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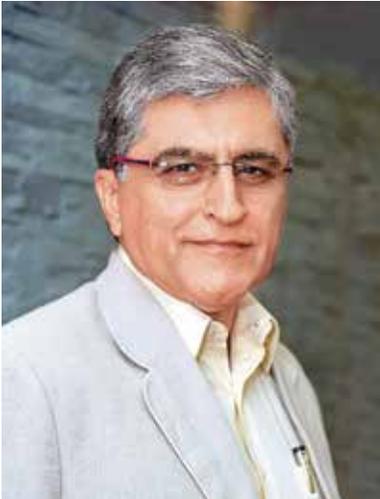


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The Young & The Restless



MARK ZUCKERBERG, A COMPUTER PROGRAMMER who made \$35 billion by getting everyone in the world hooked on Facebook, still looks pimply-faced and continues to make presentations in an unkempt shock of curls and a casual, turtleneck T-shirt. It is this visual of a just-30 young man with the devil-may-care look about him that represents the disruption of our times. That billions can be made from a great idea that has universal value suddenly dawned on a whole generation and turned into a tsunami. If the dark-suited brass of the \$360-billion BP were to announce a new gasfield, estimated to add another \$35 billion to its topline, it wouldn't be half as exciting.

India is very much part of the new frontier. A chart drawn up of Indian startups and investments for May this year by trak.in showed that of the 59 new ventures recorded last month, 29 were digital platforms or online delivery services, food delivery services were the largest chunk with names such as Box8, followed by online education platforms and various types of web-based marketplaces. Mobile apps for laundry services and car washing, and outlandish ventures such

as MyCuteOffice and BuyHatKe are the other signs of the times. Most of these will fall by the wayside. An idea that does not solve a problem or a service that has a doubtful backend cannot become a successful commercial product. But who can stop the wave?

BW|Businessworld has been celebrating the spirit of young entrepreneurship for many years through a process of rewarding the best and most successful startups. Five years ago, the winners used to be those who found ways of using gas from cow dung to fire water pumps. But this year, the entrants to the contest for the 'Young Entrepreneur Awards' and the winners are mostly those who have consciously chosen the digital world as their platform for solving problems and providing services. There were many from the real world, too.

This issue brings to you the 10 best youngest startups. They range from an online community of first-time moms (BabyChakra) created by passionate twenty-year-olds to an invention of shoes (Lechal) that are programmed to guide those without sight by giving mild vibrations or shocks as steering aides. And what better judges could we have than those who have succeeded with startups and today have billion-dollar businesses. We also invite you to meet the judges — Paytm founder Vijay Shekar Sharma, Naukri.com promoter Sanjeev Bhikchandani, and Helion co-founder Rahul Chandra.

Before signing off, there is just that little nagging doubt as to whether entrepreneurship and startups are only about digital solutions for the mobile and online savvy. India's 300-million-strong Internet community is only about 25 per cent of the country's population, and there are a huge number of brick-and-mortar social businesses that are experimenting with problem-solving for rural markets. We have to discover and celebrate the startups among these communities too.

A handwritten signature in black ink, appearing to read 'Gurbir Singh', written in a cursive style.

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BW | BUSINESSWORLD

VOL. 33, ISSUE 48 ■ FOR THE FORTNIGHT 16 - 29 JUNE 2015
RELEASED ON 9 JUNE 2015

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Published and printed by Anurag Batra for and on behalf of the owners, BW Businessworld Media Private Limited. Published at J-6/55, Upper Ground Floor, Rajouri Garden, New Delhi-110027, and printed at International Print-O-Pac Ltd. C-4/11, Phase-II, Hoisery Complex, Noida. Editor : Anurag Batra.

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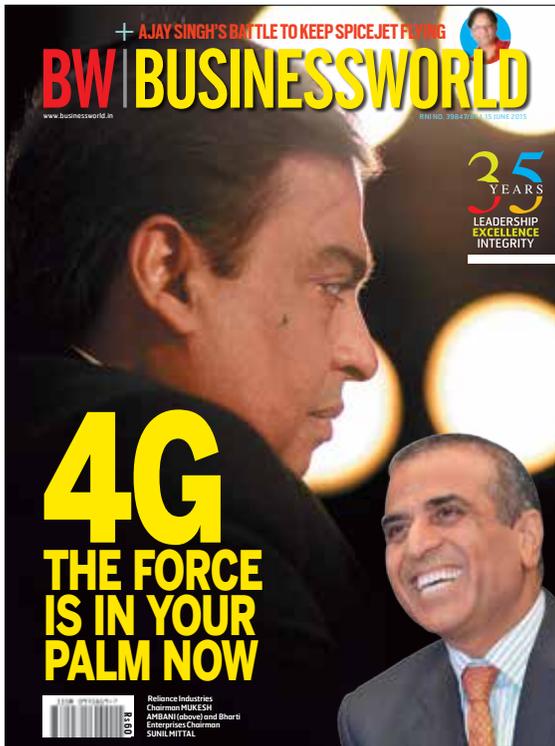


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MAILBOX

YOUR COMMENTS

IT'S TIME FOR ACTION

The special issue on the Modi government's first year in office was very well conceived ("Has He Kept His Words?", *BW*, 1 June). However, the opinions of politicians, industrialists and other eminent people sounded very much like what is heard in our Parliament nowadays. The people associated with the government just could not stop praising Modi and his vision, while never forgetting to pat their own backs.

There were arguments that one year is too short to judge the government, but then, there were also arguments that changes proclaimed by the government needed to be more visible. Enough promises have been made; now, the time has come for the Modi *sarkar* to implement the 'big-bang' reforms.

— MONISH MANE, EMAIL

TALK BACK

Submissions to *BW Businessworld* should include the writer's name and address and be sent by email to the editor at editor@businessworld.in or by mail to Express Building, 2nd Floor, Bahadur Shah Zafar Marg, New Delhi - 110002.

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HEALTHY LESSONS

I read all the articles in the After Hours section with a great deal of interest. The main article this time ("Healthy@Work", *BW*, 1 June) captured very well the health and wellness initiatives of corporates, and it will prompt other companies to think along the same lines.

— T. KUMARESANE, EMAIL

CORRIGENDA

In the column accompanying the cover story on Reliance Jio ("Jio Set To Disturb The Waters?", *BW*, 15 June), the author, B.K. Syngal's name was inadvertently deleted.

In the story on white-label ATMs ("Raising White Elephants", *BW*, 15 June), the name of K.R. Bijimon, CGM, Muthoot Finance was wrongly spelt. The errors are regretted.



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P.B. Sharma, vice chancellor, Amity University, talks about the challenges faced in education www.businessworld.in

INSPIRATION OR CREATIVE COINCIDENCE?

Similarities between a Swiss train artwork and Make in India logo may be entirely coincidental

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OPINION

YU Go Cheap

The latest device from YU promises a value for money smartphone along with Cyanogen OS based Android



Chinese Invasion

A look at two brand new Chinese smartphones from ZTE and Lenovo that are worth the money

Get 'Hooq'ed

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Will Munjal Ride Ahead With Hero MotoCorp?

Pawan Munjal, steering the company for over a decade, has taken over as chairman of Hero MotoCorp

Pharma Frontiers

When the Drugs Consultative Committee meets next week, it should discuss not whether to ban online sales of medicines, but to find a way to regulate e-commerce of drugs



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CONTENTS

■ VOLUME 33, ISSUE 48 ■ 29 JUNE 2015

JOTTINGS & SNAPSHOTS

16

Jottings

Maggi on the boil; economic data dressing; dismal pay at state-run banks; and more

22

Verbatim

What Christoph Mueller, Alexis Tsipras, Evan Spiegel and Ashish Chauhan said

24

Columns

Gurbir Singh, Nayan Chanda (p. 40), Ramesh Jude (p. 132) Rachna Chhachhi (p. 137), Mala Bhargava (p. 141)

26

The Social Circuit

Google allows advertisers to place ads within YouTube videos; Tweets will now be shown in Google searches; and more

28

Marketing & Advertising

Lincoln Bjorkman of Wunderman on the centrality of data; Cadbury's new campaign

30

Globescan

Charter Communications buys Time Warner Cable; Malaysia Airlines 'technically bankrupt'; and more

Cover Photographs by RITESH SHARMA, UMESH GOSWAMI & BIVASH BANERJEE



42

Early Starters

Young entrepreneur-helmed companies cut across the business spectrum



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CONTENTS

■ VOLUME 33, ISSUE 48 ■ 29 JUNE 2015



92



134

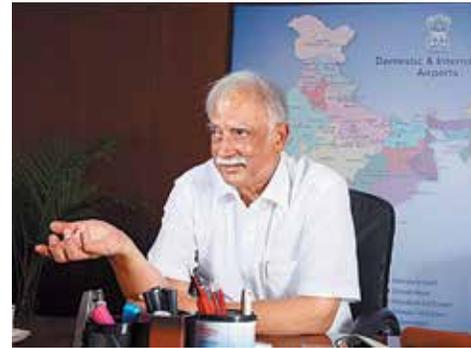


139



88

106



WINNING STARTUPS

- 46 **Wingify**
- 50 **Eureka**
- 54 **I Say Organic**
- 58 **Globalite**
- 62 **Tagalys**
- 66 **Ducere**
- 70 **TrulyMadly**
- 74 **Babychakra**
- 78 **Organic Harvest**
- 82 **Oyo Rooms**
- COLUMNS**
- Rahul Chandra 73**
- Visham Sikand 77**

V. S. Sharma 81

86 Jury Notes

THE BIG STORIES

34 Beyond Queues
Now mobile PoS units can go to customers. What a relief!

88 Machines With Muscles
Car makers are dishing out small and affordable beasts to cater to Indians' preference for SUVs

92 Cricketainment
IPL 8 proves naysayers wrong by becoming the most successful edition yet in terms of revenue

96 Personal Finance
Investors who have parked their money in small- and mid-cap stocks should stay invested

106 In Conversation
Union civil aviation minister Ashok Gajapathi Raju says he has a lot of faith in Air India

110 Case Study
How an integrated approach is needed to deal with gender bias at the workplace

BEYOND BUSINESS

134 Lifestyle
Lilly Vijayaraghavan's love for decorative art objects

138 Gadgets
The sleek looking Gionee Elife S7 is among the slimmest smartphones

140 Apps
Apps that let you quickly access personal details and combine messaging with shopping

142 Talking Tech
Vipin Sawhney, country manager of Silicon Image, talks about Mobile High-Definition Link

144 Book Extract
The Bloom in the Desert: The Making of NTPC by D.V. Kapur

148 Bookmark
T.R. Ramachandran reviews *Aligning Strategy and Sales*

AND ALSO

151 People In The News
Sunil Gulati, John Forbes Nash Jr., and more

154 Last Page
A look at how India lags its peers in Asia-Pac on a number of key economic parameters

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JOTTINGS



Maggi In A Soup



PLAIN SPEAK

COMMERCE MINISTER Nirmala Sitharaman is absolutely right when she says that India cannot wait indefinitely for a consensus among the member countries of the World Trade Organisation (WTO) over the country's right to stockpile food grains for public distribution. The concerns expressed by WTO director general Roberto Azevedo on 1 June over the slow pace of discussions on several areas of interest to the developing countries – including agriculture – only adds to the importance of the minister's statement. The only reason why India agreed to clear the 'trade facilitation' logjam at the WTO last year was a promise it secured from the developed nations to address India's food security concerns at the earliest. Adding to it was the decision to continue the current interim arrangement, called peace clause, until a permanent solution is reached. Perpetual peace clause can never be the same as a permanent solution. The minister has conveyed the right message.

— Joe C. Mathew

T

ROUBLES for India's favourite 2-minute snack, Maggi Noodles, had to reach boiling point before Nestle India withdrew the product — for now. Nestle is still insisting, as it has done from the beginning of the controversy, that the instant snack is perfectly safe, but the governments of

several Indian states are not so sure about the level of lead and monosodium glutamate in the noodles being acceptable. Amazingly, loyal customers have been grabbing whatever packets they could lay their hands on and hoarding them. When quizzed, customers said there was probably more lead in the polluted air we breathe than in the snack and practically every other packaged food had the same problem, if we were to go about testing. All the same, Maggi has sustained a brand beating it may take years to recover from and Nestle would have done well to take the noodles off the shelves before it was pushed into a corner. Instant re-testing and concerned communication on social media instead of a steadfast insistence that Maggi was safe and not in hot water would have helped it more. — Mala Bhargava

OF WINNERS AND LOSERS

CAN YOU BEAT THIS? Mint Road has allowed private banks to pay "up to Rs 10 lakh per annum" to non-executive directors plus sitting fee for board meetings. It's "to attract and retain professional directors" and that such directors are "appropriately compensated". Welcome as the move is, you can't help but look at

what state-run bank bosses get: a mere Rs 18.66 lakh. It's (on an average) Rs 3.21 crore plus options at private banks; Rs 78.63 lakh at old private banks. In the case of foreign banks here, a million dollars (above Rs 6 crore) is not uncommon. And yet, nobody tires of saying that state-run bosses are to be paid better. How? When?

Nobody knows. *Time Weekly*, a Guangzhou-based newspaper, last month said pay cuts were behind the recent departures of senior executives from Bank of China, Bank of Communications, and China Construction Bank, among others. At our state-run banks, current pay will do the trick! — Raghu Mohan

Dressing Up Data?

EVER SINCE THE CENTRAL STATISTICS office changed its methodology for calculating GDP growth, India's economic profile has been looking too good to be real. Statistically speaking, India's GDP grew 7.5 per cent, though the growth figure seemed to contradict many key economic indicators. Our investments remain tepid, growth eludes majority of the core sector industries and corporate earnings remain subdued. Is there a discrepancy in the new method for calculating GDP? Reserve Bank governor Raghuram Rajan just stopped short of saying so in his recent remarks, though he did mention that there are reasons to feel that the economy is below potential and output gap is still negative. The safest way to read the outcome of the new set of GDP data will be by sticking to the suggestions in the Economic Survey 2014-15. It said that until a longer data series is available for analysis and comparisons, and until the changes can be plausibly ascribed to the respective roles of the new base, new data and improved methodology, the growth narrative may elude a fuller understanding. Therefore, this growth figure should be seen as an indication of economic recovery rather than as the real surge of the Indian economy. — *Joe C. Mathew*



WILL INFRA ATTRACT FUNDS?



MINT ROAD'S move to allow banks to invest in long-term bonds issued by one another is aimed at getting funds into the infrastructure sector given that investments worth \$2 trillion are needed. The point is: will it fire? A condition put forward by Mint Road that not more than 20 per cent of infrastructure bond issues could be earmarked for banks — on the face of it — does not look unfair. But there's another hurdle: it can only be up to 2 per cent of the buying bank's tier-1 capital. And we all know that state-run banks, which accounts for the lion's share of assets in the banking system, now run low on capital in the run-up to Basel-3 norms. As for the remaining 80 per cent which is to be spread across other diverse investor groups like pension funds and global insurance majors, will they jump in? It's not so simple: investors will not buy into these bonds if the infrastructure policy framework is tardy — be it coal, roads or railways. And that's not in Mint Road's domain. — *Raghu Mohan*

PHOTOGRAPH: SHUTTERSTOCK

Tough To Hide

THE MOVE TO REDUCE the proposed 14-page income tax return (ITR) form to three pages is certainly a step towards simplification. On the face of it, an income tax assessee will not be required to file details of his foreign trips or expenditure abroad. Even account balance in all the bank accounts need not be provided now, neither the details of all the property owned. But experts believe that the new ITR Form 2 and 2A will require one to disclose the passport number, bank account numbers along with Indian Financial System Codes (IFSC). A parallel move to link the passport to Aadhaar and



the PAN card is also underway, though this may happen only next year, according to a person involved with the process. "Tougher days are coming. A wealth of data will be generated now," says this person. Devil is always in the detail. — *Ashish Sinha*

Ordinance Raj 3.0

THE Narendra Modi government is sinking deeper into the land acquisition quagmire. On 31 May, the land ordinance was re-promulgated for the third time, after the Congress-dominated Rajya Sabha refused to put its stamp on the Bill. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement

The government's stance defies logic. From the point of view of parliamentary strategy, the heavens would not have fallen if the Prime Minister had allowed the previous Land Bill to lapse in May. Once the JPC completes its work, the BJP-led government has the numbers to pass the Bill even if it has to convene a joint session of the two houses of Parliament.

that any business entity will risk acquiring land under the terms of the current ordinance.

An RTI filed by civil activist Venkatesh Nayak nails the lie that land acquisition is the main hurdle to completion of projects. The government record shows that as of February this year, only 8.2 per cent or 66 of the total 804 projects have been

state of Bihar, in 1987, the Supreme Court had found that between 1967 and 1981, the Bihar government had promulgated 256 ordinances that "were kept alive for periods ranging between one and 14 years by re-promulgation from time to time". Coming down heavily on this practice of governance through ordinance, the court held the practice of repeatedly re-promulgating ordinances as unconstitutional.

However, in respect of the powers of the President to promulgate ordinances defined by Article 123 of the Constitution, there is silence on the issue of re-promulgation. Legally it is an open issue, but ethically, the discordant notes are becoming stronger. The previous re-promulgated ordinance in April was challenged by the Delhi Grameen Sabha in the Supreme Court, which gave notice to the government and other parties. With the April ordinance having been replaced, the petition will become redundant, but it is only a matter of time before a fresh legal challenge is mounted.

— *Gurbir Singh*



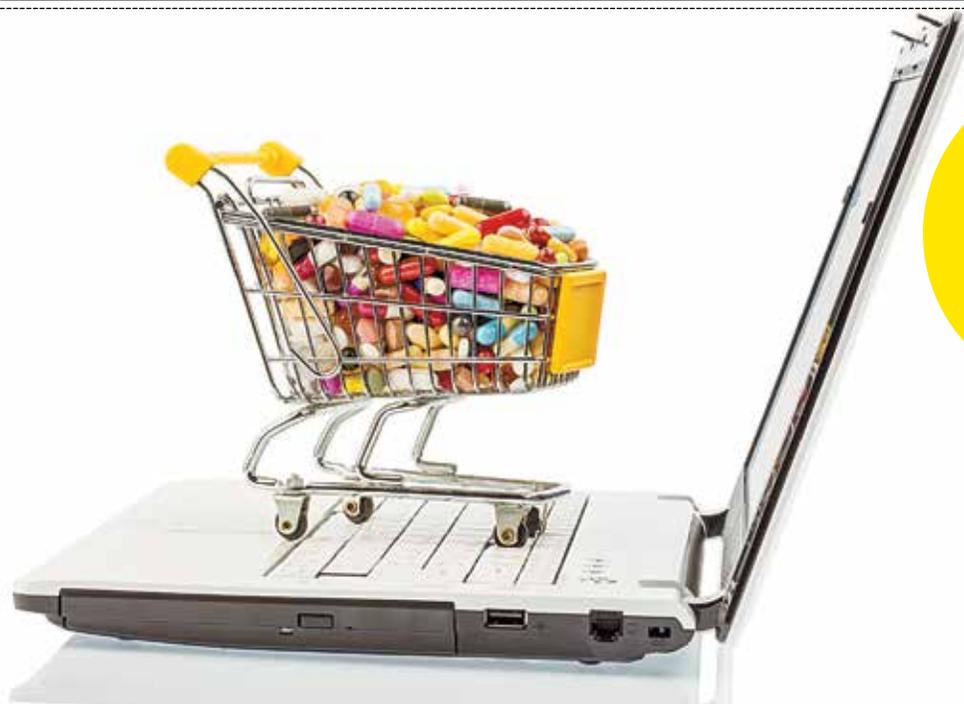
Only
66
projects out of
the total 804 have been
halted due to problems
in acquiring land

(Amendment) Ordinance had been promulgated first in December 2014 and again on 3 April this year. The Bill has been passed by the Lok Sabha, but persistent opposition and street protests have forced the government to refer it to the Joint Parliamentary Committee (JPC).

So what does the government hope to achieve by keeping alive a controversial policy measure through an ordinance? Will any acquisition of land by corporate groups be initiated under the newly-promulgated ordinance? With shrill protests over the land Bill, it is unlikely

halted due to problems in acquiring land. The bulk of the projects have been on hold for various reasons such as lack of clearances (non-environmental), unfavourable market conditions, lack of funds and lack of promoter interest.

In an earlier case of D.C. Wadhwa versus



DCC

India's apex advisory body on drug regulations is now looking to regulate online pharmacies

Under The Scanner

INDIA'S APEX advisory body on drug regulations, the Drugs Consultative Committee (DCC), which has members drawn from all state and central drug controllers, has woken up to the need of regulating online sale of medicines. It is a timely realisation, as the existing drug laws, framed many years before the entry of e-commerce, do not capture the realm of virtual marketplace.

Drug regulators so far have acted under the Drugs and Cosmetics Act, 1940, and rules made under this Act, which broadly categorises drugs into two: the ones that require a doctor's prescription to be sold and those that can be freely advertised and sold over-the-counter.

While there is no re-

striction on the sale of the second category of medicines, which includes health supplements, food supplements, etc., the law prescribes strict norms for the manufacture, packaging, storage and sale of the first (schedule H) category of medicines. It is natural that the same rules should apply to online sales too, as the online platform is nothing but a technology-enabled marketplace where medicines are sold in the same way as in chemist shops and pharmacies.

Hence, medicines sold online should be shipped only against genuine prescription from doctors. Whether an SMS from the doctor is valid, or whether a scanned copy of a prescription is required

is a question that needs to be debated. Also, whether it is possible to have a single database that captures the entire cycle — from generation of prescription to dispensing of medicine — is something that technology experts will have to suggest. Whatever be the method, online as a platform cannot be ignored.

It is a booming market out there, as many Indians — geriatric patients, chronic patients and corporate executives, among others — find online purchase and home delivery of medicines very convenient. Indian drug authorities, who follow international practices closely when it comes to approval or ban of drugs, should adopt similar methods in the case of

online pharmacies also. Most developed countries have systems in place; they can be adopted and adapted to suit Indian conditions.

One should realise that online transactions, including of drugs, which can be easily tracked and traced, provide a better chance for effective regulation.

It would be worth considering a registration system for online entities that sell medicines. Let a special cell be created in the office of the Drugs Controller General of India to categorise them depending on whether they sell only over-the-counter products, or prescription medicines. There can even be separate government approved logos to differentiate registered websites from others. Let there be standards fixed for packaging and delivery.

This is a sector that is waiting to take off. The government needs to take a pro-active step. The result can only be positive. The industry will benefit, the business will gain, and the consumer will win.

— Joe C. Mathew



MINDING THE GAP

Ismail Seyis (L), head of Gap's international franchise division and J. Suresh, CEO & MD, Arvind Lifestyle

What about its India offerings? Suresh claims the product sourcing has been done from the global line. "So you will find the same stuff here as may be available in a New York or in a London GAP store. T-Shirts are priced between Rs 999 and Rs 2,499, shirts between Rs 2,399 and Rs 2,999 and denim ranges between Rs 2,999 and Rs 4,999," he says.

GAP, however, is betting big on its trademark sweatshirts, something that most Indians have known for a long time. "As you can see, we are going big on our logo and branding. Kids and baby wear is another segment which will do well for us," says Seyis.

That is all fine, but the biggest gap between success and failure is the worsening economics of malls. A recent report by Jones Lang LaSalle, the real estate consultancy firm, indicates that more than 72 per cent of malls in the country's top seven cities are performing poorly, which means dismal occupancies and low footfalls resulting in lower sales. — *Ashish Sinha*

GAP Fills Its India Vacuum

IT IS BETTER late than never! Eleven years after the entry of Tommy Hilfinger and six years after Zara, US apparel major GAP has launched its first store in the country. Spread across 11,000 sq. ft, the store is located in the posh Select Citywalk mall in New Delhi's Saket.

GAP's India franchisee Arvind Lifestyle has a clear roadmap. "Open 40 stores in the next five years and generate revenues of Rs 1,000 crore. That is the broad idea," says J. Suresh, chief executive officer and managing director, Arvind Lifestyle Brands.

Clocking Rs 5 crore in sales per store per year

may not be a tall order for the cult apparel brand whose India association dates back to the Bollywood film *Kuch Kuch Hota Hai* which had Shah Rukh Khan sporting a GAP sweatshirt. Incidentally, the sweatshirt was not sponsored by GAP, say its officials.

Arvind Lifestyle will be required to invest around Rs 320-400 crore for setting up 40 outlets across Delhi, Mumbai and Bangalore. "We should have four stores by Diwali with at least one in the three locations. In the next 12 months, we should open 10 stores," says Suresh.

But therein lies the challenge. "Getting qual-

10

The number of stores GAP plans to open in India in the next 12 months

ity real estate in good malls is a concern," says Ismail Seyis, who heads GAP's international franchise division and is based out of London. And perhaps that is the reason why India will be the fashion apparel retailer's last location in the Asia-Pacific region. "In the last 5-6 years, we have entered Thailand, the Philippines, Singapore, Malaysia, Indonesia, Taiwan, and Vietnam. Of course, Hong Kong was there. No more expansion here in this part of the world," adds Seyis.



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VERBATIM



“We are technically bankrupt...the decline of performance started long before the tragic events of 2014” — **CHRISTOPH MUELLER**, the newly appointed chief executive of loss-making Malaysia Airlines, underlining the case for a restructuring to cut a third of jobs, scrap some international routes and review its long-haul fleet

“I think that people are making riskier investments and ... there will be a correction”

— **EVAN SPIEGEL**, CEO of popular messaging service Snapchat, stressing that the world is living through a tech bubble, and that it's a matter of when, not if, the tech bubble will burst

“There’s usefulness, but no emotion. All of our watches are strongly connected by emotion”

— **STANISLAS DE QUERCIZE**, CEO of Cartier, referring to the Internet-connected smartwatches that Apple, Sony, LG and Samsung have been churning out for excited users

“We almost need to say thank you to Amazon.

They have taught the American consumer to shop online, but they don't own that relationship”

— **BRIAN CORNELL**, CEO of retailer Target, on how Amazon changed the way people shop, a profound shift the discount retailer was late in seeing coming and is still scrambling to take advantage of

“Around 98 per cent of Indians do not invest in financial markets. India is a poor country but it saves around 600 billion dollars”

— **ASHISH CHAUHAN**, CEO and managing director, Bombay Stock Exchange, calling for encouraging Indians to invest in financial instruments such as banks and stocks that create jobs

“We are already the largest provider of accommodations on the planet and we're growing really really quickly. I think the biggest thing that's happening is that Airbnb is going mainstream”

— **BRIAN CHESKY**, CEO, Airbnb, the website for people to rent out lodging



“If we have not reached an agreement with our partners, it's not because of our intransigence or incomprehensible positions from the Greek side. It is rather because of the obsession of some institutional representatives who insist on unreasonable solutions and are being indifferent to the democratic result of recent Greek elections”

— **ALEXIS TSIPRAS**, Greek Prime Minister, in a column in French daily *Le Monde*



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It's Spring Time For Digital News

Journalists can turn entrepreneurs if they have the stomach for risk-taking and the passion to push the frontiers of news reporting



By Gurbir Singh

OFLATE, THERE HAS been a flurry of news and information websites launched by editors and journalists fed up with the old media system. Among the most recent is *TheWire.in* by two senior journalists Sidharth Bhatia and Siddharth Varadarajan. Bhatia has been a freelance columnist for a while; Varadarajan, after a distinguished career with *The Times of India* and *The Hindu*, became a victim of family crossfire at Kasturi and Sons. Fed up of corporate straightjackets, the duo have decided to adopt a do-it-ourselves model.

The older, more established *Scroll.in* has been marching from strength to strength. *Scroll* editor Naresh Fernandes says it has quickly ramped up from about 500,000 page views a month about 5-6 months ago to nearly 1.8 million currently. The website has been able to create buzz by digging for the truth, where others fear to tread.

Striking out in a different direction are two ex-editors of *Forbes India*, who fell out with their boss and then chairman of the Network18 Group, Raghav Bahl. Indrajit Gupta and Charles Assisi, the two-some after years of work, have launched *FoundingFuel* — an online entrepreneurial exchange platform that also imparts learning and skills to aspiring businessmen. Another more traditional news launch coming is *Catch* — a news website anchored by Shoma Chaudhury, former managing editor of *Tehelka*, and funded by *Rajasthan Patrika*.

It's almost a stampede now! Barkha Dutt, a key editor at NDTV for over 20 years, has built her own "multi-media content company and policy group". *The Hindu's* long-time rural affairs editor P. Sainath has also set up a not-for-profit Peoples Archive for Rural India (PARI). Shekhar Gupta, former editor of *The Indian Express*, after an aborted partnership with *India Today*, has launched his own platform *Mediascape*. *Indiaspend.org*, launched by Bloomberg UTV's former editor Govindraj Ethiraj, has slowly but surely become a watched data-analysis site. There is also *Quartz*, *HuffingtonPostIndia*, *Daily O*, and the list goes on.

The options for serious journalism are shrinking by the day. It is no wonder a large chunk of middle-order scribes have over recent years drifted out to public relations and similar jobs. The profession is grappling with two big problems: one, media owners have become increasingly intolerant of the liberal ethos of Indian journalism, and the definition of what is 'politically' correct is becoming longer by the day. Worse still, corporate demands are queering the pitch. Why, for instance, was the Aston Martin crash in Mumbai in December 2013 involving Akash Ambani reported in a manner as if it had never happened?

Second, news media has become an increasingly unviable business. Regulatory compulsions don't allow foreign or even domestic capital flows easily and profit margins are shrinking. News television is a stagnating industry

The digital medium is like a breath of fresh air. Regulations are not stifling, and very large fund deployment is not an entry barrier

with less than Rs 2,500 crore in annual ad revenue, and with 180 of the 400 licensed news channels off the air. This sector has seen very little investment since the Mukesh Ambani buyout of Network18, and unfortunately the only new entrants in media seem to be politicians and beer bar owners, whose agenda is other than running a legal news business.

In this scenario, the digital medium is like a breath of fresh air. Regulations are not stifling, and very large fund deployment is not an entry barrier. Journalists can turn entrepreneurs if they have the stomach for risk-taking and the passion to push the frontiers of news reporting. *Scroll* and *Firstpost* have shown they are no more 'niche' and are being accepted as 'mainline' journalism.

Yes, it will get very crowded; and some will die. But till then, let a hundred flowers bloom. **BW**

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BJAZ-PR-0278/27-May-15

THE SOCIAL CIRCUIT

NOW SHOP INSIDE VIDEOS

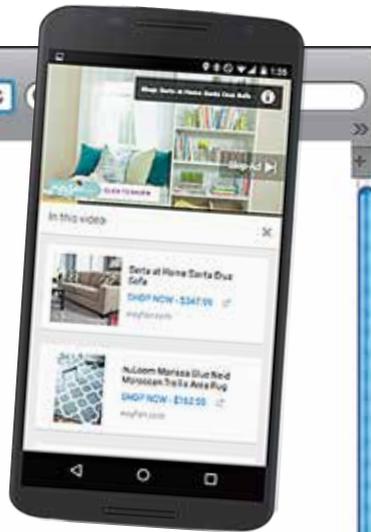
GOOGLE HAS NOW added YouTube videos to the mix that it offers to advertisers. Built within its TrueView feature, Google now allows advertisers to place ads within a YouTube video along with a 'buy' button to enhance the experience.

Google, explaining the feature in a blog post, says, "To connect the dots between the moment a person watches a video and the moment he decides to make a purchase, we are introducing a new feature called TrueView for shopping that makes it easy for viewers to get more information on your products and to buy." The feature allows advertisers to showcase product details and images and the 'buy' option to purchase within their video ad.

TrueView will help advertisers to connect individual products with individual videos. According to Google, brands which took part in the early tests of TrueView for shopping saw strong results in terms of driving interest and sales. Wayfair, an online

home goods retailer, saw a three times increase in revenue per impression served when compared to previous campaigns.

Apart from this, Google also added a 'nearby business' mobile ad format for location-based searches. According to a study by Google, search interest in products or services 'near me' has doubled since last year, with 80 per cent coming from mobile. "In these moments, consumers have heightened expectations for immediacy and relevance — 4 out of 5 say they want search ads to be customised to their city, zip code or immediate surroundings," the company said in a blog post.



Dig The Data

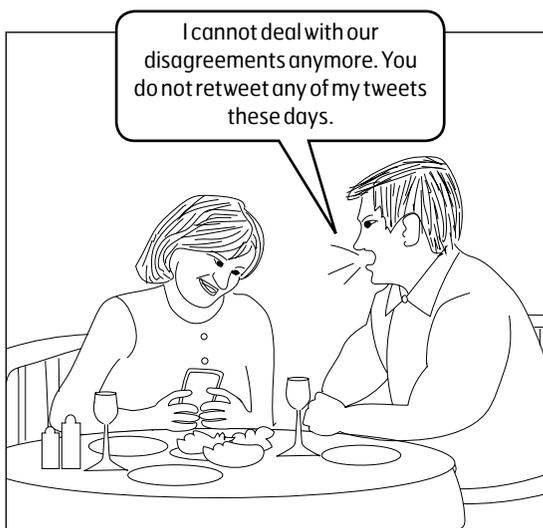
Health Benefits

A new study released by UC Merced shows that using social media can significantly impact health, and have a huge impact on the health care industry. About 40 per cent of consumers believe the information they get through social media and around 25 per cent of all Internet users who have chronic illnesses look for people online with similar health issues.

Youth Affairs

According to Pew Research Center, 33 per cent of teenage cell phone owners in the US use messaging apps including WhatsApp and Kik. And girls are more likely to use them than boys (37 per cent versus 29 per cent).

VIRTUAL REALITY



Brand Buzz

Piggyback Rider

Google has started showing Tweets in its search results. Twitter signed a deal for this in February. However, for now, the Tweets will only appear on the Google Search app or any browser on phones and tablets. The desktop version is yet to be launched. "It's a great way to get real-time info when something is happening. And it's another way for organisations and people on Twitter to reach a global audience at the most relevant moments," says Google. As for Twitter, this should get the network more exposure.



#LEADER

Uday Kotak
@udaykotak

Exec. VC, Kotak Mahindra Bank
"China opens few million new brokerage accounts weekly! I wish we do 10 per cent of this but no bubble. That would be acche din for Indian equities!"

Anand Mahindra
@anandmahindra

Chairman & MD, Mahindra Group
"Over a 1,000 dying from heat is a national emergency. Need to treat extreme heat as a disaster, just as we would a storm. The poor need shelter."



“Radio has the advantage of working very well as an activation media alongside other media, creating a multiplier effect.”

Sanjay Gopal

Associate Vice President, Marketing, Fiat Chrysler India Operation is optimistic on the way ahead for the marketing sector in India, and the role that radio will play in marketer's achieving business objectives in a conversation with Businessworld, where he voices expectations he has from media owners...

As conversations of optimism continue in the Indian economy, what are some of the challenges that you foresee in the year ahead?

I would have to say it is India's dependency on the monsoon, and the overall impact that has. We are already seeing that the sales of tractors, motorcycles are going down and there is concern that an overall slowdown may occur in rural markets though we have to still wait and see how that unfolds, and the impact on the automobile business. There is some comfort in the fact that some sectors such as infrastructure and commercial vehicles are showing an upward trend.

How do you see this impact the marketing spends?

Currently, marketing spends are steady and I see no reason why that should drastically change in the near future. Some sectors are expected to witness an increase, primarily due to new launches, which will pump up the marketing spend as well. There is a sense of overall positivity in the business.

What is impacting media too, and we are seeing the likes of radio benefitting. Are you expecting any marketing budgets shifting to radio in this year?

There will be a definite impact as Phase III rolls out, adding more cities, smaller towns to the mix. **Radio has the advantage of working very well as an activation media alongside other media, creating a multiplier effect.** It is one of the best ways to connect with local audiences. And radio also gives the option of exploring working with other partners – in all making it an efficient medium.

The focus on radio may increase but we have to understand that in most cases radio is not employed alone and also that the budget required to engage smaller stations is not huge so the increase in spends towards radio would be that much.

Would you agree though that as a medium radio has over the years evolved to make place for newer kinds of ad formats and creative

solutions?

Absolutely! Integration, and more often than not it is spoken in to context to brand integration in content, is key. Consumers are hooked on to specific radio jockeys, and we see the phenomenon very vividly in tier 2 and tier 3 markets. We see even our dealer partners resonating with that kind of advertising, and that works for us. In a smaller market, sometimes one or two stations work well but in large metros, radio is still more of a reminder medium because unless you are not present on most channels, visibility is difficult given listening behaviours of these audiences.

What are your expectations from media owners to make the medium work better for you?

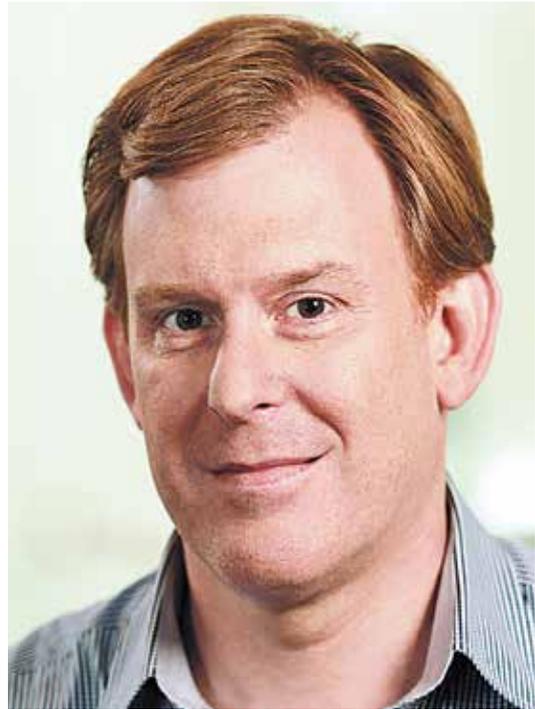
Content plays a very important role in radio. I expect media owners to design innovative solutions that not only appeals to brands but also to agencies. Ultimately, it is content that drives brand conversations.

MARKETING AND ADVERTISING

IMPROMPTU

DATA CAN BE INCREDIBLY EMOTIONAL

Advertising and marketing network Wunderman is amongst the pioneers that brought data at the core of creativity and marketing. Its global chief creative officer, **LINCOLN BJORKMAN**, speaks to *BW|Businessworld* about the living organism that data is and how markets in Asia, including India, are leading the conversation on data and innovation. Excerpts:



Unlike a year ago, when specialists would speak about data and its utility, most mainline agencies today are talking about data being at the centre of advertising. Does that mean more competition for an agency like Wunderman?

