and what the company's requirements are."

Working With Passion And Purpose

At Blue Dart Express Ltd, Shweta Gulati ensures her team makes the most of its skills, and keeps learning

By **MONICA BATHIJA**

A year or so after she joined Blue Dart Express Ltd in January 2019, the pandemic struck and Shweta Gulati, regional controller, along with her team, had to make the shift online. Gulati, as a sort of regional CFO, has responsibilities that include adhering to the timelines of reporting the key financial numbers for the region and compliances, and ensuring optimal utilisation of resources.

With these moving online, Gulati, who has six managers reporting to her besides 70-odd accounting team members across locations in eight states, had to ensure there were regular calls so that teams remained connected and motivated despite not meeting face-to-face.

Gulati believes in living by three Ps—passion, purpose and persistent action. "Whatever you want to do, you should have passion for that. The second is purpose—whenever you are doing something, you should have some goals. And third is persistent action. So I need to do whatever I have been doing in the best possible way," she says.

At Blue Dart Express Ltd, she has translated these and the CDI (Connect, Develop, Inspire) concepts to SWOT analyses, to make sure that she and her team enjoy what they do, work towards goals and keep on learning. "We initiated activities and one of them was asking team members that whatever you are doing, first learn why you are doing this, what do you like about your job, what challenges you are facing and how you can add value to other roles," says the 40-year-old who has about two decades of work experience and has been in managerial positions for about 17 years.

Another activity, she adds, "was [so people] never stop learning". Team members were given ideas on doing things in better and different ways and "we got good feedback from the team and they were eager to adopt new things", she recollects.

According to her colleagues, it is her ability to take feedback seriously, besides her experience and in-depth knowledge about her job, that makes her a good manager.

AMIT VERMA

SHWETA GULATI | 40
Regional Controller, Blue Dart Express Ltd
What makes her a great manager: Her experience, knowledge and ability to make sure people are in the right job profiles so that they give their best

"I believe in three Ps. First, passion, for whatever you want to do. The second is purpose. And the third is persistent action."

"She is very knowledgeable about working profiles related to her job," says Deepak Kumar, an accounts manager. Gaurav Bhatia, senior finance manager, adds, "She gives time to every reportee, listens to everyone carefully, takes the feedback positively and makes changes accordingly," he says.

Grooming The Next Generation

For Sujatha Gade, leadership isn't only imparting knowledge to students, but also helping colleagues build emotional strength and technical skills

By **DIVYA J SHEKHAR**

VIKAS CHANDRA PURETI FOR FORBES INDIA

Sujatha Gade has been in the education sector for close to three decades, and is sure about one thing: As a teacher, it is never about just helping a student graduate from one grade to another. It is also about shaping a child's future by helping her build a career according to her aptitude, and make her an emotionally strong individual.

The principal of the Diamond Jubilee High School in Hyderabad—which is managed by the non-profit Aga Khan Education Services (AKES), India—leads a team of close to 55 people, out of which 42 are teachers and the rest are administrative and contractual staff. She has been occupying leadership positions in various international schools in Hyderabad over the years, and this is her seventh year working with AKES, India.

Born and raised in a village in Sathupalli in the Kahammam district of Telangana, Gade completed her master's in mathematics from Osmania University in Hyderabad, following which she secured a master's and a doctorate in psychology from Sri Venkateswara University.

"My school gives me the opportunity to pursue my passion and commitment to make a difference to the lives of students, particularly from underprivileged backgrounds," she says.

SUJATHA GADE | 47
Principal, Diamond Jubilee High School, Hyderabad, managed by Aga Khan Education Services
What makes her a great manager: Being accessible to team members, promoting emotional and mental wellbeing and inspiring confidence in colleagues

"Teaching is not just about giving good grades, but preparing students for the world with survival skills."

MA Malik, director, Deccan College of Engineering & Technology, says Gade is "dedicated and hardworking", and is a team player who inspires confidence in the school management, staff and students.

Since the pandemic, Gade has ensured that her teachers receive emotional and technical preparation to teach virtually, while making sure students are able to take classes online and parents are able to provide basic data connectivity and other amenities. "Ours was the first school in the district to initiate virtual learning in the pandemic," claims Gade, adding that she also constituted daily "sharing sessions" to help overworked teachers discuss their experiences. "I make sure I am accessible to my team members at all times, so that they can talk to me about issues they are facing, professional or personal." F

Using The Power To Empower

Lodha Group's Soniya Prithiani Raisinghani believes that being a great leader is about giving employees the freedom to flourish

By **RUCHA SHARMA**

For almost a decade-and-a-half, Soniya Prithiani Raisinghani has been working in one of the world's most challenging real estate markets. She finds it exciting to sell sunsets in Mumbai or the allure of the cultural melting pot of London life in the financial capital of India.

Since she joined the Lodha Group in 2008, Raisinghani has done it all—cold calling, sourcing, closing, referencing, managing broker relations, events and luxury sales detailing. She believes her long stint has allowed her to align her value system with that of the organisation. "With the deep understanding and power of knowledge here, one can relate to the ever-evolving client needs and stay ahead of the curve. Hence, it becomes easier to imbibe the traits and build a team with the same ethos, and at the same time retain agility and adaptability with an ever-changing external environment," she says.

The Lodha Group was established by Mangal Prabhat Lodha, the BJP MLA from South Mumbai, in 1980. Raisinghani, 38, is the first woman to head sales at the Group as associate vice president. The "entrepreneur with a salary" believes empowerment at work has helped her reach there. And touching the lives of people and helping them find their dream home keep her going.

A black belt in karate and a national level champion, the mother of two handles a team of seven people and ensures they have a happy working environment along with building the 'I can do it' belief.

SONIYA PRITHIANI RAISINGHANI | 38
Associate vice president, sales, Lodha Group
What makes her a great manager: Gives the team the right exposure and opportunities to reach their goals

"Evolve, engage, empathise and own the outcome."

"They get the right exposure as I keep them completely involved and empower them to reach their goals. I stand there as strong support to handhold them whenever required," says Raisinghani, who lives by one mantra at work: Evolve, engage, empathise and own the outcome.

"Soniya has looked after the Lodha Luxury business with great aplomb. Her strength lies in a clear understanding of the luxury product and consumer, which has given her great success. She has managed her team very well. They have developed and grown under her. Her leadership style is leading from the front and involving team members in discussions and deliberations to take the business to the logical level," says Prashant Bindal, chief sales officer, Lodha Group.

Raisinghani knows each member brings something special to the table and wants to groom them. "I would like to be a strong force in growing the organisation and them personally to greater heights," she says.

NEHA MITHBAWKAR FOR FORBES INDIA

Meet the Speed Guns

Two 19-year-old Stanford dropouts are writing the A to Z of Q commerce in India with speed, guts and gusto. Can Zepto live up to its billing?

By RAJIV SINGH

Blame it on 19. It makes you cocky. “I was 11 when Grofers started,” says Aadit Palicha, co-founder and CEO of Zepto, a 10-minute grocery delivery app started in April last year. “While they raised $100 million recently, we’ve been around for five months and raised $160 million,” he says, brimming with brash confidence.

Blame it on 19. It adds swag to your ‘so what’ talk. “We got a valuation of $570 million in five months. That’s double of Dunzo,” he said in an interview to *Forbes India* in the last week of December. A few days later, Reliance Retail led a $240-million funding round in six-year-old Dunzo, reportedly at a valuation of $800 million. A lot of people, lets on the 19-year-old Indian-origin founder who completed his schooling from Dubai, can talk about legacy players who have been there for a while but he says he’s not bothered. “We are doubling or tripling every month in scale,” he claims.

Blame it on 19. It makes you fearless. “Fear is a very irrational emotion,” reckons Palicha, a Stanford dropout and Y Combinator alum who co-founded Zepto with Kaivalya Vohra, a friend of the same age, traits and academic achievements. If one is making a decision out of anger or when one is scared, he explains, then they turn out to be wrong. “The mentality has to be cold-blooded,” he adds. One has to be calculative about the decisions. “We make rational decisions.”

Blame it on 19. It makes you hyper ambitious. “We want to grow 40x and build a $20 billion company over the next couple of years,” says Palicha. “We have hit escape velocity,” he says. Zepto—a name derived from the smallest time unit ever measured Zeptosecond—indeed seems to be defying physics for the time being. It’s present across seven cities, has built 100 micro-warehouses, each with a capacity to do over 2,500 orders a day, and have got backers like Glade Brook, Nexus, Lachy Groom, Y Combinator and Global Founders Capital.

Blame it on 19, because only a 19-year-old can think of looking for a silver bullet from Day 1. The reason is simple: Impact. “I need

> **“We’re growing at a phenomenal rate, customers are loving the experience and our unit economics are strong.”**
>
> AADIT PALICHA,
> CO-FOUNDER AND CEO, ZEPTO

The need for speed: Kaivalya Vohra (left), CTO, and Aadit Palicha, CEO and co-founder, Zepto

to get it right in the first time,” says Palicha, who started with 45-minute delivery but very quickly switched to a 10-minute format. The logic of ‘scale fast and fail fast’, he explains, works well in a software business. “I’m not building a bits and bytes business. I am building an atom’s business, which is capital intensive,” he says. The option to fail, he underlines, in such businesses doesn’t exist.

Back during the lockdown months

in 2020, Palicha and Vohra too ran out of options in Mumbai. Getting grocery delivered the same day, forget on time, was a big ask. Apart from perpetual delays, the assortment was an equally big pain point for the friends who had got into Stanford to study computer science. But the duo soon realised that there was an opportunity to build a business by doing rapid delivery of groceries. An interesting set of data helped them make their decision to take a plunge into a grocery venture instead. Over 60 percent of groceries bought in urban areas are estimated to be unplanned.

The journey started with 45-minute delivery. But then came a quick realisation, again based on a new set of data. As the platform scaled, users started preferring deliveries in 10-15 minutes. When Zepto got into the quick act, there was a huge spike in frequency of usage, a massive boost in retention and huge consumer delight. "For us, rapid grocery delivery made loads of sense," says Palicha, dishing out another reason for sticking with the 10-minute platform. "It was the real way to convert people from offline to online," he says. Instant experience and instant gratification led to quick commerce for the duo. He claims that the business model has product-market fit, and unit economics are fundamentally strong, though he declines to share the revenue numbers.

The backers are delighted with the growth story. “They are disrupting e-commerce in India in a way we’ve never seen before,” says Suvir Sujan, managing director at Nexus Venture Partners. What’s impressive about the young team, he adds, is an innovative mindset, technology-first thinking, and lightning-fast execution.

Industry watchers reckon that the raging pandemic has made quick commerce a darling for venture capitalists globally. And the space has become exciting. Look at Gopuff, America’s biggest quick commerce company, which is valued at $15 billion. The Philadelphia-based company raised $1 billion last July, accounts for more than 70 percent of the US market, and is now reportedly in talks to raise $1.5 billion at a valuation of up to $40 billion. Founded in 2013, Gopuff is most likely to go for an IPO in mid-2022.

Then there is Getir, a Turkish startup valued at $7.5 billion. It raised $550 million from the likes of Silver Lake, Mubadala, Sequoia and Tiger Global in July last year. The seven-year-old Istanbul-based grocery delivery app reportedly raised almost $1 billion last year. In Germany, there is Gorillas, which is valued at $3 billion. The quick commerce player is reportedly in talks to raise at least $500 million at a valuation of $6 billion.

Back in India, pandemic tailwinds have resulted in the rebirth of a hyperlocal delivery segment, which saw its heady days back in 2014-15 but soon got littered with the corpses of shuttered ventures. Experts put the blame for the failure of the first wave of startups on timing. The consumer connect was low; users didn’t develop the habit of ordering from an app, and the product-market fit was missing.

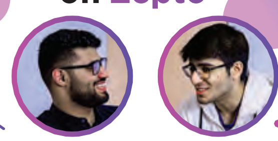
“The rebirth of hyperlocal can be seen from two perspectives,” says Nimesh Kampani, co-founder of Trica, a platform for family offices and UHNIs to invest in startups. The first is long-term improvement in technology. The second factor is the pandemic, which has changed consumer behaviour and resulted in frequent, impulsive shopping and faster turnaround times for deliveries. The space is attracting more eyeballs, he reckons, because this can be cloud-based, which helps in reducing overhead costs. “This helps in better customer acquisition, keeping in mind the paradigm shift from marketplace to a dark store concept,” he adds.

But is there a flip side of quick commerce, especially for a startup like Zepto that has grown at a furious pace? Palicha points out a potential one. Companies that grow too fast and without too many controls might end up blowing up in the long term, he underlines. Zepto, he claims, has put all the elements in place to ensure sustainable growth. Acknowledging that there are talks about a bubble and too much capital in the ecosystem, Palicha maintains that capital is finding its way to the right kind of companies. “Companies creating value will always get capital,” he says. “It has been a crazy ride so far,” he says about his thrilling journey.

