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Modi's 100-day Agenda

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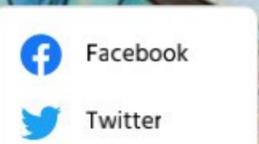


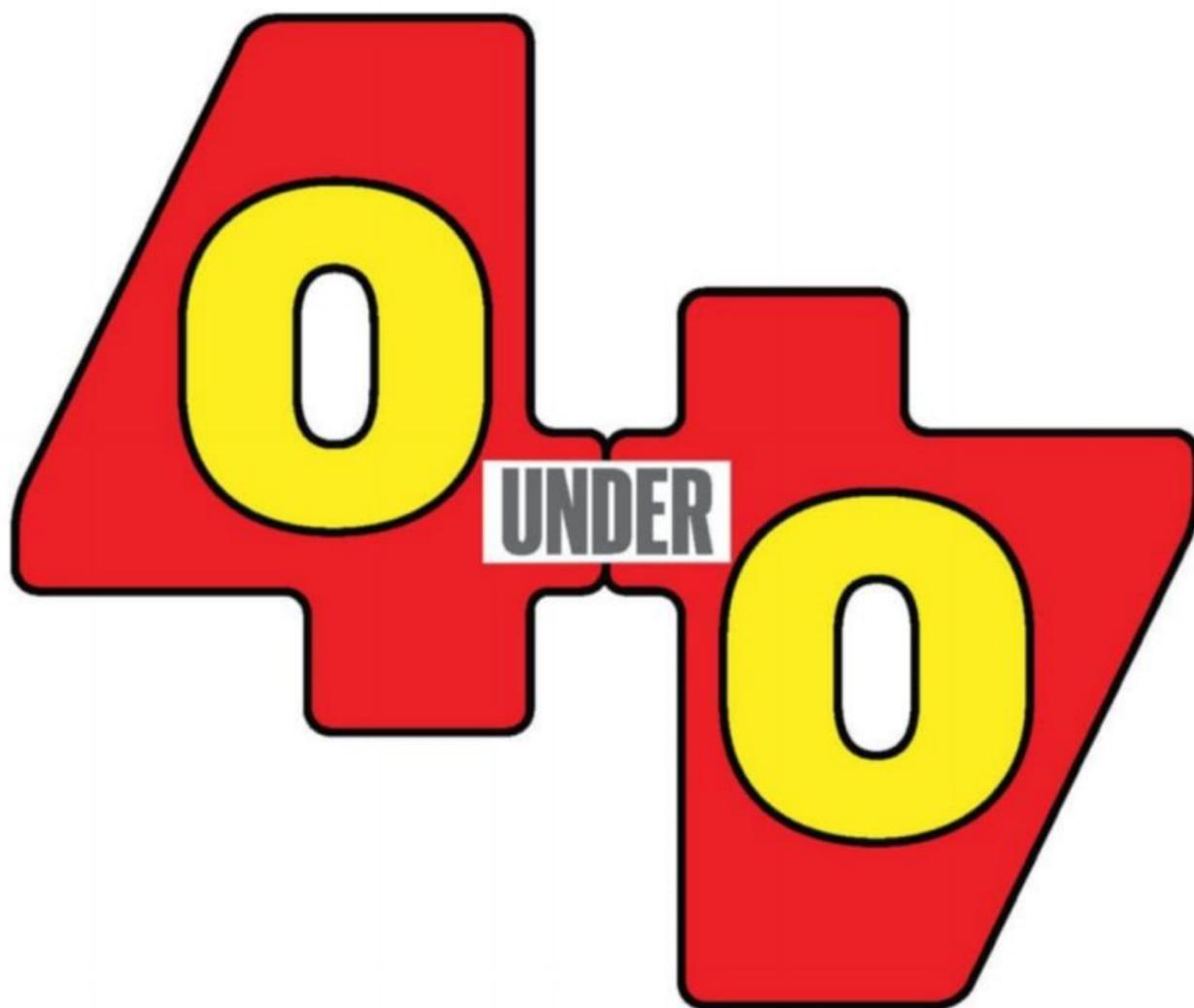
40 UNDER 40

BRIGHTEST YOUNG LEADERS WHO CHANGED THE COURSE OF BUSINESSES IN INDIA



FROM LEFT: DEEPAK DARA; HARSHAD REDDY; SUDARSHAN VENU; ANANYA BIRLA; JAY KOTAK





Features

Foreword

7 Manufacturing For The World
 Despite being a small player in goods exports with under 2% global market share, India is now among the top five exporters in many products with up to 34% market share in some categories. And the number is rising.
BY RAJEEV DUBEY

The Conversation

8 Marcella Wartenbergh
 The global group CEO, All We Wear Group (AWWG) addresses changing consumer mindset, building future-ready organisations and incorporating sustainability into business models.
INTERVIEW BY AJITA SHASHIDHAR



The Brief

13 Recalibration Of Tata
 Tata Group attempts mergers and demergers in companies to bring sharper focus on businesses.
BY NEVIN JOHN

22 Vedanta's \$13 Billion Debt Woes

Anil Agarwal-led group is exploring expansions, new businesses and a structural overhaul amid debt worries.
BY NEVIN JOHN

30 The 100-day Agenda Of Modi 3.0

PMO, NITI Aayog, and key ministries are working on policy action if the BJP government takes charge at the Centre.
BY ASHUTOSH KUMAR

34 Exports: Breaking Into Top Five

India is now among top five exporters in a large number of categories.
BY JOE C. MATHEW

40 What's Behind Gold's New Peak?

Central banks shore up gold reserves to prepare for turbulent times, boosting prices.
BY RAJIV RANJAN SINGH

40 UNDER 40

46 What Not To Do In A Start-up

In light of recent governance mishaps, investors advise founders on what all to avoid in their start-up journey.
BY RUKMINI RAO

50 Survival Tech Gets A Head Start

Start-ups focusing on tech solutions around food and water are gaining ground, with private equity chasing them.
BY RUKMINI RAO

54 The Great Indian Search For Indigenous AI

The keys to country-centric AI solutions hinge on access and control — both of funds and data.
BY V. KESHAVDEV

74 40Under40 Winners

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Manufacturing For The World, Indigenous AI

▶ It is the nation's good fortune that India's policymakers have dumped every suggestion advising the country against foraying into large scale manufacturing. That is the right thing to do in India's long term interest.

Some of the world's best known economists, analysts and consulting firms have repeatedly advised against setting up world-scale manufacturing facilities citing the moves as anti-globalisation, pointing out that China's manufacturing prowess can't be challenged. Even the production-linked incentives (PLI) schemes met with cynicism with 'India missed the bus long back' arguments.

They are all being proven wrong and out of sync with new realities. After all, most of those arguments have been unidimensionally about pricing and rarely about geo-economic and strategic demands of a high-growth economy. They ignore the reality that importing the needs of a fast-growing nation with a massive consumption economy would have bankrupted the country and kept it perpetually forex decreative in addressing demand via imports.

Their assumptions being based on a peaceful and ideal world trade rather than war-torn geographies playing havoc with global supply chains. But most importantly, they are about a defeatist mindset that China can't be beaten at its own game: Dump low priced goods to kill local manufacturing and then raise prices gradually to make super-normal gains.

But the global order is changing and so should strategies. The beauty of making in India is that the large local market and its scale prepares companies to make for the world. Here's how it's playing out. Despite being a small player in goods exports with under 2% global market share, India is now among the top five exporters in many products with up to 34% market share in some categories. And the number is rising.

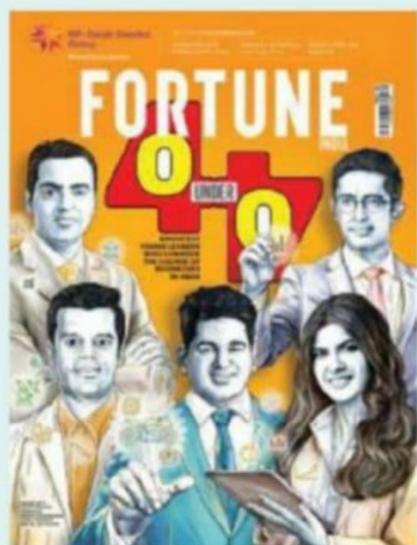
India was among the world's top 5 export-

ers in 169 categories selling goods worth \$194.96 billion in 2014. In 2022 (the latest year for which global data is available), India is among the world's top 5 exporters in 218 categories selling goods worth \$261 billion. The country jumped from 11th to No. 1 in some precious and semi-precious stones; in aluminium (tubes, pipe fittings), from 35th to 5th and from 9th to 2nd in unwrought aluminium; in a few petroleum products, from 14th to 4th. Read Joe C. Mathew tracing this journey on page 34. Expect the trend to accelerate as India insists on the likes of Tesla to invest in manufacturing facilities in the country to access the local market.

Now, if India has to be self-reliant in manufacturing, self-reliance in software is imperative. Especially, software that will drive our future, such as AI. India is in search of homegrown AI, distinct from what may be offered by Microsoft-backed OpenAI, Google, Facebook or Amazon. Read V. Keshavdev's account of the strides the country is making in the great race among organisations as influential as Reliance, Tata and Adani to create an indigenous AI.

To an extent, the global unrest that's necessitating manufacturing is also what's triggering a run on the yellow metal. Consumers always flock to buy gold as a safe haven in economic downturns or uncertainty. But they are not the ones responsible for 15 all-time highs for gold in just the first few months of 2024. Guess who is! Read Rajiv Ranjan Singh on page 40.

Also, enjoy the special package this issue: 40Under40. Those bright young leaders who are changing the course of business, on page 74.



RAJEEV DUBEY
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The Conversation

**MARCELLA WARTENBERGH, GLOBAL GROUP CEO,
ALL WE WEAR GROUP (AWWG)**

WITH BULK OF SPENDING POWER SHIFTING TO MILLENNIAL AND GEN-Z POPULATION IN LESS THAN A DECADE FROM NOW, BUSINESS ORGANISATIONS AND LEADERS NEED TO UNLEARN PREVALENT PRACTICES, SAYS MARCELLA WARTENBERGH, GLOBAL GROUP CEO, AWWG (PEPE JEANS LONDON, HACKETT LONDON, FACONNABLE). THE CEO OF THE FASHION COMPANY ADDRESSES THE CHANGING CONSUMER MINDSETS, BUILDING FUTURE-READY ORGANISATIONS AND INCORPORATING SUSTAINABILITY INTO BUSINESS MODELS. INTERVIEW WITH AJITA SHASHIDHAR.

THIS EDITED Q&A HAS BEEN CONDENSED FOR SPACE AND CLARITY.

“Millennials also get bored quickly, so it’s up to us to build things they don’t get bored with.”

CONSUMER EXPECTATIONS

How have consumer mindsets evolved in post-pandemic era? What is the big change?

We are dealing with four generations of consumers. We have baby boomers, used to shopping in stores. The way they work, the way they consume and the way they search for stuff is different from millennials and Gen Zs. For Gen Zs, the first entry into anything is digital. If they want to know about a brand, a restaurant or a university, they go to their smart phones. In between, you have Gen Y and millennials, the

biggest consumers who account for most of the economy. They have a lot of money. Millennials thought they were going to save and conquer the world, and suddenly they were confronted with Covid, recession and many other things that made them evaluate life differently. They are a generation between physical and digital as they were not born in a digital world.

So, when we think about leadership, industries, marketing or products, we are dealing with four totally different behaviours. Your decision as a leader has to be different when you talk to a baby boomer,

Marcella
Wartenbergh

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a millennial or a Gen Z. How can we prepare the industry and work for the future? For example, India has the biggest Gen Z population. So, how are we preparing our leadership? Are we building companies, offices, communication and branding based on Gen Z needs? I am a baby boomer and I remember my parents telling me not to change jobs. They told me to put in long hours, be the first to arrive in office and the last to leave. Gen Z needs are totally different. They want well-being, they want to be challenged and they want to shift jobs quicker. Millennials also get bored quickly, so it's up to us in companies to build things they don't get bored with. We should also be prepared that they would move to a new challenge after three-four years. This is good be-

BETWEEN THE LINES

(1) India's denim apparel market was valued at \$6.15 billion in FY23 and is expected to grow at 14% CAGR over next three years to \$9.15 billion by FY26.

(2) The highest growing category is mid-premium segment where brands such as Pepe Jeans, Levi's, Lee, US Polo, Mufti and Jack & Jones dominate. Casual wear categories such as denim, activewear and casual shirts are growing faster than formal wear in India.

cause movement leads to innovation. If people always think the same way, companies will not evolve.

So, from a consumer point of view or an industry point of view **1**, we need to think from the perspective of all four generations. In less than five-eight years all the money will be with millennials and Gen Zs. They are going to run the economy. So, we need to adapt.

How differently do leaders need to think about building an organisation that would excite millennials and Gen Zs?

When I joined this company, I said we need to have a north star, a vision that everybody can identify with. We needed a common goal and that was to create brand equity through transformation. I knew the company needed to change.

People need to acknowledge that company values are the culture, something that helps the world identify who they are as a company. Those values should be linked to what new generation is looking at—sustainability, innovation, collaboration and belonging. No company, no industry can survive by staying still. Changes happen much faster today. We need to embrace change. Changes are complicated, so you need to think differently. However, you should also embrace that if you fail or do something that is not going right, it is not bad. But you always need Plan B. If the original plan doesn't work and you don't have Plan B, the whole company is paralysed.

SUSTAINABILITY, A BEDROCK

How important is sustainability/ESG while building a future-ready organisation?

Sustainability is much more than products. It's a way of living. It should not be followed because consumer wants it. We need sustainability because we need to be

You're in an environment where you're competing not only with legacy but also new-age brands. What are the lessons?

Competition is good. It makes you sharper. New brands inspire us **2**. We need intrapreneurial spirit, therefore we team up or collaborate with new-age brands. We have done collaborations with start-up companies for smartwatches. In Latin America, we have collaborated with a beverage company. One of our priorities is digitalisation. That's where we get inspired by new-age peers. We are continuously trying to increase presence in ecommerce for which we look at how small brands are doing. We also follow their ERP systems. There are lessons to be learnt in digitalisation and new systems and apps that improve day-to-day data creation and management. Also, how to make sure you are on social media as a brand that inspires.

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“Sustainability is much more than products. It’s a way of living. It should not be followed because consumer wants it.”

responsible for this planet. Let’s not try to do things which are about just marketing. We have identified four Ps—people, products, places and partners, the whole ecosystem. So, when we start with, let’s say, a product, we have great ideas, incredible innovation and we need to trust that’s going to give us the best ideas. It’s about partnership and trust.

We identified that purpose will be key in each brand. I always tell the team it’s nice when you see a jacket done with plastic but that will have no impact on the planet if you sell only 300 pieces. Jeans, more than 30-40% sales, is what we need to fix. Today, 90-95% of our jeans have at least one input that improves the planet.

It’s not just one collection that is sustainable. Every collection is sustainable. Sustainability has to become a habit. We make sure suppliers also have sustainable practices. If it is a paper bag manufacturer, we make sure they use recycled paper and are aware of CO2 emissions.

TALENT MANAGEMENT

There is a huge shortage of skilled talent globally. What is your suggestion to solve the crisis?

As companies we have a responsibility to train people. We have an internship programme across the globe where we have one intern for every 10 employees. This helps us in two ways. We learn from interns

(3) While growth in India’s denim apparel market can be witnessed across segments, women category has the brightest prospects. It is expected to contribute 14% to denim apparel market in FY26, up from 11% in FY23.

(who are Gen Zs) new-age skills and teach them about what it means to work in an organisation. Being part of an organisation, they learn various aspects of business such as merchandising and sourcing. These internships teach them business skills and help them find good jobs. Most organisations look for talent with experience. If organisations offer internships, they can train talent and offer them full-time employment if they have openings. Else the talent is skilled enough to get a job outside. It is a great way to bring new blood into the organisation.

There is a huge shortage of women leaders in India Inc. There is a similar challenge globally. What can organisations do to increase the percentage of women in leadership roles?

A gender-balanced team results in better ideas and innovations. We need to promote collaboration between men and women across levels. We also need to ensure that women get equal opportunities in terms of taking up sensitive P&L roles or even travelling. Organisations have to invest in developing women leaders.³

When I say developing women leaders, I don’t mean to force-fit a woman into a role. We obviously need to get the best candidate for the role. Therefore, hiring managers should ensure that number of CVs of men and women candidates are equal. Equality has to begin from the hiring process itself.

Can we get a sense of AWWG’s business performance?