If I was being smug, I would say talk is cheap. I am happy that everyone is talking about data today because everyone should be, but how many are really walking the talk. Data can point marketers in the right direction if you let it. It helps in building bridges with planners and creative professionals, but

essentially, it is a team sport, especially if you want to see creative play out in unique ways. Planners should be able to wrap their heads around data to get insight. It then plays a role in the creation and execution of the idea. In most agencies, these processes are done without the inclusion of data experts. I understand that many agencies are putting money and people on data, but leveraging and manifesting it is not a linear process. It has to be argued in the best of ways

to get the best results.

Would that also not mean too many people being involved in marketing or creative brief?

I agree that it means more cooks in the kitchen, but these are good cooks. There is a lot that data can help with, but it has to make a difference to the brand in question. Mobile is huge in a market like India, but it is not enough to know just that in a campaign. When the data team has details of the campaign such as SMS texting or apps for example, they can give

that much more detailing of the audience using this and the best way to reach them. We have to learn to be an authentic part of the conversation every step of the way. Data is still getting involved upstream in the industry, but it is exhilarating to have that competency involved in what we are doing.

As you said, data today can give very granular insights, but that also means overload. How do you know you are looking at, and interpreting, data correctly?

I have to say part of it is instinct. You need to feel

Research Radar

it — it is a living organism that can be incredibly emotional. Then there is pragmatism — we are on timetables, budgets and amidst processes of getting great ideas and results in a deadline. Finally, it comes down to the brand. One thing data cannot do yet is ensure a success formula. On most occasions, brands are testing ideas, specifically when they are trying something new or are innovating.

It is the same case with us as well, except it is going into that environment with data on their side. We have the advantage of authenticating the idea, knowing that it is coming from a real place.

What has been your experience on the kind of work that you see coming from India on data?

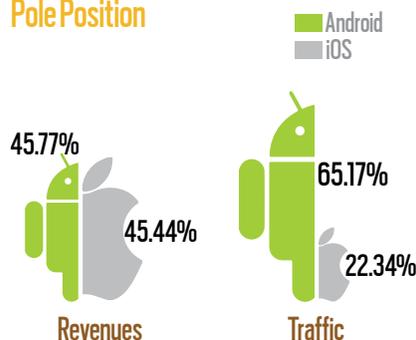
India is already creating some great quality work. In channels such as mobile, we are seeing some very superior work. If you look at the social movements, which eventually permeates marketing, there are breathtakingly innovative ideas that the region overall has to offer. Innovation has more hope sometimes when you can test it more. In markets like India, we are able to do this and that is also contributing to the quality of work from the region. **BW**

Team BW

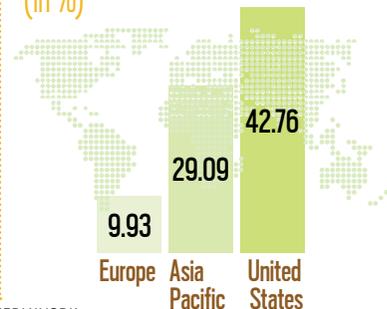
ANDROID UPSTAGES iOS

Which operating systems is better — Android or iOS? We may never have an answer to that, but it cannot be denied that Android leads in traffic. Now, Android has beaten iOS in quarterly revenues too. During January-March 2015, Android accounted for 45.77 per cent of total mobile revenues globally

Pole Position



Regions leading impressions globally (in %)



SOURCE: STATE OF MOBILE ADVERTISING REPORT BY OPERA MEDIAWORK



AD iNFIniTUM



ON A SWEET NOTE



CADBURY has come out with some memorable ads in the past that have stayed with us — the dancing girl on a cricket field, or the bride struggling to pop a cube with *mehendi* on her hands and Amitabh Bachchan's 'Pappu paas ho gaya' ad.

Lately, it has been focusing on making the brand a sought after '*meetha*' on the dinner table. The new ad campaign shows a family discussing who deserves #TheLastPiece of the chocolate.

Ogilvy & Mather — the agency that conceptualised the ad film for Mondelez — has roped in Waheeda Rehman as the grandmother who gets away with #TheLas-

tPie in the end while the tagline goes — '*Khaane ke baad kuch meetha ho jaaye*'.

"Today's busy consumers are looking for opportunities to connect with family, and this campaign seeks to position Cadbury Dairy Milk as a way to bring joy and banter around the dinner table," says Prashant Peres, director of Marketing (Chocolates) at

LITTLE JOYS Cadbury's new ad is trying to position the chocolate as the '*meetha*' after dinner

Mondelez India.

"Cadbury being a real and honest brand, the story needed to be just as real as real relationships and moments in our lives," says Neville Shah, group creative director at Ogilvy & Mather. "Making the sweet grandmother win the last piece, with a cheeky excuse, seemed instantly charming and real," he adds. **BW**

GLOBESCAN



 **MIXED SENTIMENTS:** The US trade deficit narrowed in April on a drop in imports, which surged in March following the end of a West Coast ports labour dispute, while companies picked up their hiring in May after a pullback the previous month. The data supported the notion that the US economy has recovered somewhat from a first-quarter contraction and has bolstered expectations that the Federal Reserve may consider raising interest rates later this year. Two private reports signalled slower growth in the US services sector, which has propped up the economy, as it faced drags from a strong dollar, a recent rise in oil costs and sluggish demand abroad.

MEGA DEAL: US cable company Charter Communications said it's buying Time Warner Cable, with a far more generous offer than the botched attempt by Comcast that unravelled in April. The deal worth \$55 billion is far more than the \$45-billion offered by Comcast back in February 2014. The previous offer fell through in May after Comcast failed to get the regulatory approval. The new deal values Time Warner at \$78.7 billion, including debts. Bright House Networks, another cable company, will also be rolled into the deal. According to the announcement, "The combination of Charter, Time Warner Cable and Bright House will create a leading broadband service and technology company serving 23.9 million customers in 41 states."



Microsoft will release Windows 10 on 29 June for PC, tablet push

IN REBOOT MODE: Microsoft Corp is preparing Windows 10 for release on 29 July, in time for the back-to-school personal-computer season, as the company tries to boost an ailing PC market and revive its own fortunes in mobile devices. The operating system will be available for PCs and tablets as a free upgrade to people using Windows 7 and Windows 8.1, or on Windows 10 devices, Microsoft said. Windows 10 for other devices will be available later this year. Microsoft said in April, that it expects a billion people to be using its Windows 10 operating system in the software's first two to three years on the market, signalling optimism in its push to revive Windows and make it more useful on smaller devices. Still, market research firm IDC is predicting that PC shipments will drop 6.2 per cent this year as a corporate PC purchasing cycle runs out of steam. Windows 10 has a design that blends some aspects of Windows 8 with the older Windows 7's appearance.



FAIR ENOUGH: Google said that 21 per cent of tech hires in 2104 were women, thus boosting the overall number of women in technical roles by 1 per cent, as part of efforts to increase diversity. The company recently disclosed the makeup of its workforce after admitting that it was "wrong, and that it's time to be candid about the issues". The technology industry has long been plagued not just by allegations of a gender gap, but also by a broad lack of inclusiveness that affects minorities too. Google said the increase in Black and Hispanic employees outpaced its overall hiring growth, but made up for only 2 per cent and 3 per cent of the total workforce, respectively. "Though we still have a long way to go, we're seeing some early progress," the company said.



BAG OF WOES:

Takata Corp said it will continue producing airbags that use ammonium nitrate propellant, but will change the design of the driver-side airbag inflators. The supplier is at the centre of a global recall of 10 million cars for deadly airbag inflators that could deploy with too much force and spray metal fragments inside vehicles. Takata executive Kevin Kennedy said other firms producing replacements for potentially defective Takata inflators will not use ammonium nitrate.



SPY GAMES: Belgium and the Netherlands have launched probes into whether the BND, Germany's intelligence agency accused of helping the US National Security Agency carry out joint surveillance of Berlin's closest allies in Europe, had targeted its neighbours. The investigations follow reports that Germany's foreign intelligence agency, operating in tandem with NSA, had an array of big shot targets in Europe, the French government, European Commission and Airbus Group, among a long list.



HARD BARGAIN: Greek Prime Minister Alexis Tsipras is deciding the next move in the country's standoff with creditors after saying he has the only viable plan for a resolution. After meeting with European Commission president Jean-Claude Juncker, Tsipras stuck to his position that any basis for an accord must be a Greek proposal. The plan includes extra tax for companies and higher earners. Tsipras and his country's international creditors were able to agree on some aspects of a financing deal at the recent meeting, but differences remain on some key issues, European officials said. Tsipras will submit a counter offer to his country's creditors, including the rest of the euro zone and the International Monetary Fund, two officials said.

DEJA VU: Japan's pension system has been hacked and more than a million cases of personal data leaked, authorities said, in an embarrassment that revived memories of a scandal that helped topple Prime Minister Shinzo Abe in his first term in office. Japan Pension Service staff computers were improperly accessed by an external email virus, leading to the leak of some 1.25 million cases of personal data, the system's president Toichiro Mizushima said. He apologised for the leak, which he said involved combinations of names, identification numbers, birth dates and addresses. The pension service was setting up a team to investigate the cause and prevent a recurrence, he said.

Japan's pension system hacked, 1.25 million cases of personal data leaked



CLIPPING WINGS:

The newly-appointed chief executive of loss-making Malaysia Airlines Christoph Mueller said the carrier is "technically bankrupt", underlining the case for a restructuring to cut a third of jobs, scrap some international routes and review its long-haul fleet. "We are technically bankrupt... the decline of performance started long before the tragic events of 2014," he said. Already squeezed into years of losses by stiff regional competition, the carrier was seriously affected last year by two separate jet disasters. Mueller was making his first public appearance as CEO since being hired last month by the carrier's owner, Malaysian state fund Khazanah, to lead the restructuring. The carrier confirmed that previously disclosed plans to cut 6,000 jobs and shrinking its workforce to 14,000 are now being implemented.



GROWTH PANGS:

Growth in China's giant factory sector edged up to a six-month high in May but export demand shrank again, prompting firms to shed jobs and keeping alive worries about a protracted economic slowdown, a government survey showed. In a sign that China's worst downturn in six years is hurting its services firms, too, it showed growth in the sector slipped to a low not seen in more than five years. Services have been one of the lone bright spots in the Chinese economy in the past year. The reports reinforced the view that authorities would have to roll out more stimulus in coming months, despite cutting interest rates three times in six months.

PHOTOGRAPHS: BLOOMBERG, SHUTTERSTOCK

Tax Terrorism Continues

Tax rates have been revised without much thought and will prove highly detrimental to the public at large



By Praveen Nigam

THE REVISION OF the service tax rate to 14 per cent with effect from 1 June 2015 is like the proverbial last nail in the coffin. The data for industrial growth, or the gross domestic product growth for 2015 is also on a shaky ground for obvious reasons.

The NDA government's talk of pushing reforms remains just that, as no major steps have been taken so far. The most radical reform in indirect taxes the government is trying to push is the Goods & Services Tax (GST), which the Centre is planning to implement from 1 April 2016. However, the prerequisites for the same are a long way from being in place.

To bring in the GST, a "Constitutional amendment" is required for the simple reason that some taxes could be levied by the central government and some by state governments. The proposed GST will be levied both by the Centre and state governments. This will thus have no sanctity without the Constitutional amendment, on which there has been no progress so far.

So, why did the government feel the need to increase the service tax rate to 14 per cent? Evidently, the idea appears to be to bring it at par with the proposed GST rates. Is there any need to tax the common man today when the timelines for the Constitutional amendments for bringing in GST are yet to be defined? It is said that this increase will bring it closer to the proposed GST rate, though no logic exists *prima facie*, as the revenue neutral rate for the Value-Added Tax is 12.50 per cent, and hence, the Service Tax rate of 12.36 per cent was more synchronised and logical.

The most important aspect to be considered is that the proposed GST rate will be in the range of 22 per cent to 24 per cent, and till today, there is no clarity on the differential rate in case of pure service. So what is the government trying to achieve by increasing this rate to 14 per cent? It is equally important to remember that there is only a draft Act (white paper) on GST, and the rules are yet to be framed and the Act needs a final shape, too. The pan-India IT net-

work, which will be the backbone of the GST, is not there on paper (the request for proposals needs to be prepared and bidders need to be called to do the same, which have yet to be done). As of now, the implementation of the GST seems a distant dream, and if the government is able to implement it from even 1 April 2017, it will be a great achievement.

The revision of the service tax rate means people will now have to pay extra for their mobile, food, hotel, spa, beauty parlour and online bills, among others things. With the induction of a negative list of services in 2012, the government has intended to charge service tax on whatever can be considered a probable service, hence, the impact is very wide. Online shopping, travel, foreign exchange, insurance, everything which a common man needs will

The proposed GST will have no sanctity without the Constitutional amendment, on which there has been no progress yet

be more expensive now.

With various new laws being proposed by the government, the real estate sector has already taken a huge beating; reality prices are crashing, there are no transactions happening in the secondary market, and there are no takers in the primary market, too. With such a case, incremental cost for buyers in an under-construction property will take them nowhere. The impact of 3.09 per cent will now be 3.50 per cent and of 3.71 per cent will now be 4.20 per cent. Looking at the value of properties, these incremental percentages will also add up to huge additional cost. The brokerage, consulting, legal, and valuer charges will be more expensive now.

Is this the *Achhe Din* one was looking for from the Narendra Modi *Sarkar*? These changes lack basic understanding and are highly detrimental to the common man. Will the slogan *Abki Baar Modi Sarkar* work in future? **BW**

The author is MD and CEO of Amplus Consulting

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You can now ditch the long queues and pay in an instant with the mobile point-of-sale devices **BY RAGHU MOHAN**



'With the boom in e-commerce, CoD can be a big driver for mPoS'

PARAG RAO

Senior executive vice-president and business head, Card Payment Products & Merchant Acquiring Services, HDFC Bank

N

EXT TIME YOU ARE out shopping, you might find the girl at the counter flashing a sleek gizmo at you to swipe your plastic on. It's a mobile point-of-sale (mPoS) unit — your old-world, brick-sized PoS trimmed to fit into a smartphone or a tablet. At about Rs 10,000 — or half the cost of what merchants currently shell out — it will 'swipe' you off your feet; it can help reimagine the payment landscape and retailing businesses as we know them.

The main difference between PoS and mPoS is in the form. Any smartphone or tablet can become an mPoS with a downloadable mobile app. The business owner registers the app; the vendor sends a card reader that can be plugged into the mobile device's audio jack. Some mPoS software vendors also provide optional hand-held docking stations (called sleds) that allow the mobile device to read barcodes and print receipts.

The latest Mint Road monthly bulletin shows we have 575 million pieces of plastic (553 million debit and 22 million credit cards), but just over a million PoS terminals. We have, as Ernst & Young (EY) says, one of the lowest set-up of PoS terminals (per million) in the world at 693. Brazil has 32,995; both China and Russia have around 4,000. Not only has PoS rollout not kept pace with plastic issuances, you also have a skew. Points out Mahesh Makhija, partner, Advisory-Financial Services, EY: "More than 70 per cent of the terminals are in the top 15 cities and contribute to over 75 per cent of volumes. And only 1.1 million of the more than 10 million retail touch-points have PoS units."

But you can sense a new firmness underfoot. Says Srinivas Nidugondi, senior vice-president and head of Mobile Financial Solutions at Mahindra Comviva: "The idea of cashless transactions is gaining momentum. It's gradually changing as the usage of credit and debit cards at PoS has seen a growth of 86 per cent in the last

two years.” Parag Rao, senior executive vice-president and business head, Card Payment Products & Merchant Acquiring Services, HDFC Bank, sees “CoD (cash-on-delivery) as a big driver for mPoS with the boom in e-commerce.” As well as for payments for insurance policies, all kinds of home-delivery businesses, restaurants, taxi service providers, pathology labs and what have you. “If we can hook into all this (with mPoS), we can get non-cash (transactions) to double in the years ahead,” says Rao. But for that, both PoS and mPoS have to become ubiquitous.

As on date, cash is not just on the throne, a lot of it snuggles “under the pillow” as well. Only 4 per cent of transactions are non-cash. Now while banks can do little about the fact that many want it that way, it’s got larger implications. “Ninety six per cent of consumer payments

Only 4 per cent of transactions are non-cash. The small number, however, has larger implications

is in cash with millions of retailers across the country preferring cash payments to avoid traceability and paying taxes, which is not surprising given only 35 million of the over 1 billion Indians pay taxes,” says T.R. Ramachandran, group country manager, India and south-Asia, Visa. This adds to cash-handling charges: Mint Road’s Annual Report (2013-14; it’s the latest) puts it at Rs 3,200 crore (Rs 2,800 crore in FY12-13).

What you can’t get away from is that it’s no good to issue plastic to all comers if at the end of the day, they can’t use them.

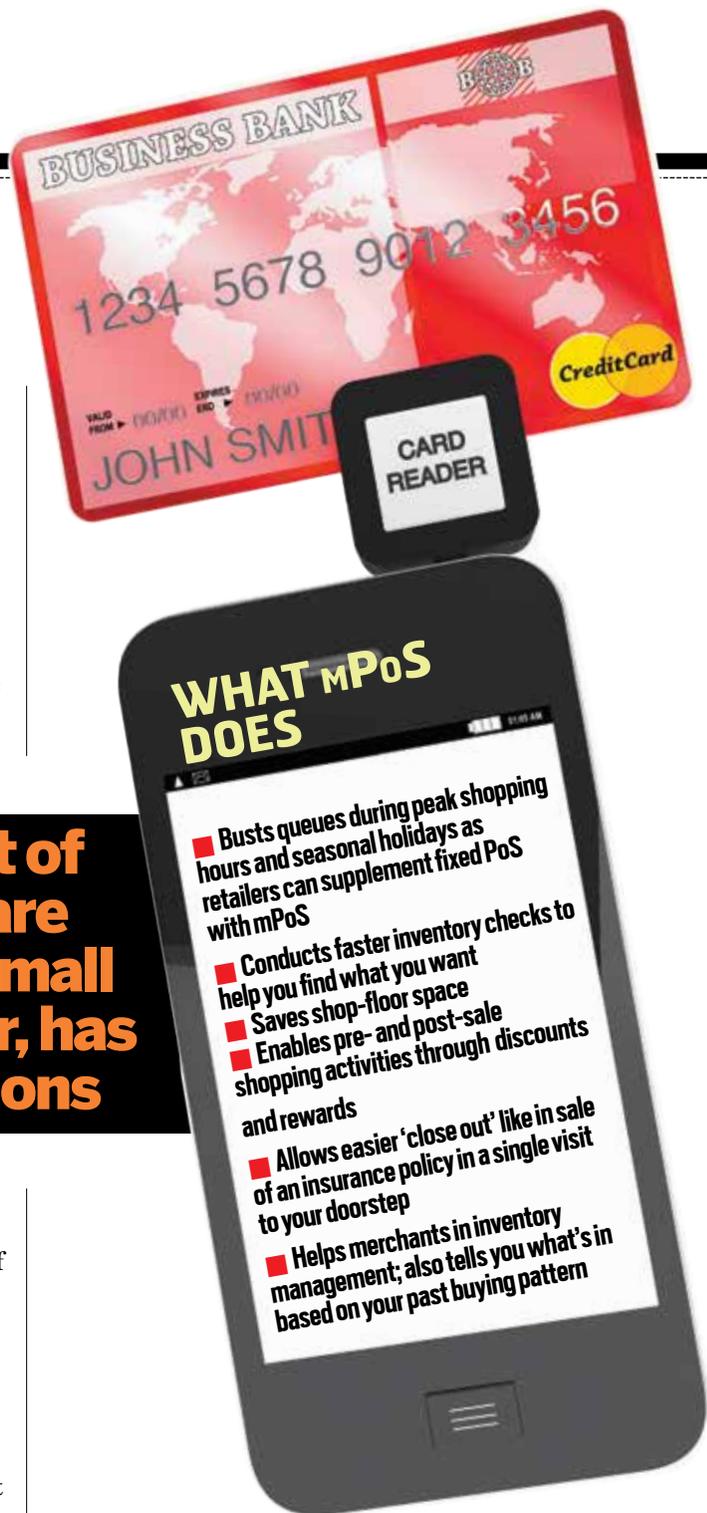
From PoS to mPoS

The cost to set up a PoS unit is high due to cut-throat competition between acquiring banks and low discount rates. That is the reason behind the low number of PoS units and their residency largely in the metros and bigger cities. Says Himanshu Pujara, managing director, Euronet (India): “The cost (of PoS terminals) can’t be recovered below a certain threshold of monthly card volumes acquired at merchant locations.”

The silver lining, as Nitish Asthana, general man-

ager, First Data Acquiring Services, says is that we will primarily be a debit card market. “The debit card merchant fee is significantly lower at 0.75 per cent for small-value transactions. It should enable merchants to accept cards, especially in the light of the significant cost of carrying cash. Card activation on automated teller machines and then PoS will drive the demand side of card usage. There should be incentives linked to card payments to facilitate this transition faster.”

Now what works in favour of mPoS is the low-cost of





‘The cost (of PoS terminals) can’t be recovered below a certain level of transactions at stores’

**HIMANSHU PUJARA
MD, EURONET**

PRIVATE AFFAIR

Private sector banks, led by Axix Bank, are far ahead of state-run banks in terms of deployment of point-of-sale machines



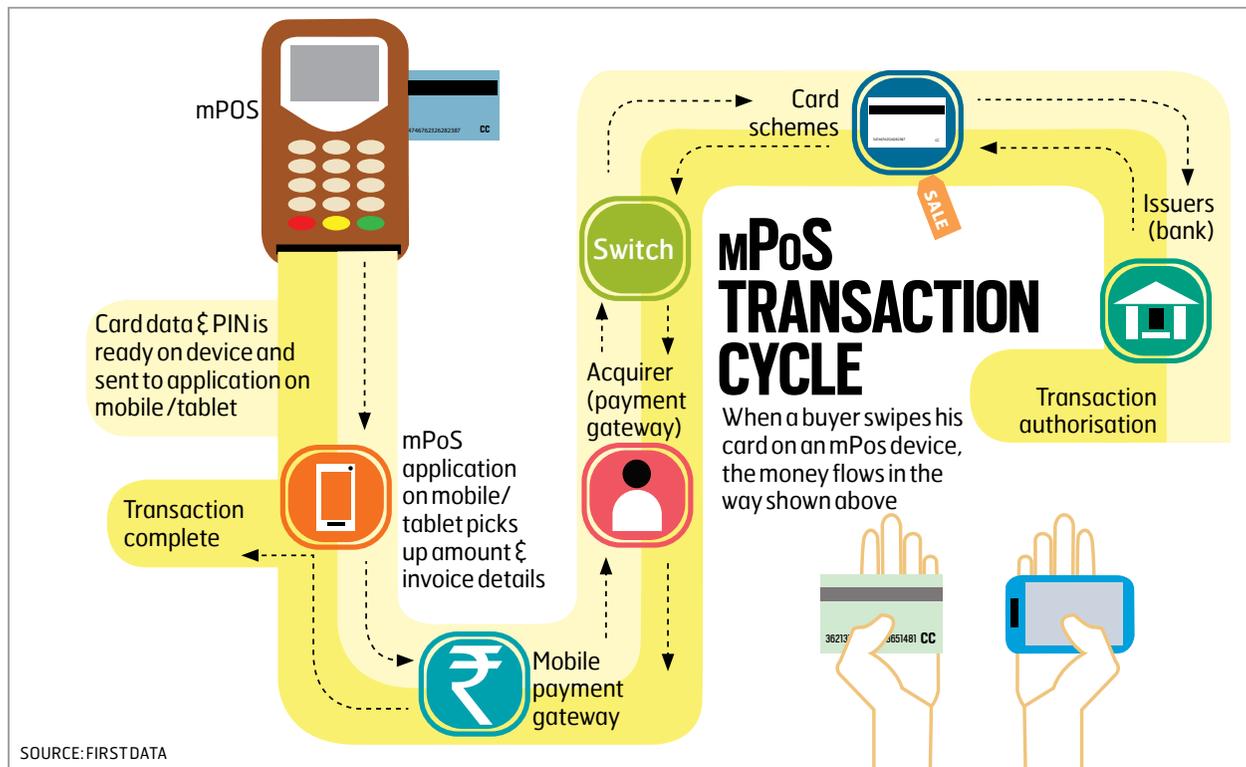
Bank Name	No. of PoS machines	No. of CC* transactions	Value of CC* transactions	No. of DC** transactions	Value of DC** transactions
AXIS BANK	2,43,334	38,42,866	12,336	62,10,916	9,628
HDFC BANK	2,35,485	1,80,09,719	52,252	1,10,19,007	17,086
ICICI BANK	1,98,452	84,94,381	20,187	1,22,48,909	19,639
STATE BANK OF INDIA	1,81,310	59,95,692	16,756	1,62,40,872	24,327
AMERICAN EXPRESS CORPORATION BANK	23,821	23,93,186	20,254	0	0
CITIBANK	22,379	81,164	195	8,71,833	1,175
CITIBANK	19,563	1,06,78,784	28,292	24,49,649	5,508
IDBI	14,181	0	0	14,01,507	1,902
BANK OF BARODA	12,562	1,40,841	540	2030,200	2,141
HSBC	11,914	10,62,524	3,449	3,67,929	889

SOURCE: RBI; *CREDIT CARD; **DEBIT CARD

hardware compared to traditional card-processing equipment. It helps that banks have knocked off the up-front set-up fee (typically between Rs 10,000 and Rs 20,000 depending on the device) and moved over to a monthly rental-based equipment leasing. But here again, what’s not clear is whether outlets are ready to pay for the phone (Rs 5,000) and the dongle (Rs 3,500). Initial field reports suggest resistance even though the shopkeeper conveys this by speaking over a Rs 20,000 smartphone! It’s also not that all deployers bundle the

phone and the dongle as an offering. Net result: it would be wrong to expect that all merchants will at once be gung-ho for mPoS.

That’s because merchant fees for debit transactions are at 0.75-1 per cent and for credit cards between 1 and 2 per cent. These fees depend upon the size of the transaction, type of merchant and card and whether the transaction is domestic or international. “Fees on debit cards are capped by regulations, and are amongst the lowest in the world, so that merchants have incentive to



expand debit acceptance, but a lion's share of the merchant fees — 90 per cent or more, whether on debit or credit transactions, goes as pass through to the issuing bank and card associations," says Asthana. What's unsaid is that merchants are asking for the moon!

What will soon change this attitude is the pressure that will come from plastic holders and firms. E-commerce players will soon see that it makes more sense to hand over an mPoS to delivery boys as 80 per cent of sales are settled through CoD. Milan Sheth, partner and technology industry leader, EY, points to the extra charges levied by logistics providers to collect cash from customers — a combination of fixed charges for CoD collection, along with a percentage of the shipment value (1-2 per cent), which hike the cost of delivery.

"Some logistics providers are known to remit collected cash after up to six weeks, which leads to working capital issues. In addition, the reconciliation of accounts with logistics providers adds another layer of administrative expense, which is expected to grow in complexity as opera-

tions grow," adds Sheth. What this in effect means is while you may say your store is in the virtual world, you collect payment for what you sell in very much a physical way.

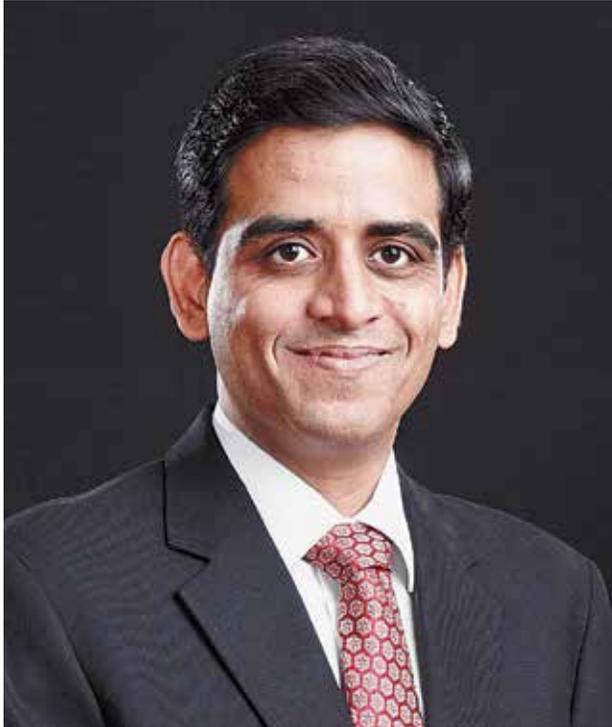
Its Time Has Come

You have scores of players in the mPoS space with new business cards: Mswipe (backed by investment from Matrix Partners), Ezetap (Silicon Valley investors), Mosambee (SIDBI Ventures), Mobiswipe (One97 Mobility Fund) and Paymate India (from Kleiner, Perkins, Caufield and Byers; Sherpalo and Mayfield). It tells you what's in store!

Now mPoS is not altogether a new animal on our turf. Back in 2003, HDFC Bank launched India's first mPoS

terminals by CDMA (code division multiple access) technology in partnership with Reliance Infocomm and PoS terminal manufacturer Schlumberger. It tied up with 'SangamDirectSM', a super-market-on-phone from what was then Hindustan Lever and with a Pizza Hut franchisee. The mPoS terminal was connected to a Reliance

All together, there could be close to 3.5 million PoS in the next five years



mobile phone. When you swiped, the transaction was carried through the CDMA network to HDFC Bank's payment switch, which, in turn, "talked to" Visa and MasterCard gateways for authorisation of the transactions. It works very much the same way even now, but HDFC Bank's launch was ahead of its times and we didn't hear much about it.

But it's an idea whose time has come. While current mPoS numbers are low (it's at about 50,000 with HDFC Bank's share at 25,000), ICICI Prudential has shown what can be done with it. It has joined hands with Mahindra Comviva to equip its agents with mPoS devices so they can issue new policies at the customer's doorstep; the devices will scan and upload documents for "know-your-customer" and policy payments. It's part of a global trend.

A growing number of medium-sized and large merchants have taken note of mPoS. Starbucks, Nordstrom, JCPenney, Gap, Home Depot, and Sephora use or experiment with mPoS alongside traditional PoS; and

'The idea of cashless transactions is gaining momentum'

SRINIVAS NIDUGONDI

Senior vice-president and head of Mobile Financial Solutions at Mahindra Comviva

have integrated mPoS platforms into payment systems. Urban Outfitters has gone a step further: it has replaced cash registers with iPad-based mPoS solutions in select US stores, and plans a wider rollout. Some large fast-moving-consumer-goods firms look to using mPoS to complement direct-to-consumer initiatives.

A caveat is in order. "While large urban retailers may seek technologies like mPoS which help them in 'line-busting', smaller merchants may opt for a cheap and easy-to-use solution like a card-reader attached to a mobile phone. Rural merchants on the other hand, are likely to adopt bio-metric PoS terminals, which will enable them to accept Aadhaar debit cards that are likely to be issued in large numbers for financial inclusion," explains Makhija to underscore it's not a one-PoS-fits-all world. All together, there could be close to 3.5 million PoS (including mPoS) in the next five years; for now, mPoS is set to take centre-stage.

And mPoS is not just a payment tool; there are other benefits too. The traditional PoS terminal is just a payment enabler. Merchants have to invest quite a bit on PoS software to keep track of sales, inventory, customers. "Now small- and medium-businesses can receive these VAS (value-added services) as part of the mPoS offering, which doesn't just help them accept card payments, but bring in a whole lot more to help them do more with low-investment," explains Nidugondi. It can also lead to a convergence of consumer-facing mobile commerce and merchant-acceptance; the jury is still out on this one.

And with 4G, expect telcos to jump in. "Japan is a market where a major telco is also a major electronic acquirer. However, with banks in India so well entrenched and the economics of acquiring a merchant quite a challenge, not too many telcos are jumping with joy at the thought of becoming an acquirer in case they get a payment bank licence," says Pujara. Although we hear a leading telco is going to join the bandwagon here: the rumour is that it is Reliance Jio.

What we now see is a convergence of smartphone penetration, a large base of small and medium enterprises and micro-merchants, low penetration of traditional PoS terminals, a core base of card users that's expanding and bank and government schemes to encourage card adoption. As telcos, banks and retail sector seek improved return on investment and increased demand for customer analytics features, mPoS will boom.

The time to pause is over! **BW**

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Time To Court Reforms

Increasing the FDI cap in multi-brand retail would go a long way in establishing Modi's image as a man capable of reform



By Nayan Chanda

FACING STIFF RESISTANCE to his proposed land Bill and accusations of indifference to the plight of farmers, Prime Minister Narendra Modi has chosen a now-familiar tactic: changing the subject.

He marked the anniversary of his first year in office not by outlining how the land Bill would benefit farmers but by launching a 24-hour TV channel for them. By teaching farmers about new technology, he said, the channel would help them raise output. That may well be true over time if new technologies seen on the screen are made available to the agriculturalist. But for now, this 'infotainment' does little for farmers, and defers the urgency of real agricultural reform, which starts with implementing the UPA-era move to raise the foreign ownership caps in multi-brand retail.

In deference to a small but politically influential group of small traders, Modi has opposed moves to allow majority foreign ownership of multi-brand retail outlets. However, the policy stubbornly remains in effect to the consternation of a key BJP constituency. His administration has tried to explain (with palpable awkwardness) that although the policy has not been formally amended, the government is opposed to allowing greater foreign ownership in multi-brand retail. This contradictory approach has brought the government further embarrassment, with the Delhi High Court recently directing the government to respond to a petition challenging its opposition to relaxing the foreign investment cap in multi-brand retail.

The petition by the retailers' association seeks to eliminate the discriminatory approach whereby unrestricted foreign investment is allowed in online shopping but not in brick-and-mortar multi-brand retail outlets. The fact that online multi-brand retail, operating as a 'marketplace', benefits from 100 per cent FDI should not be begrudged, but it only satisfies middle-class consumers in urban India. It offers no comfort to less-affluent consumers and poor farmers who see nearly a third of their produce perish due to lack of modern

transportation and cold storage.

To be sure, FDI in retail may not immediately generate the level of investment needed to help farmers sell their produce more efficiently. But the government could direct foreign companies to frontload their investment by building cold storage, food processing and supply logistics before acquiring retail stores. India's huge market potential affords Modi considerable leverage to compel megastores to take measures to improve the lot of long-neglected farmers.

Denying the vast majority of Indian farmers access to large urban markets in order to protect a small group of traders is both unfair and wrong. Studies in other countries show that despite the arrival of big box multi-brand retail, the number of mom-and-pop stores continues to grow. A recent study estimates that the unorganised sector will continue to account

Denying the vast majority of Indian farmers access to large urban markets in order to protect a small group of traders is unfair

for 80 per cent of India's retail market despite the growth of large stores. Research also shows the benefits in terms of variety and prices that an efficient supply chain brings, and reduction in waste and productivity gains for farmers.

Though fraught with difficulties in the short term, Modi's track record for reform would benefit from a BJP reversal on this vital issue. Not only would liberalisation in the multi-brand retail sector help farmers immeasurably, but it would also benefit urban and rural consumers across India and remove an unreasonable and counter-productive barrier to foreign investment.

With his administration's day in court looming, Modi has a golden opportunity to seize the mantle of economic reform for which Indian voters delivered him into office last May. **BW**

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For other columns by Nayan Chanda, visit www.businessworld.in

OVERVIEW	42
WINGIFY	46
EDUREKA	50
I SAY ORGANIC	54
GLOBALITE	58
TAGALYS	62
DUCERE	66
TRULYMADLY	70
RAHUL CHANDRA (COLUMN)	73
BABYCHAKRA	74
VISHAM SIKAND (COLUMN)	77
ORGANIC HARVEST	78
VIJAY S. SHARMA (COLUMN)	81
OYO ROOMS	82
JURY NOTES	86



BRAVE NEW WORLD

Entrepreneurship is the new unifying factor amidst the diversity, and risks are now viewed as opportunities

BY SONAL KHETARPAL

T WOULDN'T BE WRONG

to say that amidst all the controversies between the different ideologies of faith, it is the religion of entrepreneurship that has engulfed and unified the country. Stable, highly-paid jobs at bluechip companies no longer seem as attractive. Young people today want to step out and start up on their own. They want to create value, make an impact and solve a pain point.

They are adept at taking risks, much more so than their predecessors were, and find glory in the creative freedom that the startup culture offers.

In fact, India is one of the fastest-growing and third-largest startup ecosystems in the



world, after the US and the UK, says the India Startup Report 2014 by NASSCOM. What has helped is the upbeat perception and the promise of *achhe din* for doing business in India. And it has worked. The sentiment among entrepreneurs in India is that of optimism and hope. The Union Budget has helped in promoting the startup culture, too, with the government allocating of Rs 1,000 crore to assist new businesses and technology

POWER PACKED: India has one of the fastest-growing and third-largest startup ecosystems in the world, after the US and the UK

and Rs 2,510 crore for the government's 'Digital India' programme.

Such initiatives have also boosted investors sentiments.

In 2014, venture capital funding of Indian startups touched \$3.86 billion, a phenomenal increase of 261 per cent from 2013, according to research firm PrivCo.



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3. BabyChakra
4. Organic Harvest
5. OYO Rooms

India has to become a nation of job creators, and not job seekers as perceived now

It is this backdrop that makes the Young Entrepreneur Awards even more important. The culture of entrepreneurship in the country is touching a new high, and it is only right that BW|Businessworld must celebrate this new burst of enthusiasm.

In the beginning of this year, we launched a four-month long online campaign for companies to send in their nominations. The aim was to recognise and award the top five companies in two categories — companies that were less than three years old, and companies that were between three and five years old. It was interesting to see that from a total of 124 nominations, we received around 70 per cent companies from the first category. Perhaps these companies are more tech savvy than their little older counterparts? But it certainly does tell us that there is a spurt of new businesses in India in recent years. NASSCOM also reported that there are more than 800 startups being added each year in India.

It was also interesting to see that the nominations we received are a microcosm of the entrepreneurial landscape of India. The majority of the companies participating are from the 'hot' sectors that have been in the news for the funding they received, or for their innovative ideas, or for bringing technology to the masses. The predominant sectors represented were e-commerce, technology, wearable technology, big data and analytics, augmented reality, education and healthcare. And these companies are not limited to the startup hubs of India — Bangalore, Delhi-NCR and Mumbai. There is a fair share of these companies cropping up in tier-II and tier-III cities, too.