The 19-year-old, though, might just need to be careful about speed, or too much speed. But does it really matter? Blame it on 19. Speed thrills. F

Zepto started with 45-minute delivery, but soon changed its model to 10-minute deliveries

Quick Low-Down on Zepto



Founded by 19-year-old Stanford dropouts **Aadit Palicha** and **Kaivalya Vohra**

Started in **April 2021**, operated in stealth mode for six months

Raised first round of funding of **$60 million** in November

Raised second round of **$100 million** in December

Backers include **Glade Brook, Nexus, Lachy Groom, Y Combinator** and **Global Founders Capital**

Present across **Mumbai, Bengaluru, Delhi, Gurugram, Chennai, Hyderabad** and **Pune**

Launched **100 micro-warehouses**, each with a capacity to do over **2,500 orders** a day

Know the Stanford Dropouts

Aadit Palicha,

Co-founder and CEO, Zepto

- A computer science dropout from Stanford University, and a Y Combinator alumnus
- Did schooling in Dubai; built carpooling startup GoPool when he was 17

Kaivalya Vohra,

Co-founder and CTO, Zepto

- A computer science dropout from Stanford University, and a Y Combinator alumnus
- Started Kiranakart with Aadit Palicha in June 2020
- Worked as a computer science teacher with Makers Builder, UAE, from 2015 to 2018

INFOGRAPHICS: SAMEER PAWAR

Rishabh Choudhary

CTO, BharatRohan Airborne Innovations

Amandeep Panwar

CEO, BharatRohan Airborne Innovations

"The joy of working closely with famers-to solve what ails them-is unparalleled. We use technology to help them earn better margins by preventing crop damage and reducing their chemical and water usage while making them climate resilient. It's an honour to be part of this exquisite group of 30 under 30."

Akash Sinha

Co-founder & CEO, Cashfree Payments

"Few industries are as crowded or competitive as fintech. I'm proud to have a team that has turned Cashfree Payments from a fledgling startup to a flourishing and profitable business. I'm grateful to have been nominated in the annual 30 Under 30 list."

Sidharth Oberoi

Founder & CEO, LetsShave

"I am thrilled to have been chosen in the coveted "30 under 30 list". I didn't ever imagine turning an entrepreneur. LetsShave was born out of the need to introduce razors with an Indian edge. Today we are an innovative shaving and grooming venture with some exciting products in the pipeline."

Satanik Roy

Co-Founder & Chief Product Officer, hyperXchange

"We are blessed to have an incredible team which shares a common vision to provide a disruptive AI-driven platform to buy and sell refurbished and affordable "As good as new" products. It's an honour to be part of Forbes India's eclectic group of leaders under the age of 30."

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Founder and Creative Director, Aaquib Wani Design

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Mudit Dandwate

CEO, Dozee

Gaurav Parchani

CTO, Dozee

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Harshit Gupta

Co-founder, Gramophone

"We are here to help eliminate farmers' woes and increase their incomes. Armed with actionable advice around crop cycles and other solutions to perennial problems, the Gramophone platform reaches 6 lakh farmers. I'm very pleased to be included in the 30 under 30 list."

Bumpy Ride

Maruti Suzuki's market share has fallen from 49 percent to 42, as it struggles to make inroads in the SUV segment with Brezza and S-Cross

By **MANU BALACHANDRAN**

It's a tough act to stay at the top forever. Except, of course, if you are Maruti Suzuki in the world's fourth-largest automobile market.

The Gurugram-headquartered company has made a habit of selling one out of every two cars in the country and has been doing that for over two decades now. In the last four years, Maruti Suzuki's market share in India has hovered around 50 percent, even as Covid-19 wreaked havoc across the country.

Not that those fortunes are likely to significantly change anytime soon. The automaker holds a distinct advantage of understanding the Indian consumer, and, in the process, offering vehicles that are affordable, low on maintenance costs, and with superior fuel efficiency. It also boasts an impeccable sales and service network, apart from good resale value for its vehicles, all of which have contributed to the carmakers' success.

In 2020-21, Maruti Suzuki sold nearly 1.3 million units, worth more than the combined sales of Hyundai, Tata Motors, and Mahindra according to the Society of Indian Automobile Manufacturers (Siam).

Yet, over the past few months, it hasn't been entirely smooth sailing for it, something that's begun to reflect in the automakers' market share, according to the Federation of Automobile Dealers Association in India. In November, Maruti Suzuki sold about 100,727 vehicles across the country, cornering a market share of 41.93 percent. In contrast, just a year ago, the company held a market share of 49.24 percent. In October, Maruti Suzuki had a 40.12 percent market share, down from 49.67 percent the year before.

In fact, over the course of the current financial year, which began in April, the company has struggled to push its market share well past 43 percent every month. Much of that, Maruti says, has to do with a global shortage of semiconductors, which has piled up orders as production has been hit hard. The automaker has a pending order book of over 250,000 vehicles. "We have had big cuts of production in August, September, October and partly in November as well due to the semiconductor chip shortage," Shashank Srivastava, senior executive director, marketing and sales told *Forbes India* in an interview.

Kenichi Ayukawa, managing director and CEO of Maruti Suzuki India Ltd, at the launch of Vitara Brezza in 2016

DANISH SIDDIQUI / REUTERS

Semiconductors are critical components that are used in vehicles for numerous features, including navigation, infotainment, and traction control among others. Much of the global shortage had to do with the phenomenal demand for semiconductor chips from the electronics industry as people turned to their phones, televisions, and game consoles due to lockdowns across the world. In addition, shutdown of factories, and a trade war between the US and China, also added to the shortage, hampering productions at automakers globally.

But that may only be a part of the growing troubles at India's largest automaker. There is a bigger dilemma at play for Maruti Suzuki, which has admittedly missed the bus in India's booming SUV market, which is now dominated by its rivals, Hyundai Motors India and Tata Motors, among others.

"One reason for the current market share is because of the production shortfall," Srivastava says. "We have a pending order of 263,000 vehicles. Second, in the SUV segment, which has really grown in the last few years, our market share is still quite low. In that segment, our market share is about 11.7 percent, whereas if you look at the market share in hatchbacks this year, it is 66 percent."

MISSING THE BUS

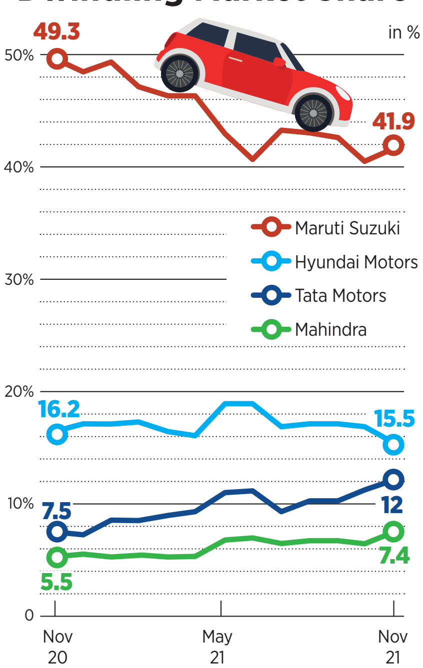
To put it in perspective, India's SUV market is one of the world's fastest-growing markets, and the country is in the middle of an SUV wave. By Maruti Suzuki's own assessment, the market now accounts for about 39 percent of all car sales, which is only expected to grow to some 50 percent in the next few years. That means, one in every two vehicles sold in the country will be an SUV.

During the July-September quarter, India's SUV sales overtook that of hatchbacks and sedans for the first time, and Maruti Suzuki, with just two models out of some 43 SUVs in the country, lags far behind in the segment. Among others, popular models in the category include Tata Harrier, Hyundai Creta, Kia Seltos, and MG Hector.

The SUV market in India comprises various categories such as small, mid-size, and large SUVs. The likes of Tata Punch, Kia Sonet, Hyundai Venue, and Mahindra XUV 300 come under the small SUV segment, even as manufacturers are busy creating newer segments within that category, such as mini, micro and compact SUVs. The mid-size SUVs in the country include the Hyundai Creta, Kia Seltos, Volkswagen Taigun, Tata Harrier, MG Hector, Mahindra XUV 700, while full-fledged SUVs comprises the Toyota Fortuner and Ford Endeavour.

"We are now at around 11.4 percent in the SUV market, and this happens to be the fastest-growing, giving the perception that Maruti is losing market share," adds Srivastava. The company currently operates in the segment with the Maruti Suzuki Brezza, which was launched in 2016

Dwindling Market Share



SOURCE FADA

with a diesel engine, and the S-Cross. By 2019, the company announced its intention to leave the diesel market in India, with the focus shifting entirely to petrol and CNG-based engines.

"The diesel segment used to be pretty large," Srivastava says. "But it has come down from about 30 percent to 18 percent. We are not there and our market share in diesel is zero."

Much of that decision was largely on the back of the rising cost of developing environment-friendly engines. The share of diesel vehicles in India's passenger vehicle category is currently less than 17 percent, a massive fall from 2013-14 when diesel cars used to account for 60 percent of the overall sales.

But, at the same time, the SUV market is currently dominated by diesel powertrains, which account for about 57 percent of the market, although it is steadily coming down. "The bulk of the diesel market is actually mid-SUV, which is about 57 percent, where you have the Creta, Seltos, and Harrier, where our market share is quite low because we have S-Cross which isn't doing so well." While the company has a strong contender in the Brezza, which Maruti reckons accounts for some 20 percent of the entry-level SUV market, in the mid-SUV segment, it only has a 3.9 percent market share.

"We have about 20 percent share in entry SUV market and about 4 percent in mid-SUV, giving an 11.4 percent market share in SUVs," Srivastava says. "But the positive is that, in this segment, the percentage of diesel used to be about 96 percent two years ago, and that has come down."

Diesel engines account for about 1 percent in the hatchback segment with another 5 percent in the passenger vehicles, according to Maruti. Until 2014, diesel prices in India were subsidised largely to help farmers run their machines and for freight transport, which meant that diesel was nearly ₹25 cheaper than petrol per litre. That meant that many customers, who travelled frequently, preferred diesel vehicles even though they were priced higher than petrol vehicles.

"If you look at the entry-level SUV, diesel percentage is just around 20 percent now," Srivastava says. "Two years ago, it was 88 percent. That's because the prices of gasoline and diesel are very close, and the all-India gap is just ₹5. In some states, like Gujarat, Goa, Jharkhand, Pondicherry, Odissa, it's equal. People who used to choose diesel because of running costs have moved away from diesel."

That's also why even with the Brezza, the company abandoned its successful diesel engine for a petrol one. Maruti had, in 2019, said the company wouldn't sell diesel cars from April 2020. "The behaviour of the entry SUV segment indicates that if there is a strong petrol vehicle in mid-SUV, this equation can change," Srivastava adds. That's the hope that the automaker is currently working with.

Yet, there are likely to be consumers who might prefer diesel vehicles for their higher torque and power, something that's a crucial factor among SUV buyers. "In the mid-SUV segment, there are some people whose criteria is not just the economics of running costs, but they want a higher torque," Srivastava says. "Which might explain the slightly higher preference for diesel in the mid-SUV segment. That will be tested whenever a new good SUV with petrol comes in that segment. Diesel seems to have failed in all other segments, even in entry SUV, but still seems to be working in the mid-SUV segment."

Hyundai Motors, Tata Motors, and Mahindra are among players who haven't abandoned their diesel powertrain options, especially since those engines return higher fuel efficiency and are equipped with better power and torque. In fact, over 60 percent of the sales of the popular Hyundai Creta continue to come from the diesel variant, while

"If we want to reach 50 percent market share in a segment as large as SUV, you need to have much better market share than 11.4."

SHASHANK SRIVASTAVA,
SENIOR EXECUTIVE DIRECTOR, MARKETING AND SALES, MARUTI SUZUKI

the same holds for Tata Harrier.

But diesel powertrains aside, much of Maruti's recent problems might have also to do with the company's product strategy that has been left wanting. "They really missed the bus in the SUV category," says Puneet Gupta, director for automotive forecasting at market research firm IHS Markit. "It is the fastest-growing segment in the world and the competition has also been very aggressive in this space. They have clearly given away their share to them. Part of the reason is Suzuki's focus in Japan on hatchbacks and sedans, which had also affected their thinking."

While a spokesperson for the company declined to speak about the company's upcoming vehicles, reports suggest that Maruti Suzuki is planning as many as five new vehicles, all aimed at the SUV market. These include a challenger for Creta and a three-row premium SUV, among others. "But we need to see if the customers are willing to pay upwards of ₹15 lakh for a Maruti vehicle," adds Gupta of IHS.

"We will be very mindful, and we'll be aggressive in introducing new products," Srivastava adds. "If you see this phenomenon of SUV, it is across the world. So it is not just a fad. If you see Latin America, China, the US, and Europe, the SUV market is roughly about 45 to 49 percent. So, it seems to plateau around that 45 percent to 48 percent range. Currently, it is at 39 percent in India. The expectation is the SUV market will grow before plateauing out."

Much of the uptick in SUV sales in India has to do with the riding comfort, the design language, higher ground clearance, road presence, and even a status factor. "It's not really off-roading, but they have better usage of space," adds Srivastava.