It is a €650 million business. We have profits of above 10%. India represents 12% of the total business. Pepe Jeans is the biggest, almost 65% of the business. The big transformation was between pre-Covid to post-Covid. We generated 3-4% in EBITDA before the pandemic. Today, we are upwards of 10%. ■



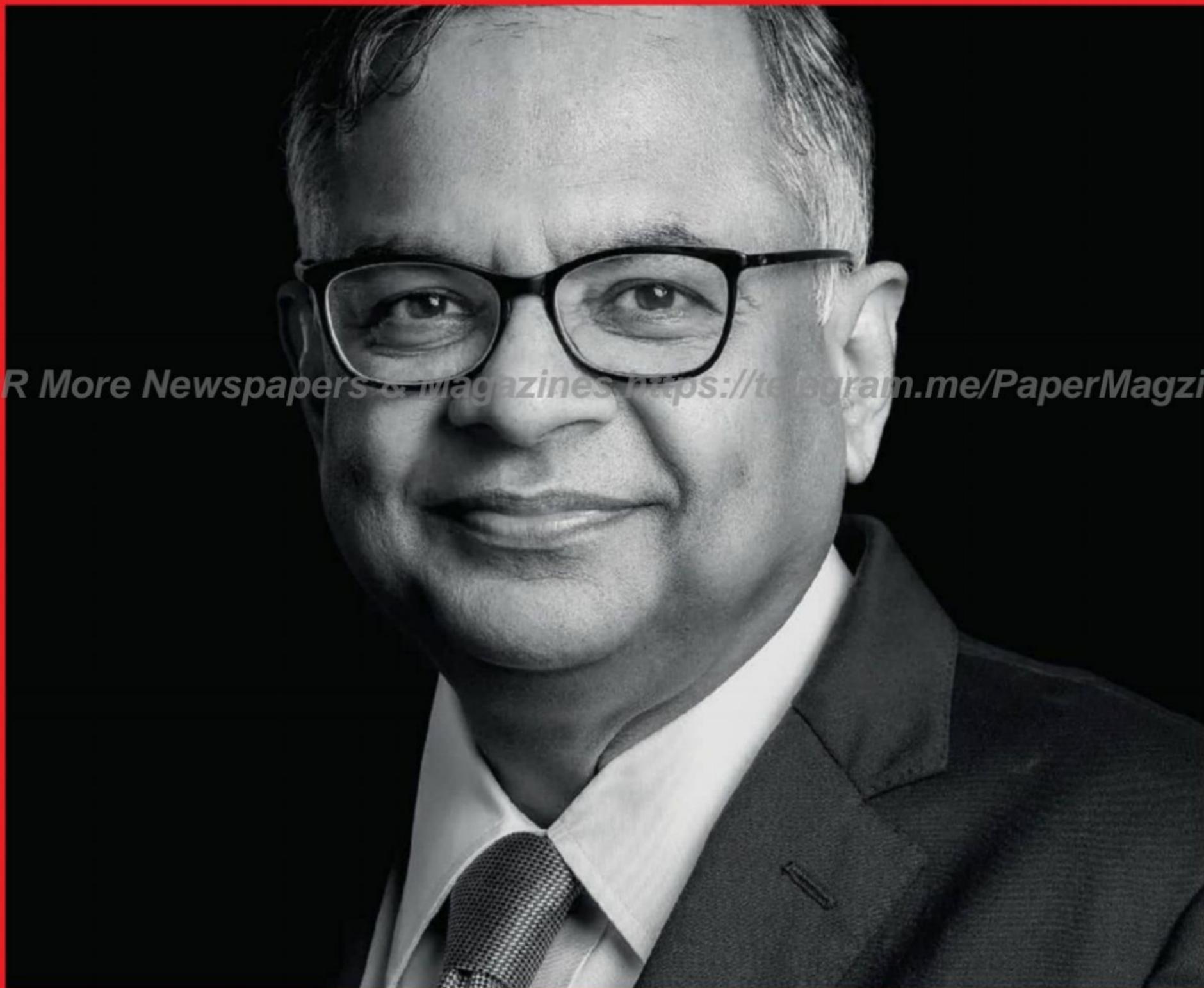
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TATA GROUP

Recalibration Of Tata

Tata Group attempts mergers and demergers in companies to bring sharper focus on businesses.

BY NEVIN JOHN

PHOTOGRAPH BY NAVEEN

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▶ Tata Group chairman N. Chandrasekaran is regrouping similar businesses across different companies through mergers and demergers to enhance operational synergy and build larger corporations that straddle the entire sector in which they operate.

Chandrasekaran's business consolidation plan took off with the successful formation of the food and beverages (F&B) FMCG business, TCPL, in 2020. It was formed by merging the consumer products business of Tata Chemicals and Tata Global Beverages. In January, Tata Coffee was also merged with TCPL.

In aviation, legal approvals for Vistara-Air India merger will be completed by October and operational merger by next year. The Competition Commission of India approved the merger of Vistara-owner Tata Singapore Airlines with Air India in September last year. In March 2023, the Tatas merged low-cost carrier Air Asia India with Air India Express. All these leave the group with one full service and one low-cost airline.

In the auto business, Tata Motors recently approved a proposal to demerge the company into two separate listed entities— one each for commercial vehicles and passenger vehicles. It would empower streamlined businesses to deliver higher growth with more agility and accountability. "While there are limited synergies between commercial and passenger vehicle businesses, there are considerable synergies across passenger vehicles, electric vehicle (EV) and Jaguar Land Rover (JLR)," the company said. It added another demerger synergy among EVs, autonomous vehicles and vehicle software.

"The merger of aviation businesses under Air India and Tata Coffee with Tata Consumer Products (TCPL) are expected to bring sharper focus on customer-centric products and services delivery," says an insider.

In line with the Tata Group's

simplification strategy, Tata Steel amalgamated five strategic businesses — Tata Steel Mining, Tata Steel Long Products, S&T Mining Company, The Tinplate Company of India and Tata Metaliks — and is planning to merge three more, Bhubaneswar Power, Angul Energy and The Indian Steel and Wire Products. The merger of five companies with cumulative annual turnover of ₹19,700 crore in FY23 will help consolidate downstream operations and boost value-added steel business, Tata Steel said in a statement. It will also drive synergies in raw material sourcing, procurement, inventory,

The management believes realigned firms will be able to deliver better products and services with the assistance of technologies.

logistics and facility utilisation.

The consolidation of Tata UniStore with the group's ecommerce and retail arm Tata Digital was also part of the plan. UniStore operates fashion and luxury ecommerce platform Tata Cliq. It was Tata Digital that acquired a majority stake in BigBasket and launched superapp Tata Neu. The merger of Tata Cleantech Capital and Tata Capital Financial Services into parent company Tata Capital was also part of the plan to bring financial services businesses under one roof.

Some more are on the cards as well. Tata Power, which merged loss-making Coastal Gujarat Power (CGPL) with itself, is looking to bring all its renewable assets under Tata Power Renewable Energy to improve efficiency. Consolidation of housing and realty business is another possibility. Chandrasekaran wants every idea to be executed "flawlessly and with speed."

The group believes the realigned companies will be able to deliver better products using AI and Internet of Things (IoT). "The next decade will belong to companies which excel in giving customers excellent experiences. With our growing footprint in consumer businesses, we have to bring empathy to every interaction — be it in Air India, Tata Motors or Titan," Chandrasekaran said in his New Year's letter to employees. ■

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FIL: Making India's Agri, Health and Tourism Sectors Sustainable, Inclusive and Futuristic



A millennial youth, Mr. Syed Junaid Altaf, Promoter & Group Executive Director – FIL Industries Private Limited, epitomises global thinking, guided by the ethos that drive sustainable growth and success across diverse verticals of the conglomerate. As the third generation, he upholds the legacy of the family business with aplomb while serving as a strong contributor to India's economic strength.

SYED JUNAID ALTAF, Promoter & Group Executive Director, FIL Industries Private Limited, a diversified business enterprise is committed to creating a holistic impact across agriculture, food & beverage, travel and health.

What have you brought to the table to build a sustainable value chain to augment the agri eco system?

At FIL industries we take immense pride in serving as an enabler in bridging the gap between the farmer and the consumer. Over the last three decades we have significantly enhanced our strategy and consolidated our offerings. As the new generation at the helm we are now adopting an all encompassing approach while building a sustainable value chain to augment the agricultural ecosystem. We are doing this by leveraging modern technology and introducing innovative solutions customised to Indian requirements. This has been possible through expansion of operations as well as strategic national and international partnerships such as Dalival from France and Kimitec Group from Spain, among others.

Our foray into bio molecules, stone fruit nurseries and agro-cluster management has allowed for reinvention of the region's value chain and transformation of fruit growing areas. We are also looking at introducing interventions like IoT-based technology, first parametric apple crop insurance and nutrient management. I believe

that such investments are the need of the hour to pave the way for a resilient and sustainable horticulture industry in India.

How conducive is the Indian market and economy to support the youth in start-ups, and what are your initiatives?

Today, the Indian market and economy is a fertile landscape for entrepreneurship, especially for the youth. Government support has been crucial in stimulating a business-friendly environment for startups to flourish by augmenting the Ease of Doing Business (EoDB) mechanisms. These include simplifying the startup registration process, offering tax exemptions, providing funding opportunities through government schemes, facilitating access to networks and mentors, and encouraging innovation through research and development initiatives.

At FIL Industries, we have prioritised youth empowerment via local internships and training programmes in collaboration with regional colleges and universities. We also provide hands-on experience and skill development which ultimately leads to a f opportunity.

As a proactive members of numerous apex industry associations, our initiatives are aimed at facilitating mentorship, enabling access to resources and networking opportunities, all directed towards nurturing the next generation of business leaders. By investing in the youth, we contribute to India's entrepreneurial ecosystem.

What is your vision for transforming India into a global business and tourism hub?

My vision for transforming India into a global business and tourism hub revolves around leveraging India's vibrant culture, rich mountainous and diverse landscapes. This is evident in our sustainable mobility and tourism infrastructure businesses in collaboration with the world's best. Our flagship project Skyview by Emyrean at Patnitop operational since September 2019 is testimony to this and the upcoming Dehradun-Mussoorie ropeway and Yamunotri aerial ropeway projects will further consolidate our positioning.

My efforts are directed towards fostering sustainable development, promoting entrepreneurship, and enhancing infrastructure. Hopefully this will create a conducive environment for businesses to thrive and for tourists to experience the wonders of India.

Personally, what inspires you to set new milestones, what are your hobbies and favourite holiday spots?

What inspires me to set new milestones is the opportunity to make a meaningful impact and contribute positively to the world around me. Whether it's leveraging technology, fostering innovation or empowering others, the prospect of creating positive change drives me forward.

As for hobbies, I enjoy reading mostly non-fiction or books on business strategy, politics and international affairs, and anthropology. I am a fan of writers such as Peter Hopkirk, Simon Sinek, Siddhartha Mukherjee, Vikram Seth and Tara Westover to name a few.

While work takes me on travels across the world, I have travelled to 40 + countries and my favourite destinations are Vienna, Grenoble and Courchevel. One of my most memorable travel experiences was to Longyearbyen/Svalbard in Norway, one of the northernmost habitations in the world, which I visited during polar night. ■





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WIPRO

Rishad Premji, executive chairman, Wipro

Wipro's Bet On Srinii Pallia Also A Test For Rishad Premji

Growth pangs cut short Thierry Delaporte's Wipro run. Can Pallia take stock and get the company back on track?

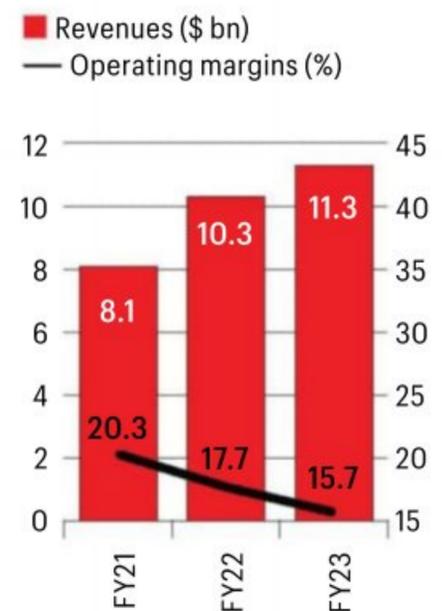
BY RUKMINI RAO

IN THE EVENING of April 6, Bengaluru-headquartered Wipro Technologies announced the resignation of Thierry Delaporte, naming Wipro veteran and CEO of its U.S. operations, Srinii Pallia, as the next CEO and MD with immediate effect. Srinii was elevated as CEO for the Americas in a business rejig last year.

"Srinii is an ideal leader at this pivotal moment for our company and industry. Over past four years, Wipro

has undergone a major transformation under the most challenging external conditions. Srinii has been an integral part of this journey. His client-centric approach, growth mindset, strong execution focus and commitment to Wipro's values make him the perfect fit as we enter the next chapter of growth

Wipro's IT Services Growth Under Thierry



and profitability. Thierry will continue to be a part of the organisation until the end of May," Rishad Premji, executive chairman, Wipro, said while announcing the decision.

Industry experts, however, feel the writing was on the wall for Thierry. His departure comes well ahead of time; his five-year term was to end on July 2025. This is the second time under Rishad's chairmanship that a CEO's tenure has been cut short.

WIPRO'S TROUBLES

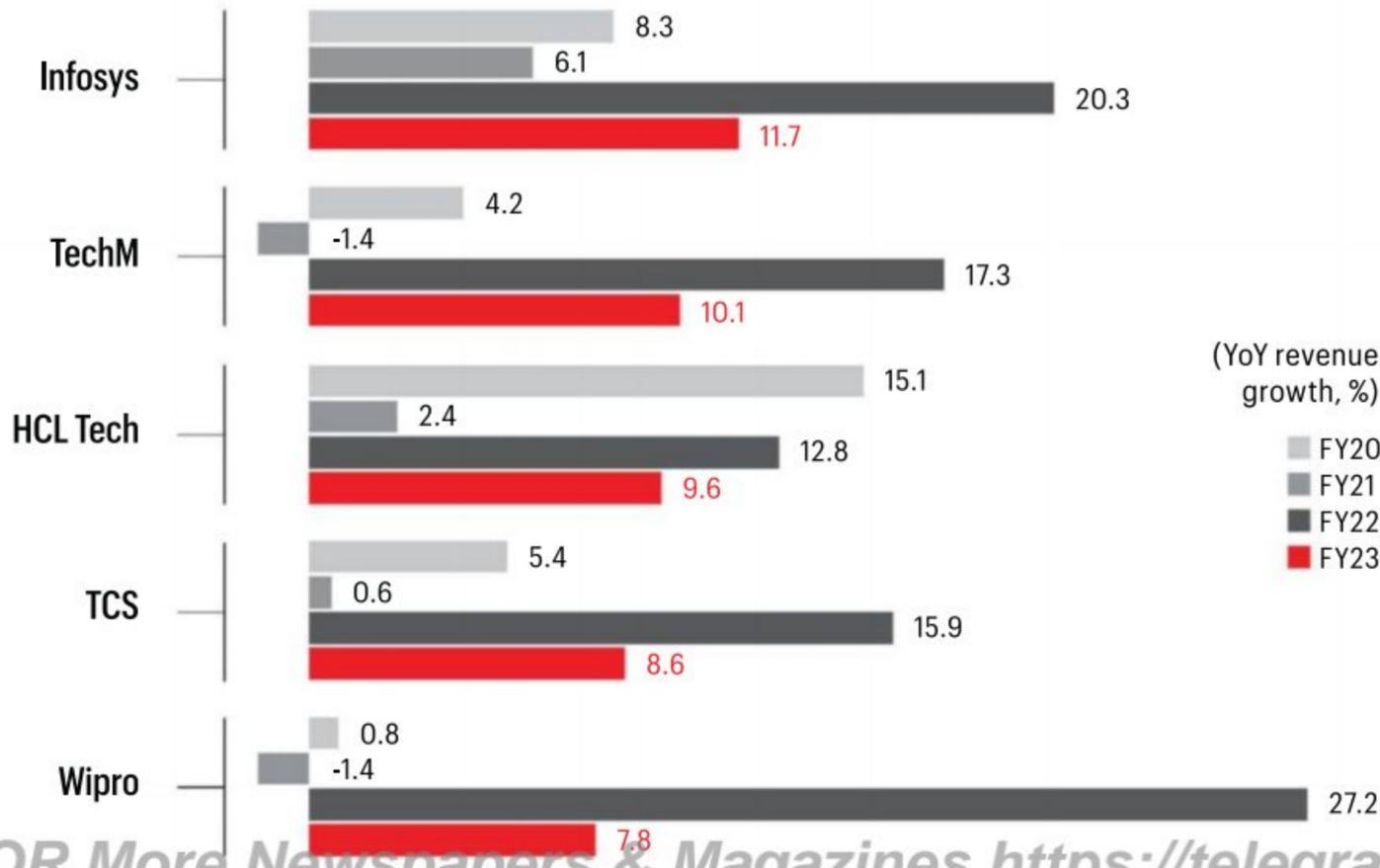
In 2020, when Thierry Delaporte joined Wipro from Capgemini after nearly two-and-a-half decade with the company, Rishad hoped for a turn of fortune. Thierry's predecessor, Abid Ali Neemuchwala, who had joined Wipro from TCS BPO in 2015 as COO and was

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Wipro v/s Peers



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later elevated as CEO, had also seen his term end before the contracted period. The highest-paid CEO of an Indian IT company at the time of his joining, Thierry had laid out his vision for transforming Wipro, which under Abid had struggled to match the growth of its peers. In July 2020, during the company’s earnings call, even as the world was moving to work from home due to Covid, Thierry had stated that “profitable growth” was his most important agenda. However, it remained elusive.

In a post on a professional networking site after his resignation, Thierry defended himself against the narrative that non-performance was behind his

shortened tenure, wrote, “I’m proud of what we’ve achieved over the last four years, growing revenues by 35%. We’ve generated 25% more profit in the last four years than in the previous four-year period, and the value of our stock and market capitalisation has grown 2.5x since 2020.”

The company, however, lost out on the pecking order of home-grown IT services companies when HCL overtook Wipro as the third-largest in revenues in 2022.