India is a young nation, with 64 per cent of its population in the working age group, as per the knowledge sharing portal Open Knowledge-Allianz. If India has to creatively put to use its humongous number of young, it has to become a nation of job creators, and not job seekers as perceived now. And that will be only possible if the best and the brightest continue to ride this wave of entrepreneurship. **BW**

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Durables Purchased in the Past One Year	Car/Jeep/Van		Mobile phone		Fridge-Refrigerator		Personal Computer / Laptop		Television		Washing Machine	
Urban India (000s)	2,619		23,943		8,601		4,830		11,510		4,467	
Metros 50L+	628	24%	6,818	28%	2,554	30%	1,495	31%	3,631	32%	1,496	33%
Unmetro (Tier 2/3/4)	1,991	76%	17,125	72%	6,047	70%	3,335	69%	7,879	68%	2,971	67%

Source: IRS 2013 Figs 000's



Dainik Bhaskar
It's time to unmetro



1 RANK

Category: 0-3 yrs

Sector: SaaS

Founder: Paras Chopra

Year of Inception: 2010

Base: New Delhi

Capital Invested:
Bootstrapped

Investor: None

No. of Employees: 90

Key Customers:
Microsoft, AMD,
Rackspace, Bookmyshow,
BharatMatrimony

PAINT ME BLUE
Wingify, a SaaS startup,
has pioneered easy A/B
testing

Photo illustrations by Dinesh Banduni. Photographs by Ritesh Sharma

Paras Chopra
has only grown
with each failure,
ending up with
a winner
of a product
**BY SONAL
KHETARPAL**

THE FRONT BENCHER

IN HIS FOUR YEARS OF ENGINEERING, 28-year-old Paras Chopra, founder of Wingify, launched four startups. In the long summer breaks of Delhi College of Engineering, he didn't allow himself the luxury of "chilling out", as it is typical for students on holiday. Instead, he would hatch a new business idea, develop it, and even launch the product.

And then as the semester resumed, he would lose himself in academics and the fledgling company would just lie there, in cold storage. From these four startups, he learnt that a product needs a strong marketing as well.

So, he started taking an interest in marketing and consumer analytics. After his engineering, he joined the Gurgaon-based employability evaluation company Aspiring Minds. And there he began spending his evenings developing a marketing analytics software package, which he named Wingify. In 2009, he spent almost eight months in coding the product, but that too like his initial products, didn't take off.

"It had too many features. I had developed it from an engineer's perspective, but its primary users, marketers, didn't understand it," he shares. He scrapped the entire package and started developing afresh on a programme that focused on only one feature — A/B testing.

One of the pain points marketers faced is determining what design or content on a website will attract more users, to increase

sales. For this, marketers use A/B testing — a software that lets one to run a series of experiments to test and compare which version of a web page is performing better. There was an A/B testing product by Google called Website Optimizer. It is a free tool but marketers could not use it themselves. It is quite complex and requires an understanding of HTML and JavaScript, so marketers had to rely on IT people to run these experiments.

He then started working on a product that would ease the website optimisation process, and developed Visual Website Optimizer (VWO) in just one month time. It is a drag-and-drop editor that doesn't need any knowledge of programming to launch A/B tests. So, marketers could use it themselves to create different versions of their websites and check which one produced the maximum conversion and sales.

The product was free in its beta phase and it started attracting a lot of users. Patrick McKenzie, a celebrated tech blogger, wrote in his blog *Kalzumeus Software* that VWO is “so simple it will crush the life out-of-all other solutions for non-technical users”. McKenzie also added, “It solves a clear need for a huge number of small businesses and brings a powerful technique to people, who would have never been able to use it before. Moreo-

The company clocked a revenue of Rs 44 crore for the financial year 2014-15

ver, it does it so disruptively, embarrassingly better than Google does, that it puts a smile on my face.”

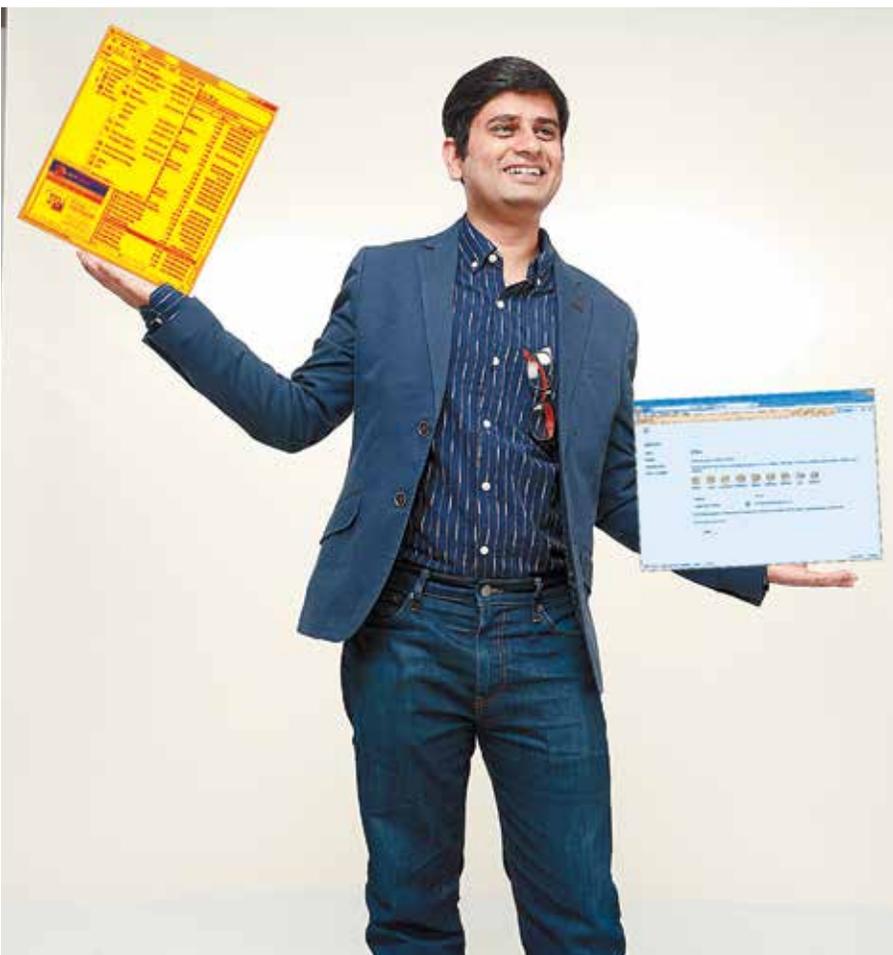
Chopra then left his Gurgaon job and launched the paid version of VWO and registered Wingify in May 2010. He started offering VWO on a monthly subscription model that varied from \$49 per month for sites with 10,000 monthly visitors to \$999 for larger sites. In the first month alone, his one-person company clocked a revenue of \$4,000. His salary at Aspiring Minds was Rs 50,000 per month. He made almost four times of that amount. That, he says, helped him justify his startup dream to his parents.

He also started writing about A/B testing on technology blogs, published case studies on websites and used Twitter to spread the utility of A/B testing for businesses.

In fact, within the first three months of its launch, Microsoft became a client. Bas Roozen, then the marketer at Microsoft, in an email to Chopra mentioned, “I have to say it's really a useful and very user-friendly tool. You have gold in your hands.”

By November 2011, Wingify was already a \$1-million company. It had fetched a 1,000-plus clients such as GE, Disney, Red Cross and Bharat Matrimony. That time, it was a team of six people only. The focus on the initial years was primarily on product development and customer support. One of the major innovations, Chopra made to VWO in 2011, was the addition of heatmaps. They help businesses determine the ‘hot’ areas that attract a lot of users on their website and the ‘cold’ areas that get ignored. “We are till date the only company that has heatmaps





Last year, Wingify acquired the Chicago-based designers' community portal Concept Feedback

integrated in an A/B testing tool,” confides Chopra. In 2012, the company hired its first sales person and it started focusing on client visits and customer meetings. He says that in hindsight if we would have focused on building our sales team earlier to get customer feedback and meet potential clients, then we could have grown much faster.

In 2013, it got an acquisition offer from one of the top 10 software companies in the world. “It offered us to pay millions of dollars in double digits,” says Chopra, without

divulging the exact amount. The talks went for four months, but he couldn't get himself to sell Wingify. “I grew up looking at that software company but I didn't start Wingify to make money. I want to make software that can create impact and add value. Also, I don't know what to do with so much money.”

This is also the reason why Chopra has completely bootstrapped the venture. He doesn't want a third party on the board and risk losing the freedom to make decisions. “With investors, it is a legal and moral obligation to make money; otherwise you exit your own company or merge with a bigger one. I don't want to take those chances with Wingify,” he said.

In September 2014, Wingify acquired the Chicago-based designers community portal Concept Feedback. It is a community of designers for getting feedback on website design and user experience. He didn't disclose the deal amount. He used the portal services for his own website and liked the suggestions given by them. So, when Concept Feedback CEO Andrew Follett wanted to sell the company, he was keen due to the complementary nature of the products of the two companies. The suggestions given by Concept Feedback could

be tested through VWO, and the best suggestions could be used on the websites. They are in the process of integrating the two companies, but for now it is a separate product. Wingify's customers though can use the basic services of Concept Feedback for free.

They closed FY14-15 with revenues of Rs 44 crore. The company is focusing to tap the US market, so this year in February, it opened its first outside office in the US. And now, it is also planning to open its second office in Europe. It also wants to go upmarket and focus more on large companies since till now 80 per cent of its customers are from the small and medium enterprise.

But, what is keeping Chopra excited these days is working on a new product that he is planning to launch this year. All we have to do now is to wait and watch what this young ‘technopreneur’ is up to. **BW**

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FOR THE LOVE OF LEARNING

Edureka is an online learning company that focuses on enhancing the skills of professionals

BY VISHAL KRISHNA

2 RANK

Category: 3-5 yrs

Sector: Online education

Founders: Lovleen Bhatia
and Kapil Tyagi

Year of Inception: 2011

Base: Bangalore

Capital Invested: Rs 2 crore

Investors: Self-funded

No. of Employees: 100

Key Customers:
Working professionals



Photoillustrations by Dinesh Banduni, Photographs by Ritesh Sharma



KNOWLEDGE IS POWER

Lovleen Bhatia and Kapil Tyagi, the founders of Edureka

OFTEN, AFTER A PERSON hits 30 there is the yearning to go back to school. One may want to pick up a skill relevant to one's profession. Or, perhaps study a subject for the sheer joy of learning. Edureka was founded on the premise that there are several professionals who want to learn — and several who want to teach. Lovleen Bhatia and Kapil Tyagi realised this was a business opportunity after they saw a corporate executive train students in one of their friend's colleges, and started a similar business for students. But they discovered, by 2012, that the intention to upgrade skills was stronger among mid-level executives, who were ready to pay to be connected to a good tutor.

"We began creating a professional methodology by validating content and teachers, finally allowing the students to pick the course they want," says Bhatia, CEO of Edureka. He adds that in the beginning, it was not easy because students would take the first two classes, which were offered free, and leave quickly after that. Only four in 100 students would return to attend paid classes. So Bhatia and Tyagi positioned their course as paid and fixed a deadline for students to submit their course work. This is when students began to pay and remained for the entire duration of the course.

Five years later the company is on its way to becoming a Rs 50 crore business and is also getting ready to raise more than \$40 million for expansion. More than 245,000 students have completed Edureka's course work. Vinayak

Talikot, a software engineer from Mindtree, was all praise for it. "Their course on Big Data Hadoop provides one all he needs to know to shape up and grow. From the instructor to the support team, they made sure the entire volume of the subject was understood," he says.

According to consultancy firm McKinsey, the US needs 190,000 data engineers and scientists and 1.5 million managers in the next five years. Gartner predicts the Big Data industry will create 4.4 million jobs globally by the end of this year. So, Edureka is in the right place to scale up its business.

Bhatia and Tyagi were residents of small towns Bareilly and Hapur in Uttar Pradesh. "We wanted to see the world

The US accounts for 45 per cent of Edureka's students; the rest are from India

and our getting into the Indian Institute of Technology (IIT) was a big thing for our families," says Tyagi. Bhatia, who studied electrical engineering at IIT Varanasi, and Tyagi metallurgy at IIT Mumbai. They met for the first time in 2002, after they were both recruited by Infosys for its Pune campus. But the idea of becoming entrepreneurs would not take hold until 2005 when they started a software services firm, DbyDX, which was later sold to Kell-ton for an undisclosed sum in 2010. At the same time they met Neeraj Goel, owner of ABES Engineering College, who wanted them to train students for the corporate world. "It was Neeraj who seeded the idea of starting an education business," says Bhatia. "Students don't feel empowered in normal classroom lectures," says Goel. "The Edureka model is perfect for students because they can listen to the lectures as many times as they want and perfect their skills over time." Edureka allows tutors to present content through slides, on a hybrid Citrix Video platform, and all of it is voice-based training. In 2013 the two founders opened up their platform to several trainers, instead of creating the course material themselves. According to Sreenivasulu Saya, a teacher at Edureka and the founder and CEO of Bangalore-based Abheri Technologies, the module is unique as it derives course content from the vast experi-

ence of industry professionals. "Participants have access to a unique combination of instructor-led online sessions with demonstrations for the topics being taught, course slides, quizzes and assignments with evaluation and solution, video recordings of sessions for revision, and the final course project," says Saya.

The US accounts for 45 per cent of Edureka's students; the rest are from India. Its business model is simple: pay the teacher around 30 per cent or higher (for certain courses) and the rest are company revenues. Analysts say education is a high-margin business, with net profits in

the region of 15 per cent. Edureka has been a self-funded company so far, with close to Rs 2 crore invested by the founders themselves. Their business has picked up by word of mouth; now they are ready to use advertising too. "We are in the midst of raising funds and scaling up our technology," says Bhatia. Edureka's next iteration is to better its mobile play, app and mobile website, and also enable students to be rated on their performance during the course. Currently Edureka has 250 courses and plans to scale up to more than 1,000 courses.

The education industry has seen some big ticket acquisitions. In India Pearson bought Tutor Vista, a video-based tuition platform, for Rs 700 crore. An online training firm called Lynda, in the US, was acquired by LinkedIn for \$1.5 billion. So there is no reason why Indian online training firms should not be able to raise money. According to MeritTrac, more than six million students pass out of colleges in India every year, but only 15 per cent of them are employable. Online certification and training courses prepare students for the corporate world.

Competition for Edureka comes from Jigsaw Academy and SimpliLearn. The two companies have different online business models and are also raising money to scale up their operations. **BW**



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EYE ON FUTURE

For Ashmeet Kapoor, organic farming holds the key to food security going forward

Photoillustrations by Dinesh Banduni, Photographs by Ritesh Sharma

GO ORGANIC TO TRANSFORM

Ashmeet Kapoor, founder of I Say Organic believes that organic farming will transform the lives of farmers **BY MONICA BEHURA**

3 RANK
Category: 3-5 yrs

Sector: Food, Agri,
e-commerce

Founder:
Ashmeet Kapoor

Year of Inception: 2012

Base: New Delhi

Capital Invested:
Rs 50 lakh

Investors: Family

No. of Employees: 41

Key Customers:
5,500 households as
customers, Individual
customer's monthly
purchase around
Rs. 15,000

A

AS THE OLD SAYING GOES: When one door closes, another opens. Sometimes a bigger one. This holds true for Ashmeet Kapoor, 30, a second generation entrepreneur based out of Delhi.

In 2009, soon after a Masters in Entrepreneurship from Brown University, Ashmeet, along with a group of like-minded friends, launched a startup, a solar energy company, and collaborated on a project to provide potable water in West Bengal. But less than a year into the venture, he opted out of the project. "There was no consensus on the model we should adopt," says Kapoor with no regrets. For him it didn't pan out well — perhaps because something greater was waiting for him in his own country.

In November 2010, Kapoor was back in India and travelled across the countryside with the idea of working on either improving rural electrification or resolving water issues. "I travelled across 10 states in six months, leased out a hectare of land in eastern Uttar Pradesh from a friend and farmed for six months," says Kapoor. The experience, however, was an eye-opener for him. Kapoor soon realised that farmers in rural India were struggling to make a living, and had no opportunities. "Farmers are always in debt: They have to be linked directly to the market to earn their share of profits, which they are deprived of," says Kapoor. So, he decided to do something that could improve their situation.

"I zeroed in on doing business in organic farming for two reasons. Firstly, I realised that it cuts the cost of production and secondly, it hugely benefits the farmers as the cost of farming is almost nothing, yielding them around 40 per cent more than the market price for organic yields from their farm," says Kapoor who knew for a fact that there was a big market for organic products in urban India.

Kapoor soon realised it wasn't easy to convince the farmers to give up what they had been practicing for generations. Educating them about the benefits of

Organic farming is the only way to address the issues farmers face: they can be self-reliant

organic farming and breaking the perception that it brings a low yield was an arduous task. So, he returned to Delhi and contacted other organic farmer groups in Uttar Pradesh, Haryana and Himachal Pradesh to set up Jagriti Agro Tech, and established I Say Organic. There were also bottlenecks in terms of supply chain, logistics among others, but nothing stopped Kapoor once he'd got the ball rolling.

"After a lot of planning and convincing, came the investment," says Kapoor. Over the next one year, Kapoor invested about Rs 50 lakh in the business, which was provided by his family.

Kapoor finalised the business model of selling organic fruits and vegetables online after thorough research on urban consumer needs. What is the cost the consumers are willing to pay; which foods have a high demand and which low; and what is the frequency of orders? Finally, in March 2012, the company launched its website- www.isayorganic.com and the business became operational. "It was a big shift from farming to working on an online model," says Kapoor.

There are 40 varieties of vegetables, 15 of fruits and 31 of rice, pulses and lentils among others like ghee, honey, dry fruits sourced from farmer groups with over 3,000 members. It directly benefits over 100 farmers from nine states, who are paid 40 per cent above the market rate. The various food items are freshly packed, branded and delivered from the company's office in Okhla, New Delhi, which also houses the cold storage



facility. The headcount of employees is currently forty-one.

The business now stands at a revenue of Rs 2 crore and is looking at a turnover of Rs 7 crore by next fiscal year. Kapoor, who also holds an electrical engineering degree from the University of British Columbia, is positive that the switch to organic farming can transform farming in India, and most importantly, the lives of farmers. "Organic farming is the only way to address the issues farmers face: they can be self-reliant as the cost of farming is negligible and with the increase in demand of organic products, many will be encouraged to produce in a similar fashion," says Kapoor. He adds that chemical farming is the single largest contributor to global farming and is a threat to the food security of nations.

In the business space of organic food products in India, I Say Organic's direct competitors are Bigbasket and Nature's Basket and a few others, so the opportunity to grow and stand out from the competitors is huge. Kapoor is getting ambitious in his plans of expanding to other cities like Mumbai and Bengaluru this year. He is currently in talks with external investors and plans to take his company to an all-new high in the next five years. **BW**

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Mr. K V S Seshasai

CEO Zee Learn

According to a study conducted by Zee Learn and IMRB in 2015, the K-12 segment constitutes 38% of Indian Education Segment and is expected to grow from 44 billion dollars in 2011 to 144 billion dollars in 2020, showing a CAGR of 14.1%. Within the K-12 segment the private sector will account for 55-60% of the share in the overall enrolment in K-12 schools by 2022. India's growing population has always been of interest for people beyond the borders because of the demographic potential it offers. As per reports from UN, by 2020, the median individual in India will be 29-year old and very likely a city-dweller, making us the youngest country in the world.

As a major growth sector for the Indian economy, the education sector has the advantage of India's increasingly young demography and low base enrolment ratios. Another factor that contributes to the rise of education sector is the increase in salary brackets of individuals, rapid urbanisation and increased awareness about the significance of quality education. These factors have helped boost the spending capability of Indian parents on the education of their children.

Schools are preparing themselves for an influx of students willing to pay their way towards attaining quality education. Even though the

increased flow of cash has led to a mushrooming of private players, there is an acute awareness about the need for quality to merit such extra spend. Hence, despite it being a common perception that private schools are better than government schools (probably based on the common experience of bureaucratic apathy), studies have shown that private ownership does not necessarily ensure better outcomes. Therefore, one of the major trends in the Indian education scenario has been the boost in private sector participation. It is believed that over the past few years, the rate of growth of private school enrolment has been nearly 10% per year in India. If the trend continues, by 2018, India may have 50% children attending private schools even in rural areas. Contribution to access and quality has also resulted in a major enrolment shift from public to private schools in the recent years. The consumers, i.e. parents, are increasingly affluent and want to give their children the best that they can offer. For parents, it is the quality and reputation of the school that matters the most. They believe that the right school is only a beginning of a lifetime of prosperity for their children. Which is why every city has its handful of iconic schools, and there is a mad rush for admissions into those few schools every academic year.

Factors that make private schools preferable are good teacher-student ratio, teacher quality and attendance, infrastructure, superior extra-curricular exposure and parent involvement. However, given the size of the incoming student population in this ever-changing economy, there are considerable challenges towards making the student population ready for the market. Hence, the lesson for private players is clear: unless they stand out in terms of concrete outcomes and facilities, mere private ownership will not attract the discerning parents of today.

According to a study conducted by Zee Learn and IMRB in 2015, the K-12 segment constitutes 38% of Indian Education Segment and is expected to grow from 44 billion dollars in 2011 to 144 billion dollars in 2020, showing a CAGR of 14.1%. Within the K-12 segment the private sector will account for 55-60% of the share in the overall enrolment in K-12 schools by 2022.

KICKING UP HER HEELS

Aayushi Kishore runs Globalite to be self-reliant while offering value to India's young consumers
BY JOE C. MATHEW

4 RANK
Category: 3-5 yrs

Sector: Consumer Lifestyle

Founders: Aayushi & Lalit Kishore

Year of Inception: 2010

Base: New Delhi

Capital Invested: Rs 3 crore

Investors: Own capital, bank loans

No. of Employees: 500

Key Customers: Home Shop18, Flipkart, Reliance Fresh, Myntra

A

SHE daughter of a veteran sports-lifestyle industry professional, Aayushi Kishore was never a stranger to international footwear brands. In fact, the 25-year-old grew up watching her father set up the master franchise of Lotto in India, and play a key role in Nike India up until the recent past.

The in-house expertise helped Kishore, who co-founded Globalite Industries, a New Delhi-based sports and lifestyle footwear marketing company with her dad Lalit Kishore in 2010. "He was the one to instill the entrepreneurial instinct in me, as we decided to launch our own footwear brand, determined to revolutionise the face of the Indian sports footwear industry," she says.

Kishore claims she always wanted to create something of her own. "The vision for my startup began to take shape as I grew up to understand the consumer potential of the booming middle class in India. Seeing the middle segment aggressively spearhead its growth, I realised the potential of a new footwear brand catering to this section of the country's youth that wished to wear an inspirational brand but could not afford to," she explains.

Globalite's footwear line includes a sports casuals line — sneakers, loafers and clogs in the price segment of Rs 499 and Rs 1,599. The company claims these products to be an exciting blend of international fashion, excellent quality and the distinct spirit of sports.

Kishore's entrepreneurial venture — she runs Globalite as its CEO — came soon after her graduation from Delhi's Shri Ram College of Commerce and an executive course at the Harvard Business School, London. For a mentor, she had her dad with 25 years of experience in establishing international brands in India through the licensee route. The wealth of expertise he had in the domains of marketing, finance and operations was tremendous. Globalite, as a brick and mortar company, perhaps had everything that it needed in terms of expertise, but that was not the only way it was meant to run. Almost a quarter of its Rs 50 crore revenue comes from online channels which include e-commerce sites such as Flipkart, Myntra, Amazon, Jabong, Snapdeal and eBay. The company's



BUSINESS BUG

As a young CEO of a lifestyle footwear marketing company, Aayushi Kishore always knew that she wanted to do something of her own

own portal www.globalitesport.com and TV channel, HomeShop adds to Globalite's online presence.

Globalite products are available in all wholesale chains such as Metro, Reliance, Walmart and hyper-departmental stores like TPG, Aditya Birla, Big Bazar, etc. "We are present in about 200 stores across these chains; 15 per cent of the total revenue comes from these chains," says Kishore. The company also has 50 distributors to service 1,000 retail counters all over the country. It is also a registered vendor with the armed forces.

With a sale of 10,71,571 pairs of footwear through online channels, and 31,44,142 pairs offline, the company has overcome its birth pangs. It plans to double its turnover to Rs 100 crore in 2015-16, and touch Rs 150 crore the year after. What started off as a 20-employee firm now has 500 people associated with it. Kishore claims to have made a handsome profit of Rs 3 crore in 2014-15.

In the beginning, Globalite had no manufacturing facility. It imported footwear from China, and marketed it under its brand. This helped Kishore develop connections with the design and development centres there. The result was quick. "Right now, we have a dedicated design team led by a development head in China that works in sync with our local team on designs, development and product commercialisation," she says.

And it's not just design. "We have five manufacturing units in Narela, Delhi where we put up machineries from scratch. We currently manufacture about 7,000 pairs a day and have the capacity to double this," Kishore says.

The corporate office in Delhi handles all online sales channels and has a state-of-the-art warehouse, a studio



Globalite plans to double its turnover to Rs 100 crore in 2015-16

BIG BOOST
Co-founder Lalit Kishore's experience in establishing global brands in India proved critical for Globalite

for photo shoots and cataloguing, call centre and logistics department attached to it.

"The goal is to introduce higher levels of automated machinery that would improve production efficiencies and increase scale," she says.

While the company wants to focus more on its online business channels, the fact remains that the Internet is a common marketplace. It allows the entry of me-too products, and also gives a bigger space to established players such as Fila, Lotto or Converse. Kishore plans to tackle this by optimising her production costs. "We want to get into backward integration of even the raw materials. We would make the (EVA and PVC) compound that is used for making the shoe outsoles, in-house. We would also put up a spinning and weaving unit, to indigenise the cloth used in making the shoes upper."

She also realises the importance of strengthening B2C channels. Since 50 per cent of Globalite's current sales is B2B, Kishore wants to open her own exclusive showrooms pan India. One showroom is already open in Noida. "The target is to open 100 units by FY 2016."

Globalite, which won the 'Best Value Brand of the Year' award at the Flipkart Myntra Brand Summit, 2014, for the exceptional value it was delivering to the consumers is also expanding its product range to the apparels and accessories category. Whatever be the product, innovation, penetration and cost optimisation will remain the catchwords for this company's future growth, says Kishore. **BW**

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A SEARCH FOR SUCCESS

Businesses going digital need internal search to be relevant to their customers.

That's where **Tagalys** found its opportunity

BY VISHAL KRISHNA



5 RANK
Category: 3-5 yrs

Sector: Search engine

Founder: Anthony Kattukaran & Palaniappan Chellappan

Year of Inception: 2013

Base: Chennai

Capital Invested: Rs 50 lakh

Investor: Self funded

No. of Employees: 5

Key Customers: Online retailers or businesses moving digital



E

VERY ORGANISATION WANTS TO go digital. And with that comes the need for an effective and fast internal search engine. Organisations that are consumer-oriented need to create search engines that can match consumer search words in an instant. Amazon, for example, has built an effective internal search engine for its customers which play a major role in making it a \$89-billion retailer, since it is able to follow product searches with instant gratification.

What about the millions of small businesses that don't have the wherewithal to build such intelligence? Typically, they don't even consider this as part of their digital strategy and go ahead and ignore it. This is where Tagalys, the Chennai-based startup, has spotted an opportunity; one where it

can make a big impact in India and even across the globe.

According to the credit rating agency CRISIL, India has 50 million small and medium businesses and at least 20 per cent of them are high-value consumer companies that will go digital in three years. "We started commercial operations last year and we are investing in scaling up our machine learning architecture which will match key word search in precision," says Anthony Kattakaran, founder of Tagalys. Currently, there are eight paying clients on the Tagalys platform. In fact, search is an important component for a business. When Myntra became an app recently, it invested all its resources in technology to improve its stickiness with consumers. "We are investing in data sciences and are making the app a first-of-its-kind. The experience offered by search works on a data layer using browsing behaviour to customise the experience," says Mukesh Bansal, head of the mobile commerce platform at Flipkart. Similarly, Target India has worked with 10 startups to understand its customers better, improving the engine for a big part of its learning.

"Tagalys has great potential globally, as e-commerce is growing and so is the need for site search, recommendations and personalisation, which is a hard but good problem to solve. There is an increasing demand," says R. Ramraj, a



TWO'S COMPANY:
Anthony Kattukaran
(L) and Palaniappan
Chellappan

The business model of Tagalys is to work on an annual license basis and charge a fee on the number of increasing search queries

mentor for Tagalys and part of the Chennai Angels, an investor club. He adds that their product is vertical-agnostic and any large corporation can instantly increase online revenues by using Tagalys, from travel to retail.

Similarly, a client company feels Tagalys' technology skills have great potential. *Bedbathmore.com* is a home furnishing website and its product manager Bharath Belur believes that the first thing to be done was to capture the customer at the homepage. "We have been working with Tagalys to power our search and this was one of the best business decisions," says Belur. He adds that search plays an important role in e-commerce because the customers are given a lot of choice, which is a challenge. It is best to work with a startup rather than building search technology in-house, and a retailing company can focus on serving the best product to the consumer. In case of an app, search engine technologies capture user behaviour based on the login profile, and in a website, it tracks cookies and user behaviour.

Anthony Kattukaran and Palaniappan Chellappan met when Anthony was running an affiliate marketing startup called FabBucket in 2012. After FabBucket was closed down, the two got down to building a search engine that could learn to make intelligent suggestions to users. Before that, Anthony spent almost a decade in the US, as a consultant with Deloitte. Palaniappan was a freelancer on hire to build apps and data-based engines. The two hit it off immediately as Palaniappan could

build the applications for any idea and several iterations later they realised that organisations indeed lagged behind in using their own data to target consumers and suppliers better.

"The idea is compelling and it is a business opportunity that one cannot ignore," says Palaniappan. To build a search engine one needs to create algorithms that understand customer behaviour. In an app, the engine could be tracking behaviour based on pre-loaded profile data, and on a website, it could be tracking cookies and text files of browsing patterns to create compelling user experiences. A clever engineer programmes the script of the platform to crawl the Web or the Internet, and drives traffic to your site by making its images, text and video relevant to the user. The business model of the company is to work on an annual license model and also charge a fee on the number of increasing search queries. There is a slab system for searches up to 50,000 and then a different costing for 100,000 searches.

Currently self-funded, Anthony has spent Rs 50 lakh to run his previous startup. But he has used his learnings to create a relevant startup second time. He is also raising \$600,000 to ramp up his team and scale up the business. There are several startups building in-house capabilities. But none of them have looked at the enterprise segment like Tagalys has. **BW**

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Photoillustrations by Dinesh Banduni, Photographs by Ritesh Sharma

SMART SHOES OF THE FUTURE

Krispian Lawrence, CEO, Ducere Technologies, believes shoes are not just for walking. His company's Lechal footgear shows the way **BY MALA BHARGAVA**



RANK **1**

Category: 0-3 yrs

Sector: Wearable tech

Founder: Krispian Lawrence and Anirudh Sharma

Year of Inception: 2011

Base: Hyderabad

Capital Invested: Bootstrapped initially. Angel investment of \$2 million in 2012

Investor: Angel investors

No. of Employees: 85

Key Customers: Product not commercial yet

UNLIKE SO MANY COCKSURE entrepreneurs today, 30-year-old Krispian Lawrence, CEO of Ducere Technologies, comes across as a breath of fresh air: not worldly wise and not a ruthless go-getter, but rather earnest, warm and passionate about what he's doing. Of Lawrence and his partner Anirudh Sharma, you might say they have their hearts in the right place—in this case, their shoes.

Lechal, or “take me along” in Hindi, is a pair of Bluetooth connected smart shoes that buzz the wearer to go left or right, navigating the way to a destination. It's that simple. And yet it isn't. Because the idea has such potential. The world's first smart shoes caught the attention of the media worldwide when they were first announced by Hyderabad-based Ducere Technologies, the company set up in 2011 by Lawrence and Sharma, to create “intuitive, unobtrusive, and user-friendly wearable technology” solutions. Lawrence and Sharma are graduates of the University of Michigan and the Massachusetts Institute of Technology. Their company currently employs

85 people. Ducere started by bootstrapping, but raised \$2 million in investment to start with and are now looking to raise more funding, not for product development but for scaling up.

Shoes With 'Vision'

The first of the wearable solutions to come out of Ducere was born out of compassion. During a visit to Begaluru, Lawrence and Sharma were idling around when they happened to notice visually impaired people

and the shoes with their vibration, to guide him anywhere that's findable on the map.

Left to itself, technology would have solved the navigational problem using audio cues. Lawrence is totally tuned in to what would work better for someone with eyesight problems. "For visually impaired people, the sense of hearing compensates by being the primary and sharper sense," he says. "But you wouldn't want to take that up and keep it focused on audio feedback from the phone. Instead, the person needs his best

sense free for other cues. Haptic uses the sense of touch, separately from audio." Ducere worked with the LV Prasad Eye Institute to research how haptics works. "Our product design is all about inclusiveness," says Lawrence, "If something is designed well, it should not discriminate about who's using it. It's not about different technology for the differently abled but one technology for all."

Once the idea took hold, Lawrence and his team began building on it, adding simple and intuitively powerful features such as being able to use a button on the phone to control the app and the feedback the user will get. Two presses, for example, will trigger a specific action. Feedback was built

in to prevent a user from bumping into objects; another to vibrate long or short to signal an upcoming directional change.

Going Mainstream

The possibilities began to unfold as it became increasingly clear that shoes could be as smart as you make them and that anyone could use them. Straightaway, there are health and fitness use cases. The shoes can count the wearer's steps, time a run, track activity, and do anything else, for that matter, that one can pro-



Ducere invented navigational shoes that use vibration feedback to communicate with the wearer

moving about, trying with some difficulty to find their way around. The rest was serendipity: the idea came up for a pair of navigational shoes that uses haptic (vibration) feedback to communicate with the wearer. Rather than reinvent the wheel, they put together existing technologies but in a wholly innovative way. The shoes are fitted with Bluetooth and sensors. The wearer's mobile phone is fitted with a Lechal app. And the shoes and phone talk to each other. With these connections made, a person with an eyesight problem can allow the phone with its maps and other information,

Going forward, Lechal shoes will be able to detect if the wearer is in danger of falling and send out alerts quickly

gramme it to. Deciding to take the connected shoes mainstream, he started the Lechal Initiative wherein shoes for the visually challenged and the blind can be subsidised by sales to general consumers. A second product, under the same brand name of Lechal, is a set of insoles to be used with any shoes a user can fit them into. The original Lechal shoes are solid red and black, but if that doesn't work for some people, they can use the insoles. The shoes even have an accessory — an interactive charger that responds to a snap of the fingers and tells you the battery status.

Future Footprints

But will consumers readily adopt these connected shoes? Vishal Gondal, CEO of GoQii, a wearables company that sells a fitness band with coaching services, sums up Lechal's biggest challenge: "It's a great idea, but the biggest problem will really be getting users to adopt this. That's the part that's never easy. How are they going to do it?" Wearable technology has indeed often been accused of having no real killer application, making it a matter of curiosity, but not necessity. Although this may be changing gradually, with fitness and fashion both becoming reasons to use wearables, it is still common to find users abandoning their de-

vices after a short while of use.

But Lawrence's belief in the connected future of footwear is strong. "Just as we take it for granted that a phone can send email or let you play a game or do the number of things it does today, it will one day be a matter of fact that shoes will have the ability to communicate with users for many reasons, navigation being only one of them. "Shoes are like a natural extension of the body," he says, "You can't leave home without them. So it's only fitting that technology should be built-in."

Ducere Technologies has a software development kit ready for developers to go ahead and explore more use cases for the Lechal shoes. One such use is already in the making: fall detection. If a visually impaired person or an elderly person uses the shoes and is in danger of falling for some reason, a detection feature should communicate to the phone and quickly send out an alert to get help. It is applications like these and more that Lawrence would like to see incorporated via apps for the Lechal shoes. For instance, indoor navigation is an issue that needs to be addressed. Buildings like airports or hospitals or supermarkets are difficult to navigate. Ducere is already working on a solution with which a map is instantly created when a person walks into a building. After that navigation is as usual, with haptic feedback.

Lechal shoes and insoles, while a brilliantly simple idea, haven't started walking yet. Pre-orders are just beginning to be fulfilled and the company is a long way off from flooding the market with smart shoes as it has plans to. Production is on and training is in progress. Distribution is to be "everywhere" and there are some tie-ups with footwear companies, but until Lechal shoes are on the feet of enough consumers, we will not know how well they will be received. One thing is, however, for sure: Lechal is only the first of a line of innovative products coming from Ducere. Three of these in new categories are lined up for release after the Lechal shoes. **BW**



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MATCHMAKERS
TrulyMadly helps in making
connections based on shared
interests

THE TRIO PLAYING CUPID

Hitesh Dhingra, Sachin Bhatia and Rahul Kumar's company TrulyMadly helps you find love that you can trust
BY VISHAL KRISHNA

4 RANK
Category: 3-5 yrs

Sector: Dating Platform

Founders: Hitesh Dhingra, Sachin Bhatia and Rahul Kumar

Year of Inception: 2013

Base: New Delhi

Capital Invested: Rs 35 cr.

Investors: Helion and Kae Capital

No. of Employees: 25

Key Customers: Youngsters

TWO-THIRDS OF Indians are less than 35 years of age. No prizes for guessing that a big chunk of this number is single and is ready to meet people.

In fact, you have at least 80 million youngsters, of both sexes, in urban centres, wanting to meet each other over a cup of coffee or a movie or a game of tennis.

The Internet has been a go-to place for many a youngster as it allows them to connect online first and then meet in the physical world. But world over, this system raises security concerns about the kind of people

one could run into in the real world. This is where TrulyMadly, a curated dating platform, found a great business opportunity. It helps in making connections based on shared interests as well as it verifies the parties against their Facebook profiles. A user has to provide their passport details or other government certified identity cards for verification. This way the dating company can also access the person's legal history.

When Hitesh Dhingra, Sachin Bhatia and Rahul Kumar started this business a year ago they realised that they have to strike a chord with women if this venture was to become a success. "Research says that most women were not happy to be on dating sites because of lack of security layers and feared that they might just end up meeting a criminal or a stalker," says Bhatia, co-founder of TrulyMadly.