"As a market leader, Maruti Suzuki is defending a fairly large goal post and hence sometimes it is possible that leaders may need to strengthen and adjust their tactical positioning," says Harshvardhan Sharma, head of auto retail practice at Nomura Research Institute. "However, given the expanse of their network, time to market with new product development capabilities, and rapid deployment history, Maruti Suzuki will be able to surely leverage its economy of scale advantage once they decide to enhance their product portfolio."

GOING FORWARD

For now, while the company isn't losing sleep over the SUV market, even though it knows it has some serious catching up to do if it wants to maintain its dominance.

"If you take the total passenger car market, which is hatches and sedans, our market share is 61.3 percent. In the MPV market, it is 63.2. Maruti Suzuki has been always very aggressive in introducing new products and we keep monitoring consumer choices and preferences," Srivastava says.

"The mid-SUV segment is an important market undeniably," adds

Sharma of Nomura. “There are many OEMs who have successfully launched new products here. However, let’s also bear in mind that although growth in hatchbacks and entry-level sedans might be slow, that’s on account of a huge base and hence it is difficult to register double-digit growth in that segment especially now since it’s a fairly crowded segment. Maruti Suzuki is an undisputed leader in that segment; they developed that segment from scratch.”

In addition, the company is also pinning its hopes on the CNG market. “Our market share is about 82 percent,” Srivastava says. During the first half of the current financial year, sales of CNG cars totalled 101,412 units, in comparison to 51,448 units in the year-ago period, indicating a 97 percent growth. CNG-based vehicles provide cheaper running costs, especially since fossil fuel prices had been on the rise in the country. A shortage of refuelling options, meanwhile, has been a deterrent towards mass adoption of the vehicles. Maruti Suzuki’s models such as Alto, S-Presso, Celerio, Wagon R, Dzire, Ertiga, and Eeco have all been equipped with a CNG option.

Even there, the company’s sales were affected after the government decided to divert industrial cylinders for oxygen purposes at the peak of the second wave of Covid-19 in India. “We had closed our CNG units in April, May, and June,” Srivastava says. “But we are the market leaders, and we continue to grow there.”

Perhaps that’s why the company isn’t quite worried about the market share situation. In addition, it also reckons that the falling fortunes will likely correct itself, as it had seen over the past 20 years, having never been challenged for the top position even once. “When you look at a longer term, probably it will even out and we will even get to where we are,” Srivastava says. “If you look at market share, it has been 50 percent and above on four occasions and those four occasions were the last four years. So, the customer base is there.”

For now, the company has categorised its plans into four segments, on which it needs to act. A first, green segment is where it considers the segment to be entirely developed. The other area is blue, where the segment itself has not been created. “It’s like a farm where no trees are there, and nobody knows how big that farm will become,” Srivastava says. “So, you can go and plant your trees and maybe it will become big and you can enjoy the benefits of market share later.” The company claims it is akin to the compact hatchback segment, where it deployed the Swift model, and became a runaway success.

The third area is the white area where the market has not fully developed, and the company has the potential to build it, for instance, like a cross-over market. Then comes the red area, where the segment has developed, the market is massive, and the company has no presence. “The farm is quite big, but unfortunately our crops are not working. That currently is the SUV area. The segment is pretty large—it’s 39 percent now of the market; last year it was 32 percent,” Srivastava says. The segment currently has 43 models across the country, with Maruti’s options limited to just the S-Cross and the Brezza.

“We have those two out of 43, so obviously you need to strengthen the portfolio,” Srivastava says. “There is no doubt about it. In that sense, it is a worry. Because if we want to reach our objective of 50 percent market share in a segment as large as SUV, you need to have much better market share than 11.4.”

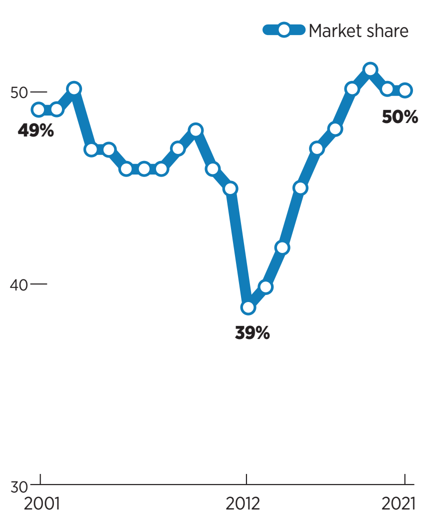
He also agrees that the company lost a massive opportunity by not foraying faster. “In the mid-SUV segment, the new models which have come, like the Seltos, Harrier, and Creta, also have that first-mover advantage. To that extent, you can say there is an opportunity lost. But again, there is no point in looking back at it.”

For now, however, Srivastava and Maruti Suzuki aren’t backing down. “We need to clinically examine it and methodically see areas we need to improve in,” Srivastava says. “We need to see how to expand our portfolio so that we can also hope to dominate this SUV segment as well. Without diesel, people expected that we will not have 50 percent of the market. But we did. So, it is possible.”

Yet, time is key, especially since many rivals have been moving at breakneck speed to launch new models or offering facelifts. “Last year, the SUV segment was only 32 percent of the market. But suppose, it becomes 50 percent—it becomes more and more an uphill task. So, you need to achieve a good market share in the SUV segment,” Srivastava says.

“The SUV segment surely feels glamorous, but hatchback and sedans are bread and butter and that’s where the volumes are,” says Sharma. “As urbanisation and income levels improve, there are going to be more first-time buyers in India than anywhere else in the world and a vast majority of them are going to start with entry-level products

Will Maruti’s Market Share Even Out?



SOURCE MSIL

where Maruti Suzuki has a moat."

Then, there is the possibility that Maruti might just be holding back as the company undergoes transformation as part of a global partnership between Suzuki and Toyota. In 2019, Toyota and Suzuki announced that the two companies had entered into a long-term partnership for promoting collaboration in new fields, including autonomous driving. In India, Toyota had begun badging its vehicles that are built on Maruti Suzuki's platforms such as the Brezza and Baleno.

"They could be making a strong comeback next year," says Gupta of IHS. "With all the restructuring underway, a lot of changes may not be visible to us and that means there could be hiccups in the short term."

In addition, with Covid-19 creating a massive push towards personal mobility, Maruti could also be a big gainer in the domestic market. "A lot of households could be looking at a second vehicle and Maruti could gain as a result of that," adds Gupta. "At the same time, competition is also becoming aggressive and many of Maruti's products are at the end of their lifecycle. Similarly, their core advantage of dealer networks has also undergone changes with digitsation."

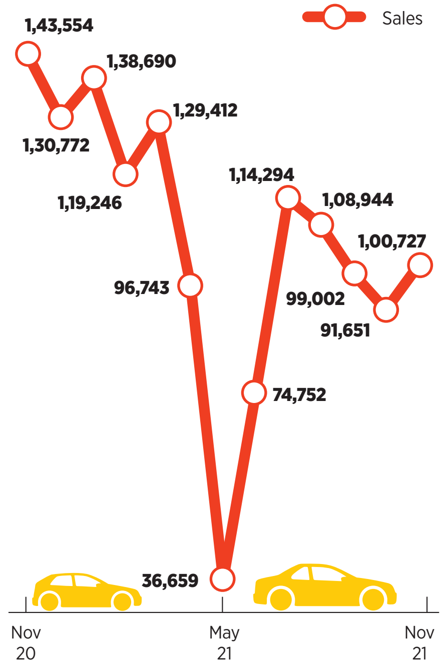
GOING ELECTRIC

Unlike many of their peers, meanwhile, Maruti hasn't been going aggressive on its electric play.

For instance, Tata Motors, which already sells the largest number of electric vehicles (EVs) in India, has set up a subsidiary for its EV play and, in the process, became India's most valuable EV company, after raising $1 billion from private equity major TPG Rise Climate. The deal values the yet-to-be operational subsidiary at over $9 billion and the capital infusion is expected around March.

Tata Motors will invest $2 billion in the subsidiary over the next five years. The new company, Tata Motors believes, will leverage

Car Sales: Fluctuating Fortunes



SOURCE FADA

all the existing investments and capabilities of the parent company in addition to channelising all the future investments into EVs and dedicated battery vehicle platforms and technologies, among others. Over the next five years, the company will also create a portfolio of 10 EVs while partnering with Tata Power to create charging infrastructure to help with early adoption.

"This is a big opportunity to lead the charge in this space and go about creating 10 products, and also create the ecosystem around it so that the aspiration of driving growth in electrification does not suffer because of lack of ecosystem," Shailesh Chandra, president of Tata Motors' passenger vehicle segment, had told *Forbes India*.

Similarly, Mahindra had, in May, approved the merger of the EV subsidiary Mahindra Electric Mobility Ltd (MEML) with the company to consolidate operations, development, sourcing, and manufacturing. It also set aside ₹3,000 crore for its EV plans, six of which will be launched by 2026.

"I think everybody realises that going forward, environment-friendly vehicles will be the requirement," adds Srivastava. "It will be mandated by governments across the world. So, the question about EVs becoming mainstream is not so much doubtful. Internal combustion engines (ICE) vehicles will increasingly become more expensive because you require to meet higher, tighter emission norms like BS6."

So, what's Maruti's plan when it comes to EVs? "We have already announced that we will bring an EV before 2025," says Srivastava. "However, the battery cost hasn't come down as much as expected. The battery cost, which was expected to be about $60 per kWh in 2021 is at $110."

That means, the company has pinned its hope on hybrid vehicles, akin to what Suzuki has been attempting globally. "Even in Europe, hybrids are about 14 percent while EVs are about 5-6 percent," Srivastava says. "For electric, the battery cost has to come down so that vehicle prices come down."

And that decision to foray massively into electric play may also be a well thought out strategy. "Large OEMs would definitely not want to pivot to only one powertrain and hence one may see a balanced and well-diversified powertrain mix from large OEMs spread across hybrids, CNG, hydrogen and ICE," says Sharma. "We are at the cusp of a tectonic change in the way mobility is perceived. OEMs fully understand this opportunity and hence many efforts ranging from powertrains, agile organisation, digitisation and revenue models are underway."

If there is one car manufacturer who knows the pulse of the Indian market, its Maruti Suzuki. But weathering out a globally changing automobile landscape, with some intense competition, may not come easy. But, then, Maruti has always found a way out of a bumpy ride. F

In Focus

Meat and Greet: Spicing Up A Growth Story

India's biggest meat and seafood brand Licious aggressively ramped up its ready-to-cook division to take it to ₹200 crore in two years. Can the unicorn keep up its gutsy run?

By RAJIV SINGH

(From left) Vivek Gupta and Abhay Hanjura, co-founders of Licious

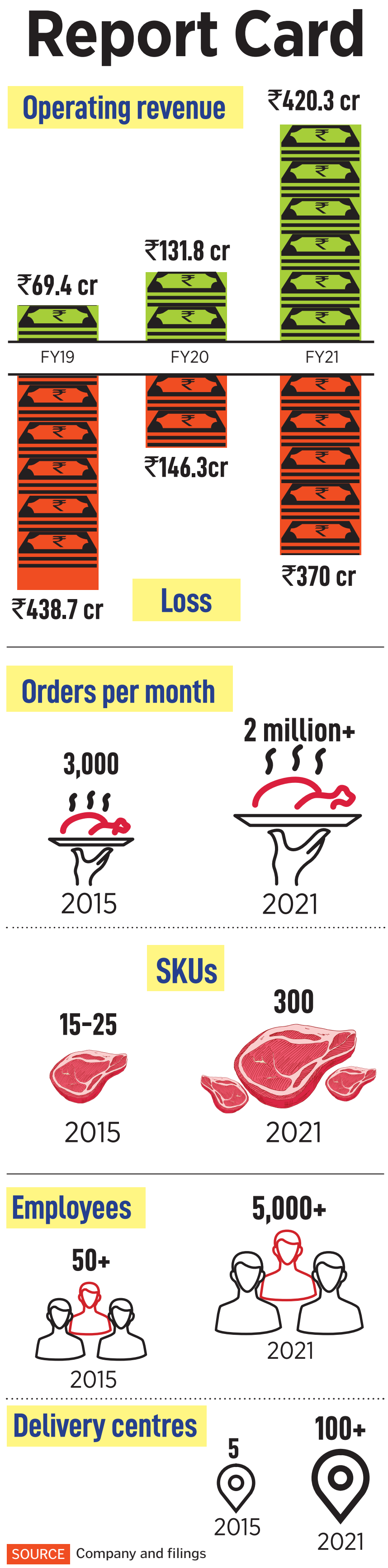
SELVAPRAKASH LAKSHMANAN FOR FORBES INDIA

Over six years into the meat business, Abhay Hanjura and Vivek Gupta are no longer spring chicken. "Vegetarian eaters in India are not missing chicken," reckons Gupta, who comes from a hardcore vegetarian family. His friend Hanjura interjects with a spirited argument. "What do our Western counterparts have," asks the 'branded butcher' who has been working round the cluck—yes, in Hanjura's LinkedIn world, the clock is replaced with 'cluck'—to bring quality, variety and respect to the business of selling meat.