SENIOR EXITS

That is not all. Under Thierry, Wipro made one of its biggest-ever acquisitions, London-based Capital Markets Co. (UK) Ltd., or Capco, for nearly \$1.75 bil-

lion in March 2021. Even then, analysts had said that the success of the acquisition would depend on a smooth integration. Analysts have been expressing their apprehension around integration of Capco. However in the company’s latest earnings call, Pallia said the company had started seeing green shoots with Capco registering

Thierry implemented a “re-organisation/simplification” of structure within Wipro and created geography business units.

6.6% growth last quarter. “For us, Capco, in the context of BFSI, is going to be the tip of the spear,” he said, adding, the rest of the Wipro can leverage Capco’s strong CXO connections.

Thierry had implemented a “reorganisation/simplification” of structure and created geography business units with P&L responsibilities. He also hired fresh talent across the globe. However, the company was unable to stem the exits of several senior-level executives, including old-timers such as Jatin Dalal, Rajan Kohli and Angan Guha. Even those who Thierry hired, such as Stephanie Trautmen (brought from Accenture to lead a dedicated team to chase large deal) also quit recently.

While reports had been pointing out for a while about the discord between the chairman and the CEO’s office on the company’s growth trajectory, Rishad had always backed Thierry’s plans in public. Even at the company’s previous annual general meeting, he had stated that the company’s board fully supported Thierry.

In a note dated April 7, analysts Abhishek Bhandari and Krish Beriwal at Nomura said revenue growth recovery for Wipro will be slow and is unlikely to change significantly due to a new CEO at the helm.

Srini’s biggest challenge would be to bring back the lost revenue growth momentum and stemming attrition among senior management. ■



BUILDING THE FUTURE OF REALTY WITH TECHNOLOGY AND DESIGN

Leveraging his experience of design and construction for over a decade, Raja Arjun (Raja) has co-founded 'BuildingSteps', a PropTech company which is digitizing the complex home improvement industry, focusing on bringing transparency in construction material discovery, procurement and distribution. In 2021 after the pandemic, Raja sought a path of setting up a business of scale to serve more people with his work. Raja found an opportunity when he realised that his clients spend an average of 25 years to pay back loans for their homes, and 50% of the budget of these homes were sunk into construction cost. He wanted to save home owners this cost of construction and thus save the time to buy their dream home. Raja says "It hit me like a brick, if I can save someone even 25% of their home cost, then I am saving someone 4-5 years of financial pain which can be used more productively". "As a practicing architect, I realised early on that we're in the people business. Our work should add value to people's lives. Everything we do is centred around this thought". I used these user centric principles of design and tread the path in search of a creative solution and build this business ground up. The foundation for this business though was laid maybe 17 years ago when I built my first project for a client, says Raja Arjun, a 4th generation entrepreneur who is carrying on his family tradition of every generation paving one's own entrepreneurial journey. The Raja Family in Bengaluru, is known to be a pedigree business family in the realty sector, automobile retail and commodity trading. The realty division of the business

I realised early on that we're in the people business. Our work should add value to people's lives. Everything we do is centred around this thought



RAJA ARJUN, Co-Founder and CEO, Buildingsteps.com

has entered a transformative phase under the leadership of Raja Arjun who has spent the last decade to steer the company in a new direction, which is design centric. Raja is an architect by qualification and graduated with a thesis award amongst the top 50 in India from R.V. School of architecture in 2011. He also holds a master's in Design Thinking from IED (Spain) where he graduated top of his class in 2015. Mentored by his father Raja Uday Shankar, a veteran in the land banking space, Raja spent the last decade vertically integrating an award-winning design and engineering business creating a unique capability for the now design led realty company to envision and build innovative projects. After overseeing more than a million square feet of built space, he is now set to digitize a part of the realty sector with 'BuildingSteps' and get one step closer to his goal

people with his work. Raja Arjun and his co-founder Vinod Jain set up buildingsteps – a building material procurement platform for home owners and professionals - with a simple goal to offer their customers the highest level of service, the broadest selection of products and the most competitive prices. "With less than 2 per cent digital penetration, the construction industry faces many challenges – from fragmented supplier networks and logistical bottlenecks to access to credit. The company's vision is to leverage technology to create smarter and more efficient solutions across the value chain for buyers and sellers. Discovery, distribution and pricing opacity of products across categories, is a challenge that needs to be solved. We spotted an opportunity here". We want to help our customers save money and help manufactures channel new products to them efficiently. ■

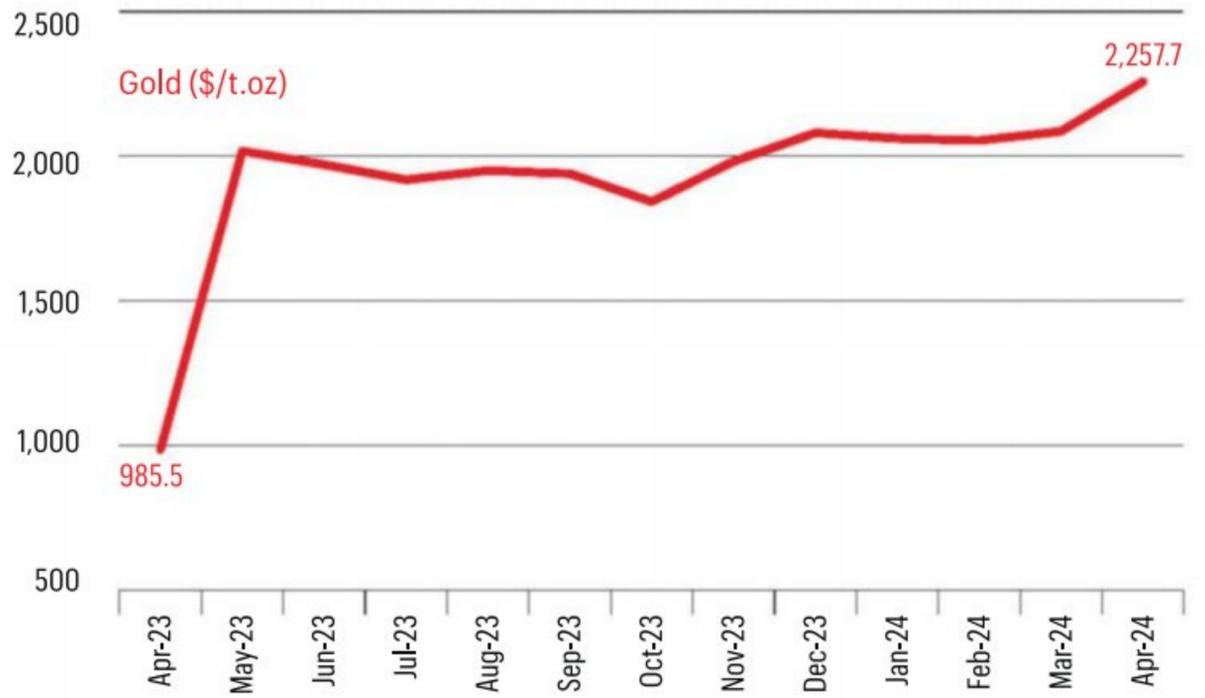


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GOLD

Gold On A High

GOLD surged to a new all-time peak, surpassing \$2,250 an ounce. The rise comes as the latest U.S. inflation figures fell short of expectations, bolstering anticipation that the Federal Reserve may reduce interest rates as early as June. In domestic markets, the MCX April gold futures saw a significant increase, trading at ₹68,930 per 10 grams — an uplift of 1.85%. Experts predict that gold prices might achieve a historic milestone, potentially hitting ₹70,000/10 grams by the end of 2024.



COPPER

Copper (\$/pound)

Copper Shows The Spark

Copper futures experienced substantial gain, driven by unexpectedly robust economic data from China, which eased concerns over diminishing demand from the globe's primary copper consumer. On the London Metal Exchange (LME), copper prices soared to \$8,799 per metric tonne, marking the highest point since August 1, 2023. Nonetheless, the upside remains capped by elevated inventory levels, which, coupled with global price volatility, escalates the cost of copper-based products in India.

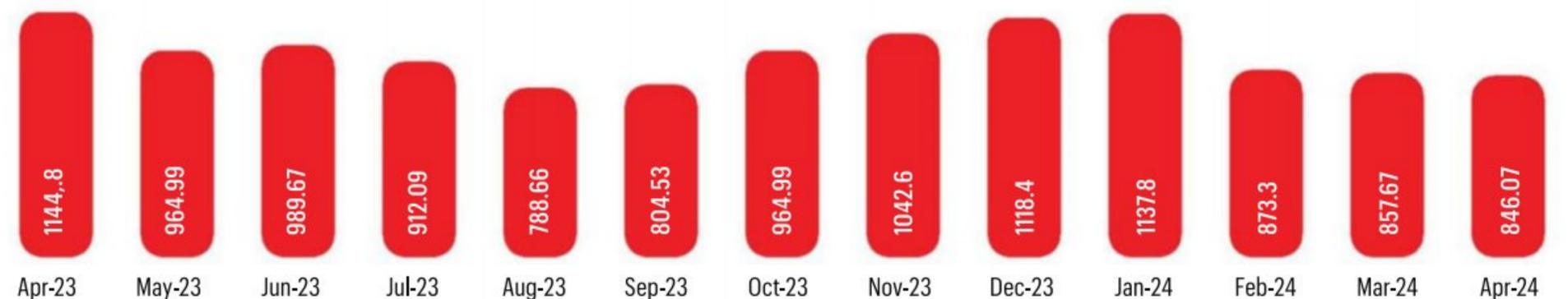


STEEL

Hot-rolled coil steel (\$/tonne)

Steel: Closer To Melting Point?

HRC steel prices have declined 22.69% since the beginning of 2024. Prices of global hot-rolled steel are recalibrating following a significant uptick in late 2023 and early 2024. The correction is attributed to a slowdown in product demand, maintaining a downward trend across key global markets for two months. The absence of demand recovery prospects has led consumers of HR sheets to limit their purchases to minimal quantities. Furthermore, unmet market expectations have heightened interest in imported products, notwithstanding protracted delivery periods. This situation, exacerbated by rising coking coal expenses, is poised to adversely affect the operational performance of India's steel manufacturers due to the ongoing reduction in prices.



AHEAD OF TIME: ACRERISE

TRANSFORMING ODISHA'S REAL ESTATE



SASHIKANT BARIK & SHEIKH MAIRAJUL HAQUE, Founders, AcreRise

In the bustling landscape of real estate, amidst towering structures and ambitious blueprints, AcreRise emerges not just as a developer but as a heartfelt endeavor—a journey fueled by dreams, determination, and a profound desire to create lasting impact. At the forefront of this, are two visionary entrepreneurs, Sheikh Mairajul Haque and Sashikant Barik whose passion and drive have reshaped the industry's landscape in Odisha.

ACRERISE: DRIVING EXCELLENCE IN REAL ESTATE INDUSTRY

AcreRise, is an ambitious realty enterprise established in 2009 by two young and dynamic entrepreneurs, Mr. Sashikant Barik and Mr. Sheikh Mairajul Haque. The duo successfully maneuvered the entrepreneurial journey to complete over 15 years of excellence as a brand having credence across domains of Consulting, Business Development, Construction and Engineering.

With more than 5lac sq ft under construction and more than 30 lac sq ft of planned development, AcreRise has a commendable project portfolio spanning affordable housing solutions to luxurious urban residences. Their latest projects are their most ambitious yet, and are slated to be a grand addition to the Odisha real estate.

Codename Mesmerise is a prestigious residential project on NH 16, South Bhubaneswar. With this joint development, AcreRise is collaborating with

the best national and international professionals to create an epitome of urban luxury.

With many exciting developments in the pipeline including an uber luxury riverfront project, commercial developments and multi-use projects, AcreRise is all set to raise the bar.

CRAFTING EXCELLENCE, BRICK BY BRICK

At the heart of AcreRise lies a simple yet powerful pledge: KEEPING YOU AHEAD, a promise to keep their customers, investors and stakeholders ahead of the curve. For customers, AcreRise is synonymous with exceptional quality, timely delivery, and the fulfillment of dreams. For the stake holders this promise is not just about building structures; it is about creating value, fostering pride, and nurturing communities. For investors, it represents transparency, governance, integrity. And for channel pa

collaborative journey rooted in professionalism and mutual growth.

By meticulously analyzing market trends and identifying untapped opportunities, AcreRise seeks to maximize returns for their investors while simultaneously enriching the lives of residents. Through innovative design features, strategic location choices, and thoughtful amenities, every aspect of their projects is meticulously crafted to deliver long-term value and appreciation.

MAKING A DIFFERENCE

Gifted with the knack for adaptive strategies, Mr Sashikant Barik, is shaping AcreRise into a future-focused, customer-centric and innovation-led company, winning many awards including the TIMES Business Award for business excellence. "Customer is at the core of everything we do at AcreRise- with a firm focus on transparent communication, tech-enablement, relationship building and long-term commitment, we are on a transformative journey" opines Mr Barik.

Revolutionizing the real estate sector is what drives the astute and forward-thinking Sheikh Mairajul Haque. He shares, "Innovation lies at the core of AcreRise philosophy, driving us to constantly push the boundaries of what is possible in real estate development. From leveraging cutting-edge technology to streamlining construction processes to pioneering new sustainability initiatives, we are committed to staying ahead of the curve."

Mr Haque also plays a pivotal role in industry organizations, serving in leadership positions- he is the President of the Realtors Association of Odisha, State Coordinator of CREDAI Youth Wing of Odisha and the Chairman - Political Advocacy at National Association of Realtors India. He leverages the platforms to actively advocate for progressive policies, foster collaborations, and sharing expertise.

BUILDING HAPPINESS

What sets AcreRise apart is the unwavering belief that business is not just about transactions; it is about relationships. AcreRise is on a transformative journey, with a purpose to bring happiness to its customers and transform the real estate industry as it moves forward. ■

VEDANTA'S

\$13

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BILLION DEBT WOES

Anil Agarwal-led group is exploring expansions, new businesses and a structural overhaul amid debt worries.

BY NEVIN JOHN

IN MAY 2023, investors breathed a sigh of relief when Anil Agarwal-led Vedanta Resources Ltd. (VRL), the holding company of Vedanta Group firms, repaid loans worth \$800 million to Standard Chartered Bank and released the encumbrances (largely the locked-in shares of promoters used as guarantee) created on the shares of its flagship firm Vedanta Ltd. (VDL). The move was in line with chairman Agarwal's statement in the previous month that the group had the cash flow to service all its debt repayment obligations.

PHOTOGRAPH BY NARENDRA BISHT

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Anil Agarwal,
chairman,
Vedanta
Group

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But hopes were short-lived. A couple of weeks later, VRL had to add a loan worth \$850 million from Oaktree and J.P. Morgan. Around the same time, promoter entities pledged their 3.3% stake in Hindustan Zinc Ltd. (HZL), a subsidiary of (VDL), in favour of Axis Trustee Services Ltd. Soon after, promoters pledged 4.4% equity in VDL to borrow \$250 million from Glencore.

Meanwhile, Agarwal's other attempt to utilise cash reserves in HZL (around ₹16,500 crore at that time) through the sale of certain zinc assets parked in other group companies (in a \$2.98 billion deal) to HZL failed to draw shareholders' approval.