So the first thing that the TrulyMadly app and website does is check the Facebook profile of a person; its automated engine removes anyone who has false information or images. "It is important to verify before we allow people to use the app because some of the married men try to come in as singles," says Bhatia. Only

after the first level of background check — through a user's social media profile — is completed satisfactorily, a person is allowed to log on to the app. Once the user logs in, he/she is allowed to access the first ten profile views for free. And it is only when two people like each other's profiles, TrulyMadly allows them to chat with each other. At the third level, once both are comfortable meeting each other after chatting on the messenger, their phone numbers are made visible with their consent.

The company has 500,000 users registered on its platform, and a fresh infusion of venture capital money of Rs 35 crore, from Helion Ventures and Kae Capital, will allow it to build the technology needed to make it a better and more popular product among youngsters. Earlier it had raised \$100,000 from MakeMyTrip founders Deep Kalra and Rajesh Magow. It had also raised money from Manish Vij, the founder of Tyroo. "The company offers a secure way of connecting people and it is a great

platform for youth to meet people. The data collected by this platform will create a very valuable business," says Ritesh Banglani, partner at Helion Ventures. Their business model is very unique. Currently, users pay for the profiles they want to view. TrulyMadly is also creating a strong content play. Here, key courtship greetings and phrases can be monetised: it is called a "freemium" model where you get a few items for free and you can buy the rest based on your needs. There are also opportunities for games and quizzes to be monetised.

The First Courtship

In 2010, Bhatia exited MakeMyTrip after spending a decade there as one of

its founders. He decided to take a break and angel invest in a few startups. Meanwhile Kumar, who had worked with Bhatia in MakeMyTrip, was working at a hospitality services firm as a technology expert. In 2012, the two of them ran into Dhingara, who had just sold his startup Lets-Buy to e-commerce giant Flipkart. Over several meetings, they decided they had to focus on a social platform for the youth that would allow them to express themselves without the fear of social barriers attached to dating in India. After conducting primary research and building the technology, they set the ball rolling in March 2014. "We ran a pictorial campaign that went viral in Delhi," says Bhatia. The campaign titled #breakingsocialbarriers created a buzz in Delhi and then went national. "These clever photographs showcased that one could cut across all barriers," says Bhatia.

BW | *Businessworld* spoke with a few

The founders had to first strike a chord with women to make the venture a success

users of the app. "It was just curiosity that drew me to register on the site. But I never expected it would change my life because I met a wonderful person," says Manjula, a banker from Bangalore. It seems everyone was downloading the app out of curiosity, but then they ended up using it because of the guaranteed safety.

Tinder and OKCupid are the closest competition to TrulyMadly. But these are not curated and it is optional to register as a premium customer. Also, they are making no attempts to protect women from potential dangers.

Recently, Tinder sold 10 per cent of its stake to InterActive Corp at \$500 million. This sale made the dating industry a darling of valuations. No doubt the same is going to be the case in India. But surely with an Indian touch, quite truly and very madly. **BW**

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Money For Mickey

Startups need to stop relying on fund windfalls and instead focus on natural growth for lasting products — like Mickey Mouse



YESTERDAY, I LISTENED TO A pitch from a 23-year-old wearing a Mickey Mouse T-shirt. Mickey Mouse's smile was the closest we came to the S-curve...

Startup icon Paul Graham, in a brilliant essay, describes the S-curve as an initial slow period of 'figuring it out' — a period of rapid growth and a general slowing as a company transitions into maturity. This period of 'figuring it out' seems to have gone the dodo way in the heat of making it to the pole position.

The tendency in startups is to shift the figuring out from the first half of the curve to the growth phase of the curve — let's first pitch for growth and then figure out what gives. I attribute this to the cramping down of the breathing phase that startups used to enjoy in less active times of new business creation. Nowadays, spaces are blossoming like the seasonal appearance of certain varieties of flowers where the garden is suddenly overrun by the brilliant yellow of marigolds. Some of these varieties are foreign transplants and some *desi* variants. But in both cases, they appear together in bunches. Peer pressure, fear of not getting picked by deep-pocketed gardeners and urgency to show growth to attract the right hires make for a conflicting mix of rhythms in a startup.

When a 23-year-old decides to start up, there cannot but be a streak of rule-flouting, iconoclastic, world-chewing belief accompanying it. Mickey Mouse has something to do with all this. The lack of history causes a lack of fear. The lack of fear allows for a beautiful mindset where growth is not pulled back by the limits of the past and the constraints of the present. The only thing that the past three years has taught us is that 'over-thinking' is a sign of weakness. There are no benchmarks. There are no guidelines and there are absolutely no patterns. In a world of low-cost capital, growth is the closest analogue to success. A glorious death is considered more worthwhile than an average life.

But a little figuring out won't hurt either. Money will not

always be in abundant supply. Need for consumer centricity always will. Delaying the dilution of your core-quality users with high burn paid installs will delay gratification but keep your product honest. Forcing original thought process in your teams will strengthen the organisation from inside.

Sending a strong message to your team and not taking shortcuts will clear the confusion on what is right and what is not. Using other people's money to fulfil your dreams puts more responsibility to persevere in the face of possible failure. Pause to think about what behaviour you expect from every employee that you will not compromise on. And most of all, be thankful for the opportunity you have got.

The Indian digital economy will create market value of a few hundred billion dollars over the next decade. India's digital economy is for the young, by the young and of the young. They understand the need, they build the product

India's digital economy is for the young, by the young and of the young. They understand the need, they build the product and they will own the consumers

and they will own the consumer. If you are young and part of new company-building, it is inevitable that you will own the digital economy — if not tomorrow, then maybe in the next attempt. But let the rush not lead to only quick gratifications.

Mickey Mouse's creation has transcended one world war and several depressions and downturns. A mouse was born by reworking a rabbit called Oswald. Let's make our Mickeys in such a way that they are as long lasting as the original. **BW**

The author is co-founder and MD at Helion Venture Partners

UNRAVELLING THE BABY MATRIX

Naiyya Saggi and Mitesh Karia, founders of BabyChakra, are creating an ecosystem for making parenting easy

BY SONAL KHETARPAL

3

RANK

Category: **0-3 yrs**

Sector: Parenting

Founders: Naiyya Saggi
and Mitesh Karia

Year of Inception: 2014

Base: Mumbai

Capital Invested:
Not disclosed

Investors: Mumbai
Angels, Singapore Angels
Network, Maheshwari
Investors, Arihant &
Shruti Patni

No. of Employees: 15

Key Customers:
Mahindra Retail, Lifecell,
Johnson & Johnson

N INDIA, 60 PER CENT of the people live in nuclear families and 80 per cent of family decisions are taken by young mothers. It was these numbers that had Naiyya Saggi, co-founder of BabyChakra, thinking about the need to make parenting easy for young couples, especially when traditional family structures are gradually breaking down. With these thoughts, Saggi returned to Mumbai after finishing her MBA from Harvard Business School and started talking to friends about the entrepreneurial ecosystem. Many of them, who were also young parents, voiced a unanimous pain point: difficulty in finding and deciding on child care services around their vicinity. They found local services by asking Facebook friends for suggestions or by doing a Google search, which didn't always provide an adequate solution to their problem, shares Saggi.

It was then that Saggi, along with her childhood friend Mitesh Karia, who was then working with HSBC bank, set up BabyChakra, an online platform to help young Indian parents discover and decide on local services for moms and children, right from when they are expecting to when their child is five. They launched the closed version of the BabyChakra mobile web product in June 2014 in Mumbai. Their aim was to ease the process of decision-making for parents and develop their community so they could get support and advice from each other in real time.

To build this community, they started a MomStars programme in September 2014. This entailed having a group of local, influential mothers who acted as BabyChakra's evangelists in their community. Their task was to inform others about what was happening in their locality and write candid reviews on local services. There are around 400 MomStars in Mumbai, Delhi and Bengaluru today. "Of these, 100 are quite active and write a review or share feedback every alternate day," says Saggi. In return, they get special privileges, exclusive event invites and services from BabyChakra. The MomStars community acts as an offline-online touch point for BabyChakra, which is essentially a tech startup.

Saggi and her partner have based their offerings around three features — local services, content from experts on maternal and child care, and events for kids.



KIDS STUFF
Naiyya Saggi and Mitesh Karia set up BabyChakra to help young Indian parents in picking the right services for child care and mothers in their neighbourhoods

They launched their website in November 2014 in Mumbai, then in January 2015 in Bangalore and recently in Delhi. They have added another feature, 'Buzz', to make their platform social. This allows a user to contact any parent and follow their posts and reviews.

"The social and community feature of BabyChakra differentiates it from the other players in the industry. There are e-commerce companies which are primarily like an online store, and then, there are a few international content sites, mainly blogs, which may not often be relevant for Indian parents. There is no player that has yet built a community of local parents for discovery of services, content and reviews in this space. BabyChakra is special since it helps in discovering and making decisions on local services for parents through social integration, crowdsourcing and community building," says Karan Maheshwari, chairman of MIPL, who is also one of the investors in BabyChakra.

To bring in more personalisation, BabyChakra has ensured its website is mobile-compatible as parents were accustomed to 'Googling' for information on local services on their phones. The startup will launch an Android app in Mumbai next month. Since the BabyChakra team was part of the Google incubation programme, Launchpad, the company has offered to spotlight their app on its Play Store. Till now, more than two lakh people have used the BabyChakra platform; of these, 25,000 are registered users on the website.

One of the main challenges that the BabyChakra team

BabyChakra has users from countries including the US, UK, UAE, Singapore

faced stemmed from this business being very operations heavy. "On one hand, we have to list the local services and events and then go for their verification," says co-founder Karia, who looks after the operations part of the business. "A lot of times we would update it on the site and realise two months later about the closure of that service. Managing this along with developing the community of parents was a tough model to crack. Now, we have streamlined a process where our team verifies the service profiles every three months."

At present, the BabyChakra website has 5,500 listings of local services. Even though these listings are from vendors in Delhi, Mumbai and Bangalore, they have users from 20 countries such as the US, UAE, UK, Singapore, Australia and South Africa. Karia says these parents may be visiting the site to read the content covering topics ranging from planning a baby, to delivering one, to raising



a toddler. Also, many of the Indian expatriates in these countries are keen to know about the services they can avail of when they are back home.

Although the firm is still in the process of finalising its revenue streams, it has earned Rs 1.5 lakh by giving premium listing to local services such as hospitals, baby photographers and child-friendly restaurants. It has also logged revenues by signing up with brands such as Mahindra Retail, Johnson & Johnson and stem cell bank Lifecell by helping them connect with the local community of mothers to sample their new product or service. A

revenue source the BabyChakra team is planning to tap is getting people to transact on its website and earning a commission on the transaction.

This year, investors including Mumbai Angels, Singapore Angels Network, and Arihant and Shruti Patni of wealth management company Patni Financial Advisors have invested an undisclosed seed round in BabyChakra. The startup will use the money to upgrade technology, hire more people and expand into three more cities. "After moving to metros, one of the challenges the company might face is expanding into tier 2 cities where technology penetration is not deep," says Maheshwari of Maheshwari Investors.

Since its launch, the company has already grown 35-40 per cent, says Karia. "We want parents from across the world to use BabyChakra for all child care decisions. It is the potential of having billions of BabyChakra babies in the future that is super exciting and keeps us going," says Saggi with a glint in her eye. **BW**

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Is India The New Palo Alto?

The old rules are no longer business mantras for India's startups today

IF YOU'RE READING THIS as an employee of some company, half of India is looking down on you. If you spend an hour at Starbucks, you will quickly realise that most of the tables are no longer filled by multi-level marketing guys making a sales pitch, but by corporate types sitting with prospective partners, planning their next. And the basis is not just generating wealth nor YOLO (you only live once), but probably 'if they all can, so can I'.

Is India disrupting? Yes. From booking a yoga instructor to ordering groceries to getting my taxi in the next six minutes, ... everything is 'disruptively mobilised'. Already, more than 10 startups have crossed billion dollar valuations in the past 4 years, and funding is readily available for someone who hasn't studied at the Ivy Leagues. Rather many of these are led by youngsters who haven't even graduated. How 'California-ish' is that?

In 2007, when I started my first enterprise, my business partner (who sold his company to Serco in a multi-million dollar deal), taught me an important lesson: "The only reality in business is cash". If I were to say this at any forum today, I would surely be asked to leave. Things are continuously changing. What was a rule earlier is no more a success mantra anymore. Today, 'solving a problem' is more important than 'generating cash'.

I almost feel out of place when I go to a technology incubation setup, where the future disrupters are working on secret technologies, innovative designs and solutions. For them, the online marketplace and buyers purchasing clothes, phones, food, etc. are passé. They are talking about the next generation solutions like a robotic toothbrush, or online marketplace for collection for banks, or getting my office a suit stitched-to-order by the finest designer and delivered at home. So what's required today? What's the VC (venture capital) pitch? What's the business case like? What's the path to follow? Some of what we see around are:

- Find a problem that genuinely bothers you and you wish to solve. Preferably something for which you have the background, or relevant expertise.
- It's good to have partners. It decreases stress and helps in decision-making. Odd multiples help (as odd means a decision and even means a dispute). So go find one first, not necessarily your best friend but someone who works hard and doesn't have a worrisome attitude.



- A decent amount of money is needed to market a new-age concept, but be sure of raising your funds in various modes.
- Be nimble and ready to change fast, when someone disrupts what you were doing or planned to do. If someone is doing something good, copy it shamelessly — though I hate to say it. Have complete clarity on your goals. Build a sustainable business.

Other entrepreneur-entry strategies doing the rounds are:

- Join an existing startup, where you think you can add value. Get good equity and start.
- Join a company offering stock options. Learn how to work in a big and small company, and learn the traits — good to learn at the cost of others.
- Advise a few startups actively and learn the nuances. If you feel comfortable, join one.

So what's the next generation entrepreneur like? Having been lucky enough to meet quite a few, I find them sharp, focused,

Next gen entrepreneurs are disrupting the Indian startup scene. Their innovations are truly solving problems

looking at complete technology solutions. They play music in their offices, dress casual and are less hierarchical. They have a more open culture, most employees in their 20s, with a focus on the end goal and not on day-to-day people or business issues. They shun age-old HR strategies and high dependency on 'others' in business areas where they have limited knowledge.

But yes, they are disrupting India and the solutions introduced by them are solving issues. Hope to catch you at Starbucks, with you planning your next, because India is the new Palo Alto. **BW**

The author is chairman of healthcare products and services company Indian Health Organisation

CARE THE NATURAL WAY

India may be saturated with natural products but Rahul Agarwal believes he offers something better with **Organic Harvest** BY JOE C. MATHEW

W

HEN RAHUL AGARWAL, a 33-year-old Delhi-based chartered accountant, decided to plunge into a highly competitive personal care industry, his idea had few takers. The reason was simple: skin, hair or body care products were available not just by the dozen, but by the hundreds in India. With its legendary ayurveda base, the country had no dearth of natural and herbal products either. For such products, it's a market spoilt for choice.

Agarwal, though, was determined as his three years research had revealed a wide gap in the existing personal care industry — the demand for organic products — and he wanted to tap it. It was similar to discovering the healthy glory of organic vegetarian food in a country known for its vegetarian fare. Agarwal's two-year-old startup — Organic Harvest — claims to be the only company in India with a full

range of organic personal care products, including skin care, hair care and body care products.

How will Organic Harvest stand out in a market that is full of natural products? How do you know "Organic Harvest" products are made using ingredients that are truly "organic"? By merely following international practices, Agarwal says. He is importing the entire lot of raw materials from globally renowned organic product supply sources. Each lot of raw material that reaches the company's manufacturing facility in Himachal Pradesh carries raw ingredients certified by global organisations like EcoCert, OneCert and NaTrue. Sourcing these products in exactly the same way a global organic personal product company does, made it stand apart from every ayurvedic and natural products company that uses domestically available raw materials. "I consider Body Shop, Forest Essentials, L'Oréal as our competitors, though most of the international companies have a limited range of organic products," Agarwal says.

Its top-selling products include three-in-one face wash, scrub, anti-wrinkle cream and shampoos, and 41 skin, hair and body products in addition to 18 varieties of essential oils, it manufactures.

The company works with three distribution channels. It supplies these products through 2,000 general retail stores, organised retail chains and through its own stores. Across India, the company employs over 500 sales girls to operate Organic Harvest counters in malls and large retail outlets. "There is a substantial market for us. I consider anyone who can afford to spend Rs 800-1,000 for a 30 grams cream to be a potential customer," Agarwal says.



4 RANK
Category: 0-3 years

Sector: Personal care

Founder: Rahul Agarwal

Year of Inception: 2013

Base: New Delhi

Capital Invested:
Rs 1.6 crore

Investor: Promoter

No. of Employees: 750

Key Customers:
Aspirational, upwardly
mobile population

BOLD & BEAUTIFUL
Organic Harvest is the only company in India that provides a full range of organic personal care products, including skin care, hair care and body care products

It was in 2013 that Agarwal decided to try his luck in the personal care product business. He had no experience in this business, but had a successful startup in the education sector behind him. "There is a growing interest in organic foods. The idea is to avoid consuming cancer-causing pesticide residues that are often part of the vegetables and fruits that are locally available. Similarly, natural flowers and vegetables, plant and fruit parts used as raw ingredients for personal care products can also contain harmful and harsh chemical residues," he said. Once market surveys identified the potential of organic products, Agarwal set up a research and development facility in Delhi. He also signed a contract manufacturing agreement in Parwanoo, Himachal Pradesh. "Our quality control and production teams are present in the factory. We get it done ourselves using an outsourced facility," he said.

Organic Harvest was initially introduced in the Delhi market. Within a few months, it scaled up its operations to cover Uttar Pradesh, Punjab and Haryana. "We are today present in almost 50 cities. In two years, we have built a pan-India presence," he adds. Recently, Organic Harvest signed up with Health & Glow, which operates around 100 stores in Bengaluru, Hyderabad and Mumbai, to deepen its presence. The company has sold over 1.6 lakh units of various products so far. The company's growth phase also saw two industry veterans joining the top management team. Sumesh Sood, chief operating officer, was associated with major cosmetics brands such as L'Oreal, Coty Vita Care and Lakme, and has an extensive working experience of creating distribution channels in marketing and branding activities. Monjish Nandi, general manager (Sales & Marketing) has over 30 years of experience with

The challenges for the company will be in finding its space amongst internationally renowned brands

companies like Shahnaz Husain, Lotus Herbals and Ozone Ayurvedics. He was the key person behind the launch of the product "No Marks" for Ozone, which was later acquired by Bajaj. "Immediately after the launch of the initial products, I took Sood and Nandi on board," Agarwal says. In fact, 20 per cent of the shareholding has gone as Employee Stock Options.

"We are planning to open 10-12 stores in prominent malls and high streets within one year," Agarwal says. The company plans to build the distribution channel pan India in next 12-18 months, covering all major cities and reaching out to more than 50,000 outlets. The company has plans for an international market too. "We are looking at exporting to Bangladesh, Nepal and the Middle East nations like Saudi and UAE in the near future. We will also launch a range of professional care products such as facial kits for salons in the coming year.

The challenges for the company will be in finding its space amongst internationally renowned brands as their import dependence nullifies any major cost advantage with international brands. Its revenue projections are equally ambitious. A Rs 25-crore target for this year, Rs 60 crore for 2016-17 and Rs 100 crore for 2017-18 will depend on its expansion plans. **BW**

FUTURE PERFECT

Agarwal aims to open 10-12 stores in prominent malls and high streets within one year



joe@businessworld.in; [@joecmathew](https://twitter.com/joecmathew)

The Age Of Star Startups

Companies can grow quickly, but they should question themselves on several points

IT IS PERHAPS THE BEST TIME there was to build a startup in India. The ecosystem is more evolved than ever, the capital flow has grown and the taboo of building a startup is waning. There are a bunch of success stories out there.

It is also a great time to build products and services for the India we know. Throbbing, diverse, aching and dying to break out of its dilemmas. Success in this India belongs to companies that put problem-solving for the consumer first. These can be consumer-facing problems or business-facing problems — or plain broken rings in the value chain.

Unlike the valley, India is not the market for flashy revenue-less experiments, unless one can demonstrate return on investment. Even product companies end up building service models, and that is the opportunity for entrepreneurs to create unique business models.

Most winning companies today aren't the best pedigree or the most resourceful, and most of them did not start with an endowed past but rather they made it by moving very quickly — they are the ones who have speed in their DNA. Speed is king, queen and maybe the whole chessboard. Speed wins where traditional cannot.

From low-cost sanitation solutions to high-end gaming — the range of segments and solutions in India is vast and constantly growing into specialised niches.

Every entrepreneur worth his/her salt has faced the brunt of regulatory red tape, complex systems and ailing infrastructure. Doing business in India isn't easy, and never was — but is still worth it. Primarily, the size of scale and potential value that can be generated is super immense.

Technology is no good if it is of no use to the users. Your job as a business owner is to make a user's life easier and not



show off your feature prowess. There is a lot of technology and very little application. Great companies change the ratio.

The time has come for India-first business models and success stories. Build in the home market and don't worry if a similar product or service does not exist elsewhere. Our unique market situations and user pockets — ranging from bottom of the pyramid to jet buyers, makes us a very unique and vibrant market. Respond to its needs. The big opportunities were never copy-and-paste-but build and ship.

The massive difference between new-age businesses and traditional business is that the former, though designed for a winner-takes-all market, are more in tune with sharing success and business value. Best businesses align their stakeholders, employees and partners into

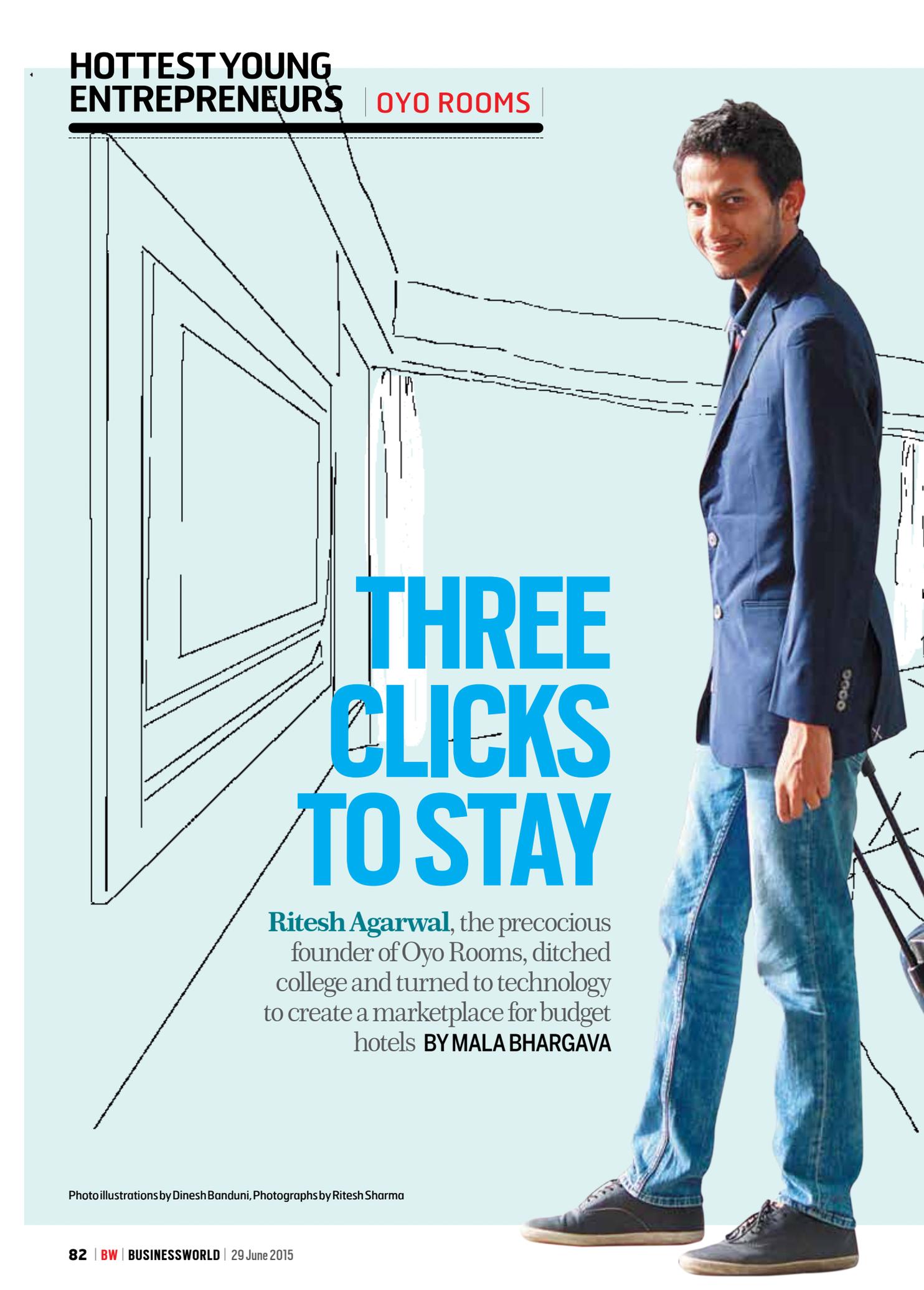


The best businesses align their stakeholders, employees & partners into success. Grow together and create value for everyone

success. Grow together and create value for everyone on the table. That is the new age mantra. Every big idea was once impossible. Every thing that had to be built had been built. But audacity and grit is an innovator's best friend. Human life can be vastly improved by thinking beyond what has been possible so far.

Building high potential startups is a function of the external potential of the market-meets-motivation of an entrepreneur. When these two collide in perfect synchronicity, magic happens. The trends point us in the direction of possibility. There is a long way to go but the journey is the reward too. **BW**

The author is founder & CEO, One97 Communication/Paytm



THREE CLICKS TO STAY

Ritesh Agarwal, the precocious founder of Oyo Rooms, ditched college and turned to technology to create a marketplace for budget hotels **BY MALA BHARGAVA**

Photoillustrations by Dinesh Banduni, Photographs by Ritesh Sharma

5 RANK

Category: 0-3 years

Sector: Hospitality

Founder: Ritesh Agarwal

Year of Inception: 2012

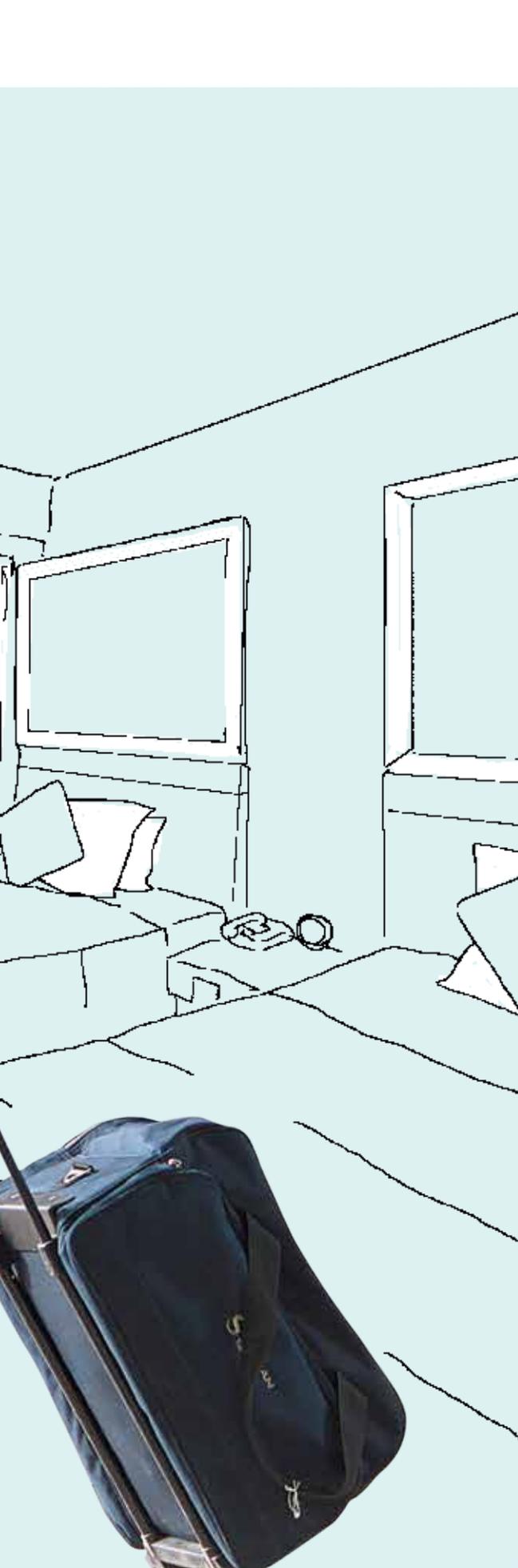
Base: New Delhi

Capital Invested: Rs 150 crore

Investors: Lightspeed, Sequoia,
Greenoaks Capital, DSG Consumer

No. of Employees: 100

Key Customers: Small business
traveller



A

T THE TENDER AGE of 21, youngsters have a case of post-college blues, wondering what to do with the rest of their lives. That certainly didn't hold true for Ritesh Agarwal, who not only skipped the college part, much to his family's chagrin, but was India's youngest CEO by the time he was seventeen. Ironically, he authored a book on colleges *The Encyclopedia of Indian Engineering Colleges* available on Flipkart. Impressively, he was the only Indian to win a Thiel Fellowship, which meant being "paid not to go to college", receiving funds, guidance and meeting some of the world's top CEOs.

No wonder Agarwal exudes more confidence than you're likely to see in the most seasoned CEOs. He doesn't miss a beat and invariably knows exactly what to say. This precocious youngster from a small town in Odisha is as city-slick as they come and is busy taking many cities by storm with his branded network of insta-stay hotels, Oyo Rooms.

Download the Oyo Rooms app, choose your destination from across over 16 cities, and in three clicks, you are booked to stay, starting Rs 999 a night with an assured level of quality.

But why budget hotels, over all the options available to a young person with the world before him? Agarwal traces the birth of the idea that became Oyo Rooms to a fight over the TV remote and not being able to watch the shows he wanted. Being locked out of the house late nights was another trigger. More than once in his life he wished he had a good place to stay at

short notice. Good hotels were, of course, exorbitant and affordable ones so bad they weren't worth the while.

"So for me it was very simple," says Agarwal. "India has this huge traffic moving about, coming off of trains and buses and cars, and nobody has an affordable and yet delightful place to stay." Clearly, a problem to be solved.

The answer lay in technology. Agarwal was a coder by the age of eight and it was to tech that he turned when setting up his business. He decided to begin with one hotel, work on quality and get people talking. Having tried an Airbnb-style business, Oravel and gone quite broke, Agarwal remembers being thrown out of his Masjid Moth, Delhi flat and being stuck on the stairway with his belongings. Help arrived in the form of funding to the tune of Rs 150 crore from Light-

speed, Sequoia, Greenoaks Capital and DSG Consumer. Agarwal, and partner Abhinav Sinha, with a products and services background, registered Oyo Rooms in 2012 in Delhi.

Often described as the Ola for hotels, Oyo Rooms is a network of hotels that doesn't actually own any. Instead, it identifies small properties and brings them up to a certain quality of service and ensures a checklist of features such as basic supplies, free Wi-Fi, free breakfast, and meals from the kitchen are available.

All-important is the Oyo app, through which all guest traffic is fed

to these hotels. Oyo gives the hotel its brand name and takes an undisclosed cut. Managing the network is done via an internal tracking system that allows costs that would have been spent on supervisors to be eliminated. At this stage, the company is in an invest-and-expand mode, though the annual turnover is pegged at Rs 63 crore. It's listed with travel aggregators such as MakeMyTrip, Expedia and ClearTrip, helping it get to its target — the small business traveller.

By year end, Agarwal aims to go from 350 hotels and 4,000 rooms to 1,000 hotels. From there, he has his eye on a figure of 100,000 rooms in India. Undoubtedly, Oyo has created a stir in the hospitality industry with its tech-enabled model, but will it disrupt the hotel business? Achin Khanna, MRICS, managing director of HVS South Asia, doesn't quite think so. "Oyo Rooms

Oyo Rooms gives hotels its brand name and takes an undisclosed cut

and other similar business models are intriguing. It may be too early to claim that they are acting as disrupters in the 'traditional' hotel industry," he says. "But, it's not too early to recognise that they are influencers in the consumers' minds when it comes to making a lodging decision. Adding scale will be the key to success of this model and creating a compelling value proposition that goes beyond simply offering a cheap room rate will be equally critical. Traditionally owned and/or managed hotel brands as well as new age aggregator model based brands can and will co-exist."

All the same, Oyo Rooms does have plenty of competition, including Ginger Hotels, Ibis Hotels, Peppermint Hotels, and Zo Rooms with which it's involved in fisticuffs in court. Customer feedback is mixed, some claiming the Oyo experience to be "decent and 3-star-like" and others complaining they turned up to find their booking hadn't been accepted.

Agarwal isn't concerned. Like most startups in new areas he believes it opens up the market. His biggest challenge is instead finding talent and training hotels to get up to standard and stay there in readiness for the future. **BW**



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MEET THE JURY



THE SCORES OF GREAT IDEAS and projects, the startups that are battling it out to make it commercially, were difficult to judge. The only way to do it was to get the men with the same passion that fires the competing young entrepreneurs. Those who made up the jury were well cut out to judge as they have walked the startup coals; they have dared the challenges of risk-taking to build successful businesses. It couldn't have been a better jury. They helped sift and sort through stacks of forms, patiently heard out dozens of great presentations and argued long and hard before reaching difficult decisions.

Please meet the members of the jury we at *BW|Businessworld* are proud of:

Vijay Shekhar Sharma (above left): Founder and CEO of One97 Communication/Paytm, one of India's largest growing mobile Internet and mobile commerce companies. He also invests in early-stage mobile Internet startups from his company's One97 Mobility Fund. An avid admirer of great design, Sharma believes his ultimate moment is yet to arrive. If he wasn't in his current role, he would have been singing along with Bono, Vijay says with a straight face.

Sanjeev Bikhchandani (centre): Founder of Naukri.com, India's leading job site. His company also runs Jeevansathi.com, 99acres.com, and Shiksha.com. In addition, he has made strategic investments in promising web startups such as Policybazaar.com, Meritnation.com, Zomato.com, Mydala.com, Canvera, and Happily Unmarried. He has served as president of the Delhi chapter of TiE (The Indus Entrepreneurs). He also serves on the national executive of FICCI and on the national council of AIMA.

Rahul Chandra (right): Co-founder and managing director of Helion, Chandra has 17 years of venture capital investing and corporate development experience in technology product and services companies in India and the US. He serves on the boards of Seclore, Shubham, UnitedLex, Netambit and Mindworks and manages investments in Cucumber Town, EzeTap, Spandana and Equitas. He has invested in more than 30 early-to-mid-stage companies such as Mindtree, Ikanos (IKAN), e4e Inc and Techspan (Headstrong). Chandra, a graduate of BITS Pilani, has an MBA degree from University of California, Berkeley.

METHODOLOGY

BW | BUSINESSWORLD, in what is an annual exercise, started an online campaign to identify the young and the brightest in new entrepreneurship. Companies were invited to file nominations in two categories — 1) Those that were between 3 and 5 years old; and 2) Those less than 3 years old. Another requirement mandated that at least one founder of such a company had to be less than 35 years old.

We received 124 nominations in all for both the categories. In cases where there was a long gap between the company's registration and commercial launch, we opted

to go with the time the company became operational. After going through the applications in detail, companies that didn't meet the selection criteria, or had not provided critical information, were eliminated. After that, a team of senior editors shortlisted companies based on their innovative business models, sustainability and scalability of business and overall financials. A total of 36 companies were shortlisted — 22 companies were less than three years old and 14 between 3 and 5 years old. We invited three jury members who are successful entrepreneurs and also angel investors — Sanjeev Bikh-

chandani, founder and executive vice-chairman of Info Edge (India); Rahul Chandra, co-founder and managing director of Helion Venture Partners; Vijay Shekhar Sharma, founder & chief executive officer, One97 Communications.

This august jury thereafter evaluated the data provided by the companies and also gave time to the shortlisted promoters to make presentations about their products and business models. Around 22 companies made a pitch. After hours of discussions and sifting through data, the jury members chose five winners from each of the two categories.

COMPANIES WITH POTENTIAL

CATEGORY: 3-5 YEARS

- 1 BoondEngineering & Development
- 2 InOpen Technologies
- 3 Jigsaw Academy
- 4 Jombay
- 5 MindShift Interactive
- 6 ONergy
- 7 Riva FZC
- 8 RKS V
- 9 SuperProfs

CATEGORY: 0-3 YEARS

- | | |
|-----------------------------|----------------------------------|
| 1 AdPushup | 10 Imagine Software Labs |
| 2 CarlQ Technologies | 11 KartRocket |
| 3 CashKaro | 12 MakeUber |
| 4 ConveGenius Edu Solutions | 13 Observe Design |
| 5 Curofy | 14 Phyzok Learning Solutions LLP |
| 6 Edwell Solutions | 15 SilverPush |
| 7 EnglishDost | 16 Tripoto |
| 8 ePaisa | 17 Wazzat Labs |
| 9 Flexiguru | |

THE SHRUNKEN BEAST

The small SUVs are pretty much like the real deal, only they are not as fast and less furious. But Indians like them nonetheless By Vishal Krishna

O N A COLD Saturday morning after a long, tiring week and Friday night binge drinking, when most are sleeping like logs, Anand Singh and friend Viney Parikh of Delhi are prepping their beasts — Ford EcoSport and the Nissan Terrano — for some serious off-roading and mountaineering to Kullu Manali. Tires? Check! Lights? Check! Brakes? Check! Battery? Check! With a small backpack, some packets of chips and a mountain bike strapped to the boot of their cars, they are set to burn the road!

Singh and Parikh belong to a new set of thirty-year-olds who alternate their weekends between biking, hiking and SUVing. That's right, SUVing is a thing. The





2.2M
SUVs have been sold in India in the past 5 years

LEADING THE PACK: Ford exported as many as 55,178 units of its EcoSport model last year when the total number of exported SUVs stood at 77,024



yuppies (young upwardly mobile professionals) like to spend their time in meaningful pursuits beyond their jobs.

In fact, lately there has been a significant surge in demand for multi-utility vehicles and sports utility vehicles. And Carlos Ghosn, chairman of the Renault-Nissan Alliance (RNA), knows why. At the recent showcase of Renault's hatchback Kwid, he told *BW Businessworld* that Indians love roomy cars with a high ground clearance. "Kwid, built on the CMF-A platform, is a car of conquest," he said. The platform is designed for price sensitive markets like India, so the company can make cheaper SUVs.