The Americans and Europeans, Hanjura continues with his high-pitched reasoning, don't have many options. "Lettuce, beans, corns, peas. Right?" he says. Back in India, the vegetarians have kadhai panner, dal makhni, spicy aalo gobi. "They don't even want to know how vegetarian chicken—plant-based meat—tastes," he says, shredding the meaty logic built around the imminent rise, and threat, of fake meat. This, he underlines, won't make it big in India.

Well, the duo definitely know how to make real meat big in India. The friends started Licious in July 2015, slowly scaled it up in the initial years, and over the last two years made the most of the pandemic tailwinds to build their maiden venture into the biggest meat and seafood brand in India. In October 2021, India saw a unicorn emerge out of goat, fish and chicken when Licious raised \$52 million (₹395 crore) in series G funding, to become the first direct-to-consumer (D2C) brand to enter the \$1 billion valuation club.

The unicorn tag just means one thing to the co-founders. "We are no longer a nobody," says Gupta, alluding to the size of the company. "It's a validation of what we have achieved so far," he adds. From an operating revenue of just ₹69.4 crore in FY19, Licious closed the next fiscal at ₹131.8 crore. And then during the pandemic,



it leapfrogged to ₹420.3 crore in FY21. "We will stay aggressive," Hanjura says, adding that the startup is now clocking an annualised revenue run rate of ₹1,000 crore for FY21.

The meaty growth has come on the back of an equally bullish expansion. Look at the scale of operations between 2015 and 2021: From being present in one city (Bengaluru) to 15 cities; from an average of 3,000 orders per month to over 2 million per month now; and from five delivery centres to over 100. "We have started entering tier 2 cities," says Gupta. The initial results, he adds, are encouraging. The SKUs have also grown at a fast clip: From 15-25 to over 5,000 during the same period.

What is equally astonishing is the growth of its ready-to-eat/cook division. From less than a dozen SKUs in 2016, the startup now boasts of a portfolio of over 150. The growth, Hanjura points out, galloped over the last two years. "Now it's close to ₹200 crore, and contributes 20 percent to the revenue," he says. The headroom for growth is massive with the per capita meat consumption in India at just 7 kg. "Compare this to the US, where it stands at 112 kg," he says.

The backers are happy. "Licious has disrupted the meat and seafood category, which has largely been unorganised and underserved," says Chetan Naik, partner at IIFL AMC, which led the unicorn round of funding in October. The co-founders, he underlines, have demonstrated a high level of customer-centricity, unparalleled focus on supply chain, quality, freshness and innovation. "They have created a strong brand and are the undisputed category leader," he says. The startup, he claims, is among the fastest growing D2C brands and is one of the few consumer businesses in India with strong revenue retention metrics.

What is now a high-octane story, though, had a chequered beginning. The obstacles were many. One of the biggest was to build a brand out of an

FUNDING ROAD TO UNICORN

2016

STAGE: Series A

INVESTORS: Mayfield Capital and 3one4 Capital

FUNDING: **$3 million** (₹21 crore)

2017

STAGE: Series B

INVESTORS: Existing and new ones, including Mayfield India, 3one4 Capital, Sistema Asia Fund and Neoplux Technology Fund

FUNDING: **$10 million** (₹69 crore)

SEP 2018

STAGE: Series C

INVESTORS: Led by Bertelsmann India Investments and Vertex Ventures Southeast Asia & India (part of the Vertex Holdings network of funds); University of California, Los Angeles (UCLA), also invested in the company, along with Mayfield India, 3one4 Capital, Sistema Asia Fund and InnoVen Capital

FUNDING: **$25 million** (₹174 crore)

DEC 2018

STAGE: Series D

INVESTORS: Led by Japan's Nichirei Group. Existing investors 3one4 Capital, Bertelsmann India Investment, Vertex Ventures Southeast Asia and India, UCLA and Sistema Asia Fund also contributed

FUNDING: **$25 million** (₹174 crore)

DEC 2019

STAGE: Series E

INVESTORS: Led by Singapore-based Vertex Growth Fund. Existing investors including 3one4 Capital, Bertelsmann India Investments, Nichirei Corp, Vertex Ventures Southeast Asia and India, and Sistema Asia Fund also took part

FUNDING: **$30 million** (₹213 crore)

JULY 2021

STAGE: Series F

INVESTORS: Led by Temasek, and Multiples Private Equity

FUNDING: **$192 million** (₹1,430 crore)

OCT 2021

STAGE: Series G

INVESTORS: Led by IIFL AMC; Avendus FLF (Future Leaders Fund) has also invested in this round

FUNDING: **$52 million** (₹395 crore); **gets a valuation of $1 billion**

SOURCE Tracxn, media reports

unorganised meat and seafood market in India, estimated to be around $40 billion. Thousands of mom-and pop meat stores peddling unhygienic stuff, and chicken and meat sold in black plastic bags was the way the industry worked for ages. Neither the carry packs nor the business was transparent. The Licious co-founders not only had to grapple with the stigma of buying and selling meat, but also the plight of the ones consuming it. "They didn't have a choice," says Gupta.

Hanjura reveals another interesting impediment. While Licious was building something special and meaningful—it was the first in India to take a stab at creating a branded meat play—many investors were not convinced. "Personal biases of vegetarian capitalists came in the way of judging the business," he rues. The category, he lets on, was not looked upon seriously. Naysayers and critics kept on harping on the jaundiced view that Indian consumers won't pay for good quality, premium products. "We knew there were buyers," he says, adding that the co-founders were confident of defying the odds.

Early in 2021, the co-founders continued with their odd gambit. They roped in Bollywood actors Anil Kapoor and Arjun Kapoor as brand ambassadors. "It was a turning point for the brand and the category," says Hanjura. The first mass advertising campaign by Licious magnified brand awareness. The reason was simple: The brand had so far clocked heady growth without any advertising. Advertising on prime time television added zing to

> **"Licious has disrupted the meat and seafood category, which has largely been unorganised and underserved."**
>
> **CHETAN NAIK**
> PARTNER, IIFL AMC

the category, and sped up growth.

It was, however, the pandemic that provided the much-needed thrust. "Licious happened to be one of the direct beneficiaries," says Anil Kumar, chief operating officer at RedSeer Consulting, India's biggest home-grown consulting firm. While delivery became a norm, consumers were more receptive to experimenting with new brands. "It massively brought down the customer acquisition cost," reckons Kumar. Another collateral benefit was user stickiness. The startup claims to have over 90 percent repeat orders. "Though it will be moderate over the next few years, the growth story stays intact," he adds.

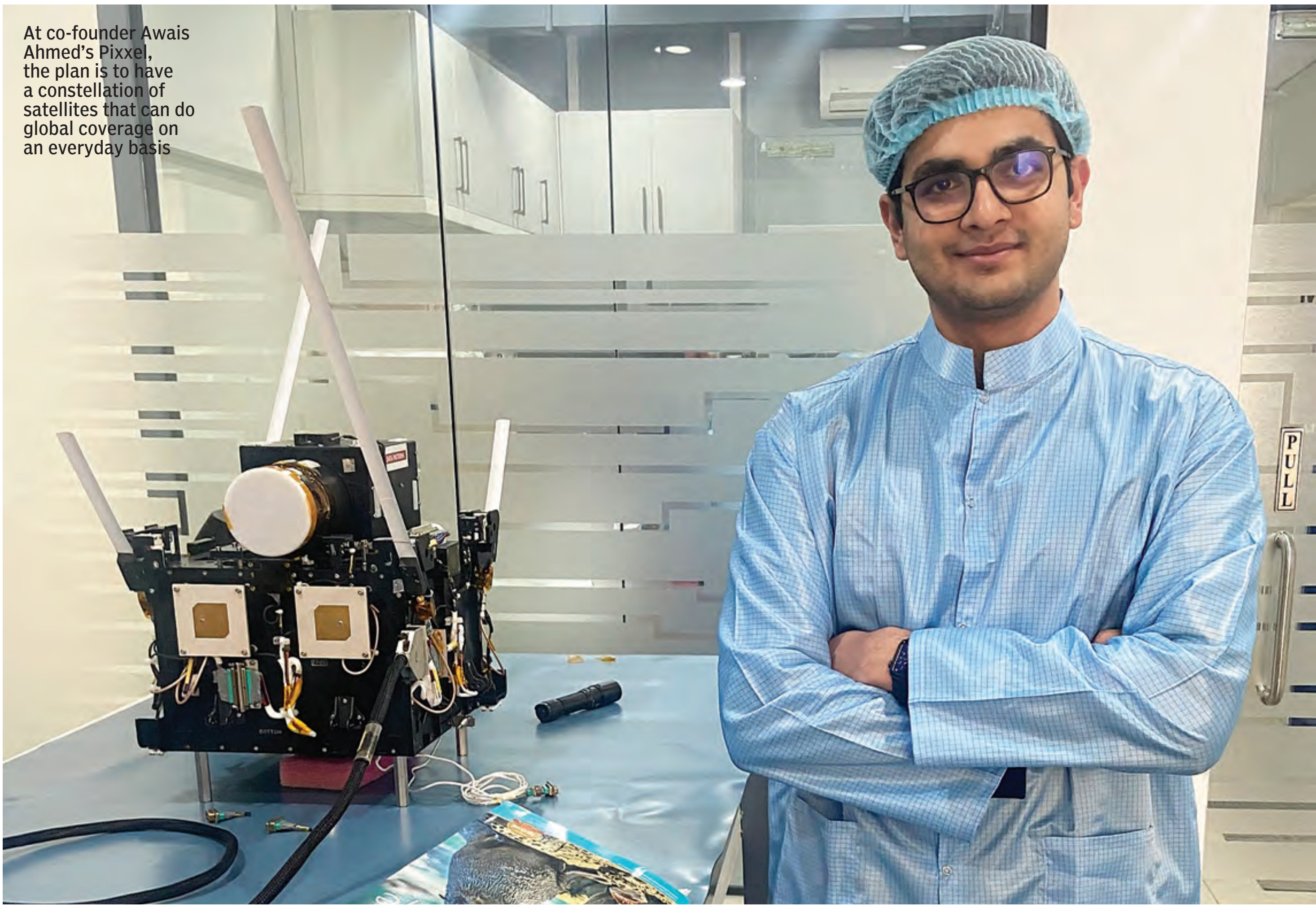
The co-founders too assert that Licious' high-trajectory orbit won't change. "What Amul did for milk and dairy, we would like to do for the branded meat play," says Hanjura. Though six years old, it's still early days for the brand. "We will keep working round the cluck to grow the business," he smiles. F

In Focus

Ready For Take Off

A handful of private space startups have come tantalisingly close to getting their products off the ground. The government's clear intent and support are welcome, but they also need more money to succeed

By HARICHANDAN ARAKALI



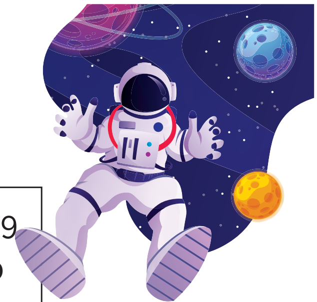
At co-founder Awais Ahmed's Pixxel, the plan is to have a constellation of satellites that can do global coverage on an everyday basis

Awais Ahmed has come a long way from the astronomy book, and later a telescope, his father gave him as a schoolboy. If all goes as planned, the first demonstration satellite at Pixxel, the satellite data company that Ahmed and his friend Kshitij Khandelwal started in 2019, will be launched atop an Isro (Indian Space Research Organisation) rocket to an orbit some 500 km above Earth as early as January 2022.

If that satellite—named Anand to honour the memory of a young intern at Pixxel who passed away later—proves a success, demonstrating the 'hyper-spectral' imaging technology that the company has developed, it will help Pixxel push ahead with its plan of putting up a constellation of 36 micro satellites in what are called low-Earth orbits. Typically in the range of 500 to 550 km above Earth.

"The plan is to have a constellation of satellites that can do global coverage on an everyday basis so that we are able to see how things are changing daily," Ahmed tells *Forbes India*. "In that process, our first satellite has been built, it has been tested, it's ready to launch...

TOP INDIAN SPACETECH STARTUPS BY FUNDING—FOUNDING YEAR 2015 ONWARDS



Agnikul

Founded Year: 2016

Total Funding (USD)

14,663,290

Some Institutional Investors

- Pi Ventures
- Artha Venture Fund
- Beenext
- Speciale Invest
- Mayfield

Skyroot

Founded Year: 2018

Total Funding (USD)

12,866,930

Some Institutional Investors

- Vedanshu
- WorldQuant Ventures
- Sutton Capital
- Meraki
- Graph Ventures

VestaSpace Technology

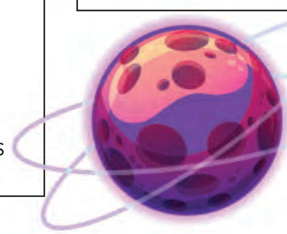
Founded Year: 2019

Total Funding (USD)

10,000,000

Some Institutional Investors

- NextCapital



Pixxel

Founded Year: 2019

Total Funding (USD)

8,000,000

Some Institutional Investors

- Blume Ventures
- GrowX Ventures
- Lightspeed Venture Partners
- Inventus Capital India
- Omnivore

Aadyah Aerospace

Founded Year: 2016

Total Funding (USD)

5,306,859

Some Institutional Investors

- Karnataka Startup Cell
- Keiretsu Forum

SOURCE Tracxn, media reports

we are just waiting for the Isro rocket to get on the launch pad."