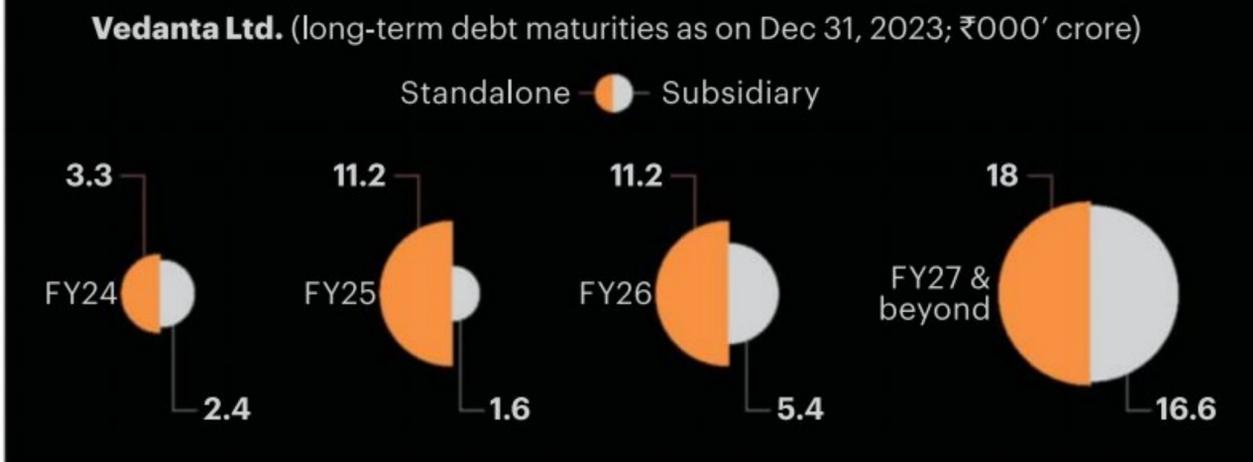
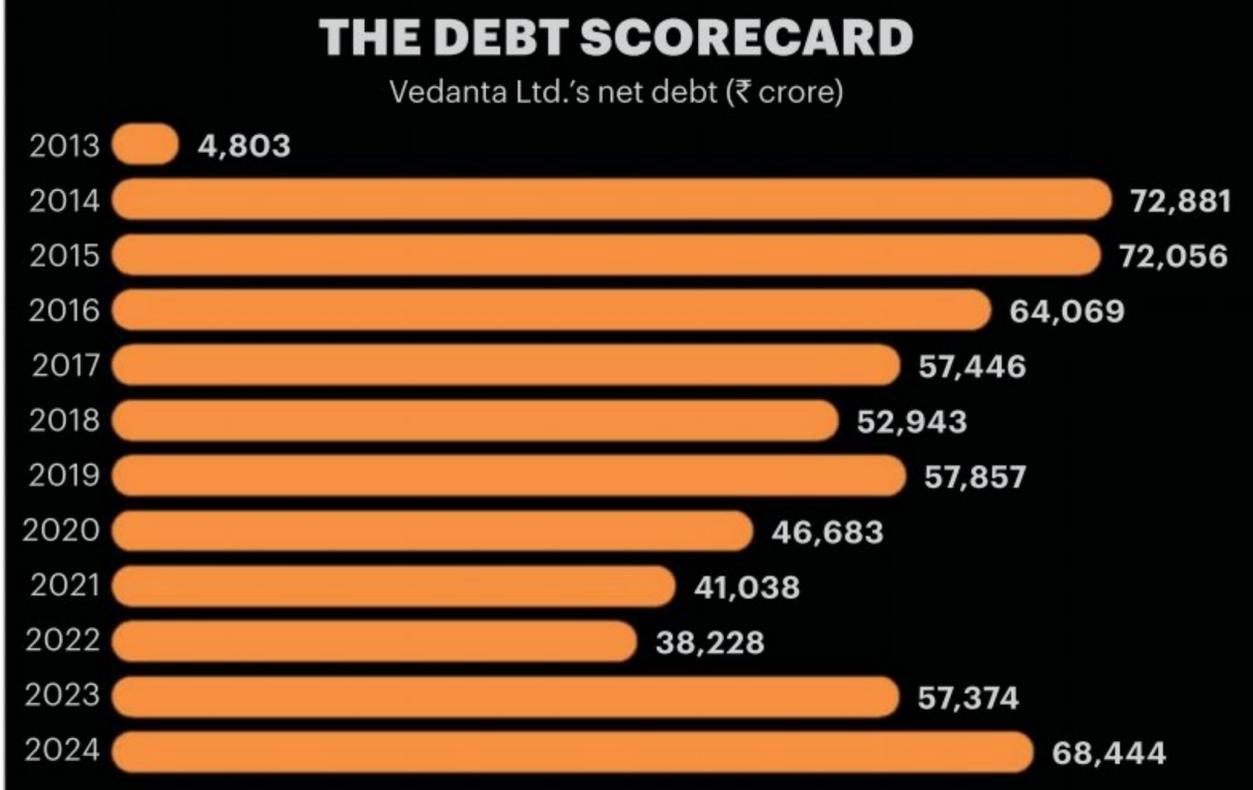
Since the pandemic, almost the entire promoter stake in VDL has been pledged — including the 50.1% stake of the Agarwal family classified as non-disposal undertaking (NDU) to confirm to lenders that promoters won't exit the business. The promoter holding in HZL has also been pledged almost fully (99.37%) as on March 2024. It also included the 50.1% NDU, clubbed with pledged shares in the stock exchange filing format, says a source in the know.

The culmination of the refinancing and the pledging saga was the sale of 1.76% stake in Vedanta Ltd., held by promoter arm Finsider International Co., for ₹1,737 crore in February.

A Bumpy Ride

Obstacles toughened scrap trader-turned-metal baron Agarwal to weather uncertainties. In his 50 years in business, Agarwal raised capital to acquire sick assets, struggled to repay loans and attempted multiple restructuring of businesses to cross-utilise cash reserves. He faced the wrath of investors, environmentalists and politicians, but continued on the journey.

The deja vu is that Agarwal's Vedanta Group is in a tight spot because of its debt — estimated around \$13 billion (₹1.08 lakh crore net debt) by end March. Though the company source claims it has been reduced to \$12.4 bil-

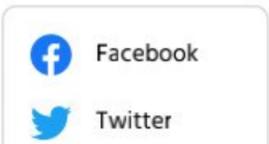


lion, the narrative has stayed the same for the last 10-15 years — imbalance of cost, debt and lower cash flows.

Agarwal's major achievement was the acquisition of low-cost assets, including HZL and Bharat Aluminium Co. (BALCO) from the government two decades back and their turnaround as lucrative assets. He also took over costly oil and gas E&P assets, Cairn India, at \$9.6 billion in 2011.

Cairn continued its growth momentum with the new investments.

However, the group struggled to weather the dips in the commodity cycle in the areas it operates — aluminium, copper, zinc and iron ore. Vedanta Ltd.'s consolidated net profit fell to ₹4,239 crore in FY24, against ₹10,574 crore in FY23, according to Capitaline Research. Net sales fell marginally to ₹1.41 lakh crore from ₹1.47 lakh crore.





HZL mines at Rajpura Dariba, Udaipur.

Profit before interest, depreciation and tax (PBIDT) (excluding other income) increased 5.2% to ₹35,198 crore, due to lower prices of commodities produced. Lower prices of aluminium and zinc in the last fiscal affected the company's topline. Finance cost, meanwhile, rose 52% to ₹9,465 crore, due to a rise in borrowing costs.

Agarwal also faced a number of challenges at factory locations. Outside the Lanjigarh aluminium refinery, near Niyamgiri hills in Odisha, villagers opposed the group's bauxite mining project in 2008. Two people (a protester and a policeman) died during the clashes in 2019. Group company Sterlite faced similar protests in Thoothukudi, Tamil Nadu, for its sulphur dioxide emission. In 2018, at least 13 protesters died in police firing.

Promoters Locked-in

Holding company VRL, which delisted from the London Stock Exchange (LSE) in 2018 amidst increasing investor scrutiny on its mining and metal making operations and liquidity management, had a tough time in January 2024 securing bondholders consent to restructure four series of bonds — including two of \$1 billion each that were due for maturity in 2024, one \$1.2 billion bond in 2025, and another \$600 million in 2026. The company made an upfront payment of \$779 mil-

lion in cash on February 7 to redeem a portion of the bonds and extend their maturities. It also paid a consent fee of \$68 million.

The parent firm had, in December, secured a \$1.25 billion loan from private credit lenders to refinance/repay part of the \$3.2 billion debt maturing in 2024 and 2025. VRL has a pending \$1.1 billion loan maturing in FY25. India-listed VDL, which includes on-ground operations of mining and metal making in iron ore, aluminium, copper and zinc through its subsidiary HZL and oil and gas exploration and production under Cairn India, has

debt maturities of around \$1.5 billion.

The truth is that liabilities have crept into promoter holdings, leading to pledge/NDU of almost their entire stake in VDL and HZL to meet repayment obligations of VRL. The flagship business, VDL, is valued at around ₹1.15 lakh crore. HZL, in which the Central government holds 29.54% stake, is valued at ₹1.43 lakh crore.

The management says it intends to reduce debt by \$3 billion at parent firm VRL by FY27. The group projects \$6.5 billion EBITDA in FY25, respectively. In addition, the management is in talks with bankers to monetise iron ore and steel assets. But the process is delayed.

Agarwal believes a new beginning is the most valuable gift one can give himself. The \$18 billion group is now eyeing one more organisational overhaul to unlock what it believes is a 50% value upside. According to the plan, mainstay VDL will be demerged into six entities, with a plan to list all demerged entities by March 2025.

The Survival Plan

In the first week of April, the board of VDL approved raising nearly ₹2,500 crore through debt securities. The fundraising will take place through issue of non-convertible debentures on

\$1.25 BILLION

Loan secured by Vedanta Resources from private credit lenders to refinance/repay debt maturing in 2024 and 2025

a private placement basis. The company raised funds via non-convertible debentures thrice in FY24, the latest being in December, for ₹3,400 crore.

The capital is essential to meet the company's \$6 billion worth of ongoing projects in aluminium, zinc, iron ore, oil and gas and power generation. Capital expenditure on expansion stood at ₹11,675 crore in FY24. According to the executive quoted above, the investment will be around \$1.9 billion (₹15,844 crore) this year.

The company wants to foray into new businesses, including manufacture of semiconductor and integrated display glass and panels for TV, computers and cellphones. It wants to ramp up renewable, silver and nickel businesses. It needs to refinance some of the loans to buy time till cash flow strengthens. Also, the locked-in shares of promoters need to be released as well.

On the expansion front, VDL completed the ramp-up of the Jharsuguda aluminium capacity to 1.8 MTPA. Lanjigarh refinery expansion from 2 MTPA to 5MTPA is in the works. Expansion activities are also in full swing at BALCO to increase the smelter capacity close to 1 MTPA by September. HZL plans to raise its zinc production capacity from 1 MTPA to 1.5 MTPA through brownfield expansion.

For ramping up its oil and gas busi-



Cairn India's oil and gas exploration plant at Barmer in Rajasthan.

ness, Cairn India, which has interests in 62 blocks, targets to increase its share of India's oil & gas production to 50%. The cash-rich onshore exploration and production company had to be merged with VDL in 2017 to access its cash reserves of nearly ₹16,900 crore. VDL had a debt of ₹37,600 crore at that time (in 2015 when the merger was announced). Though the group wants to sell ESL Steel Ltd., formerly Electrosteel Steels Ltd., it is focused on doubling the capacity to 3 MTPA.

Recently, VDL paid out a substantial portion of cash flows from businesses, including HZL, in the form of divi-

dends. The move was aimed at funding VRL for repaying debts.

Holding company VRL has an estimated standalone net debt of \$6.2 billion as on March 31, 2024, the company said during a recent investor presentation. VRL has de-leveraged its balance sheet by \$3.5 billion in the last two years. It also claims that the company has re-profiled near-term bond maturities of \$4 billion through a liability management exercise. With this, the repayment for FY25 has fallen to \$1.1 billion against the earlier requirement of \$4.1 billion. According to the new repayment structure, the company will have to pay a total of \$918 million, and \$1.8 billion in the next two fiscals.

Research agency CLSA says the company is well-placed to benefit from the commodity upcycle due to its diversified exposure. The efforts of group companies to raise capacity and profitability across segments augur well, it adds. "While debt at parent has now declined meaningfully, leverage has increased. Its leverage trajectory and corporate structure will be in focus."

VDL's consolidated net debt rose to ₹68,444 crore in March 2024, from ₹57,374 crore a year ago, thanks to reducing profits, higher capital

**₹11,675
CRORE**
Vedanta's capital expenditure
in FY24

VEDANTA'S DIVIDEND PAYOUT...

Shareholding date	Total promoter and group holding (%)	Market cap (₹ crore)	Promoter and group stake value (₹ crore)	Shares pledged (%)	Dividend to promoters as per stake (₹ crore)
31/03/20	50.13	24,069	12,066	0	727
31/03/21	55.11	84,994	46,840	99.99	1,948
31/03/22	69.68	1,49,970	1,04,499	99.99	11,664
31/03/23	68.11	1,02,111	69,548	99.99	25,717
31/03/24	61.95	1,00,978	62,556	99.99	6,815

... AND HINDUSTAN ZINC'S

Shareholding date	Total promoter and group holding (%)	Market cap (₹ crore)	Promoter and group stake value (₹ crore)	Shares pledged (%)	Dividend to promoters as per stake (₹ crore)
31/03/20	64.92	65,556	42,559	0	4,526
31/03/21	64.92	1,15,267	74,831	22.83	5,842
31/03/22	64.92	1,30,858	84,953	86.05	4,937
31/03/23	64.92	1,23,971	80,482	87.59	20,709
31/03/24	64.92	1,23,485	80,166	99.37	1,646

THE BALANCESHEET

Fiscal	NET SALES (₹ crore)		PAT (₹ crore)		DEBT TO PBIDT RATIO		INTEREST COVER RATIO	
	Vedanta	Hindustan Zinc	Vedanta	Hindustan Zinc	Vedanta	Hindustan Zinc	Vedanta	Hindustan Zinc
FY19	92,048	21,118	7,065	7,956	2.41	0.20	3.38	93.53
FY20	84,447	18,561	-6,664	6,805	10.18	0.06	2.85	75.91
FY21	88,021	22,629	11,602	7,980	1.92	0.53	4.3	28.39
FY22	1,32,732	29,440	18,802	9,630	1.15	0.16	7.87	49.62
FY23	1,47,308	34,098	10,574	10,520	1.80	0.63	4.26	46.94
FY24	1,41,793	28,084	4,239	7,787	1.79	0.59	3.15	11.83

SOURCE: CAPITALINE; HINDUSTAN ZINC NUMBERS ARE STANDALONE

secured debt maturities of \$1.5 billion with refinancing as an additional option, the company said in the investor presentation.

Downgrading Reputation

It was in April 2023 that Agarwal went public with his plan to make Vedanta Group a zero net debt company in two-three years. The group has ample cash flow to meet its debt repayment obligations, Agarwal announced. "We have the lowest debt in the world for a group of our size." He also added that the debt was a result of investing billions of dollars across businesses, and group companies never defaulted on their payments.

However, the first year of Agarwal's plan period doesn't give the impression that the firm would be able to generate \$17 billion (\$13 billion for existing net debt and \$2 billion each for capex cost for two financial years) free cash flow to become net debt neutral.

expenditure and financing costs, and dividend payouts. The company spent almost ₹11,000 crore on dividends in two tranches in FY24. It paid a total dividend of ₹37,572 crore in FY23.

Of the total dividend paid, ₹25,717 crore and ₹6,815 crore went to promoters in FY23 and FY24 for their 68.11% and 61.95% stake, respectively.

VDL said after its Q4 result that gross debt stood at around ₹71,759

crore and cash and cash equivalent at ₹15,421 crore as on March 2023. Net debt to EBITDA improved to 1.5x in March, compared with 1.7x three months before.

VDL will have to pay the \$1.5 billion debt maturing this fiscal, which is expected to increase to \$2 billion next fiscal (FY26). It is also likely to generate cash flow of \$3.5-4 billion for FY25, which may be sufficient to meet

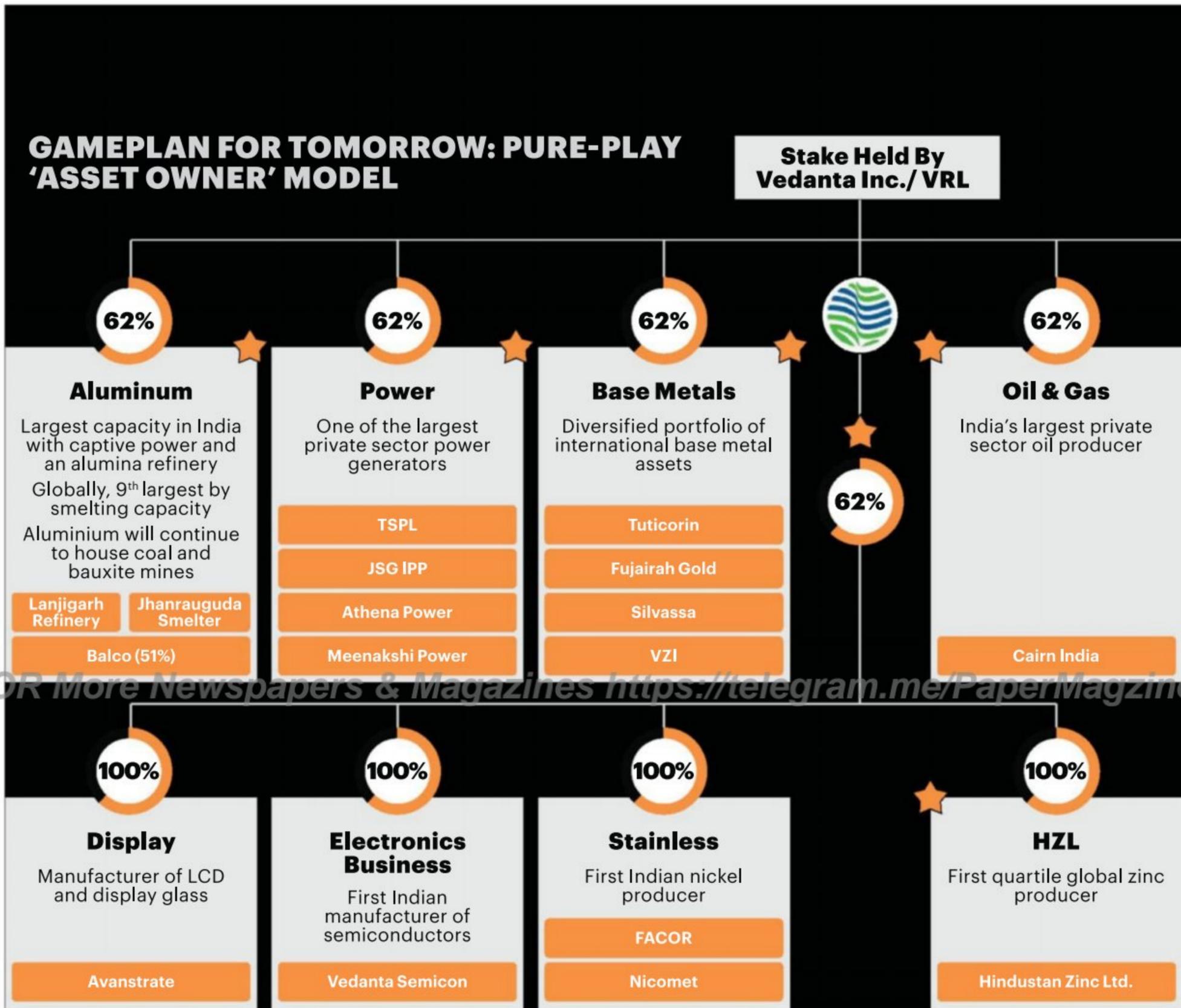
In January, Moody's Investors Service downgraded VRL's corporate family rating and senior unsecured bonds, citing concerns over the company's ability to address cash needs. Shortly after, the debt-laden firm was downgraded to selective default by S&P Global Ratings despite the miner concluding a deal with creditors to extend the maturities of its three dollar bonds worth \$3.2 billion.