"The platform is flexible and as infrastructure improves, Indians will buy smaller utility vehicles," says Gerard Detourbet, global vice-president, RNA. He adds that CMF-A's success will determine the kind of vehicles — SUVs, MUVs or small hatchbacks — Indians prefer. "There can be seven cars on this platform, or may be more," he adds. Renault has earmarked Rs 3,000 crore for the platform.

Data from the Society of Indian Automobile Manufacturers (SIAM) suggests that the SUV market is currently half a million in size and can easily reach 7,00,000 units in sales a year. Over the past five years, 2.27 million SUVs have been sold in the country. The segment is currently growing at a compound annual growth rate of 49 per cent (see *Racing Ahead*), whereas the hatchback and sedan car segments together have grown at 37 per cent CAGR during the same period. This proves that a certain section of the population is moving towards SUVs and MUVs. That said, the base data of the hatchback and sedan segments is bigger and they have sold 9.54 million units in the past five years.

Expected Launches

Well, it is not only RNA that is preparing to launch affordable SUVs and MUVs. There is Toyota, Tata Motors, Maruti Suzuki, Honda, General Motors and Hyundai; they are all ready with

SUVLIKE: The small SUVs do not have four-wheel drive and off-roading capabilities of real SUVs, but are roomy and have high ground clearance

their version of small SUVs to hit the market in the next 12 to 18 months. These are not the classic SUVs; they are not tooled for standard four-wheel drive and off-roading capabilities. These are cars with high ground clearance and pricing of Rs 6 lakh to Rs 13 lakh.

Hyundai and Maruti, which together hold 50 per cent of the passenger car market in India, are lagging behind in the SUV segment. However, they have their plans chalked out. Maruti will launch S-Cross this year and YRA (a sub-4 metre SUV) early next year, while Hyundai has already launched the iX25 SUV in China, and plans to bring it to India by November.

The Mahindras, which dominate the Indian SUV landscape with at least 45 per cent market share, have plans to bring

ON THE WAY UP

Most car makers have witnessed impressive growth in SUV sales over the past five years

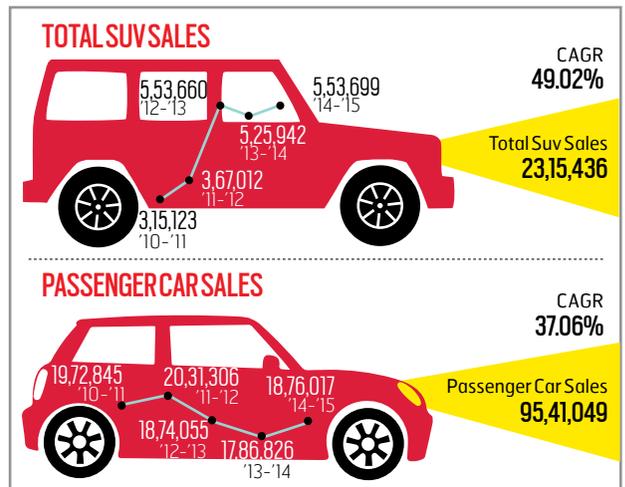


	2012-2013	2013-14	2014-15	TOTAL	CAGR
GENERAL MOTORS	20,930	29,167	21,504	1,14,869	41.76
FORD	1,454	45,640	52,289	1,04,767	101.65
HONDA	301	1,018	31,445	33,595	130.89
HYUNDAI	760	698	1,877	5,408	63.56
M&M	2,63,926	2,19,421	2,06,837	10,61,606	44.38
MARUTI SUZUKI	79,192	61,119	68,198	2,20,700	108.02
NISSAN	1,451	15,602	20,885	37,938	196.80
RENAULT	39,576	47,001	39,378	1,25,955	47.09
TATA MOTORS	44,439	28,100	23,850	1,85,838	34.85
TOYOTA	93,504	71,946	80,526	3,80,073	42.42



RACING HEAD

The SUV segment has grown at a faster clip than passenger cars in the Indian car market



in three compact SUVs code named S101, U301 and U215. General Motors too will soon launch a vehicle that will compete with the Duster and Terrano, while Toyota would probably bring in the Daihatsu Rush. Tata Motors will launch Nexon, which will be based on the Zest platform. Sources say that there is no SUV in the offing from Volkswagen AG till 2017. The companies did not want to talk about future launches and they all declined to comment on these vehicles.

But we can say that as many as 10 new cars are expected to be launched in the small SUV segment in a year's time, at an estimated total spend of about Rs 6,000 crore. Launching a product is one thing, but preparing for the market outreach is another. Tata Motors is banking on its HorizonNext strategy which proceeds from design to production to consumer service. It is spending over \$3 billion to revive its product portfolio and services. Girish Wagh, vice-president, Tata Motors, is hard at work with his team in getting more than 150 vendors ready for the launch of Nexon.

"The last couple of years have been about understanding what the consumer needs and making the brand relevant with a modern design and interface. We have several launches planned over the next three years," says Wagh of Tata Motors.

What is to be seen is the impact that Hyundai and Maruti Suzuki's launches will have on other original equipment manufacturers. Maruti has more than 1,300 dealers and Hyundai has close to 600, while the rest have an average of 250 or less. These two companies have been market leaders in the affordable segment largely because of their distribution and service reach. "We cannot comment on future launches, but this is a very important segment for Maruti Suzuki," says C. V.

Raman, executive director of engineering at Maruti Suzuki.

The competition between these auto giants is not only restricted to India; they are all eyeing the export market too. Last year, 77,024 SUVs were exported from India, with the Ford EcoSport leading the tally with 55,178 units. And now with 10 SUVs in the offing, more than 100,000 units can be exported to other countries per year by 2018. Like Ford, Renault and Maruti Suzuki are also trying to increase their exports.

Not An Easy Market

Ghosn believes India is a land of opportunity. "What works in India can be tweaked for other markets," says Ghosn. He says that it is a very difficult market to compete in. The Indian automobile market's growth is dependent on growth in salaries, creation of infrastructure and reduction of interest rates. The inflow of foreign capital and reduction of trade deficits will further ease consumption in India, which is slow at the moment. That said, auto

companies will still focus all their marketing expenditure in pushing the SUV/MUV segment. The companies will bet big on finding a balance between small hatchbacks, premium hatchbacks and these affordable SUVs. "There is a customer in each of these segments," says Sumit Sawhney, managing director of Renault India.

The automakers would also have to convince ordinary consumers that they need a roomy SUV or simply play the adventure card. It is, after all, the age of the affordable SUVs. **BW**

10
New SUVs are expected in the next one year

vishal@businessworld.in; @vishalskrishna
For more on the auto sector, visit www.businessworld.in

LASTING AP

Despite a slow start, IPL 8 proved to be a success over the previous edition in terms of reach and revenues By Monica Behura



PEAL

T



THE INDIAN PREMIER LEAGUE (IPL) season 8, held from 8 April to 24 May, predictably had a slow start with critics citing cricket fatigue after the just-concluded World Cup 2015. It appeared as if IPL-8 was the underdog pitched against the stronger ICC World Cup. But IPL-8 proved the naysayers wrong once again.

By May-end, the official broadcaster, Multi Screen Media (MSM) claimed ad revenue of over Rs 900 crore, a 20 per cent rise over the last season. IPL also emerged as the most bankable annual sports property for Indian advertisers. The ICC World Cup, whose broadcasting rights are held by Star Sports, is also a strong sport event but it is held once in four years. “We made good money right from the first game. The fixed inventory was a complete sellout to 12 sponsors two months before the tournament,” said MSM president Rohit Gupta.

Marketing experts, supporting IPL, believe the event is ‘cricketainment’ at its best and it works better than the World Cup for advertisers because of its wider reach across all segments of both urban and rural consumers and across gender and age. “IPL is more a local level event, and the emotion of a consumer is harvested in a span of 45 days consistently. The World Cup is only a six-India-match tournament, where advertisers will buy media rights as and till India progresses in the tournament,” says Harish Bijoor, CEO of Harish Bijoor Consults. He adds that consumer’s attention either wanes or goes up as and when India progresses or fails in the tournament, whereas during IPL, there are no negative sentiments.

Cricket-crazy India is the biggest market for the sport. At the World Cup, apart from India matches which were mostly on weekends, the tournament had a cumulative reach of 635 million till the semifinals stage. Whereas 60 matches of IPL 8 were viewed by 192 million viewers. Some analysts feel that India’s good run at the World Cup helped IPL’s popularity.

Star India had about 6,000 seconds to sell to advertisers in each of the World Cup matches this year. According to AdEx, which provides an estimate of the total value of advertising on television and in print and radio, Star sold an average of 4,500



“We made good money from the start. The inventory was a sellout to 12 sponsors 2 months before the season”

ROHIT GUPTA
President, MSM



“IPL is a local level event, and a consumer’s emotion is harvested in a span of 45 days consistently”

HARISH BIJOOR
CEO, Harish Bijoor Consults Inc

seconds per India match. In the 40 non-India matches, it sold close to 2,600 seconds per match. According to industry sources, Star charged an average rate of around Rs 5 lakh per 10 seconds for India matches and Rs 1.5-1.75 lakh per 10 seconds for non-India matches. Star Sports had set a target of Rs 850 crore through ad revenue for the ICC World Cup tournament that ended on 29 March this year. While Star sources said they had come close to the target, some sports watchers claimed that the network had fallen short by 20-25 per cent. “IPL has been fantastic this year, we pre-sold the inventory at Rs 4.90 lakh per 10 seconds,” says Basabdu Choudhury, chief executive officer, Platinum Media at Madison Communications.

Big On Brands

The eighth edition of IPL saw big brands coming on board in large numbers for the first time. That included e-commerce players as well. MSM signed up 12 sponsors, including PepsiCo, Vodafone, Hero MotoCorp, Paytm, Intex Mobiles, Amazon.in, Cardekho.com, Magicbricks.com, Vimal Pan Masala, Raymond, Cadbury and Parle Products. Presenting sponsors Vodafone and Amazon paid Rs 60-70 crore for their association with IPL, while associate sponsors such as Cardekho and Paytm paid Rs 35-40 crore. Pepsi, which continues to be the title sponsor, had struck a deal for Rs 400-450 crore for five years. For the World Cup, the presenting sponsors paid Rs 60 crore each to Star India, the official broadcaster; the associate

sponsors paid anywhere between Rs 10-40 crore each, according to a statement from Star.

“A brand ought to be present where its target audiences are. Moreover, a mass brand just cannot afford not to be involved with cricket, as it attracts personalities from every sphere of life, from Bollywood celebrities to industrialists. Thus, cricket works best and gives high returns to advertisers,” says Prathap Suthan, chief creative officer at ad agency BangInTheMiddle.

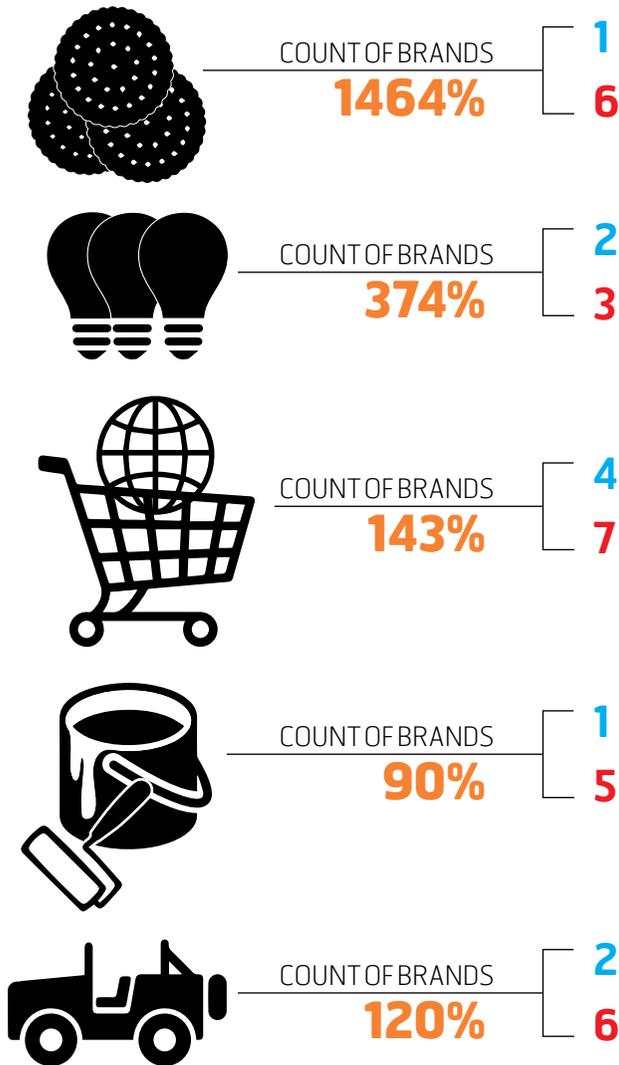
Compared to the bluster of MSM’s official position, the data, however, shows that the growth over IPL 7 was only marginal in terms of advertising volumes and number of advertisers. Advertising volumes for IPL 8 saw an increase of just 0.3 per cent compared to IPL 7 (from match 1 to 60 of both the seasons), according to TAM Media Research.

The top three categories — Internet services of B2C and online shopping (28 per cent), cellular phone services (10 per cent), and smartphones (9 per cent) — together accounted for almost half of the ad volumes during the commercial breaks in IPL 8, followed by auto and FMCG companies. The new e-commerce players, as the fastest growing segment, were the driving force for IPL 8 too.

The advertising community sees the event as a highly saleable short-term window since it has emerged as a platform that provides maximum visibility in a short, fixed time span of two months. “This is also the time that advertisers are building their brands in a competitive

THE BIG BITE

Biscuits as a category saw a huge spike in ad volumes in IPL 8 compared to IPL 7



■ IPL 7 ■ IPL 8 ■ %CHANGE
(% CHANGE BASED ON AD VOLUMES)

environment, which is why we are seeing a rush to occupy this media space,” says C.V.L. Srinivas, CEO, South Asia, Group M. He added GroupM’s This Year Next Year (TYNY) reports of 2014 and 2015 had predicted that e-commerce would be the fastest growing, and the peak-ing spends show just that. Vodafone, meanwhile, remained a big advertiser for eight IPL seasons.

Favourite Sport

Ultimately, it was not a World Cup versus IPL, but a victory for cricket as an advertising platform. Paytm, for instance, was seen in a big way on both platforms. “Our

POWER PLAY

- Season 8 saw a 0.3 per cent rise in advertising volumes compared to IPL 7
- All the 60 matches were sampled by 192 million unique viewers
- Time spent by viewers per match was 46 minutes and 17 seconds, which was 9 per cent more compared to IPL 7
- Average TVT showed a growth of 23 per cent compared to IPL 7
- Till the 7th week, IPL 8 garnered 3.8 per cent average TVR, which was 20 per cent more compared to the previous edition
- Almost 71 per cent of Indians tuned in to watch IPL 8 matches

SOURCE: TAM MEDIA RESEARCH

customer base has a youth bias, and thus, cricket fits in perfectly with our core target group. There is a strong focus on driving consumer engagement through the non-stop access the brand enjoyed for 40-45 days during IPL. We had earlier also taken up the Super 4 property across all World Cup matches on Star, and it paid us rich dividends,” says Sonia Dhawan, marketing head, Paytm.

Both Star and Sony did their best to expand reach this year. While Star India chose to broadcast the matches across all regional languages for the first time, IPL too tried out an experiment — it organised Fan Parks to screen matches in those cities where IPL is not played. The move, MSM claims, was successful, with 10,000-20,000 spectators thronging these parks for every IPL game.

The new marketing tactics gave handsome returns. IPL 8, for the first 54 matches, saw 23 per cent higher television ratings than the same period last year, according to TAM Media. The average rating for the tournament after the first 54 games stood at 3.6 compared with 2.9 for the corresponding games of IPL 7. The time spent by viewers per match was 45 minutes and 43 seconds, up 9 per cent from IPL 7. “IPL has been able to cultivate a dedicated viewership, much like the Barclays Premier League. Its viewership has grown wider and deeper, even reaching earlier disinterested segments like women in small cities. For the advertisers it’s an important time in their calendar year,” says Gupta. **BW**

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WHEN SMALL

Markets are volatile. But it isn't necessarily time to exit



IS GOOD...

small & mid-cap stocks. They can give returns like no other **By Shailesh Menon**

THE SHARP decline in equities market in the first week of June has

stunned investors who had parked their money in mid- and small-cap stocks. Prolonged downtrend in broader market would put pressure on the relatively illiquid mid- and small-cap counters, they feel.

The build-up in mid- and small-cap stocks started towards June 2014. The rush to corner low-market-cap shares continued unabated even when benchmark indices — Nifty and Sensex — retraced periodic highs in September.

Small- and mid-cap stocks have held on to their values appreciably well despite the correction in broader markets. The BSE Midcap and Smallcap indices have gained over 18 per cent and 16 per cent, respectively, over the past one year. The 30-share Sensex, during the considered period, has returned just about 8 per cent.

Now with markets turning volatile, the word on D-Street is to stay invested in mid-cap stocks and exit illiquid, small-cap coun-

ters at every opportunity.

“There’s no need to panic,” says Rakesh Goyal, senior vice-president, Bonanza Portfolios. “In fact, I see a lot of investment opportunities in mid-cap stocks at the moment. My reading is that mid-cap and select small-cap stocks will continue to do well on buying demand from DIIs (domestic institutional investors). DIIs will be forced to deploy funds in mid- and small-cap stocks as most large-caps are in the over-bought zone (by FIIs),” reasons Goyal.

Decent Earnings

Though mid- and small-cap stocks have run up significantly over the past one year, there are several supportive factors that could sustain the rally. This argument is more relevant in the case of mid-cap stocks

which, according to brokers, have more upside to grow in value. Even in terms of earnings growth, several mid- and small-cap companies have beaten their larger peers by a good measure.

“Mid- and small-caps may look a bit shaky now (pursuant to the broader market fall), but these would zoom ahead of large-caps in times of market rally,” says Siddharth Sedani, vice-president, PMS, Microsec Capital.

Smaller companies fall deeper and faster when the broader market is on a downtrend. However, when the market is rising, small- and mid-cap stocks always follow large-cap stocks in terms of appreciation. Smaller stocks, which have fallen deeper, also have a tendency to rise higher (in

percentage terms) than their larger peers.

Big ‘Small’ Companies

Mid- and small-cap companies derive great advantages from their small size. They are nimble-footed and can respond to changes (in business environment) much faster. The best thing about a small company is that minor improvements in corporate numbers or working style reflect in their stock price.

If one were to see small- and mid-cap businesses that made it big over the past few years, companies such as Maruti (the larger peers — M&M and Tata Motors) and Marico and Godrej Consumers (the larger peer being HUL) would top the list.

Anonymity is another factor that works in favour of mid- and small-compa-



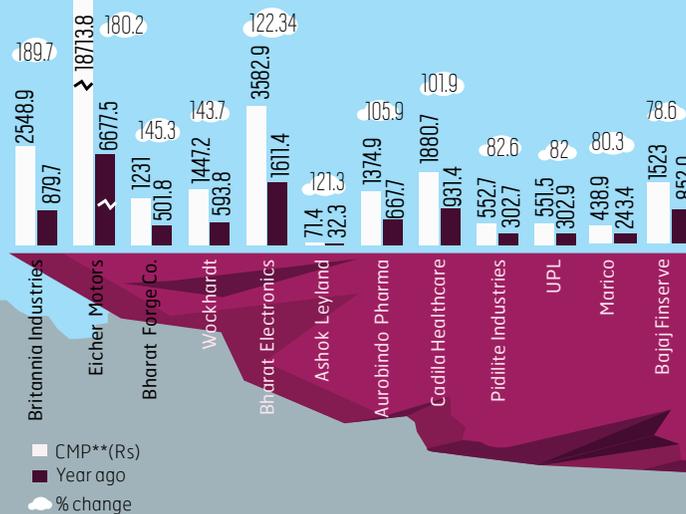
“MID- AND SMALL-CAPS MAY LOOK SHAKY NOW, BUT THESE WOULD ZOOM AHEAD OF LARGE-CAPS IN TIMES OF MARKET RALLY”

SIDDHARTH SEDANI

Vice-president, PMS, Microsec Capital

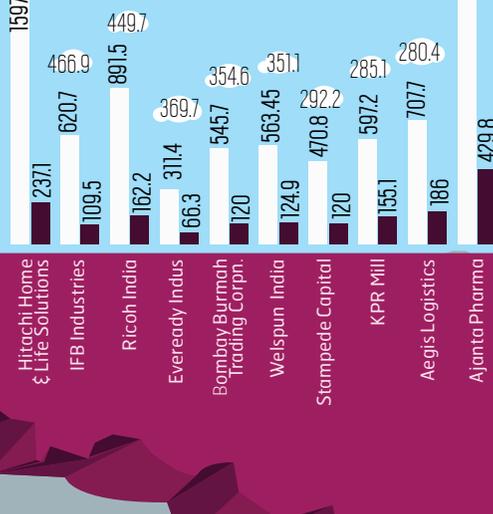
MID-CAP STARS

The top 10 mid-cap stocks have gained between 190 per cent and 82 per cent in the past year



THE LITTLE CHAMPS

The top 10 gainers in small caps have risen between 580 per cent and 270 per cent in 12 months



■ CMP** (Rs)
■ Year ago
☁ % change

**As on May 29 2015

nies. Stocks that are not part of an index or are rarely tracked by analysts perform well over the longer term. The returns on these stocks will almost match up to their large-cap peers, analysts opine.

“Investor should stay invested in mid- and quality small-cap stocks. They would make money in these counters over a two-year period,” says Sedani of Microsec.

Fund Portfolios

Even ‘mid- & small-cap’ (MSC) mutual fund portfolios have yielded good returns for investors over a one-year period. According to Value Research data, 50 of 55-odd MSC funds have returned in excess of 20 per cent over the past one year.

SBI Small & Midcap Fund, Motilal Oswal MOST Focused Midcap 30 Fund, DSP BlackRock Micro-Cap Fund, UTI Mid Cap Fund, Kotak Emerging Equity, SBI Magnum Midcap Fund and Tata Midcap Growth Plan have yielded 45 to 65 per cent since May last year.

Better sector selection — especially higher fund allocation to industrials, mid-cap IT and pharma stocks and very selective exposure to banks and other financials — helped these funds perform better.

Though large-cap stocks tend to balance the earnings capacity of a portfolio, it is lesser-known volatile stock groupings that give the portfolio an extra ‘gain-kicker’.

Bottom Line

Despite the not-so-bad outlook (for mid-cap stocks), one should be careful buying mid- and small-cap stocks. There may be value buying opportunities, especially after the early-June market correction, but investors would be better off staying in higher mid-cap stocks.

The real test for mid- and small-cap stocks would be the result season, say analysts. Given the rally since the last one year, valuations of some of these stocks have become stretched. Poor first quarter earnings may depress the price bubble on some companies, say some.

“Mid-caps stocks may trend in a range over the next few months. A rally in segment would take some

more time,” says Alex Mathews, head of research at Geojit BNP Paribas Financial Services.

“It’s better for investors to stay out of small caps for some time. There’s a serious risk of investors getting trapped in these counters for long if they do not exit in the next rally,” adds Mathews.

Investors desirous of having exposure to lower-cap stocks should invest in mid- and small-cap funds. While returns could be higher, it is quite unsafe to invest in individual stocks of mid- and small-caps, given their volatility and downside risk. **BW**

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@aletsmenon; For more on small- & mid-cap stocks, visit *www.businessworld.in*

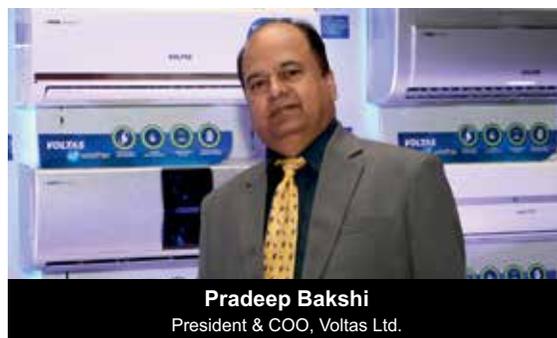
KEEPING IT COOL

Blame it on global warming or climate change, every year seems hotter and unbearable. This year is no different. According to weather forecasts, India is in the midst of an intense heat wave which has taken thousands of lives so far. For the fortunate ones, opting for an air conditioner is not just an option any more. Owning an AC is more of a necessity for urban India. It is no secret that the demand for room ACs is on the rise like never before. Some estimates peg the growth rate at 20 per cent on an average during the last decade, others claims it is more. Experts peg this growth in demand for ACs to rise in people's income levels coupled with rapid urbanisation. Also, a gradual decrease in ACs prices plus a choice of brands to choose from has also led to an increased ownership of air conditioners in India.

Currently, the sale of AC's counts at 3.2 million units annually but has been increasing in numbers over the last two years. The penetration of air conditioners stands at 3-4 % in the Indian market. According to news reports, Voltas occupies the top slot in the Indian air conditioner market followed closely LG. According to GFK, a leading market research firm, Voltas had a 20 per cent market share ahead of LG's in 2014. But others are not behind. Hitachi and Godrej are known for innovative offerings. These leading and recognized brands are sought after in the market place.

When contacted, Pradeep Bakshi, President & COO, UPBG, Voltas said:

“Voltas has been witnessing robust growth based on its consumer-centric innovations, energy-efficient 'All-Weather' products, clutter-breaking marketing initiatives, and a strong presence in tier-II and tier III markets.” According to him, in 2015 Voltas has upped the ante by not only accurately reading customers' pulse, but also establishing a deeper link with their needs and wishes, with the “All-Weather Smart Acs.



Pradeep Bakshi
President & COO, Voltas Ltd.

“The new 'All-Weather Smart' AC line is expected to continue the growth momentum and sustain market supremacy. As per the independent retail audit study across multi brand outlets, the company has a room AC market share of 20.8 percent for 2014-15. Voltas thus remains the No.1 AC brand, and has for three consecutive years, held the highest market share in the AC category, well ahead of its nearest competitor,” Bakshi said.

The popularity of Voltas ACs is testimony to its extensive reach and visibility across markets, as well as its superior brand

experience, resulting from fine design, visual appeal and innovative features. "The Company now offers a strong product line-up of 78 variants of split ACs, including the Inverter range, through more than 10,000 retail outlets nationwide," Bakshi said.

But others are not far behind. In fact, Japanese AC maker Hitachi too has carved a niche in the mind space of Indian consumers. According to the company, Hitachi is a technology leader not only in the Indian market but globally. "Our position in the market is based on this technological platform. We operate in Premium Category in the Indian market. In the Room AC segment we serve the customers who want the very best and therefore the feature rich, fully loaded air conditioners are offered. In the B2B category we use our technologies to ensure that the customers get the very best at the price they want, says Gurmeet Singh Executive Director, Sales, Marketing and Business Planning for Hitachi Home & Life Solutions (India) Ltd. Last year, Hitachi introduced a very innovative technology in Room AC- Inverters for India market called "I See" , "I Clean" & "I Sense" on " I care". "This platform is available in our Top of the Line Inverter Split Air conditioner. All these Innovative technologies provide best comfort at an optimum energy level, says Singh.



Even in the commercial AC segment, Hitachi has introduced high-end VRF models named as "Kyosho" for India's tropical conditions along with Heating as a in built feature. "Kyosho" series models are available from 8 HP to 54 HP and shall work from -20 deg C till 48deg C, which is most suitable for Indian conditions. In our Ductable "Takumi" Series model, we have expanded Green Refrigerant models, says Singh.

On its part, Godrej AC commands 12 per cent market share in the high star rated Split Air Conditioners in the 5 star and above segment. "We are the third largest brand in the 5 star AC segments that contributes to 45 per cent of our total sales," says Anup Bhargava, Product Group Head – Godrej Air Conditioners.

Inverter Technology:

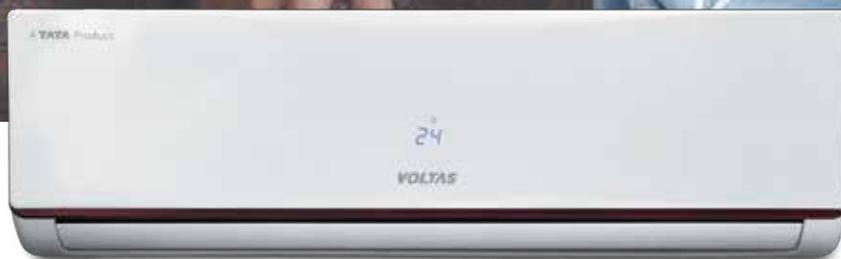
Technology plays a vital role in ACs too. In order to protect environmental degradation, companies are opting for energy efficient methods. Inverter technology helps in reducing the power consumption. Though most of us heard the word "inverter" in advertisements and point of sale materials, they probably don't know the meaning of it and how it is good for the ecosystem. This is how it works. An inverter in an air conditioner is used to control the speed of the compressor motor to drive variable refrigerant flow in an air conditioning system to regulate the conditioned-space temperature. By contrast, traditional air conditioners regulate temperature by using a compressor that is periodically either working at maximum capacity or switched off entirely. Inverter-equipped air conditioners have a variable-frequency drive that incorporates an adjustable electrical inverter to control the speed of the motor and thus the compressor and cooling output.

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The variable-frequency drive uses a rectifier to convert the incoming alternating current (AC) to direct current (DC) and then uses pulse-width modulation in an electrical inverter to produce AC of a desired frequency. The variable frequency AC drives a brushless motor or an induction motor. As the speed of an induction motor is proportional to the frequency of the AC, the compressor can now run at different speeds. It also helps air conditioners operate with less noise.

Energy Efficiency Ratio:

Indian companies are also big on energy efficiency. Talking about Voltas products, Bakshi said Voltas was amongst the first brands to adopt energy efficient, star rated products in 2006, and since then has pioneered the energy efficient product range, with a wide range of star rated AC's, year on year.

“Further strengthening the energy efficient portfolio, Voltas has launched a new range of All Weather Smart AC's, and its Smart Inverter Technology helps save 63% on power bills. Voltas has made unparalleled contribution towards energy footprint of the nation, and has been awarded the prestigious National Energy Conservation Award by the Hon'ble President of India, Shri Pranab Mukherjee for maximum sales of 5 star rated ACs,” Bakshi said.

Even Hitachi is proud of the fact that almost every other 5 star window AC sold in the market is from Hitachi. Gurmeet Singh of Hitachi said: “In the window AC category our estimate is that almost every other 5 Star window sold is a Hitachi. Our VRF product is high efficient product in its category.”

Godrej is proud of the fact that its AC consume the lowest power in their respective segments. When asked about the

power efficiency of Godrej AC, Bhargava said: “The Godrej Eon AC with 3.9 EER consumes only 1,258 watts and 841 watts in 1.5 & 1 ton respectively, the lowest power consumption in the respective segment, thus being India's most energy efficient AC.”



In AC's, the word to watch out for is energy efficiency ratio or EER. Why should one be aware of EER of air conditioner? It is the ratio of the cooling capacity to the power input. It is calculated by dividing the cooling capacity in kilojoules (Kilojoules are the amount of energy found within food and drink, and the amount of energy used up when we move about. It is helpful to think of kilojoules as the way we measure energy, just like we use kilograms to measure weight) (kJ) per hour by the power used in watts.

“A 10,000 kJ/hour split-type air-conditioner that consumes 1,000 watts of electricity will have an EER of 10. “The higher the rating is, the more energy-efficient the air-conditioner unit is,” which brings lower electric bills, thus more savings. If you buy a new air-conditioner, make sure the EER is included in the Energy Guide Level.

Climate Impacts of Air Conditioning:

Air conditioning has three impacts on the climate system: the direct emissions of

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refrigerant greenhouse gases; the indirect emissions from the combustion of fuel to power the equipment; and the embodied emissions of the production, transportation, service, and disposal over the product life-cycle. Life-cycle climate impact (LCCP) calculates all the total direct, indirect, and embodied greenhouse gas emissions as a carbon-equivalent metric.

Low Global Warming Potential:

In today's market, almost all room air conditioners produced and marketed in India use HCFC-22, which is an ozone-depleting substance scheduled for phase out under the Montreal protocol. The current HCFC schedule for countries such as India requires a freeze in consumption at January 2013 levels and cutting national consumption (domestic HCFC production, plus imports and minus exports) 10 percent by 2015, 35 percent by 2020, 67.5 percent by 2025, and 97.5 percent by 2030, with consumption after 2030 restricted to the servicing of refrigeration and air-conditioning equipment. By 2040, HCFC production and consumption for refrigerant uses will completely cease. All Indian companies have already decided that they are planning to change from HCFC-22 to HVC-410a (a blend of HFC-125 and HFC-32), which has a GWP of 2088.

Indian companies have an opportunity to limit their reliance on HFC-410a or to "leapfrog" it entirely. Shifting to HFC-410a temporarily, while planning to adopt a low-GWP alternative later, has the advantage of using a known technology in the short term and switching to another alternative after others have paved the way. On the other hand, leapfrogging HFC- 410a has the advantage of avoiding the expenses of a double transition. In addition, it would position Indian companies to export room air conditioners without being affected by restrictions on high-GWP HFCs in other countries.

Furthermore, choosing the next-generation refrigerant would allow Indian companies to take advantage of the latest energy efficiency engineering. One of the challenges in India is to coordinate the schedules of the HCFC phase-out and the upgrades in energy efficiency and energy-labeling standards with the local availability of next-generation technology at affordable cost.

When replacing HCFC-22, India and other developing countries have the choice of HFC-410a, HFC-32, HC-290, and at least three proposed HFO/HFC blends. Godrej Industries now sells split systems with low-GWP HC-290 (GWP) and has achieved the highest five star energy efficiency rating and superior "Life-cycle climate performance. Let's look at some demand side factors which may wipe out window ACs in few years.

Split ACs has become more popular owing to their designs and energy efficiency. As per few AC manufacturers, there is no innovation possible in Window ACs anymore. Moreover, market is flooded with numerous innovative models of split ACs which is more appealing to consumers. It also renders high pricing power to AC manufacturers.

In metro cities, in new residential buildings/ homes it is easier to install Split ACs than window ACs as the former does not need proper casement windows. Moreover, as per an industry report, most of the new constructions do not usually have provision for window ACs particularly in cities. This has adversely impacted the demand for window ACs in a big way.

Also, the price gap between window and split ACs has lessened over the years; it was about 30% three years ago and has declined to 10% presently. With such a minor difference in price, many consumers prefer split to window.

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IN CONVERSATION

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MAINTAINING A COOL demeanour amidst the constantly changing fortunes of the civil aviation sector comes naturally to Ashok Gajapathi Raju, the Union civil aviation minister and first-time Telugu Desam Party MP from Vizianagaram. Raju is confident of making the sector more vibrant. Speaking to *BW|Businessworld*, he explained how the country's new civil aviation policy would usher in a new wave of development for the sector. Edited excerpts of the interview:

You had a quiet 12 months in office as the civil aviation minister...

The year went off fairly well because we did not compromise on two basic tenets governing aviation — safety and security. They are of utmost importance to me. Aviation as a service is very important for the country. We want the sector to become more vibrant, as it has a multiplier effect on the economy. In the past year, both passenger and cargo traffic registered growth. I see tremendous

'Air India Is Capable Of Doing Well'

The Union civil aviation minister is keen to make the sector more vibrant by encouraging regional connectivity, modernising airports and upgrading technologies

By Ashish Sinha, Photographs by Ritesh Sharma



possibilities for the cargo sector in the coming years.

Private carriers had a good year in terms of performance. How do you rate the performance of your ministry in the past one year?

We are in the process of finalising a new civil aviation policy based on the comments and suggestions on the draft policy, which I had issued in November 2014. The new policy will be out soon. Then, the Directorate General of Civil Aviation certified GA-

GAN or GPS-aided geo-augmented navigation, which is an Indian initiative. It is fully-operational now. GAGAN will improve the accuracy of a global navigation satellite system receiver by providing refresh signals, communication, navigation, surveillance and air traffic management system (ATM) over Indian airspace. This is an achievement for us. Then, the ATM has been upgraded at Mumbai and a new automation system has been installed at Kolkata.

You spoke of a new civil aviation policy being in the works. What will be its highlights?

As mentioned earlier, finalisation of the new policy is underway after taking into account the various suggestions received on the draft policy. The main features of the new policy will be development of airports, rationalisation of the cost of aviation turbine fuel (ATF), development of the cargo sector, institutional reforms, improvement in regional connectivity, modernisation of the air navigation



←
**ASHOK G. RAJU
SEES TREMENDOUS
POSSIBILITIES FOR
THE CARGO SECTOR
IN THE COMING
YEARS**

IN CONVERSATION

system and other areas. Rationalisation of taxes on ATF may not be easy though.

Do you think the 5/20 rule for flying abroad should be scrapped? What about the opposition from established players? What steps have been taken to improve connectivity across India?

After several rounds of discussions with stakeholders, the existing route dispersal guidelines have been revised to provide better connectivity to the northeast region. As far as the 5/20 rule (5 years of operations and a fleet size of 20 airplanes are manda-

and will be operational soon. The total investments at Mohali, Tirupati and Khajuraho terminals have been to the tune of Rs 452 crore, Rs 174 crore and Rs 75 crore, respectively. The terminal at Vadodara is under construction with an investment of Rs 116 crore, and will be operational by the year-end. Apart from this, the Airport Authority of India (AAI) had signed a memorandum of understanding with the Orissa government for the development of Jhasuguda airport for A-320 operations. The AAI has also prepared a road map for the commissioning of common

monitoring the airline closely, be its 'on-time performance' or the indiscipline in maintaining its service, among others. We want to eliminate all the shortcomings as far as possible. Air India's reach within India is the largest based on route dispersal guidelines. It has a 23-24 per cent share; others have just half of it.

What is being done for Air India's turnaround?

There are indeed some legacy issues with Air India. We cannot turn the clock back and correct them. The airline is capable of doing well, which has been demonstrated recently. There is a need for continuous motivation. Fault-finding exercises will not take it anywhere. We have to learn from the past mistakes and move forward. That is the way to make the airline and its staff work productively.

What would you be focusing on over the next four years?