Though the launch date was not final as we went to print, following that, the plan is to launch the first phase of the constellation before the end of the year, which will help the startup to start serving customers around the world.

Pixxel is among a clutch of startups coming up in India that reflect the coming together of multiple factors that are set to usher in the private space industry in India—a sector dominated in the country so far by the phenomenal work done by Isro.

This time, some 40 to 50 startups are coming up across the supply chain. From the so-called upstream companies, which are making the satellites and even rockets and propulsion systems and new rocket fuels, to the downstream ventures which are looking to analyse satellite data to provide useful insights to customers ranging from agriculture to insurance to infrastructure planning and maintenance.

GalaxEye, in Chennai, is another Indian startup that is attacking the problem of getting better satellite imagery. The venture was incubated at the Indian Institute of Technology (IIT) Madras, and founders Suyash Singh and Denil Chawda are developing a kind of a hybrid sensor combining the best capabilities of optical cameras and radar technology. They aim to launch a constellation of satellites fitted with these sensors.

At Skyroot Aerospace in Hyderabad, co-founders Pawan Kumar Chandana and Naga Bharat Daka are developing multi-start capable space rockets. At Agnikul Cosmos, Srinath Ravichandran and SPM Moin are 3D-printing engines for small rockets that can put satellites like the ones Pixxel is building, for example, into low-Earth orbits.

And at Dhruva Space, Sanjay Nekkanti and his co-founders have persevered for almost 10 years now. Today they are building a strong business around space-grade solar panels.

Billionaire Elon Musk's dream to put humans on Mars, his company SpaceX's rocket programmes and Starlink's satellite-based internet connections to individual households have not only attracted investors, but also caught the imagination of people around the world. It has inspired a generation of youth in India to get into space startups.

In fact, it was a visit to SpaceX, as part of a competition to build pods for the hyperloop vacuum-tunnel transportation experiment—another Musk brainchild—that motivated Ahmed to do something in the space industry.

Starlink is only awaiting the government's nod, in the form of a licence, to start operations in India. In fact, the company even took pre-orders for connections and Starlink's India head had tweeted about getting some 5,000 pre-orders quickly. The government, however, warned people to not buy the connections because Starlink didn't have a permit to sell its services in the country yet.

That said, government backing is an important factor now that the private space industry is taking off in India.

GOVERNMENT IS INTERESTED

"I think the biggest change has been the willingness from the department of space and Isro and related parties to engage with private entities. That wasn't the case before," says Ahmed. The space department's engagement with private companies from 2019 to 2021 reflects the government's clear intent to both accelerate and increase the level of private industry's participation in the country's space sector, he adds.

India is revising its space industry policies and is also in the process of bringing in new ones to increase private industry participation, K Sivan, Isro's chairman and secretary, department of space, said in October. He was speaking at the inaugural session on 'Future of Space—International Participations and Collaborations' at the India Pavilion in Dubai's Expo 2020 trade fair.

The policies will enable Isro to collaborate much more with India's space tech startups, he said. That has meant, for example, that the space startups are getting access to Isro's sophisticated testing facilities. Pixxel was the first to tap that opportunity, Ahmed says. Today the government's space department is "actively willing to help to see space startups take off and succeed", he adds.

Then there is the regulatory aspect on which there is a lot more clarity today. The government's intent is clearer, and policies are being made, tweaked and fine-tuned in multiple areas such as remote sensing, communications and space transportation and technology transfer. In the areas where the drafts have come out for proposed policies and changes, the general direction has all been towards liberalising the sector, he says.

That means "innovation will be able to flourish in the coming years". Of course, these new policies do need to be implemented. But it's a good start because with regulatory clarity, investors get to take one risk off the table, knowing that there is a regulatory framework that reflects the government's intent to support and encourage space startups.

In addition to making the sector more private enterprise friendly, Isro's plans to accelerate its space programmes, with many more satellites and rocket launches each year planned than before, will also be an opportunity for Indian space startups. They get to both partner Isro on those programmes as well as have more rocket launches on which to send up their own payloads.

Pawan Goenka, chairman, Indian National Space Promotion and Authorisation Center (IN-SPACe), says India aspires to launch a dozen missions every year as against four or five currently. He added that the country is working on developing reusable launch vehicles and other advanced applications.

In March 2019, a new entity called New Space India Limited was set up by the department of space to handle Isro's commercial activities. It aims to bring the products and services developed through the Indian space programme to customers around the world. It is also mandated to accelerate the growth of the Indian space industry through technology transfers, small satellite launch services and satellite and rocket manufacturing collaborations.

Today, the global space economy is estimated to be worth $360 billion in annual spending. In comparison, Isro's budget for the current fiscal is about ₹14,000 crore—less than $2 billion. India's overall space economy is estimated at $7 billion. Morgan Stanley estimates the global space economy to be worth $1 trillion. By 2025, Isro wants India's space investments to touch $50 billion a year.

IN-SPACe is also an opportunity for India to give its space tech startups a single-window navigation of all the multiple clearances that are required, says Narayan Prasad Nagendra, chief operating officer of SatSearch, a space tech marketplace. These clearances include permits from defence departments, the ministries of home, telecom, commerce and others, in addition to, the department of space.

In June, IN-SPACe was announced with this single-window clearance in mind. This is where India can help its space startups "leapfrog the regulatory landscape" in comparison with any other country, Prasad says.

MORE VCS KEEN, BUT...

More venture capital (VC) firms are, at the very least, looking to learn more about private space startups in India. Pixxel started fundraising in early 2019, and raised money in 2020 during the Covid pandemic. Its investors include marquee VC firms such as Lightspeed and Blume Ventures. These firms haven't been known to back hardware tech companies in India in the past, Ahmed points out.

Today, other well-known investment firms have backed private space startups in India, including Kalaari, which invested in Digantara, a startup that is developing ways to tackle space debris, and Mayfield, which led a $11 million Series A investment into Agnikul.

TOP 5 VCs INVESTING IN INDIAN SPACETECH

1 Karnataka Startup Cell
Aadyah Aerospace, Astrome, Bellatrix Aerospace, Astrogate Labs, Xovian

2 Speciale Invest
Agnikul, Kawa Space, Astrogate Labs, Galaxeye

3 GrowX Venture Management
Pixxel, Bellatrix Aerospace

4 GrayCell Ventures
Agnikul, Astrome

5 Indian Angel Network Fund
Dhruva Space, Astrome

SOURCE Tracxn

"Agnikul is democratising access to space for the small satellite market, which is largely underserved globally. For these customers, this is a game changer as they now have a zero-wait time and can control their own mission, all at an affordable cost," Vikram Godse, managing partner, Mayfield India, said in a press release.

"This funding is a strong validation for the opportunity in global private space and the potential to build deep-tech companies from India for the world," Vishesh Rajaram, managing partner at Speciale Invest, an early backer of Agnikul, said in the release.

Over the last two years VC firms have done about 20 deals and invested about $90 million in India's space startups, according to Tracxn, which tracks investments in startups around the world. That $90 million might be a small figure in comparison with the billions of dollars that investors have poured into consumer app startups in India, but only a few years ago, Indian space startups were struggling to raise even a million dollars. In that sense, the funding situation is brighter. Skyroot Aerospace also announced a $11 million funding round in 2021, and data from Tracxn and Venture Intelligence shows Pixxel closing a $28 million round in April via a US-based entity. Pixxel hasn't announced this funding yet and it isn't clear if it's part of a large round.

With investors such as Lightspeed and Mayfield starting to take an interest in the space startups in India, other global names too may not be far behind.

…THEY NEED MORE MONEY

As some of these startups get to the growth stage, which they will soon, "the challenge is mainly capital", Ahmed says. There is no dearth of talent or research and innovation. For private companies, it's been predominantly a lack of requisite funding, he adds. "That's required to get through the valley of death." He is referring to the phase that all tech companies go through during which they have to demonstrate their technology readiness levels or TRL. Scientists and engineers look at this in terms of nine TRLs. TRL 1 is when work is just beginning and a TRL 9 is a flight-proven product that is close to commercialisation.

At a TRL 6, for example—which is a fully functional prototype—a large, established company may be willing to partner a startup to take it to TRL 9 and then commercialise it; and customers might be willing to buy the product.

"In the space industry, India still does not have a Series B level funding, if a company wants to raise $40-50 million. That's a challenge that still needs to be solved for some of these companies," says Prasad at SatSearch. For now, Indian space startups aren't at the level where they are ready to raise that kind of funding, adds Prasad. But he expects that to change over the next year, and certainly in 2023.

To get there, however, takes money for the requisite product development. And it will also take some time to ramp up to the number of customers to where the business can sustain itself. Ahmed says the government has to become a big buyer of these early levels of technologies.

Knowing that the government can be an anchor customer in the early stages gives more confidence to investors and private customers. The government also needs to figure out some way of providing grant funding to early-stage companies to demonstrate their innovations. Over time, it could also set up some sort of a sovereign fund that can invest in space startups, take a stake in them and get returns if the startups succeed. This also helps bridge the funding gap that exists because private funds won't take the risk. In summary, "I can boil it down to one thing, the requirement for capital," says Ahmed.

ANCHOR CUSTOMER

Exposure to demand from the government can be a game changer for startups, Prasad points out. In the case of Nasa or the European Space Agency or the Japanese space agency, once there are some credible startups and credible products that are being planned, by VC-invested companies, the space agencies will look to become anchor customers. 85

In India, government demand consolidated by Isro isn't yet exposed to the startups, he says. End users of data in the government aren't interacting with the startups, but getting their services through Isro's missions. Isro consolidates their requirements, and gives the exchequer an estimate of what it will cost and once that is cleared, the mission goes ahead and various government ministries—the agriculture ministry, for example—get the data.

Even if Isro makes a start by connecting the government demand with the lower-resolution or niche applications that startups are beginning to work with, it will start opening up the market to the startups. They can use that as a launchpad to go after customers around the world, he says. "It will be interesting to see if Isro will move in this direction," Prasad says. F

Power Platform

From baby diapers to malted food drinks to cold-pressed cooking oils, Dabur is furiously plugging the gaps in its portfolio by expanding eight power brands into adjacent categories

By RAJIV SINGH

APRIL 2020, GHAZIABAD, UP

Suddenly, the ugly elephant in the room became visible. "I don't sell bread. I don't have biscuits. I don't make edible oil. I don't even sell salt and atta..." Mohit Malhotra felt miserable. A month into the national lockdown triggered by Covid-19, life had come to a screeching halt for everybody, including the chief executive officer (CEO) of Dabur who happened to be at the corporate headquarters in Kaushambi, Uttar Pradesh (UP), on a blustery Friday.

Businesses had paused, shops were shuttered, and only essential goods and services were allowed. Essentially, the business of essentials meant a silver lining for every FMCG player. ITC started pushing its food portfolio on a war footing; Britannia got busy with an aggressive blueprint for breads, biscuits and other edibles; Marico and HUL too got into the act.

For Dabur, though, the forecast

"I want to double my turnover in three years, and to do that, the addressable market has to be increased."

MOHIT MALHOTRA,
CEO, DABUR

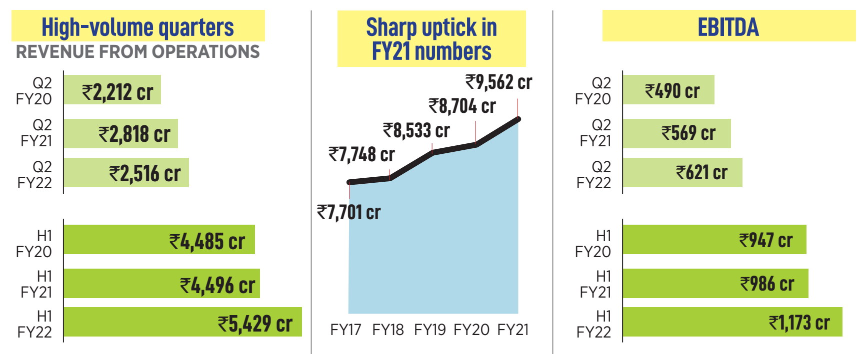
MADHU KAPPARATH

was gloomy. Almost the entire portfolio of the homegrown FMCG major was discretionary. Suddenly, Chyawanprash, honey, Hajmola, hair oil, digestives and fruit juices found themselves out of the essentials bucket of consumers who scrambled to buy and stock food and groceries. "I sell nothing," rued Malhotra at the stark reality of not having any essential product.

The maker of the biggest Chyawanprash and honey brand in India found itself in a fix. Consumers don't see Chyawanprash as a medicine, and ayurvedic medicines that Dabur sells through chemists only contribute a fraction to its revenues. Grocery outlets—which contribute around 70 percent to the business—didn't have any Dabur product. For a consumer packaged goods company, the glaring gaps in its portfolio became an eyesore. "Are we actually treading on the right track?" Malhotra wondered. A sense of brutal self-assessment gripped him. The chinks were exposed, and the big task for the CEO was not to mask the gaps but load the armoury with new weapons. The eight domestic power brands—Chyawanprash, Dabur Honey, Honitus, Pudin Hara, Lal Tail, Dabur Amla, Red Paste and Réal—needed booster doses.