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Restructuring To Stay Afloat

Unbundling assets is another strategy to tame debt. The group announced separation of VDL into six entities — Vedanta Aluminium, Vedanta Oil & Gas, Vedanta Power, Vedanta Steel and ferrous Materials, Vedanta Base Metals and Vedanta Ltd. in September 2023. For every share of Vedanta Ltd., shareholders will additionally receive 1 share of each of the five newly listed firms.

But the real advantage of unbundling is debt bifurcation. According to company sources, debt will be divided among new, demerged entities in the

ratio of assets allocated to them. Debt allocated to a company would be in direct proportion to the book value of its assets. The move will force individual businesses to meet repayment commitments. Respective managements will be accountable for increasing cash flows to meet repayment obligations.

Vedanta officials had earlier said the demerger will ensure appropriate debt allocation to each demerged entity and adequate capitalisation. “The demerger does not specifically change Vedanta’s near-term ability to repay debt (although the group is working on many other initiatives in this regard),

but they greatly improve our prospects beyond that,” a group spokesperson had said in an earlier response.

According to Yes Securities, the demerger will help in unlocking value. “Firstly, it makes the complex business structure simpler with sector-focused operations. Secondly, it makes it easier for investors to value businesses individually and invest in more value-accretive sectors that would be compounders of wealth,” the brokerage firm says. Majority of the capex is being put in minerals-based sectors — zinc, aluminium, and copper, it adds.

VRL management believes new

62%

Steel & Ferrous

One of the largest Indian private sector exporter of iron ore

Sesa Iron Ore

Sesa Coke

WCL (Liberia)

ESL Steel

₹11,000 CRORE

Total dividend payout by Vedanta Ltd. in FY24

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investments will help in balance sheet re-capitalisation. “Each vertical, under their own management team and independent board of directors, will have the freedom to pursue their own tailored strategy, which should help boost growth and generate more cash,” says the spokesperson quoted earlier.

The group believes the move will create standalone, pure-play businesses that will attract investments for future expansion. “Whilst we have not publicly shared our internal and third-party valuation analysis, we are confident this can unlock at least 50% upside,” the spokesperson said.

According to officials, as the group looks to capitalise on the India growth story, the demerger into focused verticals will generate increased interest from global investors to invest in Vedanta’s assets directly. The management expects the demerger process to be completed by early 2025.

Agarwal’s latest plan is another attempt to restructure businesses to fetch better valuation. In November 2021, VDL announced a restructuring that included demerger and listing of

aluminium, iron and steel, and oil and gas businesses as standalone entities. However, the plan was dropped as share prices of listed companies started moving upwards. A year before that the group tried to delist Vedanta Ltd. to accelerate simplification of the corporate structure. That attempt failed to garner the required number of shares to delist the Indian entity.

The restructuring of Vedanta Group has been attempted multiple times since 2008. VRL announced a simplification of corporate structure into three commodity focused verticals — copper, zinc and lead; aluminium and energy; and iron ore in the same year. But the company dropped the plan due to pressure from shareholders of Sterlite Industries.

But Agarwal was not ready to bow down. In February 2012, it presented another plan to merge its Indian subsidiaries into a single unit, Sesa Sterlite, to cut costs and improve cash flows. It was contrary to the earlier idea of separating businesses. It merged non-ferrous metals producer Sterlite Industries into iron ore miner Sesa Goa, followed by the

mergers of Vedanta Aluminium and Madras Aluminium Co. The joint entity was named Sesa Sterlite, which was renamed Vedanta Ltd in 2015. The group’s stake in Cairn India was also transferred to the entity. Before the failed delisting attempt of Vedanta Ltd., Agarwal successfully delisted the holding firm from the LSE in 2018.

The group’s latest attempt at demerger comes in the run-up to a substantial amount of repayments in the next couple of years. Analysts stress the complexities in the proposed value-unlocking plan. Proportionate debt distribution across new entities will be a major challenge.

“We have heard lenders are reportedly looking to scrutinise the demerger rationale, structural implications, long-term business goals, and financial management/funding for each unit,” says Credit Sights, a Fitch Group firm, in an earlier report. Kotak Institutional Equities also expects the approvals to be tedious as the split could make earnings more volatile. “This could make lenders’ approval challenging, given the elevated debt levels,” it adds. ■

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THE 100-DAY AGENDA OF MODI 3.0

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MINISTRIES ARE
WORKING ON
POLICY ACTION
IF THE BJP
GOVERNMENT
TAKES CHARGE
AT THE CENTRE.
HERE ARE
THE BROAD
CONTOURS OF
WHAT IS IN THE
WORKS.

**BY ASHUTOSH
KUMAR**

ON

APRIL 1, addressing RBI@90, a programme to commemorate 90 years of Reserve Bank of India in Mumbai, Prime Minister Narendra Modi asked financial sector representatives to use time till elections to come up with “out of the box” ideas for supporting emerging sectors. Giving a peek into what to expect if BJP-led NDA forms government after general elections, Modi said a lot of work is coming your way. “It is very important that goals for next ten years be

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BY NARENDRA BISHT



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crystal clear. No one can stop a nation whose goals are clear. We need to support growth and ensure new competencies in rising sectors like tourism. I am busy with elections for next 100 days. So, you have ample time. You give a close thought as a barrage of work will come your way the very next day of the oath-taking ceremony,” he said.

The prime minister had first talked about a third term for BJP before the Budget session on January 31 when he said the Interim Budget will serve as a ‘guidance’ for the future. Since then, the prime minister, his Cabinet colleagues and BJP rank and file have been talking confidently about coming to power for the third consecutive term. With the campaign in full swing, the party’s slogan, *Abki Baar 400 Paar*, is ringing louder. The ball, of course, is in the electorate’s court.

That said, a third term for BJP is something for which preparations are under way with prime minister putting the entire administrative machinery to work on the 100-day agenda that will be taken up immediately after the new government takes charge. According to a source, the prime minister held a meeting with top secretaries in early March and “sought novel ideas on reforms and growth.” Four additional secretaries in prime minister’s office are coordinating with key economic ministries, says the source, adding that Niti Aayog will finalise the implementation roadmap. “The proposals should be in tune with long-term vision for economic growth,” says the official. The BJP manifesto, titled *Modi Ki Guarantee*, released on April 14 outlines key economic initiatives that the prime minister plans to roll out if the party comes to power again.

TOP PRIORITY: INFRASTRUCTURE

The manifesto mentions 24 guarantees or deliverables. Of these, two pertain to building world-class infrastructure and making India a manufacturing hub; the ultimate aim is to make India the third-largest economy offering sufficient employment opportunities. With broad objectives clearly defined, ministries such as road transport and highways, railways and coal have already submitted initial plans to PMO.

The road transport and highways ministry is likely to seek Cabinet approval for Vision 2047 for creation of world-class infrastructure by 2047, when India will celebrate 100th year of independence (it is also the deadline set by government for making India a developed country). The ministry plans to develop 50,000 kms of access-controlled greenfield expressways with links to existing highways. “The network under Vision 2047 will be fresh alignment. A cabinet note on funding plan is being prepared,” says a ministry official. Sources say the ministry will take funding approval for next five years at one go for effective implementation of the plan.

The railway ministry has also lined up plans for next five years. These include building economic corridors, one-day

THE 100-DAY AGENDA

MINISTRY	ACTION PLAN
 Highway Ministry	<ul style="list-style-type: none"> Working on national plan for 2047 with focus on expressway network of 50,000 kms in next two decades Finalisation of long-term funding plan
 Ministry of Railways	<ul style="list-style-type: none"> Completion of Udhampur-Srinagar-Baramula rail link project Cabinet approval for three multi-modal economic corridors entailing ₹11 lakh crore investment Multi-modal economic corridors to come up in six-eight years
 Ministry of Housing	<ul style="list-style-type: none"> Launch of housing scheme for middle class. Scheme to focus on urban poor
 Ministry of Commerce	<ul style="list-style-type: none"> e-commerce policy FTA with U.K., Oman
 Ministry of Labour	<ul style="list-style-type: none"> Implementation of labour codes
 Ministry of Coal	<ul style="list-style-type: none"> Push to coal gasification projects Auction of coking coal blocks to steel makers Operationalisation of new coal mines

ticket cancellation refund, a super app, sleeper Vande Bharat trains and reduction of waiting lists. The Interim Budget had announced construction of railway economic corridors. The ministry has firmed up its plans. “Railway network needs capacity creation. The ministry plans to spend ₹11 lakh crore on building multi-modal corridors of 30,000 kms over next five-six years. This will address the issue of waitlisted tickets,” says an official, adding that the projects are being identified. A super app for railways is also likely to become a reality in first 100 days of the new government. Centre for Railway Information Systems is working on the app, which will offer services that are currently being provided by a dozen different apps. Another initiative is consolidation of ministries like highways, railways, port and shipping and civil aviation into one mega transport ministry. For that, though, BJP will need a huge majority in Lok Sabha, as any compulsion to accom-



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MEGA PLAN

- To make India a developed country by 2047
- Massive focus on chip/semiconductor manufacturing, deep-tech in defence
- Push to e-mobility and energy transition
- Big investments in infrastructure—railway, highway, housing
- Focus on poorer states in eastern India
- Next generation reforms (judicial, administrative)
- Consolidation of infra, transport ministries for better planning and implementation

THE MACRO CHALLENGES

- High global inflation
- High interest rates
- Brent Crude oil prices over \$90 a barrel
- Iran–Israel tensions
- Stunted global growth
- Tepid exports due to geo-political tensions

moderate alliance partners will force it to have a large Cabinet. Bundling of infrastructure ministries for seamless decision-making has been on government radar for long.

Healthcare is another major area close to the prime minister's heart, say officials. Ministry of health and family welfare is working on a preventive healthcare scheme for the elderly. Coal ministry, too, has lined up several deliverables, including operationalisation of new coal mines, transfer of coking coal blocks to steel companies and a slew of massive gasification projects.

UNFINISHED AGENDA

In addition to the new initiatives, the new government will likely push some unfinished agenda from NDA-II too. These include Labour Code and reduction in number of GST slabs. Aiming at rationalisation of 29 conflicting la-

bour laws, government had brought out four labour reform codes—Code on Wages in 2019, and Industrial Relations Code, Code on Social Security and Occupational Safety and Health and Working Conditions Code in 2020. Code of Wages was passed by Parliament in 2019 and notified the same year. The other three were passed in 2020. However, as labour is in the concurrent list, all states have not formulated draft rules. Government did not take up the matter with states aggressively as implementation will involve marathon talks with trade unions. After the backlash against farm laws in 2022, it did not wish to antagonise the unions. Sources say labour reforms will be accorded primacy post-elections; the target is to implement the codes from April 1 next year.

Another unfinished agenda is simplification of GST regime. India has four GST rates—5%, 12%, 18% and 28%. One of the key agenda items pending in GST Council is simplification of the slabs by merging the 12% and 18% slabs into a single slab of 15%. A Group of Ministers headed by UP finance minister Suresh Khanna is looking into the issue. A CBIC official told *Fortune India* a GST Council meeting on

the issue was supposed to take place in February but is now likely to be held after the elections.

However, government seems to have hit the pause button on privatisation of two public sector banks announced in Budget FY22. The finance ministry is of the view that time may not be ripe for privatisation considering the resilience shown by the banks.

MACRO RISKS

The list of deliverables is long. Centre has not lowered the tempo on economic policy even amid the

electoral din. However, the pall of uncertainty thrown by latest geopolitical conflicts may come to haunt India's economy, something that government has to keep in mind while formulating policy. If regional conflicts with Israel escalate into a full-fledged war, it will likely singe the global economy by pushing up energy prices (Brent crude has already breached \$90 per barrel), triggering high inflation and stunting growth. It will also impact India's fiscal consolidation path. The already elusive window for global and domestic banking regulators to lower interest rates will recede even more into the horizon, leading to higher cost of funds, thereby impacting economic growth.

As Uday Kotak pointed out in a tweet on April 11, one needs to get ready for a global turbulence. In addition to planning for the future, it may be time to remain watchful of emerging global challenges and account for them too. ■

MINISTRY OF HEALTH IS WORKING ON A PREVENTIVE HEALTHCARE SCHEME FOR THE ELDERLY

EXPORTS: BREAKING INTO TOP FIVE

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India is now among top five exporters in a large number of categories. The lessons from these successes can be used to dominate in other sectors.

BY JOE C. MATHEW

IN 2014, INDIA WAS A MARGINAL player in export of molasses, a by-product of sugar manufacturing. Between 2014 and 2022, India's molasses exports grew from \$12.92 million (\$933 million global market) to \$265.55 million (\$1,005 million global market). From 1.38% market share and 21st position in 2014, India jumped to the number one molasses exporter in 2022, the latest year for which global trade data is available; market share touched 26.41%. What made the difference was a decision by key importers—North Europe-

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an countries use molasses in cattle feed—to switch to India due to lower cost. “It was a win-win situation. The sugar miller, who was getting ₹5,000 for one-tonne molasses in domestic market, started getting ₹10,000. North European countries found India good in both price and quality,” says Prakash P. Naiknavare, managing director, National Federation of Cooperative Sugar Factories.

Despite being a marginal player in goods with less than 2% market share, India has become one of the top five exporters in several products, besides molasses. For instance, it moved from 14th to 4th position in certain categories of petroleum products between 2014 and 2022. In some precious and semi-precious stones, it moved from 11th to top position. In aluminium, it moved from 35th to 5th (tubes, pipe fittings) and 9th to 2nd (unwrought aluminium) ranks. In cyclic hydrocarbons, it went from 8th to 5th with 8.4% market share. What does this signify?

Commerce ministry data shows: First, the number of tariff lines (classified under four-digit HS Codes) where India is among top five exporters rose from 169 in 2014 to 218 in 2022. As total tariff lines are 1,228, this means India is in top five in about 20% tariff lines. India's average share in these was 10.35%, several times its share in global exports. Second, cumulative value of these exports was \$261.09 billion, over 50% of total merchandise exports, in 2022. Third, 5% of these products moved to top five when global trade was facing massive disruptions due to Covid and geopolitical tensions.

It's obvious that favourable policy changes, geopolitical developments, labour/cost arbitrage and efforts by export

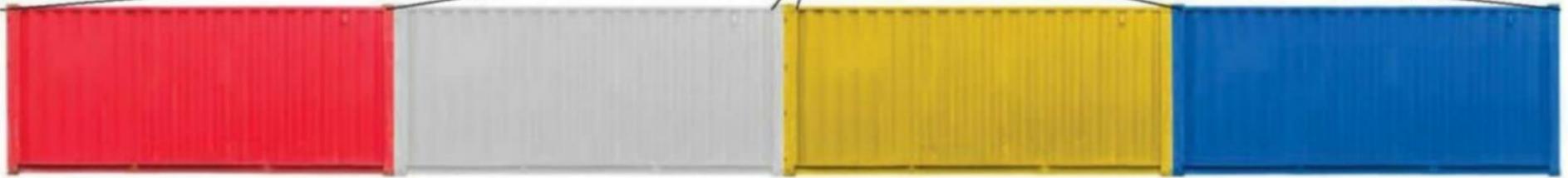
promotion agencies to explore new markets have increased acceptance of select Indian products in recent years. At the same time, overall export numbers show that such product-specific, micro-level changes have made little impact on country's share in exports or growth in total value of exports. Is this contradictory? Should increase in global market share of some Indian products, without an overall impact, merit attention? Is growth in these products sustainable? For answers, let's take a closer look at key sectors where India has managed to take leadership.