I think the most important thing, going forward, is improvement in regional air connectivity. There are 31-32 airports in India where no landings and takeoffs have been recorded in the past one and a half years. We need to incentivise airlines to go there. In most of these airports, the runway length is not adequate. Therefore, these airports need to be connected by smaller aircraft. But most airlines do not have smaller aircraft. So what do we do? We need smaller players, regional players. I can see some of the smaller players coming. Even some state governments are getting into joint ventures or tying up with regional airlines. That is my focus area, too. **BW**



'Fault-finding exercises will not take Air India anywhere. We have to learn from the past mistakes and move forward'

tory for a licence to fly abroad) is concerned, consultations are underway. But such a rule is not found anywhere in the world. Personally, I feel that it should go. It has pulled down the players. Our airlines are just not able to cope. Bilateral air service agreements too have not helped. The existing players don't want new players to come. But the government has to take a holistic view. Do we want India to become vibrant or not? That is the question we need to always ask.

What are the major projects in the sector that have been executed in the past 12 months?

The construction of Kadapa and Bikaner airports is complete. The new terminals at Mohali, Tirupati and Khajuraho are nearing completion,

user domestic air cargo terminals (CUDCT) at 24 airports it manages. This will be done in a phased manner. The AAI has already commissioned CUDCT at Coimbatore, Jaipur and Lucknow airports. Therefore, there is a lot of potential for the cargo business in India.

Much has been written about Air India and its financial performance. How do you view its future as a national carrier?

Air India is a good airline. Whenever it has been called upon to deliver, it has delivered. Whether it was the good work in Yemen, or Nepal. Yes, its finances are in a bad shape due to a variety of reasons. If all those issues are sorted out, then it will be good for the carrier. At the ministry, we are

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CASE STUDY

DESTRUCTIVE REFERRAL

“I’ve learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel” — Maya Angelou

By Meera Seth



KALPANA DIXIT THOUGHT VERY DEEPLY ABOUT ALL THAT HAD happened in the last three days. One interview that was unpleasant, followed by one telephone call with her batchmate Suresh Timappa that was startling in what it revealed.

Kalpana felt it was time to call a spade a spade. She was going to resort to legalese to teach the world that an interview was not a social event.

Kalpana's story: Kalpana was a VP with an MNC bank. All was well until

she had a baby (**Read:** *Case Studies in BW* issue dated 23 September 2013; 'This Laptop Does Not Sync' and 21 October 2013; 'The Hand That Rocked The Boat').

Suddenly a manager who had just been lauded and praised and promoted was in the dog house. Sundari Prakash, her boss, belittled her, doubted and questioned her. Her year-end rating was downgraded, insensitive talk about women and childbirth did the rounds, Kalpana's

clients were sought to be reallocated and a bank that had claimed in its corporate ads to be 'gender sensitive naturally' was suddenly displaying strange bedside manners.

Prakash graduated from mean to vicious. When Kalpana returned to work on the promised date, she was to find that her passwords and access codes had been disabled, her logins deactivated, and her work taken away. Kalpana Dixit was moved to 'special projects'. Prakash had declared

Kalpna inefficient, irresponsible and incapable. And before she knew, she was also sacked on grounds that her job was now redundant.

This did not make sense, Sundari Prakash had hired two senior managers at Kalpna's level just three months ago. The VP HR, Vilas Pandit, her contemporary, was called to deliver her termination letter. When questioned, he had said it was the recession, US was unable to pick up losses...

Kalpna: You are lying, Pandit, because between January and March, you hired two new senior managers in my function, at my level! They couldn't be working for free? Sundari told my clients that I would not be able to work after a baby and introduced them to new CRMs!

SUNDARI left the room when artlessly Pandit said, "We have consulted our lawyers and while we cannot legally sack a lady manager *during* her maternity leave, she can be sacked *after* she resumes."

So, they had waited for her to resume. And artless as they were Pandit told her, "You can also consult your lawyers..."

Kalpna wrote to the global chairman, and asked, "How does this corroborate your 'women employee friendly policies'? How can this Bank, which prides itself as 'one of the few organisations high on gender diversity, with women in top management roles', explain away the fact that they have sacked a VP who has been with them for eight years and have nothing coherent to say for that?"

Nothing exceptional happened. 'We will do a proper investigation and the guilty will not be spared' they swore, but they were relieved to have Kalpna out of their hair. As for Kalpna, once she decided it was over she did not look back. She reasoned "Sustaining a value at all costs requires intellectual honesty..."

'You surprise me, Mr Johri. If you do not plan to hire women, why have you called me for this meeting?'

either you have it or you don't." And Geffel Stace Bank, she realised, did not have it.

Nuts and bolts was this: Geffel Stace Bank and Prakash waffled over why they had sacked her. Between redundancy, US recession and her discomfort with Kalpna's motherhood status, the reason remained lost.

Inefficiency or incapability or incompetence could not even be a thought, for Kalpna's appraisals were stellar. Her clients were completely happy with her.

Her family prevailed upon her to think of the infant who trusted her to give him her all. "There will always be enough time to get even," her brother said, and Kalpna agreed.

Recently, her batchmate Suresh Timappa had a new job opening at Cyben Pharma, where he was operations director. Fielding for her, he presented her capabilities to Akrur Johri, the financial advisor at Cyben. Cyben was setting up a child health unit as part of their CSR to which they would transfer funds for village health care and cancer care for children. The

funds needed to be invested sensibly in mobile hospitals and trauma care units or in income earning securities for the CSR unit. Suresh presented Kalpna's skills in investing showing Johri how she fitted the bill.

Johri asked for a meeting to be scheduled. Yet when Kalpna sat before him, Johri barely went beyond asking her how she was. But given his 67, Kalpna reckoned it was an elderly, old world elegance thing.

But then Johri talked. He told her what was on his mind. "Ours is a very tough environment and we have never taken women for this function. For this very reason that women do not have the mental or physical make up for this..."

This was when Kalpna began to be confused. "You surprise me, Mr Johri. If you do not plan to hire women, why have you called me for this meeting?"

Johri (laughing patronisingly): This is the quality we want, dynamic, bold, ... spitfire...

Kalpna (blandly): I don't understand. What is the purpose of this meeting?

Johri: I know how you feel. But women like you should go change the world. It is unfair to women who want to work. Only the other day I met Sushmita Rajan, a chartered accountant from Denver Caloise. I had to tell her the same thing.

Kalpna: That is very nice, Mr Johri. Maybe I should be leaving?

Johri: Then I must also tell you... Geffel Stace Bank did not have laudatory things to say about you. ... Your ex-boss specifically.

Kalpna stopped in her tracks and looked at Johri. A trifle surprised and a little outraged at the sudden yet brazen manner of Johri, not to mention the shock of hearing the revisitation of her ex-boss Sundari in her life. A wave of humiliation swept her, almost

CASE STUDY

instantly replaced by defiance. No, she was not giving Johri the joy of disturbing her. She needed to try that much.

Kalpna: Well, the person you got the reference from was my boss and I don't want to say anything about her or her employers. Suffice it to say that there was a difference of opinions, nay, of values. That said I believe the choice is now yours. I will not engage with you any further till you have had a chance to think. Have a good day. **AND** Kalpna left Johri's office.

On her way home, Kalpna called Suresh and shared what happened.... "I don't know what you told him, Suresh, but he is confused. It appears he does not wish to hire women. But he also has some feedback from Geffel Stace that has clouded his perceptions.

Suresh (groaning): We had a very long discussion about your candidature. Everything was on the table! I don't know why he is waffling now. Leave this with me. I will find out.

The story that Johri revealed over lunch shocked Suresh. "I have friends in places," said Johri. "One such is her ex-boss at Geffel Stace, Sundari. She tells me that Kalpna lacks toughness, that she took ill several times during her pregnancy! We cannot hire such a person! She comes across emotional like women are, you know... her ex-boss said she was seized by emotional imbalance, breakdowns during her pregnancy.... this is definitely high risk, if you ask



me! She said Dixit went about writing to HR and then to the Chairman... already sounds like an unpleasant person. This is why I say, women are emotional...!"

Suresh was now very angry. He said to Johri, "Bosses have selective memory. They forget their own trespasses, but uniquely remember everybody else's. But leave that be, tell me, is that referral about Kalpna from HR?"

Johri: No, no... I just happened to ask Sundari on the golf course. We were teeing off, you know, randomly I told her that one of Geffel's VPs had

applied to us. Sundari then told me a lot...she *does* talk! Ha ha!

Suresh: You are talking too, ha ha. Ok, I should go now. But let me leave you with a thought. Cyben has sound HR practices and this is not the way we take referrals. How a reference is taken is important. If referral is taken casually, over a corridor conversation, teeing off... that is both unprofessional and unfair to the candidate. Is that how little you value a candidate, a hiree? HR always takes references on 360 basis and from more than one source. That is when it is unbiased and dependable. Yes, some HR and line managers also go for the anecdotal referrals... but responsible hiring needs facts, Mr Johri, not hearsay.

Johri: And you have facts?

Suresh: At least I do not stand in the golf course and gossip. **SURESH** left in a huff wondering why Cyben continued to keep Johri.

He called Kalpna after he reached

Bosses have selective memory. They forget their own trespasses, but uniquely remember everybody else's

home and shared all this. “Yes it does appear Sundari has gossiped. And Johri loves gossip. Your ex-boss’ rambling has only convinced Johri that his worldview about women is right!”

Kalpna met Maadhurya Virkar, her friend and a senior HR consultant to bounce off some thoughts.

Kalpna: If I was incompetent, inefficient, I will accept Sundari’s blather. But Sundari and HR’s claim was that my role was redundant. Now she says I was emotionally imbalanced.

I think one’s position as a boss is one of importance and responsibility. Sundari Prakash now needs to know this legally that her conduct has been irresponsible. The golf course cannot sanctify a thoughtless referral. I need a lawyer.

Maadhurya: *Lawyer?* What are you planning?

Kalpna: Tell me, does the Indian law recognise this as a misdemeanour? I am sure it does not. Our laws are usually old fashioned when it comes to women because women are not supposed to protest. Today with women out working and levelling, it is time to have laws for them. Specific laws. (*Pause...*) Ok, here it is. It is three years since I left Geffel. A responsible boss when asked for a referral would say, “Why don’t you contact my HR, they will give you what you need”. An irresponsible boss will do what Prakash did. Three years and she still uses the same words... why? Why? I really wonder.

Maadhurya: Ah, I see. There may not be a law for gender discrimination ... but straightaway it seems to me you have a case for defamation.

Kalpna: No! Defamation is too silly and pompous. She has been irresponsible. If you are in charge of people then you need to develop commensurate behaviours. You cannot indulge in loose talk. So, I am not talking just about women who are aggrieved but

Our laws are usually old fashioned when it comes to women because women are not supposed to protest

also women who are in positions of authority without commensurate behaviours. What grounds are available to me, in your opinion to make this a legal issue?

MAADHURYA pondered. She could see that one more unique situation had cropped up, involving the right of the woman to be respected and once again the law was silent. She said, “I would say push for ‘constructive dismissal’ – this is when the organisation contrives an environment so that the person has no option but to leave the organisation. I don’t think India has this provision – and it will be a good legal angle to take. Sundari’s behaviour then was a calculated move to oust you and her behaviour today, such as enlisting the vote of Johri to keep you out of a job, is an extension of that. Hence constructive dismissal.

Let me introduce you to Onil Das, a good legal advisor friend. See what he can do for this case...

Kalpna: Constructive dismissal is – from what I recall – applicable where an employee is forced to leave through

calculated acts of the employer. Here, Geffel Stace Bank sacked me. How do I bring a charge for constructive dismissal?

Maadhurya: Why not? India needs new laws for women in the workplace. What we also have in India is a lot of vengeful behaviours towards employees. As I see it, they had calculated every move to ensure your dismissal. By claiming your job’s redundancy they had left no option for you. In fact, by rendering your job redundant AND sacking you, they have axed their feet.

Kalpna: You know, I am not thinking anymore of having lost my job. That chapter is closed. But I see Prakash has not closed that chapter... she keeps reviving it, that is unprofessional. The entire sacking drama was initiated by her. My point is: If you sacked me because my job was redundant, what the hell were you up to gossiping with Johri about my ‘emotional’ nature?

Onil took a few days to read up on Kalpna’s case. Then he agreed to meet Maadhurya with Kalpna.

Onil: Many of the acts perpetrated in this case are calculated to cause humiliation and frustration, such as arbitrarily rendering her job redundant without there being a definite cause; HR’s Pandit claiming US recession does not even make economic sense. Then again changing her job description in her absence, reallocating her clients to others, spreading information to Kalpna’s clients that she is likely to quit, tantamount to rumour mongering. And most important here is forcing her to work in conditions ignoring health and safety to both herself and her baby ...

Maadhurya: Sorry? Which one is this?

Onil: Oh, I have these notes from the note you sent me. Soon after her C-section Madam Prakash sent Ms Dixit an SMS asking her to com-

CASE STUDY

mit if she will work as efficiently now as she had done during her pre-natal period...is a case of coercion, attracting legal recourse. There is an implied duty of mutual trust and confidence between employer and employee, which was breached by the employer, whereas employee maintained her end of the respect and returned to work on appointed date of 10 May.

Kalpna: Onil, I must clarify. I have no desire to sue Geffel Stace Bank - that period is dead and gone and they can go to hell for all I care. Hence these issues you point out appear to me as a case against Geffel, which I really have no desire to stoke. My aspiration is to haul up Ms Prakash for deluding, misleading, gossiping and bringing disrepute to me in the esteem of a new employer owing to which I lost my candidature at Cyben Pharma. I did not lose on grounds of merit, but owing to an unwarranted, untrue and unprofessional feedback that was delivered casually, entirely with an intent to malign me and cause me loss of job opportunity. And even within all this, the issue I protest against is, her choice of words that paints all women poorly - 'emotional and imbalanced *like women are.*'

Onil: Yes, yes, I was coming to this and now I see your point. It is not the opinion of Prakash that we concern ourselves with, but her covert intention to lure Johri into confusion, probably knowing his susceptibility, so that he turns against you especially after agreeing to receive your candidature. These points I make are to show that not only was there mal-intent in bringing about your dismissal, that mal-intent now appears centred on an obsession of sorts that causes her to hold the reason fresh after three years and prevent another from hiring you.

You may not want to link Geffel to this, but the trigger was your ex-

How old is this Article 15 that circumscribes its application to only the public sector?

boss, who ran your reputation down despite your excellent performance, and that same attitude she has now carried forth to influence Cyben Pharma.

Kalpna: You are right, Onil, but does this make sense - listen to me: Sundari Prakash has worsened the situation by telling Johri that I am "emotional and imbalanced *like women.*" These were the words that Johri is leaning on. In so speaking, Prakash has belittled women and shown them as being incapable of being employed in responsible positions - for, that has been Johri's take away - And this is what is wrong.

Equally I wish to bring legal action on Johri for being irresponsible an employer. If he wanted referral, he should write to Geffel's HR. But if he chose the golf course, then that referral cannot be used. He has applied Prakash's judgement to my appointment. And together they have discriminated against me as a woman. **ONIL** Das heard her out keenly, then said, "Indian law contains provisions that prohibit any discrimination on

caste, creed, sex, race. Article 14 guarantees equality before law... Article 15 prohibits discrimination 'only' on the basis of religion, race, caste, sex, place of birth, or any of them. *However, these rights are guaranteed only within state and government-run institutions.*

"Presently, there is no comprehensive anti-discrimination code in India although there are laws that address specific aspects related to equality such as the Maternity Benefits Act, 1961, Equal Remuneration Act, 1976 and the National Rural Employment Guarantee Act, 2005, etc., which attempt to address the existent systemic discrimination towards women in employment.

Kalpna was horrified. "You can't be serious? This is so backward! Since 1961, the needs of women have grown. That being so, what use is an Act of 1961? How old is this Article 15 that circumscribes its application to only the public sector?"

I can see that this must have been enacted post-Independence when there was only the public sector for employment. Private enterprise may not have even been an idea those days. Today the private sector is huge, should not these laws be examined and applied to the private sector too? More so, women today are mainstream and they have a great need to be looked after (by the law to begin with) until the rest of society comes to accept them and their needs.

I am feeling discriminated by gender by both my ex boss and now Johri at Cyben - and this has stood in my way and cost me a fair interview and job at Cyben.

So, if as you say Article 15 is not tenable, then what is the recourse available to me under law? **BW**

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DIVERSITY DESECRATED

It is imperative that India Inc. puts in place a governance framework eliminating discrimination in all aspects of employment

THE ISSUES IN THE CASE STUDY: 1. Wrongful dismissal of Kalpana Dixit by her employer, the conduct of its officers and failure to take remedial action upon complaint. More specifically, wrongful actions based on biases and prejudices held about women, especially in the case of those returning to work after maternity.

2. Discrimination by Cyben, represented by Johri, in denying employment to Kalpana due to gender-related biases. More specifically, acting on one's own biases and also on malicious and discriminatory representations made by Sundari Prakash in matters of employment.

3. Prakash's statements to Johri about Kalpana aimed at not only damaging the latter's reputation but also hurting her prospects of getting employment through misrepresentations — not just opinions — which Prakash had access to as an officer of Geffel Stace and as Kalpana's supervisor.

The remedies:

1. The law pertaining to gender discrimination is spelt out clearly in the Equal Remuneration Act, 1976. It applies not only to matters of remuneration but also to recruitment and 'any conditions of service subsequent to recruitment such as promotions,

training or transfer', though it will be a contentious issue whether Kalpana is a 'worker' under the Act. The issues mentioned under heads 1 and 2 are covered under the Act and there is a redressal mechanism including trial by a senior judicial officer and penalties of fine and imprisonment.

a) With respect to the charge of wrongful/constructive dismissal, Kalpana could have filed a complaint against her ex-employer under this Act since the dismissal and the acts preceding dismissal come within the wide ambit of the phrase 'any condition of service'. It can be argued that performance rating and allocation of work, etc., are 'conditions of service' that have been adversely affected owing to her gender. Wrongful dismissal by Geffel Stace could also come under the purview of the Shops & Establishments Acts, though the legislation is not uniform across states. For example: The A.P. Shops & Establishments Act provides for not only compensation on termination but mandates that the termination be made in writing and a copy of the letter be given to the inspector within three days.

The Bombay Shops & Establishments Act simply requires a notice of maximum of one month for termination. The Tamil Nadu Shops & Establishments Act and the Karnataka Shops & Establishments Act require that services be dispensed with only for a 'reasonable cause' and provide for right to appeal to the appropriate

authority if the cause is not reasonable. Many employers still invoke the archaic principle of 'employment at will' to terminate employees at their whims and fancies. This principle maintains that an employee enjoys the right to employment as long as the employer wishes to continue the contract of employment and the services can be dispensed with at the will of the employer without assigning any reason.

In other words, it gives unbridled powers to 'hire and fire' under the contract of employment. Many countries have moved away from this principle in varying degrees and have placed reasonable restrictions on the right to terminate employees. In Kalpana's case, given that three years have passed, it is doubtful — though not impossible — that action under any of the laws will be tenable. Even otherwise, Kalpana doesn't appear to be keen to pursue this aspect!

b) With respect to denial of employment by Cyben and Johri on gender-related grounds, it amounts to blatant denial of equal opportunity. Kalpana has a strong case to initiate proceedings under the Equal Remuneration Act against Cyben and Johri. Though it is of academic interest to explore whether Geffel Stace can be roped in for willfully and maliciously perpetrating the discrimination started three years ago and for being instrumental in Cyben violating the law, it is unlikely to be accepted in a court.

c) Prakash's culpability regarding

statements she made to Johri is more contentious. No doubt, her conduct is unprofessional. However, there are no provisions under employment law or data privacy laws. Remedies are available by way of complaint for defamation under the Indian Penal Code or in the realm of civil law for private action for slander, that is, harming reputation through spoken word. The process and the outcomes in these two are different inasmuch as the former will lead to punishment and the latter to monetary damages. But these proceedings can be long-drawn and can further label Kalpana as a 'difficult' employee and, of course, the facts will have to be proved in court.

This also brings into focus the responsibility of employers and their officers regarding employee referrals. It is the implicit duty of the employer not to make misrepresentations or statements in bad faith damaging the reputation and employability of the employee.

Many states in the US have legislation governing this aspect. In the UK, there are case laws and executive notifications that set boundary conditions for employee references. While each legislation differs on what can be covered in a reference, most of them lay down that these have to be in writing, have to be based on facts and subjective assessment must be done in good faith. In some cases, the law insists that a copy of the written reference be provided to the employee; whereas in some cases it is treated as privileged and confidential communication unless done in bad faith.

Another aspect of relevance is to realise that the ex-employer also owes a duty to the prospective employer — where a reference is sought — to disclose accurate information and not suppress material information. In India there is no law governing the subject of employee references and the proposed Privacy (Protection) Bill, 2013 is also silent on this matter. The only distantly-related requirement is that of providing a 'service certificate'

under Shops & Establishment Acts mentioning the tenure, last designation and, in some cases, reason for leaving. This is a mere formality since, as a practice, most employers prefer to take resignations even in cases of termination for misconduct, redundancy or non-performance ostensibly to help the employee find another job but in reality to avoid possible legal complications.

Some progressive organisations have policies detailing who can give reference, what matters can be covered and how is the reference to be given. In spite of this, the practice of informal reference checks is quite prevalent and it affords miscreants

Maybe Kalpana Dixit vs. state of ABC will prove to be another landmark judgement *ala* Vishakha vs. state of Rajasthan

like Prakash an avenue to take their ire against whom they are prejudiced. HR heads play an important role in sensitising the employees and officers of the company about principles of referrals and setting a proper governance framework.

2. Kalpana also has the option of invoking the writ jurisdiction of the Supreme Court under Art. 32, as was done in Vishakha's case, and seeking the court's intervention in directing the state to evolve a comprehensive framework governing employment in the private sector including discrimination of various kinds in all aspects of employment including perfor-

mance management, terminations, employee references, etc. It should be mentioned here that in Vishakha's case the Supreme Court went beyond classical confines and held that the protection of Fundamental Rights especially Article 14, 15, 19 (1) (g) and 21 are available even to those in private employment. Gender discrimination is definitely a malaise affecting India Inc. but there are other forms of discrimination on grounds of religion, race, education (premier versus non-premier institutes!) and other personal biases that are lurking deep within and affecting the working environment in the private sector.

Similarly, the existence of the archaic principle of 'employment at will' is wreaking havoc not only on the morale and 'engagement' of a large part of the workforce but also on corporate performance and governance as well. If India Inc. is serious about institutionalising a culture of diversity and inclusion, it is imperative they put in place a governance framework eliminating all kinds of discrimination in all aspects of employment. Unless employees in the private sector, who are outside the purview of stringent laws like the Industrial Disputes Act, are assured of a modicum of organisational justice, not only will employee morale be affected but organisations will be exposed to business risks.

Maybe Kalpana Dixit vs. state of ABC will prove to be another landmark judgement *ala* Vishakha vs state of Rajasthan that would re-define employment jurisprudence of this country. Is it an easy route? No. But all epochal changes have been brought about by the courage and perseverance of individuals like Kalpana to put an end to the *krurta* perpetrated by Akurur Johris! **BW**

The writer is a lawyer-turned HR professional. In the past, he has worked in companies such as Microsoft, Murugappa Group, Citibank, Microsoft and HUL. The views expressed are personal



CONSTRUCTIVE APPROACH

Kalpna must deal with Prakash as she would deal with all other obstacles and frustrations in her life: with perspective, professionalism and planning

A S KALPANA DIXIT IS REALISING, UNFORTUNATELY for all the wrong reasons, employment relationships are the closest thing we have to family relationships. And just like a divorce, the breakup of a working relationship can cause feelings of resentment, betrayal, anger and an insatiable desire for revenge. Sundari Prakash may be acting on these feelings by 'sticking it' to Kalpna by giving a very bad reference to Akur Johri, even though Kalpna doesn't deserve it.

The question here is: Is there is a legal recourse to the 'harm' caused to Kalpna? Does Kalpna really need a pure legal recourse? My response is in the negative. Also, I believe Indian society is still struggling to evolve from a survival society to a leisure society, thus, it is premature for legislature to divert its law-making machinery from more critical survival issues.

So, does that mean that Prakash should get away with 'blue murder'? Absolutely not. However, we need to consider whether Prakash would have reasonable defences, including the following:

1) Prakash has a right to speech¹. But her freedom of speech does not extend to defaming² others. According to the Indian Constitution, the fundamental right to free speech (Article 19) is subject to 'reasonable restrictions'. And defamation takes

place 'by words either spoken or intended to be read, or by signs or by visible representations, to make or publish any imputation concerning any person intending to harm, or knowing or having reason to believe that such imputation will harm the reputation of such person'.

2) Did Prakash say something that was factually untrue³? People² are allowed to make true and factual statements to others, even if they hurt a person. Only if Prakash or Geffel Stace state something definitively factually untrue, then Kalpna could have a cause of action.

3) Did Prakash state an opinion? She may also state opinions to others, even if harmful⁴.

4) The thing that Prakash may not do is make negative false factual statements to third parties, like Johri. Such statements may result in defamation.

5) Just the fact that Kalpna's separation from Geffel Stace was not an amicable one does not give her a recourse against them. Arguably, even if she felt the separation was amicable, since whether something is 'amicable' or not is largely a matter of perception or opinion, Kalpna would probably not have any recourse.

So, if Prakash said nothing factually incorrect, maybe stated an opinion that she had a right over. Maybe her flippant act could border on being careless, almost negligent. So does Kalpna have any defence / recourse?

Let's consider certain aspects of

Kalpna's 'case' now, including some obvious ones:

1. Her termination, its rationale, principle of LIFO⁵, discrimination or equal treatment is not of concern to Kalpna. Thus, we will not analyse all the laws that protect these employment situations.

2. If Kalpna did nothing wrong, the truth can be her best ally.

3. As discussed above, Prakash's negative input is not wrongful or unlawful *per se*.

Prakash's negative input *may be* illegal, if the same is categorised as:

a) Discrimination; b) Defamation, Libel or Slander⁶; c) Tortious interference; d) Damage to Kalpna's reputation; e) Retaliation with malicious intent; f) Disparagement; or g) Sexual harassment⁷.

4. In order to sue, Kalpna would have to prove exactly what was said, and to who, and show how those statements caused her lack of work. If she is able to establish these basics, Kalpna may have a claim against Prakash as well as Geffel Stace; in relative terms, the claim against Prakash may be easier to prove.

5. As an example, to establish defamation, Kalpna would have to prove the following four elements in a Court: **a) False statement:** This may require some effort to prove. Interestingly, it is this element that employers try to avoid by only giving out name, dates of service and designation in any reference letter⁸! **b) Identify claimant:** the claimant should be

identified in the defamatory statement. The content must be clearly addressing a particular person for her to be defamed. A general statement like: "All women are emotional and imbalanced", is too broad a classification and hence no particular woman may consider it to be personally attributed to her. Therefore, such statements are not defamation. Kalpana would need to be clearly identified by Prakash in relation to this comment. **c) Publication/Communication:** There must be a publication of the defamatory statement in either oral or written form. Unless the content is published – made available to someone other than the claimant, there can be no defamation. 'Publication' in legal terms simply means 'communication to a third party.' Prakash satisfies this element by simply speaking about her to Johri. Under a criminal suit⁹, intention to defame is an important element¹⁰. In the absence of intention, the knowledge that the communication was likely to defame or is defamatory becomes essential. All this is further subject to the normal standard of proof in criminal cases: That is, *beyond reasonable doubt!*

d) Harms reputation: The presence of defamatory content is necessary. Defamatory content is defined as one calculated to injure the reputation of another by exposing him/her to hatred, contempt or ridicule¹¹. This element may be easy for Kalpana to prove; she just needs to show that she did not get the job she applied for at Cyben.

6. Finally, Prakash has a right to respond to requests for references, but no right to contact prospective or current employers to intentionally interfere. Prakash may well be surprised by Kalpana's anger on something she told a friend over a casual meeting! To everyone's knowledge, there was no formal request for a referral and no formal response thereto.

If Kalpana determines that Prakash's negative inputs are not unlawful but are simply restricting

her ability to secure future employment, the situation may typically be addressed through the transmittal of a Cease & Desist Notice. Onil Das can issue the same to Prakash, telling Prakash to 'cease and desist' from her bad conduct, or else suffer the initiation of a lawsuit. The letter would alert Prakash of the consequences of the negative reference. Since most employers prohibit providing any negative reference to ex-employees, Prakash would be concerned that this notice does not reach the management of Geffel Stace Bank. Be it realisation of the consequence of her casual statements, and the possible consequences of her management

Is there is a legal recourse to the 'harm' caused to Kalpana? Does she really need a pure legal recourse? My response is in the negative

becoming aware of the notice may prompt Prakash to not offer – out of self-interest – any negative commentary again.

There is one potential trap here that Kalpana should avoid. Ideally, the Case & Desist Notice must not sound offensive to other prospective employers, who may view it as an attempt to hide the truth. It should be strong and specific, yet respectful. It is best not to mention the false things Prakash may have allegedly said, and avoid naming witnesses. It is possible that this notice might one day be shown by Prakash to prospective employers as evidence that Kalpana is someone who 'Likes to threaten, ma-

nipulates the truth, and hides behind lawyers'. It is with this knowledge that the Notice may be drafted.

After sending the Cease & Desist Notice, Kalpana may wait for a week or two. An irreverent way to test the impact would be to ask a friend to call Prakash, or write to her, and ask for a job reference for Kalpana. She may do this with a certain periodicity subsequently too. If anything negative is said, she could report it to Mr Das, who could then send a second, more menacing notice. If it doesn't stop, litigation is an option¹². Once Prakash finds herself in court, starts spending legal fees, she may develop a new sense of self-control.

Does Kalpana have any other options? Yes. She can be proactive and prepare a positive reference documentation set, ideally containing laudatory work and character references from former employers, customers, industry leaders, and professors. Where would Geffel Stace Bank (and Prakash) fit into this? Geffel Stace Bank would need to appear on her resume. If she still believes she may be bad-mouthed, she should consider preparing a clarificatory letter, herself (Read: *'To Whomsoever it May Concern'* on www.businessworld.in).

Kalpana is in a difficult spot, but not an impossible one. Kalpana must deal with Prakash as she would deal with all other obstacles, road bumps and frustrations in her life: with perspective, professionalism and planning. The odds are that, sooner or later, Prakash will find another target for her insecurities and Kalpana her equilibrium. Again, we actually have no clue how Prakash would react to a formal request for a reference for Kalpana. We have entirely based our analysis on an informal conversation between two friends in a casual environment. **BW**

Log on to www.businessworld.in for footnote references

The writer is a partner with J. Sagar Associates



CO-OPT AND COLLABORATE

This is the correct analysis of Matangi Gowrishankar for the case study 'Last Ditch Effort' published in *BW* issue dated 15 June 2015. We deeply regret the error and inconvenience caused to Matangi Gowrishankar as well as Sujitha Karnad whose analysis pertaining to a different case was inadvertently carried alongside the case study on Kloop India

SOMEONE ONCE SPOOFED: "A company is known by the man it keeps!" It is not the first time that an MNC has misjudged the Indian psyche of doing business on the ground, and certainly not the first time that leaders have misread what it takes to move from an established organisation to a startup. There are three critical success factors for startup organisations:

1. Integrating leadership and business acumen:

It is common for top person selections to be made on the basis of pedigree and technical competence. However, it is vital to also assess how easy or difficult it will be for the person to make the transition to a new environment, how well the person understands the new organisation's ethos and business goals AND what are the person's real leadership skills to deal with ambiguity. There appear to be many reasons for the initial failure. Andre didn't understand that Kloop wanted breakeven in Year One and that there wasn't much tolerance for a gestation period. It was clear that he did not know how a national distributor set-up would work and what it would take for him to collaborate and work seamlessly to achieve success.

2. Integrating values and beliefs in the ways of working: There is a psychological framework called the ladder of inference, which impacts an individual's ability to achieve goals and assimilate new learning. The ladder of in-

ference outlines how emotional triggers affect how we interpret the situation, what assumptions we make and the beliefs we hold — all of which combine to move us to action. Clearly, a balanced and objective viewpoint would lead to a positive ladder of inference and actions that lead to desired outcomes. I wonder if Andre was stuck in a downward spiral personally in terms of his skills and capabilities to make the transition to a new organisation and establish credibility. This could, in turn, have led to a negative ladder of inference about the how the failure for the organisation was because of the selection of an unsophisticated national distributor.

3. Proactively enabling integration:

New entrants to the Indian market often underestimate the impact and role of culture, tradition and relationships in business success. It is not apparent to me that the top leadership team of Kloop were active in setting up expectations and creating an environment of collaboration between all the parties concerned. Notwithstanding the fact that Belani was appointed before Andre came on board, it seemed strange to me that the "mediator" in the case was a third-party consultant and not the senior leadership at Kloop. As the saying goes, there are two types of leaders — those that say "come on people" and those that say "go on people". I saw a lot of the "go on people" at various levels across Kloop, which is perhaps why they got into the situation they did.

It is quite unusual to see third-party

consultants so closely committed to the success of the business. To this end, we need to appreciate the tenacity and perseverance that Raghuvver demonstrates. He comes through as really working towards the collaboration that is so necessary. His courage to deal with the situation in an objective manner really moves things ahead. Of course, the significant thing is what he says towards the end: "I wish I was not the one doing this to you guys!" I absolutely agree — this should have rightly come from Bawa or Haney. Ideally, they should have been there with Belani and Andre.

I believe, we all understand that mutuality and collaboration are the pillars for achieving desired outcomes. Aligning on a common goal and purpose creates opportunities for exploring what will work and what adjustments need to be made along the way. Above all, collaboration will build on stakeholder strengths and thus contribute to a virtuous cycle of behaviours.

Leadership at all levels must see it as their responsibility to nurture and set the framework for right behaviours. Organisation culture needs to enhance mutual respect and an environment to speak up and iron out the rough spots. We must collectively work towards making a positive, iterative cycle of Connecting-Exploring-Committing to ensure that strong relationships form the bedrock of collective success. **BW**

The writer is the Head of Capability Development for the Downstream Businesses of BP plc. She is passionate about organisation and leadership development



Leaves & branches falling from trees are not waste

It has been seen that leaves & branches (green waste) falling from trees & plants in parks and residential areas are burnt, despite of being banned, which pollute the entire environment. Otherwise these green wastes are loaded in trucks and thrown into landfill sites by the administration. The entire process is not only costly but harmful as well. The organic rejects that accumulate in centralized land fills begin to decay and emanate Methane gas which is 20 times more dangerous than CO₂.

The moisture and the rain water collected in the land fills seep through the litter and reach the water table and contaminate the ground water.

To counter this pollution and utilize the green waste, a machine named GWR - Green Waste Re-processor has been developed. It is made in India that can up-cycle the daily heap of organic garbage into bio-mass fuel and compost which can be utilised as finished product for various useful purposes. It has got two models.

Vegetable Mandi Waste Unit processes vegetable mandi rejects to produce solid animal feed, liquid fertilizer.

Temple Waste Unit takes in flowers that are thrown in rivers (which is one of the main causes of pollution in our rivers) to produce Havan Samagri and other useful products. In a way, Puja waste is again utilized for important religious purposes.

Already proved useful, awarded and popular in a short time

Union Urban Development Minister, Venkaiah Naidu inaugurated the plant in Lodhi Garden, New Delhi. NDMC has installed this plant under PPP model. The Minister lauded this innovative initiative and appreciated the idea to install a score of plants around Delhi and other cities all over



Inaugurated by Shri Venkaiah Naidu, Union Minister for Urban Development at Lodhi Garden, New Delhi

India. Four more units have been installed in Central Delhi, near Talkatora Garden, Nehru Park, NDMC nursery at India Gate besides CPWD managed Buddha Jayanti Park.

The innovation has been selected for the Best Innovation award by Sankalp Alliance, an UN initiative and its inventor Manoj Pathak has been awarded US\$ 15000, besides a citation and certificate. Alok Gupta, the Director of Clean India Ventures-the company behind GWR, says "There has been overwhelming response to this innovation from all quarters, especially private developers and township owners who wish to put an end to the piling of organic rejects such as dry leaves etc and make useful by-products."



Alok Gupta
Director



Manoj Pathak
Director - Technical

“Lesser the waste means lesser the need for Dumping trucks leading to less wastage of natural resources such as diesel / CNG which is consumed during transportation. Moreover, the recurring problem of identifying new land for landfills can be a thing of past.”

With cleanliness, it generates jobs too

Each machine will create numerous jobs. Besides trained manpower to operate the machine, its by-products will need lacs of people for sales & marketing.

It has a lucrative overseas market as well.

MPs/MLAs can use their funds for installation of this machine in their constituencies



Flower Waste



Green Waste



Vegetable Waste

The Real Shine of the Silver Screen – BW Businessworld Honours the Stars of the Indian Cinema Exhibition Industry at The Fridays



Amit Sharma and Bhuvanesh Mendiratta of Miraj Entertainment receiving the award for Best Theatre Chain - National | Multiplexes below 20 screens

In a gala event attended by the who's who of the Cinema Exhibition industry at the ITC Grand Central, Mumbai on the 15th of May, Friday, BW Businessworld concluded the inaugural edition of their pioneering initiative titled The Fridays.

The Fridays | BW Businessworld Cinema Exhibition Conference & Awards was created to recognize and honour the best examples of quality, innovation and growth & also be a platform to discuss issues and concerns for the Cinema Exhibition industry in India.

It is the first time that a media publication has focused its efforts on bringing to light the achievements and issues of the Cinema Exhibition Industry in India. It is a well known fact that the contribution of the film industry to the Indian economy is considerable and yet the rightful recognition from quarters of business media hasn't been enough. Realizing the lacunae, we took it upon us as our prerogative to look at the film industry as an important station of the Indian business landscape. And it was only appropriate that our first step in that direction was in the space of critical business importance – that of Cinema Exhibition. After all, it is at the theater that the love story between the audience and the movie unfolds; a meeting point of the storyteller and the expectant assemblage.

The Exhibition industry is perhaps at its most dynamic stage right now where it is not so much about being

at turning points rather here on the story will be one of charting newer paths. And in that spirit, the afternoon started with a power packed conference with a lineup of interesting sessions and esteemed speakers from the exhibition and film making businesses. Tackling pertinent issues like Single Screen rejuvenation and cinema advertising emerging as a new frontier to drive revenues, the panelists engaged in debates and discussions leaving the audience enthralled and ponderous.