A year later, in April 2021, Malhotra was in the midst of an urgent huddle with his team. The 'war room', as the CEO calls it, had members from across business verticals who were summoned on a bustling Monday morning to discuss a new product—malted food drink (MFD)—for kids. "How about Immono Vita?" asked one. "Can we call it Chyawan Vita," quizzed another. Malhotra shot down the Chyawan idea. Kids, he underlined, don't want to have anything to do with Chyawan. The reason was simple. Back in 2007, Dabur forayed into the MFD segment with a chocolate-flavoured variant dubbed as Chyawan Junior. It bombed. "They want Peter, David,

TWO-YEAR REPORT CARD



SOURCE Company

Harry or even Potter. But they don't want Chyawan," he tells *Forbes India*.

Malhotra's observation matched the takeaway of a study conducted by BCG last year. While the global consulting firm encouraged Dabur to make an entry into the MFD segment, the team sounded a word of caution. This time Dabur was looking at MFD products as an extension of Chyawanprash, which had a market size of ₹1,000 crore and a 4 percent penetration before the onset of Covid-19. Dabur, with a staggering 65 percent market share, was keen to increase the addressable market for Chyawanprash. BCG, though, suggested a twin strategy. First was to have a different and tasty product for kids, along with a stern warning: No Chyawan in the name. The second was to roll out Chyawanprash in different formats to make it attractive to the youth.

Fast forward to December. Dabur rolls out Vita, a malted food drink for kids which pits it against the likes of Bournvita, Horlicks and Complan. With Vita, Malhotra reckons, Dabur has taken a differentiated approach in the MFD category as it offers immunity and growth. "Vita offers us a right to win," he says. Meanwhile, to expand the market for power brand Chyawanprash, it has launched the product in tablet and powder forms.

What the new launches—Vita and the new formats of Chyawanprash—have done is that in one go, they have inflated the addressable market for Chyawanprash from ₹1,000 crore in March 2020 to a staggering ₹10,000 crore. Though the pandemic almost doubled the penetration of Chyawanprash, the brand is now wooing a new set of consumers and looking to ramp up volumes. "From power brands, we are moving towards a power platform," says Malhotra, alluding to Dabur's new marketing strategy to increase the scope, size and play of all its eight power brands by making them enter into adjacent categories.

Take, for instance, Honitus, another power brand which always existed in the form of cough syrup and lozenges. A few months back, Dabur rolled out a sugar-free cough syrup and hot sip kadha, a traditional home remedy for common cold and flu. The category play for Honitus ballooned from ₹400 crore to ₹4,000 crore. Then there is Dabur Lal Tail, massage oil for babies which is just a ₹550-crore market and that Dabur rules with a 30 percent share. By rolling out an entire babycare range such as wash, cream, shampoo, moisturising lotion, wipes, soap, and diapers this year, the market opportunity for Dabur zooms to ₹10,000 crore.

Covid is transforming Dabur from a legacy company to a brand that is in sync with a new set of ground realities, bigger market opportunities and a sea of young customers. "The thinking earlier was to enter into niche and profitable markets and dominate them," says Malhotra, 50,

WHY SIZE MATTERS

While eight power brands helped Dabur stamp its authority across small categories, the constricted size of the respective markets hampered volume play. Now, the homegrown FMCG maker is making power brands enter adjacent categories, thereby ballooning the addressable market

Dabur Chyawanprash

OLD PLAY: Confined to Chyawanprash
CATEGORY SIZE: ₹1,000 crore
MARKET SHARE: 65%

NEW PLAY: Malted Food Drinks, and new formats for Chyawanprash
NEW PRODUCTS: Dabur Vita, Chyawanprash tablets, Chyawanprash sugar free
CATEGORY SIZE NOW: ₹10,000 crore

Dabur Honey

OLD PLAY: Restricted to honey
CATEGORY SIZE: ₹2,000 crore
MARKET SHARE: 59%

NEW PLAY: Variants and premiumisation of honey, and syrups
NEW PRODUCTS: Herb-infused Honey (Honey Tulsi, Honey Ashwagandha), Honey Tasties (chocolate, strawberry syrups), Honey Throat Relief
CATEGORY SIZE NOW: ₹2,500 crore

Dabur Honitus

OLD PLAY: Confined to lozenges
CATEGORY SIZE: ₹400 crore
MARKET SHARE: 16%

NEW PLAY: Sugar-free cough syrup, and other formats
NEW PRODUCTS: Honitus Hot Sip Kaadha, Honitus Ayurvedic Lozenges, Honitus Adulsa Cough Syrup, Honitus Sugar-Free Cough Syrup
CATEGORY SIZE NOW: ₹4,000 crore

Dabur PudinHara

OLD PLAY: Confined to digestives
CATEGORY SIZE: ₹100 crore
MARKET SHARE: 95%

NEW PLAY: Fizzy drinks
NEW PRODUCTS: PudinHara Lemon Fizz, Dabur Soda Fizz
CATEGORY SIZE NOW: ₹1,600 crore

who joined Dabur in 1994 and handled key assignments in marketing and sales. In 2001, he took over as the business head of European Union. Seven years later, he became CEO of Dabur International, and in 2019 was elevated as CEO of Dabur India.

Within a year of his India assignment, the pandemic came knocking and Malhotra nudged Dabur to take an aggressive approach. “We are trying to establish a fearless culture in the company,” he says. What this means is ramping up volume play, pushing power brands into adjacent categories which stay rooted to Dabur’s core of ayurveda, natural and herbal, refusing to get deterred if some launches bomb, and testing the waters in new categories.

Take, for instance, the move to enter into value-added edibles and cooking oil with tea, ghee, cold-pressed mustard and sesame oil, and spices and pickles. “If a new product fails, it doesn’t matter. We’ll try harder next time,” he says. Within every power brand, he adds, Dabur intends to increase the addressable market. “That’s where the theme of *ghar ghar* Dabur comes into play. Every house should have a Dabur product,” he says.

Dabur, reckon FMCG analysts, is finally waking up to the new realities and is tapping into its hidden potential. The transformation is not easy for a company that has always been fixated with margins and profits. For ages, what Dabur did was to either identify a niche or create a small segment and rule it. By virtue of being the market leader, it would make a profit. Now it wants to make profit by ramping up scale. “It has a right to win in most of the adjacent categories it is entering,” says Ronak Soni, analyst at Equirus Securities.

Look at Odomos, a mosquito repellent cream brand. Dabur has a 62 percent market share in this segment which has a size of ₹300 crore. “It could have easily entered into liquid vapourisers (LVP), sprays and other sub-segments of repellents long time back,” says Soni. Now Dabur has got into sprays, LVPs, mosquito nets and electric racquets.

Then there is Odonil, the air freshener brand that came in a blocks format. Again, Dabur has been a market leader in a category which is just ₹600 crore. So how does one increase the size? Simple. Extend Odonil into gels, aerosols and all kinds of air freshener formats and the addressable market gets expanded to ₹6,000 crore! “It’s not just about entering into new spaces. It’s about finding the right fit,” he says, pointing out another example. Real, the juice and nectar brand which has been under the Dabur stable for over two decades, was extended into the drinks market with a mango drink, and then into fizzy carbonated drinks, milk shakes and now into healthy snacks. From being a leader in the ₹1,400 crore juice category, the Real category play balloons to ₹40,000 crore.

Marketers reckon that Dabur is resizing its business by expanding the size of the market. “From small, the opportunity is now XXL,” says Ashita Aggarwal, marketing professor at SP Jain Institute of Management and Research. What is helping Dabur in crafting a new marketing strategy, she points out, is shunning the mindset of staying as leader. “Either one builds a small country and leads it or becomes a massive state and keeps expanding,” she says. The company has also gone deep into the hinterland with the new strategy and a new basket of products. Last October, Dabur started appointing ‘*yoddhas*’ (warriors) in UP, Madhya Pradesh and Bihar.

Village-level entrepreneurs, *yoddhas* act as a stocking point, and as the business ramps up, they are

Dabur Lal Tail

OLD PLAY: Only baby oil

CATEGORY SIZE: ₹550 cr

MARKET SHARE: 30%

NEW PLAY: Entire babycare range, including diapers

NEW PRODUCTS: Babycare products such as oil, wash, cream, shampoo, moisture lotion, wipes, soap and diapers

CATEGORY SIZE NOW: ₹10,000 cr

Dabur Amla Hair Oil

OLD PLAY: Only amla oil

CATEGORY SIZE: ₹1,800 cr

MARKET SHARE: 45%

NEW PLAY: Flanker brands, shampoo, conditioner and variants

NEW PRODUCTS: Dabur Amla Aloe Vera hair oil, Dabur Brahmi Amla hair oil, Dabur Sarson Amla hair oil, Dabur Badam Amla hair oil, Dabur Amla Kids range of hair oil, shampoo and conditioner

CATEGORY SIZE NOW: ₹2,400 cr

Dabur Red Paste

OLD PLAY: Confined to red toothpaste

CATEGORY SIZE: ₹12,000 cr

MARKET SHARE: 11.5% for Red Paste; 15% overall

NEW PLAY: Mouthwash, herbal range of toothpastes

NEW PRODUCTS: Dabur Red Gel, Dabur Red Pulling Oil (mouthwash); Dabur Dant Raksha, Dabur Herbal range of three pastes: Clove, Neem, Tulsi

CATEGORY SIZE NOW: ₹12,500 cr

Dabur Real

OLD PLAY: Only juices

CATEGORY SIZE: ₹1,400 cr

MARKET SHARE: 60%

NEW PLAY: Fruit drinks, milkshakes, fizzy carbonated drinks

NEW PRODUCTS: Real Mango drink in PET bottles, Real Frappe, Real Activ Low-Cal juices, Real Activ tender coconut water in Tetrapak, Real FizzIn carbonated fruit drinks

CATEGORY SIZE NOW: ₹40,000 cr

converted into sub-stockists and become an integral part of the sales mechanism. "Look at the way they have scaled this," she says, alluding to 7,000 *yoddhas* appointed in a little over a year and the move to appoint such village entrepreneurs in Maharashtra, Gujarat and West Bengal. For a company which already has a direct village coverage of over 83,000, *yoddhas* are set to broaden and deepen its rural contribution, which now stands at around 47 percent.

Though *yoddhas* might have added more ammunition, Dabur's new aggressive play comes with a flip side. "It is waging a war on multiple fronts now," says Aggarwal. Have a look. Real is now pitted against Slice and Maaza; Vita takes on Bournvita, Horlicks and Complan; cold-pressed edible oils make them fight heavyweights such as ITC and Marico; diapers find formidable rivals in Pampers and Huggies; activated charcoal toothpaste now locks horns with Colgate; and ghee and tea have Goliaths like Amul and HUL in their respective segments. "Now you are fighting all of them," she says.

Malhotra, for his part, insists that he has not opened multiple fronts. "We are sticking to Dabur's knitting, which is herbal, ayurvedic and natural," he stresses. If entry into adjacent or new categories, he explains, results in locking horns with somebody, it's fine. "If there are no skirmishes, then honestly there's no fun," he says with a smile, as he takes a swig of vedic suraksha tea and walks out of his war room. "We are warriors," he says, explaining how his approach is realistic and not opportunistic. "It's like hedgehog versus fox," he says, explaining his analogy. A few big boys, much like a clever fox, are getting into big categories which have not been their core. "I am like a hedgehog that knows its realm of play," he says. And if in the process of expanding the size of the addressable market, some people find it intrusive, then let it be.

Tell him that some of the new products might cannibalise the existing ones, and the CEO acknowledges the possibility. "They will cannibalise but that's a conscious cannibalisation," says Malhotra. It will be a weeding and feeding, and the more you feed, the more you grow. "That's the way we look at it," he adds. And what if others enter into Dabur's territory? Marico, for one, has rolled out Chyawanprash and honey, and boldly taken on Dabur. Malhotra reckons Dabur is better prepared to ensure that the competition doesn't eat from its plate. A few years back, he recalls, Patanjali grabbed a meaty market share in honey. It's in the past. "Now we are aggressive," he says. "We won't let anybody come and push us," says Malhotra. "I want to double my turnover in three years," he asserts, adding that the target can be met only when the market size is increased. "We want our bus to be full of drivers and not passengers," he says, as he keeps his foot firmly on the accelerator. F

NEW CATEGORIES & BOLD PLAY

Value-added tea
Dabur Vedic Suraksha Tea

Spices and pickles
Homemade Tasty Masala and pickles

Single Herb Tablets
Dabur Pure Herbs

Value-added edibles and cooking oils
Dabur ghee, Dabur Cold Pressed Mustard Oil, Dabur Cold Pressed Sesame Oil

In Focus

The Pollution We Consciously Choose

Despite interventions by courts, the rampant use of toxic firecrackers is encouraged by influential people and overlooked by policy measures and enforcement authorities

By **SUMAIRA ABDULALI**

SANKET WANKHADE / HINDUSTAN TIMES VIA GETTY IMAGES

At Mumbai's Marine Drive, I measured decibel levels some years ago. A father laughed as he handed his nearly-eight-year-old son an exploding cracker 'bomb'. The child bent over. When it exploded quicker than he expected and black burns marked his face, I watched his mother hug him. I wondered, not for the first time, why people give crackers to children.