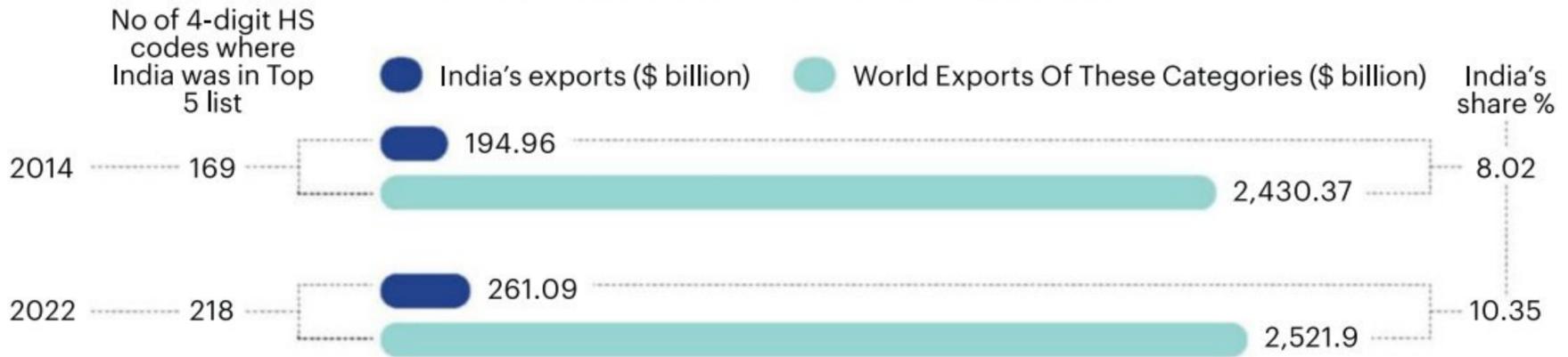
POLICY TWEAKS, GEOPOLITICAL DEVELOPMENTS, LABOUR/COST ARBITRAGE AND EFFORTS BY EXPORT PROMOTION AGENCIES TO EXPLORE NEW MARKETS HAVE INCREASED ACCEPTANCE OF SELECT INDIAN PRODUCTS IN RECENT YEARS.

CATEGORIES WHERE INDIA IS IN TOP FIVE LIST

Product (Four-digit HS Code)	2014			
	World Exports (\$Million)	India Exports (\$Million)	India's Share In World Exports	India's Rank
Unwrought Aluminium (7601)	44,775.9	1,339.3	2.9%	9
Cyclic Hydrocarbons (2902)	55,114.5	2,159.9	3.9%	8
Oils And Other Products (2707)	22,203.8	533.5	2.4%	14
Precious And Semi-Precious Stones (7104)	1,150.9	30.3	0.02	11
Electric Generating Sets And Rotary Converters (8502)	27,133.4	270.2	0.01	19
Crustaceans, Molluscs And Other Aquatic Invertebrates (1605)	10,996	111.1	0.01	15
Carboxamide-Function Compounds; Amide-Function Compounds Of Carbonic Acid (2924)	7,761.2	269.8	0.03	8
Mattress Supports, Articles Of Bedding (9404)	15,167.4	347.9	0.02	6
Fabrics, Knitted Or Crocheted, Of A Width Of > 30 Cm (6006)	13,987	203.5	0.01	9
Vessels, Incl. Warships And Lifeboats (8906)	4,186.6	66	0.01	15



INDIA IS NOW TOP FIVE IN 218 CATEGORIES



SOURCE: WITS ,DATA AS ON JANUARY 2024

Value Matters

India has been a world leader in gems and jewellery exports for more than a decade. It held 24.22% share in diamonds, cut or uncut, with \$24.1 billion exports in 2014. It retained its position in 2022 with share rising to 27.5% despite decline in global demand. However, in precious and semi-precious stones—a related category with significantly smaller market value—it moved from 11th place with 2.64% market share in 2014 to number one in 2022 with 34.45% market share. In value terms, exports under this tariff line fetched \$1.9 billion in 2022 as against \$30.4 million in 2014.

Vipul Shah, CEO & MD, Asian Star and chairman, Gems

and Jewellery Export Promotion Council, attributes India's leadership in the sector to conducive government policies. "A key advantage and pillar of this industry are our skilled artisans. Over the years, we have bolstered our infrastructure and manufacturing capabilities through advanced technologies and machinery, aimed at enhancing quality and productivity. India is the leader in several verticals and can fulfil any order. As a result, it is poised to strengthen its position in the sector," says Shah.

That is not all. Petroleum products are the biggest contributor to Indian exports in value terms. India was at fifth spot in petroleum oils and oils from bituminous minerals in 2014. In 2022, it was second. Value of exports

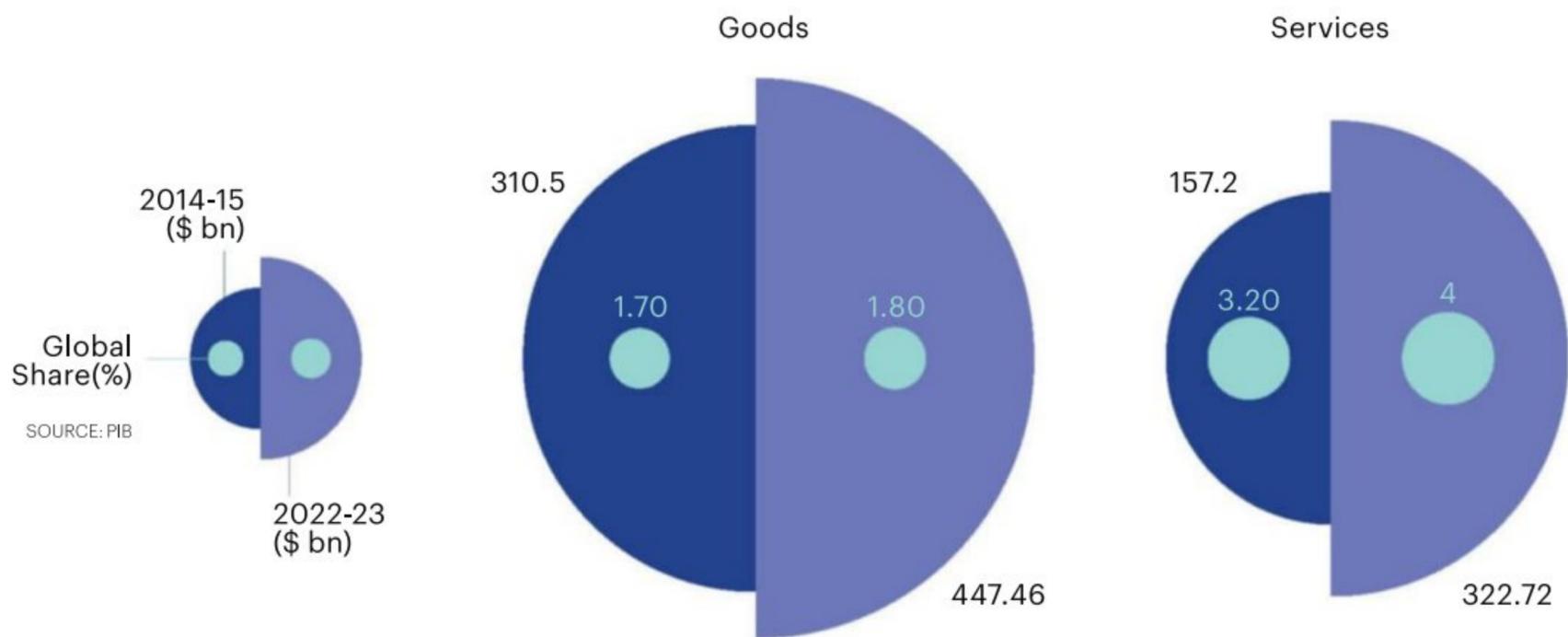
2022

World Exports (\$Million)	India Exports (\$Million)	India's Share In World Exports	India's Rank	Reasons For The Jump
74,159.2	7,079.7	9.5%	2	Abundance Of Key Raw Materials Coal And Bauxite
39,094.2	3,282.2	8.4%	5	Improvement In Technology Capabilites
36,943.2	2,024.7	5.4%	4	Improvement In Technology Capabilites
5,451.2	1,878.1	34.4%	1	Infrastructure, Skill Of Artisans, Manufacturing Capabilities
21,375.4	853.1	3.9%	5	Shift From High-Cost Countries, Growing Expertise In Precision Engineering
13,764	789.7	5.7%	5	Export Promotion Measures, Improved Marketing In Key Destinations
10,047.5	689.5	6.8%	5	China+1 Strategy Of Key Importing Countries
20,875.5	645.6	3%	4	Cost Advantage
19,404.7	498.5	2.5%	5	Cheap Labour, Cost Advantage
2,927.2	308.5	10.5%	3	Increasing Trust In Indian Engineering, Workmanship

SOURCE: WITS ,DATA AS ON JANUARY 2024



INDIA'S SHARE IN GOODS AND SERVICES RISES



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TOP 10 EXPORT CATEGORIES

Category	2014			
	World Exports (\$ Million)	India Exports (\$ Million)	India's Share In World Exports	India's Rank
Diamonds	99,375	24,064.4	24.2%	1
Articles of jewellery and parts thereof	1,19,203.9	13,087.5	10.9%	2
Rice	25,945.7	7,905.6	30.4%	1
Unwrought aluminium	44,775.9	1,339.3	2.9%	9
Cane or beet sugar and chemically pure sucrose, in solid form	25,904.1	1,116.1	4.3%	4
Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products	32,949.7	1,939.9	5.8%	5
Crustaceans	25,296.5	3,834.8	15.1%	1
Ferro-alloys	26,249.3	1,714	6.53%	5
Cyclic hydrocarbons	55,114.5	2,159.9	3.9%	8
Cotton yarn other than sewing thread	12,391.5	4,095.3	33%	1

grew from \$60.8 billion in 2014 to \$94.4 billion in 2022 and global market share from 6.71% to 9.45%. In case of oils and other products of distillation of high temperature coal tar, and similar products in which weight of aromatic constituents exceeds that of non-aromatic constituents, India moved from 14th to 4th rank between 2014 and 2022 with exports going up from \$533.6 million to \$2 billion. In cyclic hydrocarbons, increase was from \$2.2 billion to \$3.3 billion, with India's position going up from 8th to 5th and global market share from 3.9% to 8.4%. The revenue

contribution of categories which rose to top five during the period was a fraction of what the sector was contributing as a whole.

A third example is marine exports. While frozen shrimp, with 68% share in India's \$8 billion marine exports, is leading the growth, the related segment—crustaceans, molluscs and other aquatic invertebrates, prepared or preserved—moved up the most, from 15th to 5th, but contributed only \$789.7 million to export earnings in 2022, up from \$111.3 million in 2014.

In FY23, India exported 17,35,286 MT seafood worth \$8.09 billion, an all-time high by volume and value; frozen shrimp was the major contributor, says Dodda Venkata Swamy, chairman, Marine Products Export Development Authority. “The 10-year CAGR of frozen shrimp is 11.8%, the highest among major products exported from India,” says Swamy.

Petroleum, precious stone and marine product exports illustrate why high global share in certain tariff lines may not result in a corresponding increase in global share in merchandise trade. However, that’s not all.

Product Matters

The fact that India’s share in global exports is just 1.8% even after having 20% tariff lines in top five calls for introspection, says Ajay Sahai, CEO & DG, Federation of Indian Export Organisations. “This shows we are not in top five in products in which major trade is happening. Also, we may

or intermediates. The only exceptions, to an extent, are electrical, electronic, marine, fabric and some iron and steel items. Despite value addition in some of these sectors, they are not the most valuable items in global trade today. For instance, apparel and textiles will be a focus area for India due to the number of jobs the sector creates, but it is not among sectors adding serious value to exports. Major contributors to exports by value are technology-driven sectors where our exports have been low. India is, in fact, a big importer of most of these products.

The Way Ahead

Ministry of commerce is looking to move beyond India’s traditionally strong sectors to increase exports. According to senior officials, India has added 2,105 commodities in list of exports between FY16 and FY23. Officials say share of these new commodities in India’s merchandise exports increased from 20.1% in FY16 to 33.6% in FY23. The number of registered exporters in the country grew 26.4% from 1.29 lakh to 1.63 lakh between FY14 and FY23. Free trade deals being negotiated with various countries and regional blocs are also expected to increase exports in coming years.

There are strong positive signals. One is increase in automobile and mobile phone exports. The country has been moving up the value chain. “It is happening. Probably it will accelerate when product linked incentive (PLI) schemes start yielding results because most of the PLI investments have come in electrical, electronic, automobile and machinery segments. Major global trade is happening in these segments,” says Sahai.

Even as PLI is promising in medium term, policy directions can make a difference even in current top five products in the short term. Despite small value, molasses exports is perhaps the best example of timely policy interventions impacting export competitiveness. Part of the attractiveness of molasses was zero duty policy adopted by central government to encourage export of excess molasses being produced due to ethanol push. States like Maharashtra sweetened the offer by issuing export licences to sugar mills three years ago. However, the situation has reversed now. “Sugarcane production dipped due to adverse climatic conditions in FY24. There was pressure on availability of molasses, and government increased export duty from 0% to 50% a couple of months ago. Export has become unviable. Practically there is no export taking place now,” says Naiknavare. According to him, ex-mill prices have dropped to ₹7,000-6,000 a tonne, but exporting with 50% duty has made Indian molasses globally expensive.

No one is blaming the government as the aim of the policy was to support the national ethanol programme. But the fact remains that basic commodities, be it rice, spices or molasses, can’t be the best examples of India’s export story. ■

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2022				
	World Exports (\$Million)	India Exports (\$Million)	India’s Share In World Exports	India’s Rank
	87,089.1	23,919.6	27.4%	1
	1,08,445.1	12,306.2	11.3%	3
	28,998.6	10,766.6	37.1%	1
	74,159.22	7,079.7	9.5%	2
	29,474.9	5,742	19.4%	2
	47,165.3	5,549.5	11.7%	2
	22,063.2	4,907.5	22.2%	1
	46,506.4	3,561.9	7.6%	4
	39,094.2	3,282.2	8.4%	5
	11,193.4	3,082.7	27.5%	1

SOURCE: WITS, DATA AS ON JANUARY 2024

be in top five, but if gap between number one and 5th is, let’s say, \$100 billion, we need to be worried. For instance, if we look at apparel, our exports are \$14 billion, while China is at \$140 billion. If we are among top five in sectors where there isn’t much difference with the number one player, it is a different picture, but if not, it is a cause for concern,” he says.

Reinforcing Sahai’s views is the list of products where India is in top five. Precious and semi-precious stones, petroleum products, aluminium, etc, are raw materials



What's Behind Gold's New Peak?

Central banks shore up gold reserves to prepare for turbulent times, pushing up prices across the globe. The trend is here to stay.

By **RAJIV RANJAN SINGH**

57,567
Mar-23

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Sharp Rise In Gold Prices



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IN

2024, all that glitters is gold indeed. Central banks, who take refuge in the security and resilience of the yellow metal in turbulent times, have been hyperactively adding it to their reserves. The result: the yellow metal hit 15 all-time highs this year till mid-April

on London Bullion Metal Exchange. Central banks, in fact, bought nearly one-third the total gold mined in 2023. As per World Gold Council (WGC), annual mine production last calendar year was 3,644 tonnes; of that, central banks bought 1,037 tonnes. "Most central banks are buying based on gold's performance during crises and its role as a long-term store of value," Juan Carlos Artigas, Head of Research, World Gold Council tells *Fortune India*. In 2023, top buyers included China (224.88 tonnes), followed by Poland at 130 tonnes. India was at the sixth spot with 16.22 tonnes.

Mike McGlone, Bloomberg Senior Commodity Strategist, says the rally started with the "unlimited friendship" between Chinese President Xi Jinping and Russian President Vladimir Putin. "Led by China,

the deepest pockets on the planet, central banks, are colossal buyers of gold," he says. In 2023, they cumulatively bought 1,037 tonnes, only 45 tonnes less than 1,082 tonnes in 2022, which was the highest since the abolition of the Bretton Woods agreement in 1971. In 2020 and 2021, global central banks' net purchases were 255 tonnes and 450 tonnes, respectively. Central banks bought 65 tonnes on a net basis in January and February 2024, according to data from International Monetary Fund (IMF) and publicly available sources.

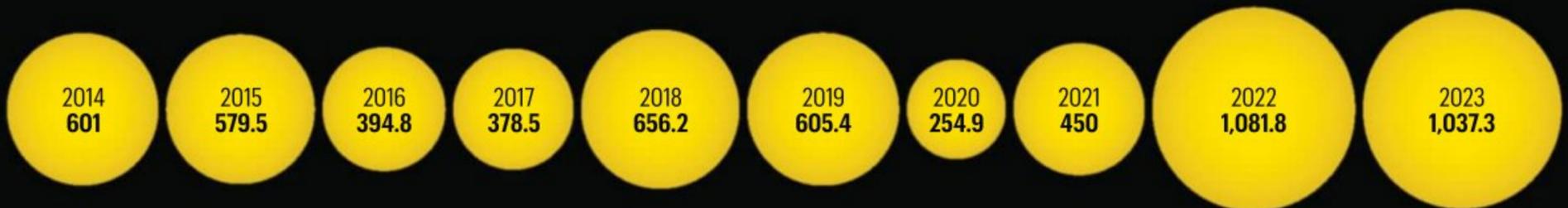
Plugging Trust Deficit

It is not a coincidence that 2022, when Russia-Ukraine war started, was also the point of origin of the current gold rally. In 2022, demand for gold was the strongest (1,081.8 tonnes) in 11 years, as per WGC. By the end of February 2022, Russian central bank confirmed that about half its assets, worth \$300 billion, have been frozen as part of an economic war initiated by U.S. and its European allies. This was not only a blow to Russia but also to the international financial and monetary system that is based on trust. In his book, *The Economic Weapon: The Rise of Sanctions as a Tool of Modern War*, historian Nicholas Mulder mentions

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Central Banks' Net Gold Purchases



IN TONNES; SOURCE: WGC

when Britain and Russia were fighting the Crimean War in 1853-56, they continued to service their debts to each other. The 'freeze' of Russian forex funds sent a stark signal to the world that U.S. will no longer play by rules and any country crossing it may find itself in Russia's shoes. Thus, 2022 marked a paradigm shift for international finance, with central banks starting diversifying assets to build immunity from any financial onslaught by U.S. A major part of their strategy involves shifting to gold rather than building forex, especially U.S. dollar reserves. As per IMF data, in 2021, there was an addition of 5.08% in forex reserves and 2.28% in forex accumulation in U.S. dollars. In 2022, there was a net reduction in both forex (-6.23%) and dollar reserves (-6.44%). In 2023, there was a marginal addition in both forex (0.64%) and dollar reserves (0.19%).