Recounting the milestone moments of the journey till now, the first session titled, "And How Have We Been Doing So Far?" was filled with interesting anecdotes and stories coming from veterans. Moderating the session was Rafeeq Ellias, Emmy Award winning film maker & photographer with Manmohan Shetty,



The Chief Guest, Subhash Ghai, Founder & Chairman, Whistling Woods International, delivering the Opening Talk for the awards



ACHIEVEMENTS BRING ACCOLADES
BUT NOTHING MATCHES BEING
NUMBER 1 IN THE HEARTS OF
OUR 60 MILLION PATRONS





Ajay Bijli, Chairman & Managing Director, PVR Ltd., the Guest of Honour, delivering the Closing Remarks of the Conference

Chairman, Adlabs Entertainment; Nazir Hoosein, Owner, Liberty Cinema and Rafiquee Baghdadi, noted Mumbai historian as speakers on the panel.

Aptly christened, "Old Game New Moves", the second panel discussion revolved around thoughts on rejuvenating the Single Screens. Deliberating on problems like burdensome tax, falling occupancy rates, lack of good content & preference for the plush multiplex, speakers also engaged in a conversation regarding newer formats to generate revenues. The session was moderated by Bharti Dubey, Veteran Film Journalist and speakers on the panel were Pranav Ashar, Founder, Matterden Centre; Rahul Puri, Managing Director, Mukta Arts; Amit Khanna, Former Chairman, Reliance Entertainment and Ramesh Nair, International Director & COO, Jones Lang LaSalle; The following session on the mechanisms of the multiplex economy, named "Popcorn, the Saviour?" was the hot favourite of the evening. Exploring the growth and rise of the multiplex culture in urban India

as a form of family entertainment and looking at the contribution of Food & Beverage and others to revenue by cashing in on the 'eating out' culture; the session analyzed whether the pricing and value-adds like 'lounge rates' have been successful and what could be a lasting solution to the never-ending battle with distributors and producers on the sharing formula. The session was moderated by Komal Nahta, Film trade analyst, Host, ETC Bollywood Business & Editor, Film Information and speakers on the panel were P V Sunil, CEO, Carnival Cinemas; Vijay Kapoor, Senior Vice President, PVR Ltd.; Devang Sampat, Business Head, Strategic Initiatives, Cinapolis and Bharathan Kandaswamy, Course Director, Business of Films, IIM Ahmedabad. More screens, more movies and an average Indian that visits a cinema hall thrice a year at least, brands are now realizing the great medium that the cinema provides for brands to engage audiences and the last panel was focused on this emerging frontier of revenue generation, that of Cinema Advertising. The session was moderated by Girish Menon, Director, Transactions & Restructuring, KPMG and speakers on the panel were Vishnu Telang, Director, Khushi Advertising; Gautam Dutta, CEO, PVR Cinemas; Amitabh Tapadar, Vice President, Tata AIA; Ajay Mehta, Founder, Interactive Television; M S Rajagopalan, President, Qube Cinema Network

Delivering the Closing Remarks of the conference, Ajay Bijli, Chairman & Managing Director, PVR Ltd said, "I feel touched and almost overwhelmed that the exhibition sector has been put on such a pedestal and has been given so much importance by such a prestigious publication.



Panel discussion titled, "A Great Medium - Advertisers & Marketers on Cinema Advertising as a new frontier"
From left: Vishnu Telang, Director, Khushi Advertising; Gautam Dutta, CEO, PVR Cinemas; Amitabh Tapadar, Vice President, Tata AIA; Girish Menon, Director, Transactions & Restructuring, KPMG; Ajay Mehta, Founder, Interactive Television; M S Rajagopalan, President, Qube Cinema Network



AWARD

BEST CHAIN-NATIONAL
BELOW
20 SCREEN CATEGORY
2015

AWARD

BEST MARKETING INITIATIVES
BELOW
20 SCREEN CATEGORY
2015

AWARD

FASTEST GROWING CHAIN
BELOW
20 SCREEN CATEGORY
2015

(BUSINESS WORLD CINEMA EXHIBITION AWARDS & CONFERENCE, MUMBAI 2015)

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I believe, if we were to really make our industry much bigger and true to its potential-given the size and scale of our country-then a lot of things have to fall in place. A lot of initiatives have to be taken by various stakeholders that impact the industry. We all have a huge role to play."

The evening ended amidst much fanfare with the award winners being felicitated by the chief Guest, Subhash Ghai, Founder & Chairman, Whistling Woods International & Manmohan Shetty, the jury chairperson & Chairman, Adlabs Entertainment & Anurag Batra, Chairman & Editor-in-Chief, BW Businessworld.

The winners were selected based on entries sent by them after much deliberation by an esteemed jury across diverse categories like marketing initiatives, fastest growing chains, new properties developed, programming & business innovation and best theater chains regionally as well as nationally.

Subhash Ghai was also felicitated by BW Businessworld for his Pioneering Contribution to the Field of Cinema Education for setting up a state of the art institute Whistling Woods by braving heavy odds.

Winners



Multiplexes above 20 Screens:

- Best Marketing Initiatives | **PVR Cinemas** for Moviecation
- Fastest Growing Chain | **PVR Cinemas**
- Fastest Growing Chain - Jury Mention| **Cinepolis India**
- Best New Property Developed | **Cinepolis India**, Viviana Mall, Thane
- Best New Property Developed - Jury Mention | **SPI Cinemas** for Luxe Cinema
- Friday Plus - Business Innovation | **Gold Digital Cinemas**
- Best Theatre Chain - West | **Cinepolis India**
- Best Theatre Chain - North | **DT Cinemas**
- Best Theatre Chain - Central | **Big Cinemas**
- Best Theatre Chain - South | **SPI Cinemas**
- Best Theatre Chain - South | **Asian Cinemas**
- Best Theatre Chain - National | **PVR Cinemas**

Multiplexes below 20 screens:

- Best Marketing Initiatives - Jury Mention | **Miraj Cinemas**
- Fastest Growing Chain | **Miraj Cinemas**
- Best Theatre Chain - West | **City Pride**
- Best Theatre Chain - East | **Priya Entertainment**
- Best Theatre Chain - Central | **Fun Cinemas**
- Best Theatre Chain - National | **Miraj Cinemas**

Single Screens:

- Heritage Award | **Sheila Cinema**, New Delhi
- Friday Plus - Programming Innovation | **Matterden Centre**, Mumbai
- Best Theatre - West | **Maratha Mandir**
- Best Theatre - North | **Delite Cinemas**, New Delhi
- Best Theatre - Central | **Smruti Cinemas**, Nagpur
- Best Theatre - South | **Abirami Theatres**, Chennai
- Best Theatre - National | **Raj Mandir**, Jaipur

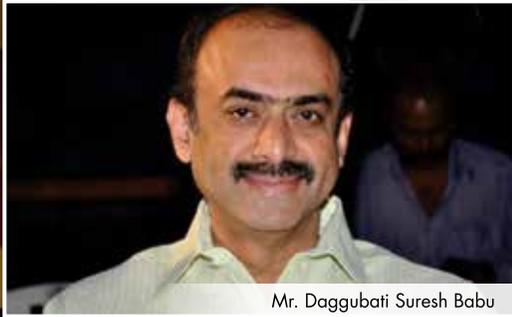




Mr. Narayandas K. Narang (Asian Group)



SOUTH STARS



Mr. Daggubati Suresh Babu

Mr. Narayandas K. Narang eminent name in south film industry. 40 years back embarked the business in film financing, distribution and exhibition with a presence in over 120 screens in Telangana state.

Mr. Narayandas K. Narang and **Mr. Daggubati Suresh Babu** a distinguished film producer, Guinness record holder, son of renowned film producer Late Dr.D.Ramanaidu and elder brother of popular actor Daggubati Venkatesh jointly started the multiplex venture "**Asian Cinemas**" with a mission of making world-class cinema viewing experience. Asian Cinemas have state of the art facilities in terms of modern projection and acoustic systems, interiors of international standards, plush seating with push back seats, sofas, recliners, the best legroom, high levels of hygiene, varied theatre food, a selection of regional - Hindi and English movies, computerised ticketing and most importantly high service standards to serve the interest of movie buffs of all class at an affordable cost. Upheld by a compact, coherent and vibrant team.

Presently with 8 multiplexes in Hyderabad & other districts of Telangana state. Also gearing up for further presence down the line.





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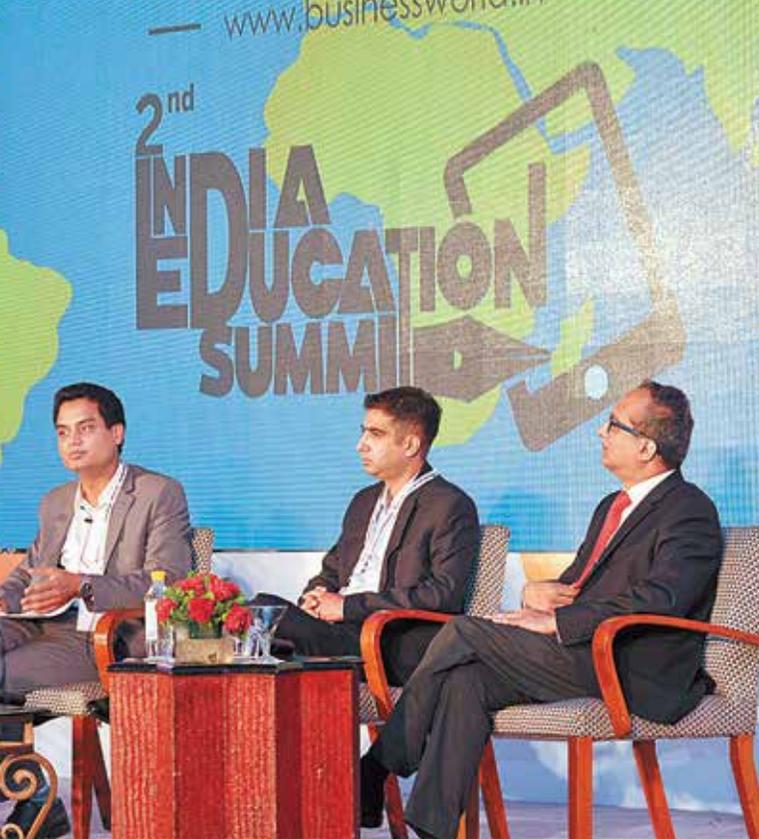
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EDUCAT

The second edition of *BW|Businessworld's* India Education Summit on 28 May 2015 debated concerns and discussed the way forward in a daylong conference at The Grand hotel in New Delhi's Vasant Kunj, that was attended by stakeholders and representatives from the education industry, governmental bodies and investment circles. "Education is far more important than GST," said Sushma Paul Berlia, president, Apeejay Education Society, stressing that public and private sectors, the Centre and state governments should have an integrated approach to education to create an environment of financing with incentive. R. Laxman, director, Kotak Private Equity Fund, said there has to be a "bang for the buck" so that education financing grows in leaps and bounds rather than in incremental terms. The eminent speakers and participants brainstormed extensively and articulated their concerns on topics ranging from skill development, quality of school and higher education and the role of technology and issues of employment of students to formulating smarter education curriculum for creating a conducive regulatory environment. All agreed that India had all the requisites to be a global education hub. NV Varghese, director, Centre for Policy Research in Higher Education, said cross-border institutional mobility of higher education was necessary for India to become a global hub for higher education. "This leap forward has to be taken up by the government in collaboration with the private institutions," said M. L. Singla, head and dean, Faculty of Management Studies, Delhi University.



ING INDIA



(FROM LEFT) 1. Surendra Kulkarni, principal director, Mayo College; Peter McLaughlin, headmaster and honorary secretary, The Doon School; Rakesh Rathi, vertical head, Education, Ricoh India; Daulat Ram Saini, principal, DPS R. K. Puram; Abha Sahgal, principal and manager, Sanskriti School; Vikrant Khorana, V-P and Business Head, PayU India **2.** Shobha Mishra Ghosh, senior director, FICCI; Sushma Paul Berlia, co-founder & president, Apeejay Styra & Svrán Group; Gaurav Kumar, associate director, KPMG India; Prasad Gadkari, partner, IDFC Private Equity; R. Laxman, director, Kotak Private Equity Group **3.** R. Anand, vice-president, Rewards, Career and Talent Management, HCL Technologies; Sunit Tandon, director general, Indian Institute of Mass Communication; Narayanan Ramaswamy, partner & national lead, Education & Skilling Sector, KPMG India; Dilip Chenoy, managing director & CEO, National Skill Development Organisation; Rajendra Saluja, CEO, Possit Skill Organisation **4.** Annurag Batra, chairman and editor-in-chief, BW|Businessworld **5.** Rakesh Rathi, education, Ricoh India **6.** Bhushan Kumar, regional school director, Zee Learn **7.** Sessa Iyer, director, SPJIMR, Mumbai; M. L. Singla, head & dean, Faculty of Management Studies, Delhi University; Smita Polite, communications director, Nalanda University; P. B. Sharma, vice chancellor, Amity University, Manesar; N.V. Varghese, director, Centre for Policy Research in Higher Education

Online Payment Partner 	University Partner 	Learning Partner 	Associate Partner 	Television Partner 	Gift Partner 	Media Partner
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The shift towards a consumer-oriented world, which led by companies like Apple and Google is truly transforming the global marketplace. Now, every company is looking for an edge just to survive and with more and more enterprises adopting a customer-centric focus, a look into the future of contact centers could turn out to be a tremendous advantage in this fight to the top.

As business and customer needs turn increasingly dynamic, customer engagement through contact centers needs agility, flexibility and customer-centricity to address the rapidly changing customer needs. Contact centers 2020, or the future of contact centers, will be technology-led, enabling different communication channels such as voice, email, video and social media come together in a seamless and agile manner.

At an event hosted by Businessworld in partnership with Cisco and Tata Communications, CXOs and key decision makers came together to deliberate and discuss the role of technology in enhancing the customer experience in volatile, uncertain, complex & ambiguous world.

In his welcome address, Sandeep Mehra, Director, Collaboration Sales, Cisco India & SAARC explained how the world we live in today is constantly transforming and how there is a need for organizations to evolve their customer engagement. "We live in an unprecedented time where no one could've thought that a company like Uber could be changing the taxi industry and changing the business model or Flipkart or Amazon transforming retail experience. The customer experience has gone through a tremendous change," he said.

To highlight the importance of customer experience, Vishal Dhar, Co-Founder & President –



Mr. Vishal Dhar
Co-Founder & President – Marketing, iYogi

Marketing, iYogi shared how his company had to transform the way it does business. iYogi, an eight year-old consumer brand offers subscription for technical support. The company realized that customers hate being put on hold and to have to punch in numbers just to talk to someone. "People don't like being put on hold, so we decided not to have an IVR at all. Our average response time is less than one minute. So we built our business on the fundamental tenant of customer experience," Dhar explained.

Dhar's presentation was followed by a panel discussion on customer experience in VUCA world, which was moderated by Akhilesh Tuteja, Partner & Head – IT Advisory Services, KPMG India. VUCA as it stands for volatility, uncertainty, complexity and ambiguity, has already been redefined.

Dr. Bob Johansen from The Institute for the Future, redefined VUCA as vision, understanding, clarity and agility. Yet, the largest of companies do not have a division called customer experience training, as explained by Sandeep Soni, President & CEO, Hero BPO. "Bottom of the pyramid employees need to be trained to handle customers in a way that can enhance their buying or service experience. This is the only way to survive in a world with changing customer needs," he explained.

Sanjay Mehta, Managing Director, Teleperformance pointed out that the center of power has shifted from the powerful to the powerless of yesterday. "The customer today has become visible from being invisible, he now has a voice from being voiceless. Advertising is becoming less relevant. Rules are being rewritten. Customer is feeling that empowerment," he said.



Mr. Carl Borchardt
Business Development Manager – Cisco Collaboration Asia Pacific

Citing an example of how he improved customer experience at his company, Somesh Chandra, COO & CQO, Max Bupa Health Insurance explained how Max Bupa decided to cut down the time for preauthorization for mediclaim at a hospital. “The industry standard was four hours. We decided to cut it down to 30 minutes. We worked on an ecosystem with partnerships, processes and technology. In last four months, we've seen 40% increase in customer satisfaction,” he said.

Amit Sinha Roy, Vice President, Marketing & Strategy, Marketing Centre of Excellence, Tata Communications said customer experience is about two Es—expectation and engagement.



Amit Sinha Roy, Vice President, Marketing & Strategy, Marketing Centre of Excellence, Tata Communications; **Sandeep Soni**, President & CEO, Hero BPO; **Akhilesh Tuteja**, Partner & Head – IT Advisory Services, KPMG India; **Sanjay Mehta**, Managing Director, Teleperformance; **Somesh Chandra**, COO & CQO, Max Bupa Health Insurance

The panel discussion was followed by a presentation from Carl Borchardt, Business Development Manager – Cisco Collaboration Asia Pacific. Borchardt explained how organizations can differentiate themselves in price, product or experience. Ankush Gangwani, GM- Product Management & Head of Cloud CCaaS Business, TATA Communications, in a following presentation talked about how consistent customer experience, consolidation and customer segmentation was always a challenge in a premise-based distributed setup.

The last session for the day was a technology panel discussion on 'Cloud based Customer Experience Management Strategies' and was moderated by Atul Gupta, Partner – IT Advisory Services, KPMG India.

Dharmarajan K, Vice President - Customer Experience, Snapdeal.com said the Big Billion Day sale of Flipkart last year was a big learning for the industry as this was when Flipkart was unable to offer consistent experience to customers, being not

geared up to address the massive spike in volume. “In the stage that we are in, it is critical we have the right technology and capability. We believe cloud-based technology is going to significantly influence in providing consistent experience,” he said.

Neeraj Sahgal, Vice President – Technologies, Quattro explained how there is a shift in customer demand and expectations. “Customers now want online access, more than just account statement. That's when we created a new business model to align everything together and provide customers with a lot more than what they were demanding.” Using big data and graphical representation technology, Quattro then opened a portal where the customer could view their account statement, offer them a graphical representation of their balance sheet.

iYogi had to build 20 different applications to address customer needs in the last five years. Explaining how cloud could be an answer to solve complexity and yet need to be seen with caution, Sarvesh Goorha, Group CIO, iYogi, said, “One shoe doesn't fit all—more so in the cloud story. We had to do a scientific filtering to decide what applications to host on cloud and which ones to host internally. There are so many players in the overall cloud ecosystem, but the problems of the end users are still not addressed.”

Suresh Kumar, Partner & CIO, Grant Thornton India, however, insisted on the importance of cloud, especially in the business the company operates in. “Our users are consultants who are always on the move. We are enabling them to provide better customer experience to the end customer. Technologies such as cloud-based voice communication, email and instant messaging are thus helping us to a great extent in improving customer experience,” he said. ■



Dharmarajan K, Vice President - Customer Experience, Snapdeal.com; **Suresh Kumar**, CIO, Grant Thornton India; **Atul Gupta**, Partner IT Advisory Services, KPMG India; **Sarvesh Goorha**, Group CIO, iYogi; **Neeraj Sahgal**, Vice President – Technologies, Quattro; **Ankush Gangwani**, Head of Cloud CCaaS Business, TATA Communications

The Indian MNC. Really?

It's time India started thinking about creating world-class organisations and paying attention to the rules of the game



By Ramesh Jude Thomas

FIFTEEN YEARS AGO, IT WAS a proud moment for corporate India when the first Indian advertising hoarding went up in the middle of Paris. Titan watches was on offer literally at the centre of the fashion capital of the world. That took courage of a different order. Had Indian design arrived in Europe?

The bourses cheered when Tata Tea snatched away Tetley in a fiercely fought acquisition bid against no less an adversary than Nestle AG in 2000. Could we grow inorganically in the West? Jet Airways was the first Indian airline since privatisation to go international in 2006. Could our aviation business regain Air India's original glory from the 60s and early 70s?

Since these watershed events, much water has passed under the proverbial bridge. Corporate India no longer believes that it is confined to market leadership in India. However, most of our multinational capers from Amtek to Zain Telecom have struggled to make any headway.

But is India alone? Toyota was the first Asian brand to break into the top ten of *Businessweek's* most valuable brand table. But Toyota and other Japanese automakers struggled in the US market throughout the 70s and early 80s.

Did anyone make it? To really understand the challenges of succeeding in mature global markets, it might be worth looking at the Indian companies who made it.

What did a Tata Motors get so right with a dead duck like JLR? First, it was considered a trusted acquirer. Second, it didn't take an Indian view on the future. Or an English view for that matter. It just decided to go out and create a new product for the most attractive automobile market in the world that is China. The Evoque single-handedly turned the company around.

This might be difficult to swallow, but long before we could even pronounce 'cross-border acquisitions', Air India was considered to be the gold standard for punctuality and cabin service across the world. One popular story has it that Geneva airport set its clocks by the arrival of an Air India flight!

Are there some fundamentals that we are missing here? From available experience and material, there seem to be three broad themes that will make or break our globalisation efforts: they can be summed up as engagement, standards and compliance. Let's consider each of these.

Engagement: I have seen any number of articles on how we need to build truly global brands to create an MNC. Certainly necessary but not sufficient. One chairman we worked with on an \$800 million cross-border acquisition insisted that only an Indian CEO would be able to understand what he wanted out of it. To be a global company, we need to first develop a truly multinational mindset.

Standards: Since the advent of total quality management in the early 90s in India, the notion of having a quality standard became *de rigour*. But the true spirit

Decades before ISO was born, JRD used to personally check the quality of the meals served on board an Air India flight

of what Demming and Baldrige taught us is yet to take root. Decades before ISO was known, JRD Tata used to personally check the quality of the meals served on board an Air India flight. His letters to the catering department, so well documented in Russi Lala's tomes, are now legend. How many Indian CEOs are that particular even in their domestic market?

Compliance: This is one area in which *jugaad* does not and should not work. Ask Ranbaxy or Rajat Gupta. Respecting each of your operating environments in letter and spirit is fundamental to being respected in that market. Being seen as a good corporate citizen is only a by-product.

I don't doubt we have what it takes to build products and services for the world. But it's time to think about world-class organisations as well. **BW**

The author is president and CKO, EQUITOR Value Advisory

AFTER HOURS

GADGETS, GIZMOS, APPS / HEALTH & FITNESS / BOOKS / AND OTHER FUN STUFF



AN EYE
FOR
ANTIQUES

Pg **134**

APPS THAT
ARE ALWAYS
HANDY

Pg **140**

GOOGLE
KNOWS YOU
BETTER

Pg **141**

T.R.
RAMACHANDRAN
REVIEWS *ALIGNING
STRATEGY AND
SALES*

Pg **148**

PHOTOGRAPH: SHUTTERSTOCK

THE COLLECTOR'S

EYE: A massive brass lamp is the latest addition to Lilly's collection; (below) a stucco courtesan that once adorned the parapet wall of a Chettinad home



INTO THE COLLECTOR'S

Lilly Vijayaraghavan, the 81-year-old matriarch of the TVS family, has been collecting decorative art objects for the last 40 years
By Smita Tripathi

DEN

THE FIRST THING that strikes you about 81-year old Lilly Vijayaraghavan is her zest for life. As she excitedly tells tales of the various antiques and artefacts collected by her over four decades, you can't help but marvel at her enthusiasm. "Art is in my genes. I can search for beautiful things even from rubbish heaps," says the matriarch of the TVS family.

T.V. Sundaram Iyengar, the founder of the TVS group, was her husband Vijayaraghavan's maternal grandfather. She credits her love for all things artistic and beautiful to her own grandfather, S.T. Srinivasagopalachari, a famous lawyer and collector of stone and bronze statues. While she has inherited some pieces from him, most of his collection was donated to museums including the National Museum in New Delhi.

As part of the Captivating Chennai tours organised by Taj Coromandel in association with Apparao Galleries to provide its guests an insight into some of Chennai's best kept secrets, I find myself one sunny afternoon at Lilly's house. Actually calling it a house would be a mistake. The structure houses more antiques and collectibles than many museums.

"My house is often referred to as a home museum," says Lilly as she points to a turtle at the base of a 12-foot-tall iron lamp that

adorns her garden. "The turtle is an avatar of Lord Vishnu. The lamp was used during ceremonies in temples," explains Lilly. Just beyond it is a massive brass lamp, Lilly's latest acquisition that she bought from a dealer in Kerala. "Lamps are my favourite. I have them in all sizes — big and small — bought mostly from Kerala and interior Tamil Nadu."

While her garden has a smattering of stone statues and metal lamps, too big to be accommodated inside her house, the house itself has a vast collection of sculptures, stuccos, wooden panels, kitchen vessels, Tanjore paintings, bronze and brass statues... the list is endless.

"I am particularly interested in objects of daily use, and *sringara*," she says, as I admire a metal spoon holder, given as part of a



HERITAGE DISPLAY: Stuccos such as these often adorned the parapet walls of old homes in the Chettinad region of Tamil Nadu

Chettiyar bride's trousseau. "These things were used as part of daily life and also during religious ceremonies. They were lovingly handed down over generations. It is only over the past few decades that valuable artefacts have been melted or simply thrown away."

Sringara (the art of adornment) as a concept is very close to Lilly's heart. There are shelves upon shelves displaying metal foot scrubbers adorned

with peacocks and swans, sculpted ivory combs, silver kajal holders, perfume bottles, back scratchers, scissors, attar containers and so much more. "Most of these *sringara* items I collected from North India. The women there were more beauty conscious while the women of South India were naturally beautiful," she chuckles.

Decorative art objects also find pride of place in her home. One of her favourite pieces is a stucco courtesan that once adorned the parapet wall of an old Chettinad home. "Homes in the Chettinad region were often decorated with stuccos of beautiful women, animals and other figures. Now that those homes are being demolished these stuccos either find their way to artefact dealers or are often left lying around in a pile of construction debris," says Lilly. As I take a closer look at the beautiful damsel, I can't help but admire the incredible workmanship that has gone into arranging her jewellery and hair. Through the lilt of her head



MYTHICAL WONDER: This wooden Kamdhenu is in almost perfect condition with traces of red vegetable dye still visible



DELECTABLE COLLECTIBLES: Lilly's collection of decorative art objects and antiques gives an insight into South Indian culture and heritage

and slight smile, the artist has made the stucco come alive. "This is part of our heritage, our culture and it is all getting destroyed," says Lilly remorsefully.

So did her husband share her passion for collecting? Not really. "He kept threatening to throw everything away. But if anyone ever admired the collection, he was quick to take credit," she reminisces fondly.

Her biggest supporter was her mother. "My father did not approve of me going alone searching for artefacts. So my mother accompanied me on most of my expeditions," smiles Lilly. Incidentally, her mother is 98 years old and still very sharp. As I enquire a bit more about South Indian culture,

Lilly takes it upon herself to educate me. She hands me something called a meditation mirror. Found mostly in Nambudri homes, the artefact doesn't actually have a looking glass. "It's not an actual mirror in the sense it does not throw back your reflection. But it is an aid to meditation. You close your eyes and reflect on your inner self to find answers," explains Lilly.

As I look around, my eyes fall upon a collection of metal breast plates. "They are used by Theyyam dancers," says Lilly. Theyyam is a ritual dance of north Kerala that incorporates dance, mime and music. Worship of Bhagwathi or the Mother Goddesses is an important part of Theyyam. The male dancers per-

form in full make up and costume including a breast plate in front of Bhagwathi's shrine. During the dance, they are supposed to metamorphose into the deity herself; therefore they wear female breast plates.

On the walls of Lilly's house, hang some of the most beautiful Tanjore and Mysore paintings. These are old pieces made using gold leaf, vegetable dyes and semi-precious stones. While Tanjore paintings continue to be popular today, they are made using gold leaf, poster colours and plastic stones. Moreover, since they are replicas of old paintings, the artists mostly trace the figures of the deities. Lilly has no patience for the new stuff. "Artists didn't trace

in olden days. They would face east, recite *shlokas* and then see the image in their dreams. Only then would they execute the painting. There was divinity in art," she says.

Lilly believes that most of her collectibles radiate a positive energy that engulfs her. "A large number of the things I surround myself with were used for religious ceremonies. I can feel the positive energy emitting from them." So is that what keeps her going, I ask. "That, and also my passion. My passion keeps me alive and active. I haven't stopped collecting," she smiles. **BW**

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Let The Bloating Melt Away

If you wake up with a puffy face, it's time to follow a few simple steps to go back to the lean you



By Rachna Chhachhi

MANY OF US WAKE UP during the summer months, feeling puffed up, bloated, fingers tight and experiencing high levels of fatigue despite a good night's sleep. If that's you, you're not alone. Men over 40 and women over 35 experience these symptoms during summer, and

sometimes shoes, rings, bangles become difficult to wear for them. This is often due to a combination of less water than required causing water retention in the body, and eating foods that don't agree with you in summer, resulting in puffy eyes and what many in the corporate circles call, a "whiskey face". It is caused due to internal inflammation where your body is trying to tell you to expel the toxins and often is a reaction to allergens in the food and air as well.

But worry not; follow these simple tricks and watch your lean face return, and the bloating melt away.

Use herbs: Carry a pouch/box of coriander and mint leaves to office. Pick a handful, put it in your green tea mug, add the green tea sachet and pour hot water. Add honey if you can. Coriander reduces water retention and mint pacifies the digestive tract, leading to expelling of toxins.

Drink water: Most people experience water retention because they don't drink enough water. In summer, sitting in an air conditioned office, we don't realise that we are parched. Drinking more water means more trips to the loo, and flushing out the water retained in the body. It lowers blood pressure too.

Restrict tea, coffee, soups: Yes, you read that right. We all know tea and coffee are diuretics and can dehydrate you, but having soup for dinner can bloat you too. Sticking to raw food for dinner flushes out toxins in the stomach better in the morning.

Drink red wine or vodka: If you must, don't drink the

brown drinks; they cause a bloated, puffy face. Many of my weight-loss patients have been taken aback by the amount of weight their face has lost just by switching drinks.

Pop a pill: Vitamin C reduces bloating and blood pressure and flushes out allergens from the body. So if you don't have any other health issues (except high blood pressure), take 1,000 mg vitamin C after dinner. By morning, it would have flushed out the allergens in your blood.

Practise breathing techniques: Anulom vilom calms the body and mind, while releasing stress and bloating. Learn from a yoga teacher or watch YouTube videos for the right technique before you begin. The recommended number of minutes to reduce bloating and allergies is 10 minutes, not a few or a few hundred counts. And you need to do this every day for best results. But the result is a leaner, more relaxed you, with glowing skin.

Now isn't that a good reason to start?

Question Of The Fortnight

Send in your questions to askrachnachhachhi@gmail.com

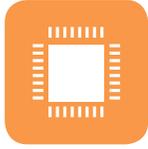
I entertain a lot at work and end up having late night drinks and dinners. This has made me put on weight and my sinuses also remain blocked. What should I do??

— Vikram Ranganekar, Mumbai

Dear Vikram,

You're obviously eating the wrong food. Even though it's late, you can wake up fresh. Avoid paneer, curd and brown drinks when going out. Stick to roasted peanuts and red wine along with cut salads and some fish. And when you get home, make sure you drink one litre of water before you sleep. This is the best way to wake up fresh, even if you're frequenting the bathroom two-three times at night. **BW**

The author is a certified nutritional therapist and WHO certified in nutrition. She is the writer of Restore, a book on how to fight diseases for working professionals. Order your copy from amazon.in



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SLIM AND ELEGANT

Gionee's Elife S7 is a well-designed phone and works super fast for light tasks **By Mala Bhargava**

WOULD A SMARTPHONE'S slimness weigh a lot in your decision to buy?

I believed too much was being made of thinness until I had a look at the Gionee Elife S7 Android phone.

This wafer of a phone is truly sleek and elegant, helped in looking so in no small measure by its double-steel rimmed sides. Two metal lines sandwich glass on both

sides making the device look tall and pretty. I got the black version and decided it probably looked a whole lot nicer than white or any other colour.

The S7 may be slim (only 5.5mm thin) but it still doesn't feel flimsy. Fragile perhaps, but not flimsy. It has a premium build and looks all glossy the way so many Sony phones do, except for the fact that it immediately shows up fingerprints. Safer to use the case

thoughtfully provided in the box and also reduce the chances of the phone sliding smoothly out of your hand.

It's otherwise supposed to be made of pretty tough metal on the sides and feels good when you hold it because it's ever so slightly rounded. At the same time, the buttons all on the right edge, stick out just enough to be easy to find — important on a slim phone.

Two SIM slots, and the charging slot are all exceptionally neatly lined at the bottom of the phone. Amazingly, the 3.5mm jack also fits there as do the mic and speaker. This device can't be opened up and is really neat and well crafted.

The screen on this device is quite a pleasure. It's bright and reproduces colours very well. But then that may be my weakness for SUPER AMOLED screens. It's vivid and crisp and has a nice trick up its sleeve. It uses Chameleon, an app that lets you point the phone at something and pick up a mix of three colours as the theme for the device.

In its brand new state, the S7 runs really fluidly. Navigating across screens and between different sections on the phone is especially smooth. Gionee has its own interface and like many Chinese takes on Android, does away with the separate app drawer. Apps are all in rows on the home screens. Then they add

a few features here and there for differentiation.

These interfaces are losing their distinctiveness today, especially as you can use launchers and apps to get those features. But the Amigo 3.0 interface on this device is at least light and does nothing to interfere with smooth functioning though it has a few oddities such as having to swipe from down to up to see settings and other buttons.

Gionee has gone and put way too many little apps on this device. The company is actually very focused on smaller cities and towns and probably likes to give pre-loaded apps to a segment less aware about what's out on the Play Store.

The cameras on the S7 are not low-light specialists, but perform fast and well in proper daylight. The camera app is full of controls and features such as focusing on an object to blur the rest out, HDR, Panorama and a Professional mode so you can adjust basic parameters.

The Gionee S7 is priced at Rs 24,999. There's no image stabilisation, as is to be expected for a device of this price. There are tonnes of options today, especially from Xiaomi that throws in a game changer every couple of months with devices that offer both design and specs for a low price. But look at the S7 for its elegance and smoothness. **BW**

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CHECK OUT

Rs
3,499

CREATIVE ULTRA LIGHT SOUNDBLASTER JAM

It's nice to know there are affordable Bluetooth headphones coming out with some good sound to them.

The new Creative Ultra Light SoundBlaster

Jam didn't look particularly impressive when I first ripped it out of its box. Neat enough, tough enough, but nothing in the looks department otherwise. A standard grey-black hard synthetic material with nothing fancy going on. The only accent and splash of colour happens to be its charging cable — a nice thick sturdy red wire with micro USB on one end and regular USB on the other. You plug it into a phone charger you may have handy, and then untether. It can also connect to a PC or Mac with that cable. But there's nothing else in the box by way of a direct cable or adaptor. This is barebones.

I expected the sound to be equally barebones but was surprised. It's good rich sound and balanced with nothing sticking out like a sore thumb. The base (and that has a separate little button for boosting) was clean and not thumping or like a slap on the ear as is common with lower-end headphones. The treble doesn't pierce through but sounds reined-in. It doesn't sound like it could damage your eardrums and there are no distortions. You get warning beeps if you try to increase the volume beyond a point.

The controls for volume, pairing via Bluetooth (though it does have NFC as well), and the base booster are all on the right earcup of these over-the-ear phones. They're comfortable and yet strongly fitted. I've had several high-end headphones fall right off when I look down.

Some of the strong points, beyond pretty good sound, are 12-hour battery life, good comfort, and a great price of Rs 3,499 on Amazon, FlipKart and Snapdeal.

INSTANT ACTION

Combine shopping with messaging and pull out little nuggets of information about your contacts with our selection of apps

By Mala Bhargava



YOU CAN FORGET IT



ARE YOU ONE of those people who often draws a blank when you meet someone and find you can't remember a whole lot of things about that person? Well, here's an app to help pull out what you should have remembered but didn't. But you'll have to be prepared to be disciplined with recording information.

InstantRecall on Android (not to be confused with iInstant Recall on the App Store) picks up all the contacts on your phone and

has a place for you to organise all sorts of information about a person. It doesn't replace or interfere with your native contacts application.

So, when you get a phone call, a pop-up will ask if you want to record a note. You also have a widget which you can keep handy on a home screen, if you're a strong networker and meet lots of people, and you can just tap to add information either by voice or keying in text.

Everything from what the person's achievements are, to where he went for a holiday, who's in the family, to what he wants to discuss can be put in. Then there's connections to the main social networks. You can call up the information before you meet the person again and be quite impressively up-to-date.

InstantRecall is particularly meant to be helpful to those in marketing, PR, and sales or communications departments allowing them to cement business relationships by keeping relevant information right at hand. While it may be too much work for personal contacts, one can immediately see that it would be really helpful for business contacts. InstantRecall is free and has a bunch of tutorials and power tips on the developer's website for users to make the most of what they can do with the app.

LOOKUP WHAT YOU NEED

IT'S A GREAT idea, but how well it works depends on businesses, appropriate use by customers, and what's available in a location. Lookup, free on Android, is an app that tries to put messaging and local shopping together. You need something — you search for it, and when results come up, you click on a seller and message him your queries. Lookup is only available for



Bangalore and Mumbai right now but may move into other locations. I did find some Delhi entries. The app

aims to get users prices, deliveries, restaurant bookings and even access to hospital and appointments with doctors. It probably won't be long though before Google and Facebook extend their services, making any other attempt redundant. Facebook is about to use WhatsApp to link customers and businesses, and Google is throwing up recommendations on searches.

What Google Wants, Google Knows

There's an ever-helpful but overly-powerful feature coming up in the next version of Android



By Mala Bhargava

HAVE ABOUT 350 APPS ON MY PRIMARY PHONE. The first question anyone asks me if they hear this is: do you really use all of them? The answer is yes, I do. Not all of them all the time, but I like the lot to be around for when I do decide to use them.

Today, whether you're booking a flight, calling a cab, ordering some food, buying a dress or listening to music, or even getting your house cleaned — it's all done from within an app. I find I get my news these days by using news aggregator apps like Nuzzel or Flipboard or Pulse.

Pick my interest areas, keep giving feedback by voting up stories I wanted to read and then let the app "learn" what I want to know about in future. Gone are the days when I would start out at news.google.com.

Google is not about to take that sort of thing lying down and this was more evident than ever when it showed the world a glimpse of the biggest change coming up in the next version of Android. "Google Now on Tap" is an ever-helpful but also over-powerful feature that shows you just how much Google knows.