Firecrackers are synonymous with Diwali. They are also used to celebrate birthdays and weddings, and bring in the New Year

I wondered why people light crackers at all. But really, I knew: Crackers with names like 'Atom Bomb', 'Thunder Bomb' and 'Saddam Bomb' declare their own powerful symbolism. Firecrackers are the emissions we choose.

Firecrackers add to the soupy air of Indian cities, the noisiest and most polluted in the world: A toxic mix of emissions from traffic, construction, garbage burning, industry and other 'uncontrollable' sources. Cracker use is encouraged by influential people and often overlooked by policy measures and enforcement authorities.

'Green-crackers', supposedly reduced-emission firecrackers promoted by the government as safe, are often banned firecrackers in disguise. Still, they were permitted in some states for 35 minutes, from 11.55 pm to 12.30 am to mark the New Year.

In October 2021, the Supreme Court (SC) expressed its displeasure with years-long government disregard of its orders. "If it is found that any banned firecrackers are manufactured, sold and used, the chief secretary, home secretary, commissioner of police and district superintendent of police shall be held personally liable."

In a rare action that demonstrated enforcement of the SC order, Harish Baijal, Commissioner of Police, Solapur, set a precedent. He determined that many green-crackers were fake. He seized and "destroyed crackers worth ₹30,00,000 as they did not have any certificate" from the government agency that developed them, the National Environmental Engineering Research Institute (Neeri).

The earliest firecracker was a continuously heated bamboo that exploded with a loud bang in China in 200 BCE. But gunpowder is louder than heated bamboo. During the Han Dynasty, about 142 AD, alchemist Wei Boyang first described gunpowder as a mixture of three powders that would "fly and dance". After his discovery, though firecrackers are still called 'baozhu' or the 'exploding bamboo', gunpowder-based explosives replaced the bamboo.

Mongol invasions in the 13th century brought explosives to India. Originally instruments of war in the invasions, an envoy of Mongol ruler Hulegu Khan in 1258 was met with the splendour of thunder and light of a dazzling firecracker display in Delhi. Gradually, firecracker displays spread all over the country and became symbols of triumph, marking its celebration. The victory of good over evil, light over darkness.

As they became accessible to ordinary people, firecrackers also became common to mark victorious cricket matches and political elections and to celebrate the symbolic beginnings of new years, birthdays and weddings. They are synonymous with the festival of lights, Diwali.

In Kerala, where intensely competitive firecracker face-offs use unbranded firecrackers called 'amittu', an explosion burnt down a temple and killed over a hundred people in 2016. "Chemicals were filled in a cast iron heavy cylinder and exploded," laments L Xavier, vice president, Forum for Prevention of Environmental and Sound Pollution, a petitioner to the landmark SC judgment covering various aspects of noise pollution in 2005. "Such crackers continue to be used even today. Nothing has changed."

During the Covid-19 lockdown in 2020, even as Prime Minister Narendra Modi urged citizens to celebrate Diwali with diyas and lights, some firecrackers in Rajkot, Gujarat, were named 'Modi bomb' and 'Rafale Skyshots'. In Zaidapur, Uttar Pradesh, children making crackers without safety measures or licenses were caught on video despite previous explosions that had killed people.

The SC banned dangerous and polluting crackers. The government then encouraged green-crackers developed by Neeri. Just like firecrackers are low-intensity bombs with reduced potential to cause grave physical injury, green-crackers are supposedly reduced-emission firecrackers, billed as environmentally friendly.

The Petroleum and Explosives Safety Organisation (Peso) authorised a few varieties for manufacture and distribution. Between them, Neeri and Peso are responsible for ensuring that manufacturing is according to approved specifications and the police license distribution, while the Central Pollution Control Board (CPCB) ensures that emissions are within permissible limits.

Along with the Maharashtra Pollution Control Board (MPCB), Awaaz Foundation checked the firecracker boxes for compliance. Authorised green-crackers must carry a mandatory authenticity stamp of Neeri and a QR code on their packaging boxes. The QR code identifies composition, including heavy metals, noise levels, date and place of manufacture. It identifies green-crackers as genuine. However, several boxes did not have QR codes. Before Diwali, Awaaz Foundation used a free downloadable app, also developed by Neeri, to check QR codes on boxes that had them. All the 20 varieties we tested displayed the message 'Invalid QR'.

Senior advocate Gopal Sankaranarayanan, representing his minor son Arjun Gopal in the SC, placed our findings before the court. The SC order of October 29 reads: "It is reported that even under the guise of 'green-crackers', banned chemicals firecrackers are being sold and there is a mislabelling on the boxes and even the QR codes provided on the boxes of 'green-crackers' are alleged to be fake."

Awaaz Foundation then tested their chemical content at a lab and found that green-crackers contained banned chemicals and heavy metals. These additives create unique and distinctive light displays, more dazzling colours, more brilliance and more smoke. Additives like barium, which is poisonous, produces green colours and stabilises other volatile elements. Antimony helps create glitter effects. A 2017 SC order directed "no firecrackers manufactured by the respondents shall contain antimony, lithium, mercury, arsenic and lead in any form whatsoever".

Green-crackers like anar, sparklers and chakris are considered 'safe' for children to handle. Nevertheless, they contained all of these banned substances, along with barium, another banned substance. They also contained other toxic chemicals such as potassium, lead, sulphur and chlorine. Our findings were confirmed by a prima-facie finding of the CBI, on record with the court.

The UN lists air pollution ahead of Covid-19 as the world's single greatest health emergency. A report from Lancet said 1.7 million Indians died because of air pollution

Many of these metals are listed under the Hazardous Chemicals Rules of the Environment Protection Act, which restrict contact during transport, storage and handling.

Dr Hasnain Patel, president, International Board of Clinical Medical Toxicology says, "Heavy metals are especially hazardous to children. Heavy metal poisoning is a common cause of serious disease like diabetes, cancer, nervous system disorders and organ failure."

In addition to being dangerous, metals may combine with the sulphur and oxygen, which firecrackers also contain, when they are ignited. The chemical reaction may result in highly toxic metal and sulphur oxides and sulphides.

Dr Rakesh Kumar, former director, Neeri, acknowledged the toxicity of metal oxides and other byproducts of partial combustion, but explained that we don't know the exact composition of firecracker emissions "as it may vary widely depending upon the raw material used and conditions of its burning. Such detailed tests as far as we know for byproducts have not been carried out".

The United States Environment Protection Agency says that even short-term exposure to sulphur oxides "can harm the human respiratory system and make breathing difficult. People with asthma, particularly children, are sensitive".

Even in the absence of tests, ordinary people know the immediate effect of particulate matter, which they inhale when crackers are lit. Every winter, a cough congests my throat and chest and lingers until spring. I know I am not alone when I hear other people's hacking 'seasonal' coughs.

The United Nations (UN) lists air pollution ahead of Covid-19 as the world's single greatest health emergency. A report from Lancet quantified that 1.7 million Indians died and the Indian economy lost ₹260,000 crore because of air pollution.

The thrill of the firecracker is inextricably tied to its deafening bang. Like the Air Pollution Rules and the Hazardous Chemicals Rules, the Noise Pollution Rules are also notified under the Environment Protection Act.

In October, a few weeks before Diwali, a green-cracker lit by Awaaz Foundation and the MPCB tested 127.6 decibels. It crossed the threshold of pain. As I took an involuntary step backwards, I saw others turn away, their hands over their ears. The sound reverberated from a nearby building. Birds flew upwards.

Xavier says his day sometimes starts with "tremendous explosion of firecrackers at 5 am, loud enough to cause palpitations" when a church celebrates a feast from November 28 till December 15. "Repeated complaints to the authorities have had no effect."

More Indians suffer disabling hearing loss than anywhere else in the world. Speaking on World Hearing Day in March 2021 at an event organised by the World Health Organization, Union Health Minister Harsh Vardhan warned that India faces an "impending mountain of hearing loss."

The SC's October 29 order reads: "Nobody can be permitted to flout and/or disobey the directions issued by this court/courts. Any wilful and deliberate disobedience shall have to be viewed very seriously."

Nevertheless, on November 2, two days before Diwali, the government told the SC that a mechanism to monitor and ensure that no fake or banned crackers are sold is in place. On that day, the AQI in parts of Delhi and Mumbai were 305 and 335 respectively, both cities in the 'very poor' category. Despite evidence to the contrary on record, the SC accepted "the explanation given by the state" that the government is ensuring compliance with all court orders.

On the very same day, in Glasgow, Scotland, Modi committed at CoP26 that India would meet net-zero emissions 50 years from now, in 2070. While the government actively pressed the SC to permit polluting crackers, Modi did not make any commitments to begin reducing emissions now.

On November 3, the eve of Diwali, President Ram Nath Kovind tweeted: "Let us celebrate this festival together in a clean and safe manner and resolve to contribute in conservation and protection of the environment." At the same time, spiritual leader Sadhguru, with a massive following of millions of disciples, said in a viral video: "Let children have the fun of bursting crackers."

In complete disregard of health, environmental and climate imperatives, green-crackers were burst during Diwali and for many days afterwards, in some places throughout the night. Around the same time, firecrackers were also burst on the street outside a celebrity home to celebrate the release of a superstar's son from jail.

Immediately after Diwali, AQI in parts of Mumbai shot up to 438µ/mg3 and in parts of Delhi to 999µ/mg3 or the maximum readings possible in the calibration of the meter; in the 'severe' category and beyond. A few days later, all 'non-essential' activities in Delhi, including schools, were required to be closed to protect people's health.

Firecrackers' ability to shock and awe outweigh serious health hazards, adverse affects to climate change, contravention of our laws and our global commitments to net-zero

Sankaranarayanan wrote an open letter to the SC: "I will not bore you with tales of political apathy, corporate lobbies and dishonest lawyers."

Firecrackers and green-crackers are the greenhouse-gas emissions we choose. They cause climate change and acid rain. They bring disease and death to our own citizens. Unlike other emissions, no fig leaf of 'development' can cover our choice.

The United Nations said, "Improving air quality can enhance climate change mitigation." It added that, conversely, "climate change mitigation efforts can improve air quality".

Meanwhile, an email inquiry from Awaaz Foundation to Neeri received an official quote for testing of ₹7,000 per sample, making this an unaffordable exercise for an NGO.

Police Commissioner Baijal, who was informed that Neeri's instrument to check green-crackers is not working, was asked to pay ₹250 per sample to a private lab. "So I selected 50 brands and sent the amount of ₹12,500. For lack of communication from Neeri, the private firm is yet to accept the amount."

In the absence of significant will to enforce from the government, religious or society leaders, it is unsurprising that firecrackers, those dazzling markers of triumph, victory and power, continue in common use. Their ability to shock and awe outweigh serious health hazards, adverse affects to climate change, contravention of our own laws and our international commitments to net-zero.

Green-crackers are permitted by SC orders on New Year. Clarifications from individual state governments are awaited. I looked out of my window and wondered if sudden deafening noise at the stroke of midnight will mark January 1, 2022, in Mumbai. A night curfew due to the fast-spreading Omicron variant of Covid-19 may not permit green-crackers after all.

Nevertheless, in parts of India, a brilliant shower of red, gold and green high above accompanied noise, as firecrackers disguised as green-crackers marked the beginning of 2022. When I hug my children and wish them a happy new year, crackers brightened the sky, now obscured with grey smoke. Old people were jerked awake. Infants cried. In the morning, left-over bits of paper, plastic and ashes lay in heaps, lining the streets.

We look forward and Indian cities remain among the most polluted in the world. We look backwards and we see why. F

THE WRITER IS CONVENOR, AWAAZ FOUNDATION

Interview

'Hoarding Wealth is Less Cool Today'

Zerodha co-founder *Nikhil Kamath* on encouraging philanthropy among youngsters, and the shift in how the wealthy think about giving back to society

By DIVYA J SHEKHAR

Nikhil Kamath, co-founder of Zerodha, India's biggest stock brokerage company in terms of volume of trade, has launched the Young India Philanthropic Pledge (YIPP), where signatories, all under 45 years of age, will pledge 25 percent of their wealth with a minimum spend of ₹1 crore per year.

Kamath, 35, is the youngest philanthropist on the Edelgive Hurun India Philanthropy List 2021, where he debuted with his 42-year-old brother, Zerodha co-founder and CEO Nithin (also a signatory to YIPP), with a donation of ₹25 crore. The brothers, who recently pledged a quarter of their personal wealth to philanthropy, have plans to give back ₹750 crore over the next three years.

Members and advisors of YIPP include Sujeet Kumar, co-founder of B2B unicorn Udaan, venture capitalist Prashanth Prakash of Accel, Hari Menon, who leads the India office of the Bill & Melinda Gates Foundation, and Amitabh Shah, founder of non-profit Yuva Unstoppable.