WGC's 2023 survey revealed that central banks' views on future role of U.S. dollar were more pessimistic than in previous surveys. In contrast, their views on gold grew more optimistic, with 62% saying gold will have a greater share of reserves compared with 46% last year.

WGC research suggests central banks have been net buyers of gold for 14 years, including periods when prices increased significantly. It expects another year of robust buying.

T The China Factor

In November 2022, People's Bank of China reported the first increase in gold reserves since September 2019. Its gold reserves rose to over 2,000 tonnes for the first time in 2022, as per a WGC report.

Between 2002 and 2019, China had accumulated 1,448 tonnes gold. It has continued buying since November 2022. In 2023, the Chinese central bank became the largest buyer by purchasing 224.88 tonnes and boosting holdings to 2,235 tonnes. In an article published in 2022, Yu Yongding, one of the most influential economists of China wrote, "Whatever the causes, there is no denying that China has accumulated an excessive volume of foreign exchange reserves. With more than \$2 trillion of net international assets, China's net investment income has been negative for almost 20 years, because its holdings are disproportionately in low-yield U.S. treasuries. This is a grotesque misallocation of resources."

RBI's modest buying can be attributed to erosion of forex reserves

China's foreign exchange reserves peaked at \$3.8 trillion in 2014. Since 2016, they have fluctuated around \$3 trillion. In 2022, when Russian forex reserves were frozen, China had \$3.2 trillion worth of forex reserves. It seems Beijing was already cautious about the fate of its huge forex reserves when U.S. reneged on the moral code of international finance. This perhaps strengthened its resolve to create alternatives to U.S.-based monetary systems. Not only has China started expanding its gold reserves, it has also initiated CIPS, Cross-border Interbank Payment System, to move away from dollar-dominated SWIFT or Society for Worldwide Interbank Financial Telecommunications.

Furthermore, there is a concerted effort by BRICS nations and Shanghai Cooperation Organization, bolstered by China, to introduce an alternative international trade currency to challenge the dominance of the U.S. dollar. In response to this evolving landscape, central banks have started divesting dollar-denominated assets such as U.S. treasuries and allocating a portion of their reserves to the yellow metal.

G Gold Outshines Gold ETFs

Even when central banks are on a gold shopping spree, there is a dichotomy between performance of physical gold and gold ETFs. While more and more physical gold is making its way to vaults of central banks, gold ETFs are getting trimmed from portfolios. As per Bloomberg data, total holdings of gold ETFs are about



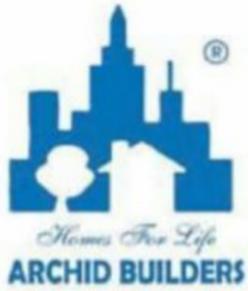
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ARCHID BUILDERS' BLUEPRINT FOR BRILLIANCE

PIONEERING MODERN REAL ESTATE IN ODISHA



Hard work has a compounding effect; it builds trust when words fall short. When no one believed in us, it was our relentless effort and dedication to each project that spoke volumes. Excellence isn't just about meeting expectations—it's about exceeding them and proving the skeptics wrong every single day



Bandan Mohanty
Managing Director, Archid Builders

In the wake of the Great Recession of 2008-2009, while the global economy faltered and many hesitated, Bandan Mohanty envisioned a realm of potential in the underdeveloped terrains of Odisha. With bold resolve to forge his own path beyond the family business and armed only with an MBA in marketing, Mohanty launched Archid Builders in 2009. His journey transcended the mere construction of structures; it was about crafting a legacy characterized by resilience, innovation, and

a steadfast dedication to quality. Starting with his first project—deemed by many as a likely failure—he transformed skepticism into belief, laying down the foundational stones of what would become a real estate empire. Mohanty's tale is not just about erecting buildings; it is a profound narrative on how visionary ideals can reshape landscapes and lives, showcasing the profound impact of relentless excellence in the face of economic adversity.

Born into modest beginnings

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journey is a testament to the power of hard work and vision. He initially dipped his toes into the family business. However, the ambition to carve his own path was undeniable.

Driven by a blend of entrepreneurial spirit and sheer grit, Mohanty ventured into the real estate sector - a move that would define his career and shape his destiny.

Despite of initial hurdles, his unwavering commitment and keen eye for detail soon won him contracts that proved pivotal. Archid Builders, focusing on high-quality, beautifully designed homes, quickly became a name synonymous with trust and excellence in Odisha. With over 200 employees and numerous projects across key cities like Bhubaneswar, Puri, and Barbil, the company solidified Mohanty's reputation as a real estate mogul.

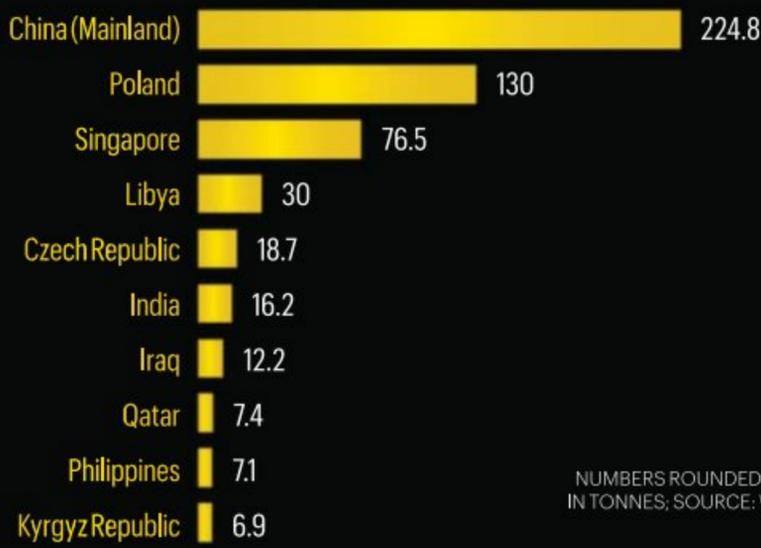
But his ambitions didn't stop at real estate. Bandan's interest into poultry farming in Archid Poultry Products Pvt. Ltd. with a state-of-the-art facility producing 200,000 eggs per day showcased his ability to diversify and excel in multiple arenas. This venture further demonstrated his knack for spotting business opportunities and leveraging them to their fullest potential.

Throughout his career, Bandan Mohanty has been a beacon of innovation and quality. His projects not only provide spaces for families to thrive but also contribute significantly to the region's development. His accolades, numerous and distinguished, echo his business acumen and commitment to excellence. These honors are not merely awards but milestones that mark the journey of a man who believes in continuous growth and community enrichment.

Now, with over 25+ projects encompassing more than 5 lakh square feet, generating cumulative sales of Rs. 440 Crores, Mohanty's influence in the real estate landscape is undeniable. Archid Builders demonstrates substantial growth potential. Their Future projects of 15 Lakhs Sq. ft. with turnover over 2000 Cr will definitely give a positive growth towards our reputation and Brand value. His leadership at Archid Builders has not only reshaped skylines but also the lives of countless individuals who dwell within these structures.

Bandan Mohanty's story is not just about the buildings he has erected but the foundation he has laid for future generations. His life reminds us that with enough determination and heart, even the loftiest dreams can be grounded in reality. As he continues to build and inspire, Bandan remains a testament to the enduring spirit of a visionary who once dared to dream big from the humblest of beginnings. ■

Top Buyers Of Gold in 2023



Tepid Rise In Mine Production Also Pushes Up Price



But ETFs See An Outflow As Investors Prefer Physical Gold



Includes North America, Europe, Asia and Others (Australia, South Africa, Turkey, Saudi Arabia)

SOURCE: WGC

82 million ounces, down from the peak of 111 million ounces on October 15, 2020. Total decline is 29 million ounces or about 26%. “About \$8 billion gold ETF outflows in current year show investors shunning a top performer, for now,” says Mike McGlone of Bloomberg. One ounce is 28.349 grams.

As per WGC, global gold ETFs saw third consecutive annual outflow in 2023. Despite heavy selling by gold ETF funds, the yellow metal is up about 25% in dollar terms.

Central banks’ purchasing patterns are predominantly influenced by their reserve portfolio composition and geopolitical uncertainties. The divergent performance of physical gold and gold ETF may be attributed to different motivations. Whereas central banks are primarily motivated by factors related to strategic reserve management, a fund manager buys ETFs for earning profits.

RBI’s Measured Moves

India’s love for gold earned it the epithet of ‘The Golden Sparrow’ in ancient times. This continues to be relevant even now as Reserve Bank of India (RBI) is among top ten gold buyers among all central banks.

It bought 41.68 tonnes, 77 tonnes and 33 tonnes gold in 2020, 2021 and 2022, respectively. This is 15.26%, 16.63% and 2.9% of total gold purchased by central banks in those years. In 2023, RBI reduced its pace and bought just 16.22 tonnes or 1.54% of total gold purchased by central banks.

RBI gold buying matched the rise in India’s forex reserves. As per RBI data, India’s forex reserves rose from \$580 billion in December 2020 to \$633 billion in December 2021. During the period, India bought 77 tonnes gold, its second-highest purchase since 2009. The aim was to diversify forex reserves, 60% of which were in U.S. dollar. However, the situation reversed in 2022, when India’s forex reserves declined from \$633 billion to \$563 billion. WGC’s Gold Demand Trend Report 2022 says RBI’s intervention in forex market to support the rupee caused a \$70 billion decline in India’s forex reserves. This may have impacted its gold buying, it says.

Thus, RBI’s modest buying can be attributed to erosion of forex reserves on account of weakening rupee and appreciation of U.S. dollar. In 2022, rupee lost 10.68% value against greenback, while India’s forex reserves declined 11.7%. India’s mammoth gold buying occurred in 2021 when rupee gained 2.4% against U.S. dollar and forex reserves rose 9.1%.

Although India’s forex reserves swelled to \$623 billion by 2023-end, they were still \$10 billion shy of the 2021 number. Thus, RBI reduced its buying pace and bought just 16 tonnes in 2023. As per RBI, India’s total forex reserves stood at \$648.56 billion while gold reserves were \$54.56 billion on April 5, 2024, accounting for 8.4% of India’s forex reserves.

Be it gold or crude, the vital commodities which India imports, the mode of payment is U.S. dollar and it seems RBI’s current focus is on earning dollars rather than paying for gold in U.S. dollars. ■

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Brightest young leaders
who changed the course of
businesses in India

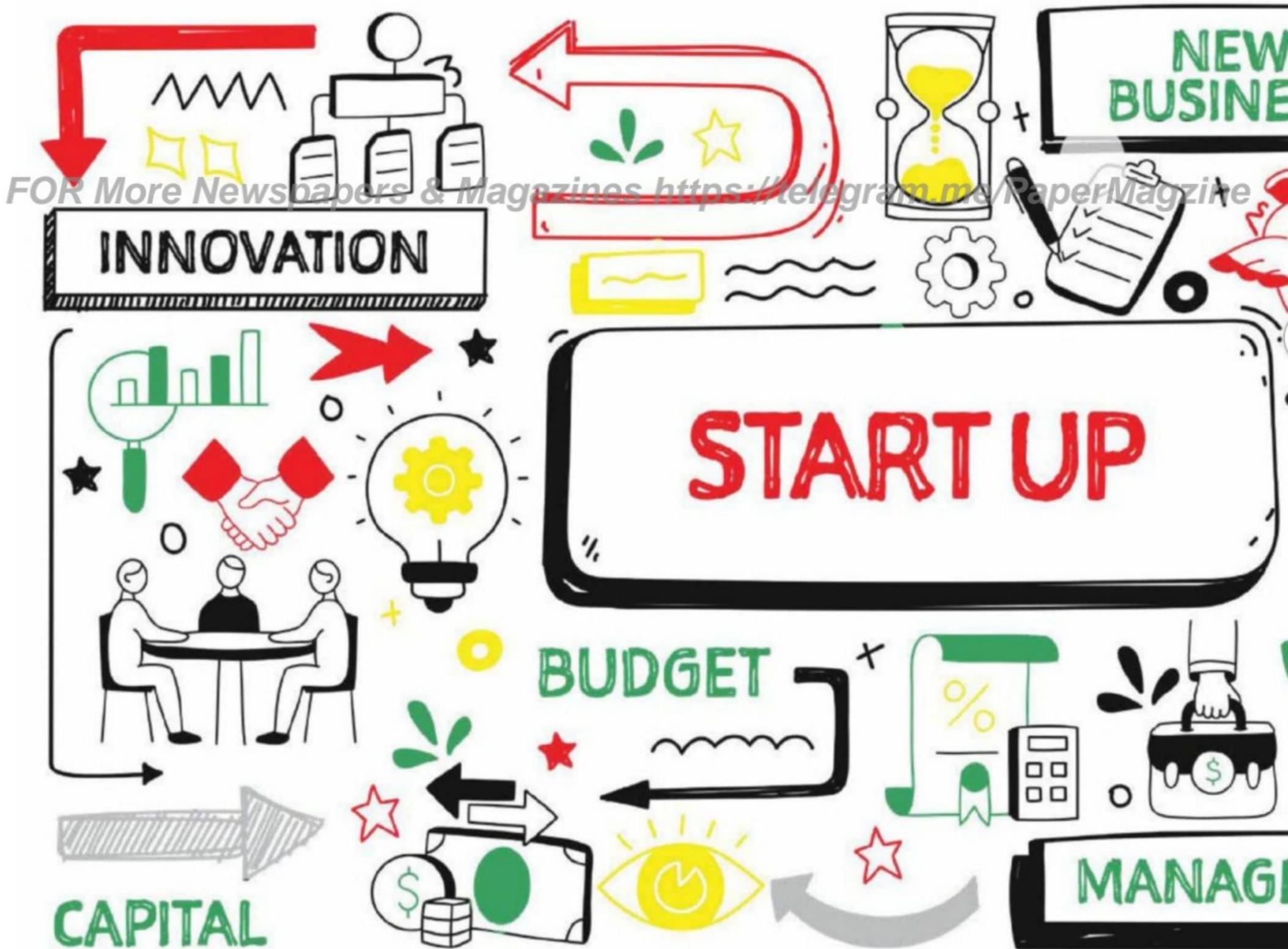
ILLUSTRATION BY AMIT SHARMA

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WHAT NOT TO DO IN A START-UP



In light of recent governance mishaps, investors advise founders on what all to avoid in their start-up journey.

By **RUKMINI RAO**

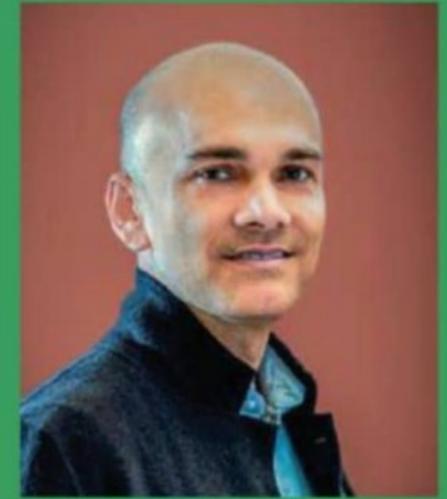


- **Raising funds:** Do not keep fund-raising under wraps. Be decisive: either in or out. Testing the market is a fallacy.

- **Cash management:** Cash in bank is great but don't fail to spend wisely. Don't spend without a solid product market fit. Once you have that, don't hesitate to spend.

- **Growth strategy:** Strategy is also about what you choose to not do. Having a strategy but not following it, while being overly rigid about it, defeats the purpose.

- **Dealing with investors:** Avoid two things—keeping investors in the dark and following every directive from them. Remember, you're running the company. While it's crucial to listen to their advice, ultimately, it's your company, and you call the shots.



DEV KHARE
Partner, Lightspeed Ventures India

- **Raising funds:** Don't dive straight into numbers. Take time to introduce yourself and explain why you're the right team for the opportunity.

- **Cash management:** Don't automatically invest/burn more if you have more capital. Think what's absolutely necessary to get to the next big risk-reduction milestone and set the rest aside as if you don't have it.

- **Growth strategy:** Don't tape up strategy or cultural norms on a wall and expect any of that to be adhered to. Strategy and culture are products of what you do.

- **Ensuring compliance:** Don't put off governance and compliance items till you are "bigger." Put in place governance guardrails appropriate to the size and complexity of the company and scale up as you go along.

- **Dealing with investors:** Don't meet investors alongside co-founders who don't say anything. Either everybody should have a core role in the conversation or not attend.



VISHAL GUPTA

Partner, Bessemer Venture Partners

- **Cash management:** Founders should remain frugal with spending. That should be part of the company's culture irrespective of how much cash is in the bank.
- **Growth strategy:** Do not optimise business for the short term; remain focused on long-term goals.
- **Managing consumers/users:** Listen and embrace consumer feedback. It is the most important metric that drives success or failure.
- **Technology development:** A 30-member engineering team can build a better product than bloated 100-plus member teams. Smaller teams can be more efficient.
- **Dealing with investors:** Don't over-promise and under-deliver. Transparency is the key to trust.