When we've all been duly Lollipopped and moved on to Android M, sometime later this year, Google Now, which already picks up information from your Gmail, searches, calendar and task list, will be able to delve right into the apps you use and second-guess what information you want. All you have to do is tap the Home button on your phone or tablet to get it. You won't need to leave the screen or app you're in at the time. You could also go the lazy voice route and just 'OK Google' to ask. App developers will have to do nothing much to enable this: it's a Google thing, because Google now understands what's on your screen even if it's a picture. Put that together with the fact that it also knows who you are, where you are, and what's around you, and you have a powerful contextual combo. Put that together with the fact that Google can "suggest" what you should do, and

you have something frightening, even though most of the time it could be helpful.

Say you're looking at a picture of the Pyramids of Giza on Instagram. Or reading a message with a plan to meet up for dinner. Press the Home button to immediately know the height of the Pyramids or get instant recommendations on which restaurants to check out for dinner. You can go ahead and use highly contextual natural language like saying "How high are they?" for the Pyramids. Or perhaps "Where should we eat?" for the dinner invite. The constant machine learning of all your activities and preferences will make every such answer increasingly relevant.

The same learning will obviously power regular Google

"Google Now on Tap" is an over-powerful feature that shows you just how much Google knows. It is able to delve into the apps you use and second-guess what information you want

Now suggestions, including on wearables and on the web. You won't even have to ask. So pretty soon, Google could bypass apps and be the one universe to guide you through decisions through the day every day.

Of course, many a time, it will all go wrong as something or the other happens not to be working. Perhaps your location is off or wrongly picked up, your voice isn't heard properly or an image hasn't been correctly identified and you're getting incorrect information. But that's the price we're going to have to pay for using a technology early in its lifetime, even as it's learning, and wanting more and more convenience as Google's Knowledge Graph gets more and more detailed. **BW**

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For other columns by Mala Bhargava, visit www.businessworld.in

For the Big Screen



VIPIN SAWHNEY
Country Manager, Silicon Image

Mobile High-Definition Link (MHL) enables you to hook up a mobile phone to a large display, say an LED TV, via a simple adapter. Sounds fun, but in a world where technology is going wireless and where media streaming can be done without tangling into cables, why would one use MHL? Vipin Sawhney, Country Manager, Silicon Image, explains to KUNAL KHULLAR why MHL provides the best user experience.

Do you see a rise in the adoption of MHL ever since the technology first arrived?

When MHL released its first specification in 2011, it started with a simple idea of connecting a phone to a TV. Since then, MHL's product ecosystem has grown to more than 750 million products and the use cases continue to expand. Consumers want more out of their smartphones — taking them beyond communication devices and trans-

forming them into gaming consoles, powerful PCs and entertainment systems. The ability to connect a smartphone or tablet to the big screen to display photos and videos, play games or use productivity applications is a compelling value proposition.

In India, specifically, many of the leading mobile phones are MHL-enabled, including the Galaxy S5, the entire Xperia line, and the recently announced HTC One M9+. In addition,

leading TV brands such as Samsung, Sony, Toshiba and LG have MHL technology inside.

What are the ways in which you can use MHL?

- Play — Watch HD and 4K videos and photos from your phone on a TV. Stop, rewind, pause and play the content using the TV's remote control.
- Gaming — Pair a game controller to your MHL smartphone or tablet to play mobile games on a TV or monitor with no lag.
- Work — Turn your mobile device into a PC by connecting to a very low-cost, laptop-like peripheral and work from anywhere.
- Connected Car — Connect your phone to an infotainment unit to access GPS, music and other apps.
- USB Type-C — Connect tomorrow's phones with

USB Type-C to today's ecosystem of MHL TVs, monitors, AVRs and more.

Are there any major brands/organisations that rely on MHL for everyday productivity?

MHL is ideal for a number of productivity use cases. Dock a smartphone or tablet and then connect a keyboard, mouse and monitor to transform it into a powerful PC. Connect a mobile device to a laptop shell but have all of the processing power come from the device itself. With MHL, you can write emails, browse the Web and create presentations at any time, from any location. The possibilities are endless. MHL's productivity play is also stronger through its support of USB Type-C, which is ideal for laptops, monitors and docks.

“MHL IS FOCUSED ON BEING WIRED BECAUSE WHEN CONNECTED THE SINK WILL POWER THE SOURCE DEVICE”

To support this productivity vision, MHL is working with companies such as Andromium. While MHL is technology that allows you to connect your smartphone to a TV, monitor or smartbook, Andromium is a custom OS that is specially designed to provide a keyboard/mouse optimised, multi-window/multitasking desktop environment that will help users unlock the true power of their smartphone.

Why should anyone use MHL when there are wireless options like screen casting and mirroring?

Wireless is convenient, but you're losing charge the entire time. MHL is focused on being wired because when connected the sink will power the source device. A wired connection also provides the best user experience—there are no compromises in video quality and no lag.

MHL does co-exist with other wireless technologies such as WirelessHD as we believe there are certain applications that are more suitable for a wired connection, while other applications may call for a wireless connection. A good example of this is wired Ethernet vs. wireless on PCs.

What do you think will be the future of MHL and what kind of innovative applications can we look forward to?

Nokia, Samsung, Silicon

“WITH MHL, YOU CAN WRITE EMAILS, BROWSE THE WEB AND CREATE PRESENTATIONS AT ANY TIME, FROM ANY LOCATION. THE POSSIBILITIES ARE ENDLESS”



Image (a Lattice Semiconductor Company), Sony, and Toshiba are promoters of the MHL Consortium and leaders in the mobile and CE space. The goal of each released specification is to deliver a set of innovative features that enable companies to stay ahead of the industry curve and forecast the needs of consumers. The MHL Consortium has adopters that create a large and diverse product ecosystem that includes smartphones,

tablets, TVs, monitors, automobile infotainment systems, AVRs, Blu-ray disc players, set-top boxes (STBs) and more.

At CES 2015, the MHL Consortium announced superMHL, its latest technology specification. For mobile, it delivers higher resolution, faster frame rates, support for the USB Type-C connector and 40W of power charging, while expanding capabilities for tomorrow's living room through 8K video

at 120 frames per second, a consumer friendly superMHL connector and picture enhancement features. Consumers will be able to connect their mobile devices, set-top boxes, Blu-ray disc players, AVRs, streaming media sticks and other source devices to TVs and monitors. It will be exciting to see the different type of superMHL products that will be released down the road. **BW**

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PEOPLE POWER

How talent management and people focus helped NTPC's growth



▸ D.V. KAPUR

THE SUCCESS OF ANY BUSINESS ENTERPRISE has a lot to do with the quality of its people, because it is man, and not money, material or machines, who has the ability to think, plan and execute. At the same time, human beings are also difficult to be inspired, controlled and motivated. NTPC was, therefore, single-mindedly focused on people and development of human resources right from its inception.

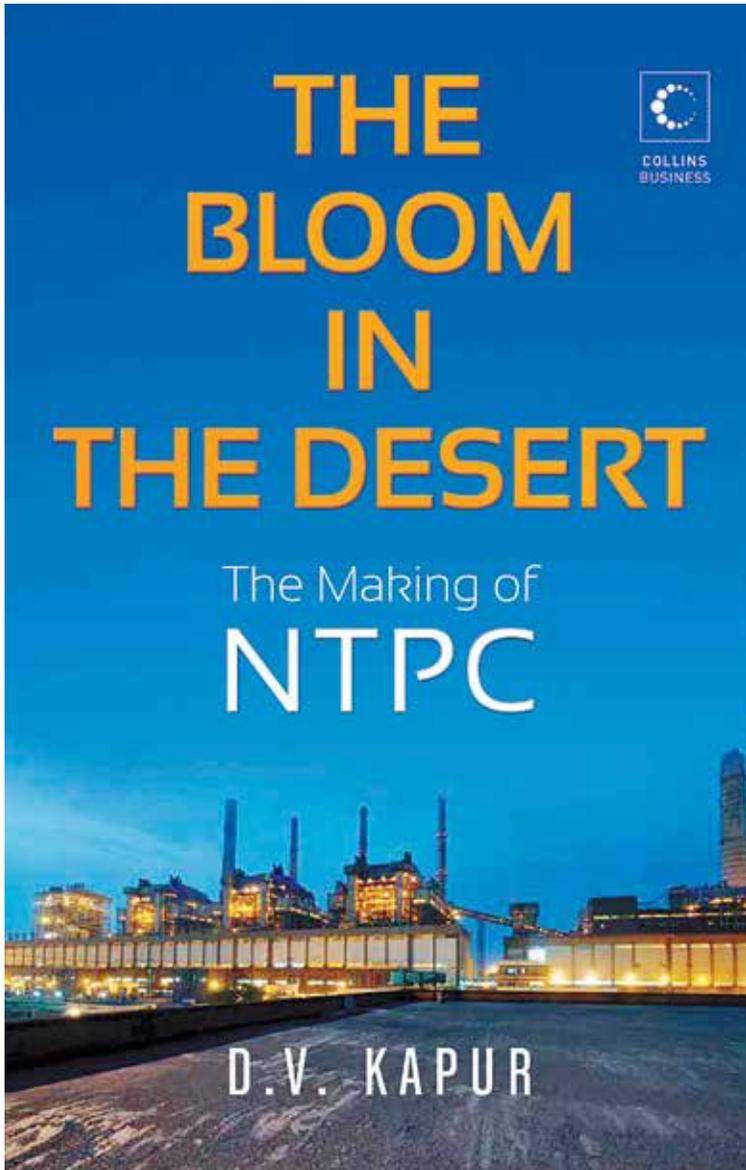
For an organisation destined to be the largest power utility in the country, NTPC's manpower requirements were also very large at the managerial, supervisory and skilled workers levels.

On conservative estimates, it was believed that nearly 19,000 people, including more than 3,000 executives, would be needed over time for the corporate office, construction and operation of the four super thermal power projects as well as planning for future projects.

When approving the approach paper on organisation design, the board had

also authorised me to recruit suitable personnel at all the levels whether by direct recruitment or on deputation from other public sector enterprises so as to ensure that competent technical and non-technical personnel were in position well in time for the start of construction and other operations.

Realising the necessity of setting up a core team of experienced people, who could come on board quickly to start corporate functions and other project activities, I started, within days of my taking over, looking out for highly talented individuals and getting in touch with them through personal contacts. Around twenty such persons specialising in various disciplines had either come on board or been identified by the end of 1976. NTPC poached them from the CEA, the SEBs, BHEL and other public sector undertakings like Engineers India as well as private organizations like Development Consultant Ltd and Dessein Ltd. I lost no opportunity to find out and woo people into NTPC. I found that the Maharashtra SEB had hired young



**THE BLOOM IN THE
DESERT: The Making of NTPC**

D.V. Kapur

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296 pages; Rs 550

engineers from the Indian institutes of technology on the promise of faster promotions.

However, it could not keep them happy and I quietly picked up two of them for NTPC. The director of the Indian Institute of Management, Ahmedabad, suggested one young man's name and I snapped him up after an interview. None of these people gave NTPC a chance to regret having chosen them; they all played stellar roles in the building of the organisation.

Meanwhile, an intensive recruitment drive for executive positions was

launched in mid-1976 through advertisements in newspapers across the country. The two-page advertisements also served as a medium to educate professionals as well as the public about NTPC and its future growth potential. The initial advertisements did not mention the number of vacancies or stipulate the length of experience required from applicants. There was a sound logic behind this. We wanted to develop a shelf of good people, since we needed to man different echelons of the organisation. Talented people who

did not have the required years of experience would not have responded to the advertisements. During the interviews, we would spot talents in different people, even if they did not have the appropriate experience, and keep them on our radar even if we did not offer them a job immediately. Applicants could indicate their preference for any function at the corporate headquarters or the four project sites. What they would ultimately get, as well as the grade and emoluments, was decided after an interview. NTPC was perhaps

one of the first organisations where the job description for each slot was formulated before recruitment. This job description was based on an organigram and was shared with each member of the interview panel. There was an overwhelming response to the first advertisement. In the first round of interviews, fifty executives with varying lengths of experience in different disciplines were selected. The number increased gradually and over the next three years, 355 executives joined NTPC. The interviews were conducted by an executive selection board which had been set up in order to give credibility to the selection of executives and to insulate the organisation from any external pressure. It was headed by D.C. Bajjal, my former boss in BHEL, who was well-known for his integrity and principled nature.

Under his chairmanship, the executive selection board established high standards of fairness and went solely by the inherent managerial qualities NTPC expected in its executives. Once I came under immense pressure from one minister in the Janata Party government to appoint his nephew, who I knew was not suitable. I did not have the courage to tell Bajjal. So Bami mentioned it to him. Bajjal said we were free to call the man for the interview but he would absent himself that day. Bajjal proved a wonderful shield for us in such cases.

While recruiting general managers for the four projects or in any corporate function, the board of directors decided that the selection would be done by an interview panel consisting of the chairman and managing director, two whole-time directors and at least two non-executive directors of NTPC. Here too there were several attempts to put pressure on us. Once in 1980, someone from Indira Gandhi's office had called while interviews for general managers were on. When I returned the call after the interviews were over,

this person asked that one particular person be appointed. 'Madam has said,' he mentioned. But the interview panel had rejected this person. I had to think on my feet. I said, in Punjabi, putting on an apologetic tone, 'You've left it till it's a bit late, I'm in an embarrassing position.' He wanted to know why. I said we followed a system whereby as soon as the interviews are over, the minutes are written and all the members sign it. 'The minutes have been signed and this

would be steeped in a culture that the organisation was determined not to replicate.

This was brought home to us in a very funny way. One of those who responded to the advertisements for executives was an assistant engineer from the Andhra Pradesh SEB. He was in charge of power distribution in the place where he was posted and thus in a position to dispense favours. He wrote in his application that he would expect



person is not on the list. How do I manage?' I don't know if he believed me, but he said I shouldn't worry and that he would speak to Madam.

In getting people from other public sector undertakings and SEBs, there was always the danger that NTPC would have to grapple with mindset issues, since many of them

a salary of Rs 1 lakh because though his current salary was only Rs 10,000 a month, his wife and children would get things for free, or at heavily discounted rates, when they went shopping. Since this would not be possible in the NTPC job, he wanted the organisation to compensate him.

Another person insisted on an

assistant to attend to his phone calls. To get over this cultural problem, we organised orientation courses for all executives recruited through advertisements every few months. These were complemented with intensive training lasting between ten and twelve weeks in technological and management functions. NTPC also had to recruit executives for the future. So, an important parallel exercise was started to induct graduate



Talent Pool

The emphasis on training in NTPC was perhaps unprecedented in the public sector, writes Kapur

engineers from the country's premier technical institutions at junior levels. The advertisement for this also got a huge response, in tens of thousands. A team led by Suman Babbar, who had been recruited through the talent hunt and proved invaluable in many ways, took a month and a half to sift through these applications. A rigorous selection

process was put in place. Applicants were short-listed through an all India written test and then interviewed by the executive selection board. This format was later extended to trainees for executive positions in the finance and HRD departments.

For first time in the history of Indian recruitment, NTPC introduced psychometric tests in selecting executive trainees. Psychometric tests involve group discussions and a role playing with psychologists observing how people respond and behave. This was, like several other personnel and HR initiatives, Hazarika's brainwave. He had met someone from the Mumbai based National Institute of Bank Management, who had said the institute was planning to introduce this. Such an exercise was particularly useful for us, since work at NTPC would involve postings in far-flung, isolated areas where the projects were located, living in small communities and working under pressure.

I immediately okayed the idea. Hazarika then contacted the Indian Institute of Psychometry in Kolkata, a part of Indian Statistical Institute, which agreed to conduct the tests for NTPC. It was because of this rigour in the selection process that NTPC got the brightest talent from across the country.

Thirty-five executive engineer trainees were recruited in the first batch in 1976-77 and another 266 over the next three years.

The steady and efficient growth of NTPC as a world-class utility would not have been possible without contributions made by these trainees. Many of them have risen to top leadership positions not only in NTPC but in other public sector units (PSUs), leading power utilities and companies in different sectors. Over the years, the executive engineer trainee programme of NTPC has been the engineering counterpart of the annual recruitment programmes of Hindustan Lever

Ltd (now Hindustan Unilever Ltd), which has been the training ground for marketing and finance professionals. Alok Roy, an executive trainee of the 1978 batch, presently chief executive of a large power company, describes his career growth published in a power magazine rather poetically—'He is what he is today because NTPC served as nursery for him, as it has been for thousands of others. The work culture was like a creeper taking you closer to the sun so that you can flower.'

Though the engineer executive trainee programme provided the bulk of the executive cadre, this was by no means the only route to induct talent into the organisation. The practice of getting managerial talent laterally, through direct recruitment, was not given up after the initial induction through talent hunts, but continued even after the organisation had grown. But there is a tendency in many organisations where both forms of recruitment exist for the cadre-based inductees considering themselves a cut above other recruits. A prime example is the government of India where those recruited through the central services competitive examinations (Indian Administrative Service, Indian Foreign Service, Indian Police Service and so on) get an edge in postings and promotions. At NTPC, we consciously worked to avoid this kind of 'caste system'. Once engineer executive trainees completed their training programme, they were treated on a par with other people in the organisation; only their performance and seniority mattered, not the route through which they were inducted.

The emphasis on training in NTPC was perhaps unprecedented in the public sector, with several in-house management development and training programmes being organised for different categories of employees. **BW**

*With permission from
HarperCollins India*

LEAD
REVIEW

INTEGRATE, IMPROVE

ALIGNING STRATEGY AND SALES, HARVARD Business School professor Frank Cespedes emphasises the critical role played by the sales team in contributing to the growth and success of any organisation. In the book, he asks business leaders to deliberate on whether their highly productive and profitable sales department is aligned with the strategy of the company or whether the organisation's roadmap has been articulated to the ground team in a manner in which it can connect and implement their actions?

The author writes: "...You must integrate three factors internal to the sales organisation — the people involved, the control systems that influence their behaviours, and how those controls are applied in the sales force and company environment — with factors external to the sales organisation: your business strategy and the target market/customer characteristics that flow from those strategic choices... When there is coherent integration among these factors, sales results and strategy formulation improve."

Along with linking strategy to sales, Cespedes

ALIGNING STRATEGY AND SALES: The Choices, Systems and Behaviors That Drive Effective Selling

Frank V. Cespedes
HARVARD BUSINESS REVIEW
PRESS 313 pages; Rs 1,250



BY T.R. RAMACHANDRAN

Aligning Strategy and Sales helps create a connect between a well thought out strategy and a highly executable selling performance for an organisation to prosper

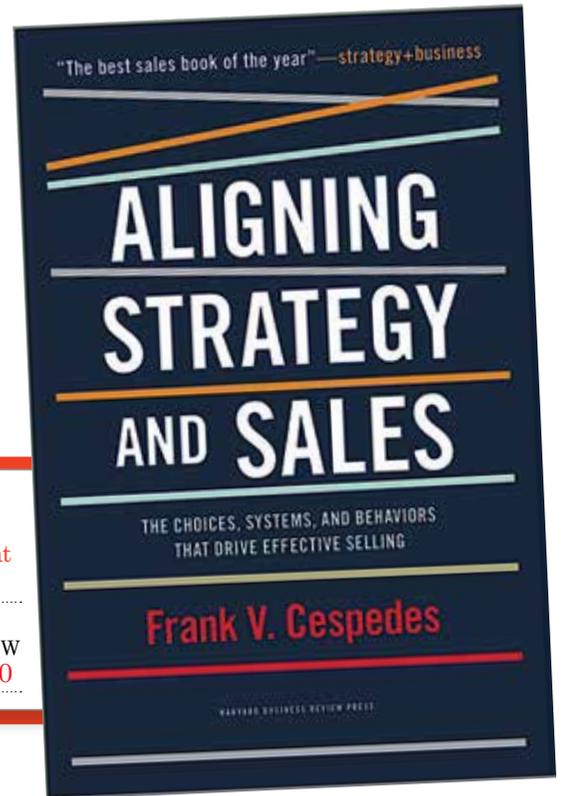
also stresses on creating strong interdependencies and collaborating with other departments. He goes on to stress that the sales force has to be well integrated with HR, Finance and other sections. The size of the company may vary but the dependencies and their paramount contribution to prosperity remains the same. People are the fulcrum of any business. Therefore, it becomes

imperative to hire and retain employees who understand the company's culture. The book underlines the importance of recruitment, mentoring, training and performance management of sales people, along with the need for developing a well-defined compensation system to keep them motivated.

I endorse what Cespedes has conveyed in his writings; in my 24 years of professional life, I have

tried to imbibe practical knowledge and learn from day-to-day, on-the-ground experiences. Building teams and removing barriers, as well as cross functional interaction and engagement have been my success mantra. 'Keeping it simple' is a rule that can be understood and reciprocated by everybody in an organisation — everybody has to support one another to create an effectual working system.

A strategy that is not completely bought or fully understood by all will remain good only on paper. For any strategy to see the light of the day, it needs to be emphasised and mutually agreed upon. These efforts help us to move in one direction, and optimise and prevent variance. The biggest mistake business leaders can make is to embark on a strategy without considering the realities



that people charged with executing that strategy face.

Hence, it is imperative to develop and articulate a strategy in ways that people in the field can understand and motivate themselves to drive sales numbers. It is also extremely crucial for business leaders to step out of boardrooms and directly interact with their clients and customers. Without a proper alignment in place, leaders will continue to swing between these two anomalies — driving bet-

ter execution when they need a better strategy, or altering the strategic direction (involving considerable investment and time) when they should focus on the basics of sales execution.

Confusing purpose with strategy is wrong, as strategy is not the same as values. For instance, for P&G's CEO Bob McDonald, the 'purpose' of the company was to 'touch and improve the lives of more consumers, in more parts of the world, more completely.' In the absence of results,

he abandoned that rhetoric when he cut jobs and made core strategic decisions. Purpose is not strategy. The core values of Apple made it the most valuable company by 2014. "We believe that we are on the face of the earth to make great products... We constantly focus on innovation... We don't settle for anything less than excellence..." On the other side, there are the espoused values of Enron, Lehman and Bear Stearns. Values are real in action but it is the strategy that provides the direction

about the 'where', 'how' and 'when'. In fact, an effective strategy aligned with sales is more like the Appalachian Trail.

Cespedes's book provides a good lesson for creating a connect between a well-thought out strategy and a highly executable selling performance so as to make organisations prosper and become happy workplaces. **BW**

↳ Ramachandran is Group Country Manager, India & South Asia, Visa

STARTUP HOT SPOTS

IT GIVES ME IMMENSE HOPE AND OPTIMISM WHEN I LOOK AT THE

current environment in India where a lot of professionals are setting up their own ventures. Thanks to the robust ecosystem that has come up in the last decade. This ecosystem is assisting people in raising initial capital, finding mentors, service providers to take care of support activities and mindset of industries and people to appreciate and participate with new ventures.

When I ventured into real estate, a question I often heard was: "Are you sure you want to get into a tough man's world of real estate development?" After taking into account the opportunities and our structure and approach, the reaction changed to "We will participate with you." It is this positivity and support that is giv-

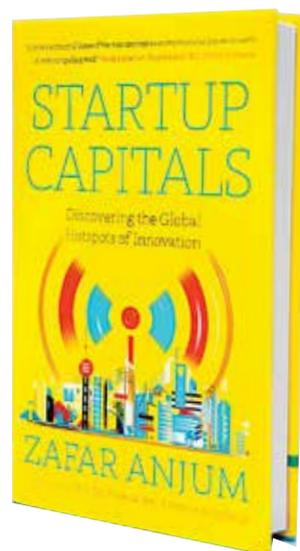
ing wings to people like us to take off.

In *Startup Capitals* (Random House), Zafar Anjum evaluates top ten startup hot spots across the world. The book meticulously sets up the context in terms of growing stages of companies, the role of various players in each stage, the important role of innovation and technology and the most important cog of this wheel — the venture



↳ BY PRABHAT RANJAN

capital, their role and evolution. The book dwells on the evolution of each city with the factors that contributed in the development of the ecosystem and the type of companies that are shaping up in that city. In India, cities such as Bangalore, Gurgaon and Mumbai are attracting startups because of the buzz, the charged up environment, and abundance of people chasing their dreams.



The book peeps into the history, culture and trend of evolution of startup hubs. Journey across various cities also reflects that there is a common thread across these cities and they are able to attract people from across the world because of their ecosystem. This also poses the question: if one Silicon Valley can bring about so much progress, then what would happen if all the major cities realised their true potential? **BW**

↳ Ranjan is CMD, Olympeo Infrastructure

STRIVE FOR MORE

BY SURESHRAJAGOPAL

RASHMI BANSAL IS AN ALUMNI OF IIM AHMEDABAD AND SHE has written several best-selling books such as *Stay Hungry Stay Foolish*, *Connect the Dots*, *I have a Dream*, among others, on budding entrepreneurs. Bansal's recent work *Arise Awake* is a story of ten young entrepreneurs who started a business while studying in college or right after graduation. They chose to stay out of lucrative placements to pursue their passions and dreams. Many of them stumbled and fell but had the courage to dust themselves and start all over again. They started with their own or borrowed funds, their hostel rooms or homes doubling up as offices till they reached a stage where they could afford employees and reach ultimate nirvana — funding from venture capitalists. Some are still struggling on the path but refuse to give up or take up regular employment.

For example, Prabhkiran Singh and Siddharth Munoth started

selling flavoured *lassi* just outside the main gate of IIT Bombay while studying there. The venture failed but they now run a Rs 5-crore youth-focused online business brand, Bewakoof.

Aruj Garg, while still a student at the National Law School, Bangalore, started a takeaway food outlet to cater to the needs of students on the campus, after cajoling the school authorities into granting permission. Today, the Bhukkad brand of natural fast food is expanding rapidly.

Eshwar Vikas and Sudeep Sabat struggled for several years to create an automatic *dosa* machine. Today,

their Dosamatic *dosa* machine has secured orders from 100 restaurant owners. The young entrepreneurs want to replicate their success by producing *dosa* machines for homes.

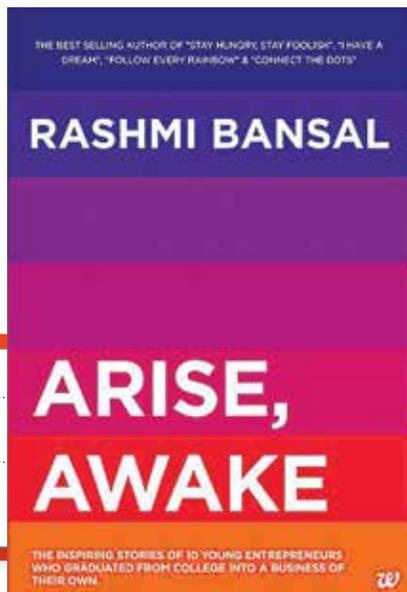
The book is not intended to be a management guide giving great analysis or insights. Bansal successfully gives us a peek into the lives and thought processes of entrepreneurs who have been covered. Quotes in Hinglish, Hindi and even Marathi are used in the book to give it a college writing style. [BW](#)

Rajagopal is CEO, Consumege Wealth Managers

ARISE, AWAKE

Rashmi Bansal
WESTLAND

Pages 224;
Pages: Rs 200



BOOKMARK

NEW ARRIVALS

OFF THE JACKET

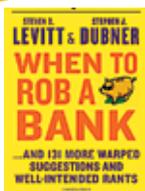


SACHIN KHANDELWAL
CEO, Magma Housing Finance

Recent reads: *Leadership on the Line* by Ronal Heifetz and Martin Linsky

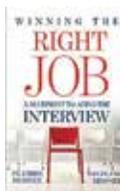
I recommend: *Positioning* by Al Ries and Jack Trout, *Goldman Sachs: A Culture of Success* by Lisa Endlich

On my shelf: Books on brands, marketing and strategy



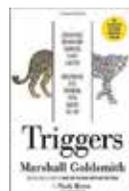
WHEN TO ROB A BANK
STEVEN D. LEVITT & STEPHEN J. DUBNER
(Random House) Rs 625

The successful duo who answer quirky questions return with their best of whats and whys



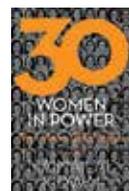
WINNING THE RIGHT JOB
WOLFGANG MESSNER & PRATIBHA MESSNER
(PanMacmillan) Rs 250

Insights on how to tackle tricky job interviews and how to judge if the job is right for you



TRIGGERS
MARSHALL GOLDSMITH
(Hachette) Rs 399

An executive coach on what affects our behaviour, both positively and negatively



30 WOMEN IN POWER
Ed. by NAINA LAL KIDWAI
(Rupa Publications) Rs 400

Top Indian women achievers talk about their dreams, successes and influences



It's A Start!

The Indian team may have never qualified for Fifa World Cup, but an Indian might just for the top position in Fifa. Indian American **SUNIL GULATI** is said to be among the candidates in the mix to succeed Fifa president Sepp Blatter, who stepped down after several Fifa officials were indicted for corruption by US law enforcement authorities. Allahabad-born 55-year-old Gulati is currently serving a third term as president of the US Soccer Federation.

A BEAUTIFUL MIND RESTS FOREVER

JOHN NASH JR., the schizotypic genius mathematician, who won the Nobel Prize in Economics in 1994, died in a car crash in New Jersey. His wife also died in the same accident. Nash, whose struggle with his illness was documented in the 2001 movie *A Beautiful Mind*, worked with Princeton University for many years, and served as a senior research mathematician.



In The Wrong List

Industrialist **YASH BIRLA** is among the seven Indians with Swiss bank accounts whose names have been made public by the Swiss government in relation to an information request from the Indian tax authorities. His business group has, however, said that he has "no individual bank account in his name or under his control". The group also said this position has already been communicated to the tax authorities in Mumbai.



The Road To Perdition

The creator of the infamous 'The Silk Route', **ROSS ULBRICHT**, a 31-year old native of Texas, has been sentenced to life imprisonment without the possibility of parole. 'The Silk Route' was an underground marketplace for illegal drug sale of drugs like heroin, marijuana and ecstasy, purchase of firearms and bogus identification. But Ulbricht is not one to go down without a fight. His defence attorneys have appealed against the verdict.

BOOK OF CONTROVERSY

Trai chairman **PRA-DIP BAIJAL** in his latest self-published book has revealed that former Prime Minister Manmohan Singh could not overrule the aspirations and decisions of the then telecom minister Dayanidhi Maran, and that he was even hounded by the UPA regime. Baijal also revealed that Manmohan Singh was aware of all the happenings.

Sum And Substance

Chairman of India's largest public sector lender State Bank of India, **ARUNDHATI BHATTACHARYA** has made it to the Forbes' 100 'Most Powerful Women' list. She has been ranked 30th, the highest among Indian women in the list. Bhattacharya, who took charge as the chairman of the bank in 2013, oversees 2,20,000 staff members in 16,000 branches.

TWIN TOWERS

Identical twins **GEORGE KURIAN** and **THOMAS KURIAN** have scripted remarkably identical journeys on the road to high success. While George has been appointed CEO of the \$6-billion, US-based computer storage and data management company NetApp, Thomas is the president of multinational computer technology corporation Oracle.



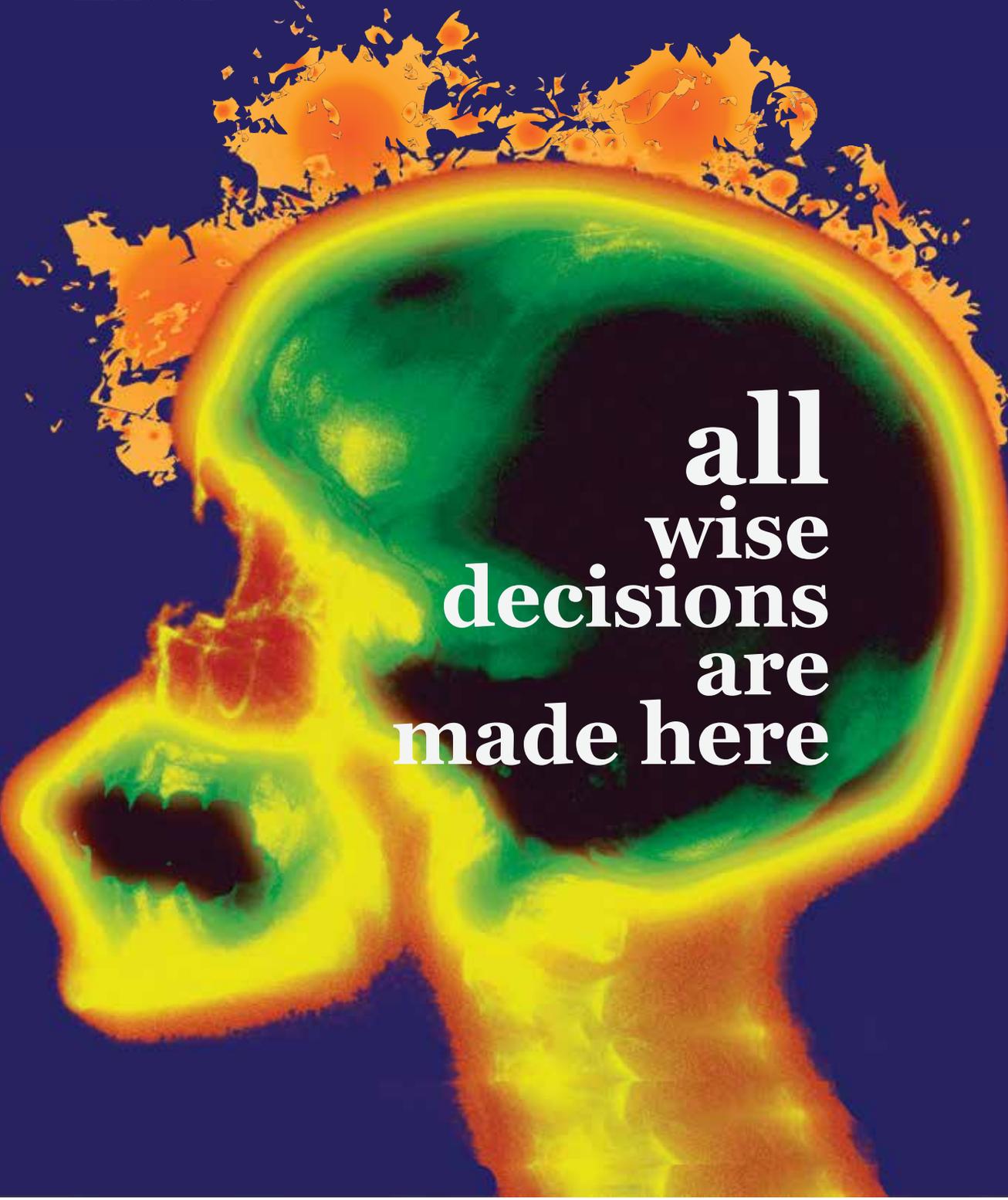
THE CORONATION

YADUVEER KRISHNADATTA CHAMARAJA WADIYAR, the 23-year-old scion of the royal family of Mysuru, was crowned the 27th maharaja of Mysuru in a symbolic grand ceremony at Amba Vilas Palace. Wadiyar completed his schooling from Bengaluru and graduated in Economics and English from Massachusetts, Boston.



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THE LAST PAGE

BEYOND THE BUZZ

There is a lot of talk about India's impressive rate of growth and its growing geopolitical influence. While all that may be true, the country has a great deal of catching up to do with its peers in Asia-Pac on several parameters...

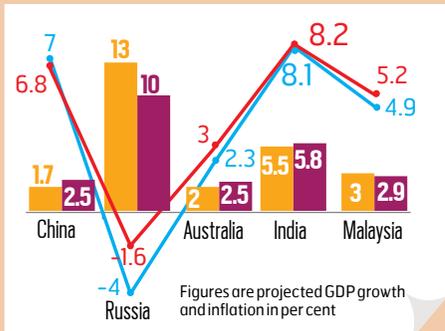
Compiled by Joe C. Mathew; Graphic by Prashant Chaudhary



The Boast Factor

India is projected to grow the fastest in Asia-Pacific region

- GDP growth 2015
- GDP growth 2016
- Inflation 2015
- Inflation 2016



Top 5 countries better than India*

- Thailand
- Bhutan
- Russia
- China
- Malaysia



Top 5 countries worse than India**

- Singapore
- Pakistan
- Bangladesh
- Myanmar
- Afghanistan

*spend less out-of-pocket than India

**spend more out-of-pocket than India



Unhealthy Record

Indians have to spend a lot from their pocket on healthcare due to poor public health infrastructure



Limited Livelihood

In terms of vulnerable employment, India figures right at the top after Lao People's Democratic Republic



Top 5 countries that are better placed than India*

- Korea
- Malaysia
- Bhutan
- Thailand
- Cambodia

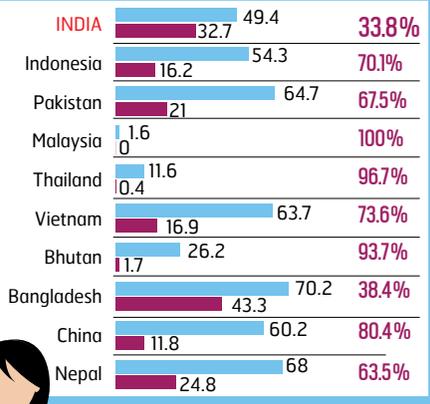


Top 5 countries that fare worse than India*

- The Philippines
- Indonesia
- Pakistan
- Nepal
- Bangladesh

*Better & worse in terms of employment

Poverty rate (approx)* Reduction



1990-95 (light blue), 2010-15 (dark blue)



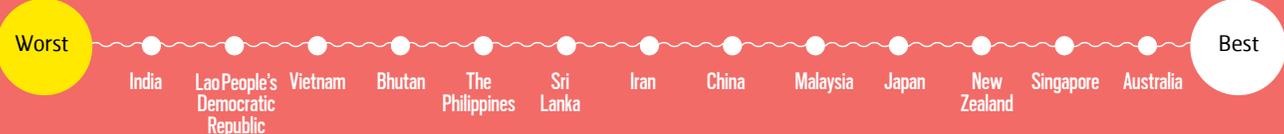
Poor Show

Among Asia-Pacific nations, India's record in extreme poverty reduction has been less impressive than others

EXTREME POVERTY IS CALCULATED AT \$1.25/DAY
*AS PERCENTAGE OF POPULATION

Unequal Nation

In terms of inequality-adjusted GDP per capita (2012-2013), India was ranked lowest among a select list of countries



SOURCE: ECONOMIC AND SOCIAL SURVEY OF ASIA AND THE PACIFIC 2015

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