While Prakash believes that founders of startup unicorns can make a big impact by joining forces to solve social issues, Kumar says the first step is to believe that something needs attention. "With an impressive cohort like YIPP, I am confident that we will make an impact collectively like we have in our areas of expertise," he says.

Kamath, who also leads asset management company True Beacon, says it is important to encourage people of means to start giving much earlier in life. "We thought, let us bring people together as a group, start this initiative and try to pick really impactful projects that we will not only fund, but also run with our experience and expertise," he says in an interview. Edited excerpts:

Q What is the need for a platform like YIPP?

A lot of younger people want to contribute to community and society, but do not have access to the right means by which they can do it. Historically, most of the (philanthropic) work in India has been driven by people in the 55-plus age group. So YIPP was, in a way, to encourage young people to come out and help with different issues. The people who have come on board happen to be part of my personal circle, unicorn founders and startup entrepreneurs who have made a lot of money at a very early age and can contribute. The money they bring in is personal wealth, over and above the 2 percent Corporate Social Responsibility (CSR) commitments.

We thought, let us bring these people together, start this initiative and try to pick impactful projects that we will not only fund, but also run with our experience and expertise. We have about 10 signatories and it will go up to 20 or 25 over the next year.

"The disparity in society is evident. It can't go on forever. It can't be that 10 percent of the country has what should belong to 90 percent of the people."

Q What are the immediate causes you are addressing through this platform?

The first project, which we hope to launch by the end of December, is an education-focussed one, where we will pick a district in Karnataka and transform at least 200 government schools with improved sanitation, drinking water (facilities), hand-washing areas, smart classrooms, teacher training and scholarships, among other things. We will spend at least ₹10-20 lakh per school to fix these issues.

We are working on narrowing down the district where this project will be implemented. The idea is to make this district a role model for other districts in the country, and scale up the project accordingly. We want to be detached to the politics of it all and be agnostic when we go about picking districts across countries.

We have chosen access to better quality education as a cause to begin with, but that does not mean we are not working on other causes,

SELVAPRAKASH LAKSHMANAN

like health care needs due to Covid-19 or water and sanitation. The decision is not mine alone. If any member of the platform has an idea for a worthy project that can be backed, we deliberate and vote on it. Individuals will then donate directly to the cause. So the platform is essentially to meet and discuss causes, areas of focus and impact.

Q Why have you chosen the pledge format for philanthropy and how will it be implemented?

It gives us improved visibility. Say we need ₹50 crore for phase 1 of our school project. If we have 10 people who have pledged 25 percent of their net worth, we then have visibility on the scale of the projects we can take up. Also, the narrative among youngsters is changing, where they do not want to leave behind too much wealth for their kids. Hence we took the pledge format, which is a lifelong commitment. It is not about what we do in one year, but how we can constantly keep doing things for the next 20 to 30 years.

The idea of YIPP is to prevent as much leakage as possible between philanthropic donation and (on-ground) implementation. We intend to do that by keeping the cost of execution low. We are associated with a network of NGOs to ensure that. Our advisors include the Bill & Melinda Gates Foundation, Prashanth Prakash of Accel, who launched the ACT Grant for Covid-19, and Biocon CMD Kiran Mazumdar-Shaw. So we have on board a group of experienced people who help us stay focussed and they have great advice to give all the time.

Q What is the impact that like-minded youngsters can create?

The (social and economic) disparity in society is evident. It cannot go on forever. It cannot be that 10 percent of the country has what should belong to 90 percent of the people. In the finite time that we have here, while we might not be big enough to make a significant dent, if we encourage and inculcate habits of giving back to society very early, the next generation will grow up with those habits, start younger and do more in their older years. The basic idea is to just encourage people to start giving earlier in life.

When youngsters start making X amount of money, and we make 5x and 10x, our lifestyle is not changing incrementally. It is just money in a bank account. So might as well use it in a manner that both makes you feel good and helps people around you.

Q How has the Covid-19 pandemic reshaped philanthropy?

The pandemic has taught everybody that life is uncertain. So people are not as averse to using the resources they have, like they were pre-pandemic.

People are becoming more conscious of the fact that they have to give more. Hoarding wealth, like earlier generations, and competing with others about who has more in the bank is becoming less cool today, than it was, say 20 years ago. In Bengaluru, people would rather be known for being socially-conscious and making a change, than for their wealth.

The government, in such a scenario, should also make it more favourable for somebody to give, in terms of taxation. If you own of a corporation and are personally giving money, you are essentially paying 55 percent tax on your income, and from the money left out of that you are doing charity. Tax advantages have to be there to encourage people. F

Credit at Checkout

Fintech startup Uni promises to solve customers' short-term liquidity woes with its Pay 1/3rd card, but does it really stand out in India's competitive 'buy now, pay later' space?

By SAMIDHA JAIN

Team Uni (co-founders, from left): Laxmikant Vyas, chief revenue officer; Nitin Gupta, CEO, and Prateek Jindal, who is chief product officer

Fintech veterans Nitin Gupta, Prateek Jindal and Laxmikant Vyas may have started out on different paths, but their journeys brought them together to Uni, a fintech startup launched last October that provides new-age credit cards.

Uni's flagship product launched this June, the 'Pay 1/3rd' card, automatically splits transactions into three parts at no extra cost. Customers can also pay in full in return for cashback. The idea of the card, which targets short-term liquidity, was the result of a survey that gave co-founder and CEO Gupta an insight into consumer spending habits. "We conducted a survey among the employees at my previous workplace. We found that 40 percent employees borrowed money from friends or family. That is when it dawned upon us that once in a while, most users face short liquidity crisis," says Gupta, who wants to make credit products accessible and democratic.

The co-founders have previous experience in building credit products, with Gupta, Jindal and Vyas having worked with PayU, Ola Financial Services and Bajaj Finance respectively. The Bengaluru-based startup, backed by Lightspeed Ventures and Accel India, raised a seed round of around $18.5 million [₹135 crore] last October, while still in stealth mode. Uni is present across 47 cities, including Delhi, Mumbai, Hyderabad, Pune, Chennai, Kolkata, Ahmedabad, Lucknow, and Jaipur. The Pay 1/3rd is a physical and digital card powered by Visa.

"With over 220 million [22 crore] credit eligible consumers, there is great potential for expanding access to credit through the adoption of innovative pay later products, especially among a rapidly digitising consumer base," says TR Ramachandran, group country manager, India and South Asia, Visa.

Jindal, who is also the chief product officer at Uni, says the 'buy now, pay later (BNPL)' trend is picking up in India. "People want more options to plan their finances better. Millennials and Gen-Z want to make things happen, not wait for them to happen. If there is a sale on the phone of their choice today, they want to be able to buy it and have options with payment modes. This format [BNPL] helps them plan better and solve for short-term liquidity crunches."

This October, Uni saw more than 100 percent increase in transaction value. "We saw 3x growth in spends during the festive season on ecommerce platforms. Since August, transactions have been steadily growing and the current transaction value is ₹120 crore in monthly disbursals, with a month-on-month growth of 40 percent," says Gupta, an IIT-Delhi and IIM-Ahmedabad graduate.

The company generates revenue from both merchants and customers. Uni works on the Visa network and charges sellers as per Visa's track rate, which varies as per transaction rates. From customers who convert their bills into longer tenure EMI or instalments, the company charges interest which ranges between 14 and 18 percent. A part of the revenue also comes from late fees paid by customers if they miss the repayment on time. "In Pay 1/3rd, the minimum due amount has to be paid in every billing cycle, or the borrower will have to pay a late fee that is decided based on the slab", says Gupta.

To manage funds that Uni disburses, the company maintains a revenue sharing relationship with their partners at banks and NBFCs. Commenting on the idea of bringing down costs of funds by becoming an NBFC, Gupta says, "Being an NBFC is now becoming more important because of regulatory reasons than for costs of funds." Although cost of funds at banks are lower, Gupta believes an innovative business model, technology, and superior user experience give the company an edge over banks.

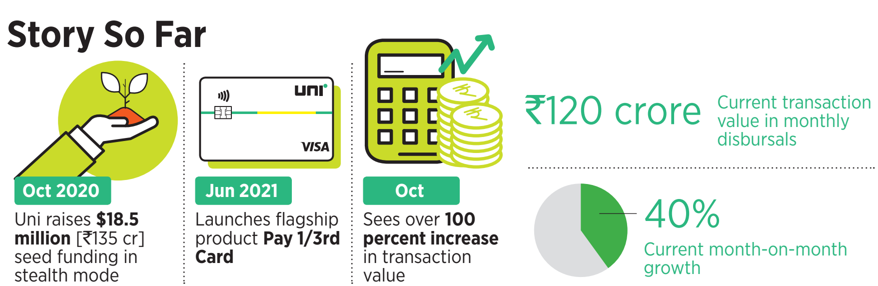
Uni wants its Pay 1/3rd card to stand out in the competitive BNPL landscape. Banking on being a physical and digital card, Pay 1/3rd is looking to reach millions of merchants with a credit limit between ₹20,000 and ₹6 lakh. "Most pay later products in the market are digital and not physical cards. These players are also merchant-dependent and work within a merchant network and the credit lines are lower. That is where Uni's Pay 1/3rd is different," says Gupta.

Companies like LazyPay and Ola Money provide one-click convenience for high frequency of transactions, while others like Bajaj Finance and ZestMoney offer affordability in transactions. Uni provides customers with flexibility on a transaction with user discretion to either split payments into three parts or pay in the same month for a 1 percent cashback.

Vyas reiterates that the core idea behind the Uni Pay 1/3rd card is to help customers manage short-term money needs while giving them the flexibility to earn rewards and cashbacks. "It is the longest free credit period card in the market, and questions traditional ethos around credit cards that penalise customers for short term fund requirements," he says. Uni's Pay 1/3rd comes with no joining fees and provides customers with long EMI plans starting from six months to over 18.

The BNPL trend comes with its downside and risks. Based on the nature of the transaction, consumers can get trapped into the idea of overspending and impulse buying. Since they have a chance to pay only one-third, they might spend more, leading to larger purchase amounts, which is a win for the merchants, say experts.

Mihir Gandhi, partner and leader, payments transformation at PwC India, says the collection of loans can prove to be an important and tough task for loan providers. "Any company offering BNPL services will need to have a robust collection mechanism in place to do loan recoveries. Giving loans is easy, but the collections should be to the focus area."



WHAT'S NEXT?

Uni is planning to launch a 'Direct bank' feature in Pay 1/3rd to enable consumers to take their credit line directly into their or anyone else's bank account, without costs.

The startup will also introduce affordable EMI plans if consumers need longer repayment tenures, ranging from six to over 18 months, and an in-app lifestyle store to redeem reward points. That apart, Uni has plans to launch a credit card over the next few months. "Pay 1/3rd is the first product in our kitty. We will operate in this credit card and pay later world only and keep coming up with new and different value propositions. This will be relevant to certain customer segments, much more relevant than what the existing products can do," believes Gupta. F

INFOGRAPHIC: SAMEER PAWAR

ECONOMIC GROWTH


REUTERS

Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance.

—BAN KI-MOON
South Korean diplomat

Agriculture can trigger job-led economic growth, provided it becomes intellectually satisfying and economically rewarding.

—MS SWAMINATHAN
Agricultural scientist

We should no longer measure our wealth and success in the graph that shows economic growth, but in the curve that shows the emissions of greenhouse gases.

—GRETA THUNBERG
Swedish environmental activist


REUTERS

To ensure stable and sustainable economic growth, world leaders must re-examine the international rules of the monetary game, with advanced and emerging economies alike adopting more mutually beneficial monetary policies.

—RAGHURAM RAJAN
Former RBI governor

Empowering the individual means empowering the nation. And empowerment is best served through rapid economic growth with rapid social change.

ATAL BIHARI VAJPAYEE
Former prime minister

Economic growth may one day turn out to be a curse rather than good, and under no conditions can it either lead into freedom or constitute a proof for its existence.

—HANNAH ARENDT
American philosopher


REUTERS

Economic growth and human development need to go hand in hand. Human values need to be advocated vigorously.

—KAILASH SATYARTHI
Social reformer

Education equals economic growth.

—JULIA GILLARD
Australian politician

Unlimited economic growth has the marvellous quality of stilling discontent while maintaining privilege, a fact that has not gone unnoticed among liberal economists.

—NOAM CHOMSKY
American philosopher

If you ask an economist what's driven economic growth, it's been major advances in things that mattered—the mechanisation of farming, mass manufacturing, things like that. The problem is, our society is not organised around doing that.

—LARRY PAGE
American entrepreneur


Kajaria
INDIA'S NO.1 TILE COMPANY
India's largest tiles manufacturer is now world's No. 8
Manufacturing spread across 10 plants - 8 tiles, 1 sanitaryware & 1 faucet
PAN India network of dealers and world-class showrooms for a magnificent experience
Won Superbrand status 12 times in a row
Products adhere to green building norms
India's only tile company to win 'Asia's most promising brand award' in the premium tile category
Surging ahead into sanitaryware & faucets under the brand name - Kerovit
Forayed into the wood panel segment under the brand name - KajariaPLY & Kajaria Laminates
KAJARIA CERAMICS LIMITED
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