ASHISH SHARMA

Managing Partner, InnoVen Triple Blue Capital Advisors LLP

- **Raising funds:** While it's tempting to raise as much capital at highest valuation, it often back-fires in the long run. Raise a bit more than what you need but not too much, choose investors well (focus on good fit and not just valuation offered) and raise funds at a reasonable valuation; exorbitantly high valuation will haunt you

during the next round of fund-raising.

- **Cash management:** Don't invest in risky products to maximise yield. Have a board-approved investment policy for cash, which should only be in banks or liquid mutual funds. Never park money in non-callable deposits tempted by higher interest rates.
- **Growth strategy:** Don't formulate strategy just to align with "what's hot" or what investors are looking for. The best strategies are always market-backed and emerge from customer data/behaviour/insights. Don't be wed to a particular strategy.
- **Employee management:** Don't surprise employees, build a culture fostering open communication. Be transparent.

- **Raising funds:** Don't overestimate TAM (total addressable market) This can raise doubts about your understanding of the market and credibility. Failing to segment the market can lead to a superficial understanding of TAM.

- **Cash management:** Don't keep cash in bank! Founders and investors have been focused on cutting costs at the expense of growth. While it's essential to maintain prudent cash reserves, founders should evaluate opportunities to reinvest into the business to drive growth and create long-term value. When everyone is fearful, it is time to be the aggressor, if you can afford it.

- **Ensuring compliance:** Don't do it for the sake of doing it. By prioritising compliance early on, companies can establish a solid foundation for growth and mitigate potential challenges along the way.

- **Dealing with investors:** Don't treat them like just investors. Establishing a strong foundation of trust, transparency and alignment between founders and investors can prevent conflicts and foster a productive and supportive relationship that benefits both. Even if you're not actively seeking funds, a coffee chat could provide invaluable insights.

AMIT ANAND
Founding Partner,
Jungle Ventures



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ILLUMINATING THE PATH OF PROGRESS AND SOCIAL EQUITY

A retired Joint Commissioner of the Income Tax Department bringing a unique perspective and a fresh approach to Radhey Constructions India Pvt. Ltd. and Cloudwood Constructions Pvt. Ltd.

Mr. Prasad Rao Daggumalla is a towering figure of patriotism and unparalleled achievement. Emerging from the esteemed corridors of the Income Tax Department, Mr. Prasad's journey, marked by dedication and service, has taken him to new heights as Chairman of Radhey Constructions India Pvt. Ltd. and Cloudwood Constructions Pvt. Ltd. He now ascends to the pinnacle of political glory, where he advocates a symphony of change, justice, and national pride.



PRASAD RAO DAGGUMALLA, Chairman
Radhey Constructions India Pvt. Ltd. and Cloudwood Constructions Pvt. Ltd.

EDUCATION: A TESTAMENT TO TRIUMPH

Born on January 9, 1962, in Chinthagumpalle, Chinnaganjaam Mandal, Chittor Dist, Mr. Prasad Rao Daggumalla hails from humble beginnings. Raised by his late parents, Luke Daggumalla and Suseelamma, he learned the values of hard work, compassion, and service from a young age. His journey in education began at BV & BN High School, Jandrapet, Chirala, with a Bachelor's degree in Journalism from VRS & YRN College, Chirala, and post-graduation in Arts & Political Science from Osmania University and Central University of Hyderabad respectively.

EMPLOYMENT & WORK EXPERIENCE

Mr. Prasad Rao's professional saga is a tapestry woven with threads of dedication, integrity, and unparalleled service to the nation. His tenure as a Joint Commissioner in the Income Tax Department epitomized excellence, earning him accolades and admiration. Upon retirement, he embarked on a new chapter, steering Radhey Constructions India Pvt. Ltd. and Cloudwood Constructions Pvt. Ltd. towards unprecedented success, epitomizing his commitment to community development and upliftment.

EMBARKING ON A NEW STAGE

Following his momentous retirement, Mr. Prasad

Rao embarked on a transcendent odyssey, fueled by an unquenchable thirst to serve the people and illuminate their lives with the radiant light of hope and progress. His financial advice helped Radhey Constructions India Pvt. Ltd. and Cloudwood Constructions Pvt. Ltd. reach new heights. Now, his entrance into politics is not merely a pursuit of power rather he will be the harbinger of change for the marginalized communities. His reverence for the ideals is inspired by the venerable Bharat Ratna Dr. B. R. Ambedkar serves as the guiding star in his noble quest, as he vows to repay the debt to society with boundless knowledge, benevolence, and boundless devotion.

VISION: PLEDGES FOR PROGRESS AND PROSPERITY

Mr. Prasad Rao's exposure to society, particularly in villages across Parchur, Addanki, Chirala, and Chittor assembly constituencies, has endowed him with invaluable insights into the challenges faced by the most vulnerable segments of society. His proactive approach to problem-solving, and his collaboration with NGOs and grassroots organizations, underscore

driving positive change at the grassroots level.

His plea for access to healthcare and education resonates across the nation, promising to eradicate the barriers of ignorance and economic deprivation that clog marginalized communities' aspirations. With a vision for sustainable development, he advocates for transforming slums into vibrant hubs of greenery and eco-consciousness. His blueprint for rural revitalization brims with promises of economic resurgence, technological innovation, and infrastructural marvels, heralding a new era of prosperity and progress for the heartland.

IN CONCLUSION

Mr. Prasad Rao Daggumalla's journey from the hallowed halls of bureaucracy to the echelons of the political arena exemplifies the indomitable spirit of service, sacrifice, and unwavering patriotism. As he strides into the boundless realms of destiny, his vision for the Chittor Parliamentary constituency promises a golden dawn of progress, prosperity, and unbridled glory. Behold, for in the luminous visage of Mr. Prasad Rao Daggumalla, the spirit of India finds its eternal flame, burning bright and glowing for all eternity. ■



SURVIVAL TECH GETS A HEAD START

Start-ups focusing on tech solutions around food and water are slowly gaining ground, with private equity chasing them.

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By **RUKMINI RAO**



THE ELDERLY in Karnataka often say “*maley beley channagi aagli*” (let there be good rains and harvest for the year) while blessing youngsters. That is just what Bengaluru residents need after a brutal summer causing acute water

shortage. Triggers include climate change, disrupted/delayed rains and excessive use of groundwater.

Cities across India are facing water problems. Niti Aayog’s “Composite Water Management Index,” published in June 2018, says India faced the worst water crisis in history with nearly 600 million people facing high to extreme water stress. India was ranked 120 among 122 countries in water quality index; 70% of its water was contaminated.

One of the biggest reasons for the water crisis is

changing weather systems. With 54% of the Indian population dependent on agriculture, this is a major concern. According to the recent Monetary Policy Report of Reserve Bank of India, climate change directly impacts inflation by affecting agricultural production and global supply chains. “In the absence of any climate mitigation policies, the long-term output will be lower by around 9% by 2050 vis-à-vis a ‘no climate change’ scenario,” says the report.

To cater to the rising water needs of agricul-

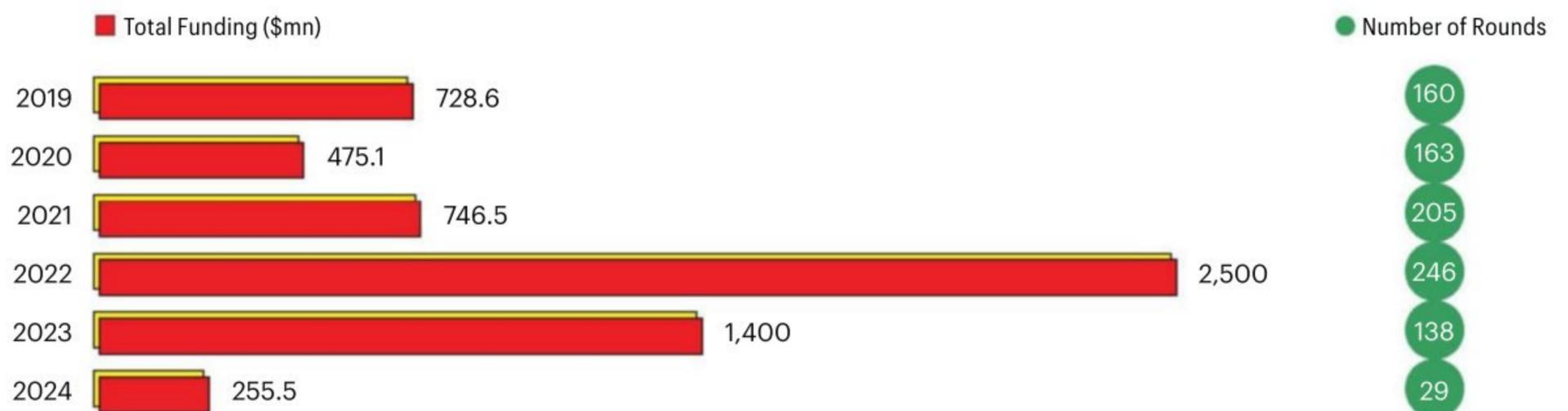
ture and industry amid such challenges, a host of start-ups have come up with solutions. These are early days but their aim is clear—reuse and recycle water. Investors, too, are backing them. According to global consulting firm FSG’s climate-tech report, India attracted investments of \$2.2 billion in 2020, \$4.2 billion in 2021, \$5 billion in 2022 and \$2.8 billion till November-end 2023. Mobility and energy sectors got nearly 94% of the funds. There has been an uptick in global climate-tech financing too





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Funding Raised by Indian Environment Tech Start-ups





with 108% growth from 2019 till 2022. Investments peaked at \$73 billion in 2021. There was a significant decline in 2022 due to poor macro conditions. Investments in Indian start-ups working on environmental technology have also been fluctuating. According to data intelligence platform Tracxn, 2022 saw the highest funding of \$2.5 billion. First quarter of 2024 has seen an inflow of \$255 million.

However, data on funding of food, agriculture and land use companies shows a bleak picture. Till now, public institutions have been at the forefront of climate change technology R&D, says Rishi Agarwal, MD & head, Asia, FSG. "We need significant ramp-up in private investment in climate-focused R&D. The Union Budget announcement of a ₹1 lakh crore corpus to encourage private sector investment in R&D in sunrise sectors is welcome," he says.

While innovation in agricultural inputs has largely been the domain of trusts and public institutions, most Indian start-up business models are centred around output (everything from post-harvest to produce hitting markets).

One such company is Wadhvani AI, an artificial intelligence institute for social impact that works with ministry of agriculture, governments of Madhya Pradesh, Punjab, Telangana, Karnataka and Uttar Pradesh and channel partners who work directly

with farmers.

Agreeing that climate change challenges and solutions are at a nascent stage in India, J.P. Tripathi, director, Agriculture Programmes, Wadhvani AI, says building tech solutions for India on data sets is very complex given the multitude of agro-climatic zones, crop patterns and pests as opposed to countries with two-three agro-climatic zones. Convincing farmers on benefits of technology is also a challenge.

This was evident in response to CottonAce, an AI-powered early warning system aimed at pest control through an app, despite 80-85% accuracy. "In 2022, we reached out to 30,000 farmers. Only 3,000 used it. The word 'artificial intelligence' sounds complex to farmers and implementation partners and acts as a deterrent," says Tripathi. In 2023, it approached 1.16 lakh farmers, of which 50,000 were supposed to use it, but only 15,000 did. Even among farmers who used CottonAce, implementation was 15-20% of what had been advised due to non-availability of agri inputs. Those who followed the advice saw an 11-12% increase in production.

Public institutions such as Indian Institute of Science and University of Agricultural Sciences, Bangalore, have collaborated on several research projects at crop production level such as use of beetroot as biocontrol in mixed-cropping systems.

PROBLEM SOLVERS



Agritech Research And Innovation

- **Public institutions** focusing on agri tech, crop variety, yields, farm inputs improvements: Indian Agricultural Research Institute, National Institute of Plant Genetic Resources, National Rice Research Institute, University of Agricultural Sciences, Indian Institute of Soil Science
- **Non-profit entity** for social impact focusing on applying AI to solve farmers' problems: Wadhvani AI
- **Online marketplaces** to sell produce and provide logistics and agrometeorology solutions: NinjaCart, FarmersFZ, Waycool, Mera Kisan, Go4fresh, Otipy, Bharat Agri



Water Recycling , Supply Management And Filtration

- **Water treatment, supply management:** INDRA, SmarterHomes, ECOSTP, KarloT, WEGot
- **Potable water solutions:** Uravu Labs (makes water out of air), Boson White Water (turns treated water into potable water), Rite Water Solutions

IN INDIA, NEARLY 600 MILLION PEOPLE ARE FACING HIGH TO EXTREME WATER STRESS.



Funding For Food, Agri & Land Use Sectors

	2019	2020	2021	2022	2023 (Up to Nov 30)
Indian	\$23.4 mn	\$39.9 mn	\$45.9 mn	\$86.7 mn	\$1.2 mn
Global	\$2.09 bn	\$4.81 bn	\$8.60 bn	\$4.61 bn	NA

SOURCE: FSG ANALYSIS BASED ON TRACXN (FY19-23), DEALROOM DATA

Similarly, Foundation for Science and Development, a not-for-profit company floated by IISc., is carrying out research on getting more value from agri produce. Amitava Pramanik, who heads Targeted Reach Initiative programme, says they are developing machinery for extraction of fibre from agri waste.

While several organic farm-to-table start-ups have got involved with farmers at growing stage, others like Ninjacart, FarmersFZ Kisan Mandi and DeHaat provide marketplace services. They use technology for procurement & sales and prediction of demand and prices.

Otipy, founded in 2020 by serial entrepreneur Varun Khurana, uses its predictive modelling algorithms with historical pricing, demand data and other inputs to tell farmers what to grow. "Last season, we sold watermelons with yellow flesh, which have a 3x mark-up compared to the red ones. We convinced farmers by assuring them that we will buy," says Khurana.

Otipy serves Delhi-NCR and Mumbai with 20,000-plus farmers in

10-12 states. In March 2022, it raised ₹235 crore in its Series B round led by Westbridge Capital and existing investors SIG and Omidyar Network India.

Then there is BharatAgri whose revenue model involves doorstep delivery of agri inputs to farmers. It also uses its proprietary data to offer advisory services to farmers through chatbots. Founded by IIT-Madras alumni Siddharth Dialani and Sai Gole, BharatAgri's Krushi Doctor App provides weather-based crop advisory, personalised crop calendar and video call assistance free of cost. Siddharth spent some time in Israel to understand their agricultural practices. "We have a team of more than 15 agri doctors trained in modern practices. In 2023, more than one crore farmers used the app to get advisory and nearly three lakh farmers made agri input purchases from the app," he adds.

Water Crisis

While India is home to over 18% population, it has access to only 4% of the world's fresh water. Since groundwater is a major

source of water for both irrigation and domestic needs, this has led to rapid depletion of water table. While effective rainwater harvesting is important, we will need to treat both stormwater and greywater into potable water. India has over 200 water related start-ups. Many are working on water management solutions. Others are working on increasing supply of potable water. Uravu Labs, started by college friends Swapnil Shrivastav and Venkatesh R.Y., produces water from air. "We use liquid desiccant material to absorb moisture," says Swapnil. After pilot projects in 2020 with AB Inbev, Radico Khaitan, Coca-Cola India and Pepsi India, the founders decided to focus on the hospitality sector. It has 40 clients, including Citrus and Leela Group, where they provide packaged drinking and sparkling water. In 2023, the company raised \$2.3 million in seed funding from JITO Angel Network, Anicut Capital, Speciale Invest and Rocketship.vc.

Another Bengaluru-based start-up, Boson White Water, is turning sewage water into po-

table drinking water. The company was started by software engineer Vikas Brahmava after he returned from U.K. in 2015. "Our focus is to make this water usable by someone who is exploiting freshwater. The company currently installs equipment at tech parks and large apartment complexes in Bengaluru. The water costs much less than water from tankers," he says.

But are Indians comfortable with drinking recovered water? Brahmava says the mindset is changing because of the ongoing water crisis. Those who have seen the process and tasted the water are convinced it is cleaner than the water from tankers, he adds. The company raised \$4,57,000 from Indian Angel Network in 2022 and is profitable. In drinking water space, Nagpur-based Rite Water Solutions, which focuses on providing clean and safe drinking water, recently secured commercial licence of a mobile/vehicle mounted water purification system technology developed by Central Salt and Marine Chemicals Research Institute. This can be used even if there is a high amount of total dissolved solid in the water source. The company, which has raised nearly \$14 million till date, has 15 investors, including Sidbi Ventures and Incofin Investment Management.

As the saying goes, if you take care of nature, nature will take care of you. ■



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THE GREAT INDIAN SEARCH FOR INDIGENOUS AI

As India rides the crest of the AI wave, the keys to transformative, country-centric solutions hinge on access and control — both of funds and data.

By **V. KESHAVDEV**

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SOME YEARS AGO, after a board meeting of Reliance Innovation Council, which drives innovative and transformational strategies at India's largest and most profitable energy-to-retail conglomerate, Mukesh Ambani engaged in a thought-provoking chat with Ramakanth Mashelkar, the former director-general of the CSIR and the-then member of the council. Ambani proposed, almost offhandedly, "Doc, we must leapfrog to something." Reflecting on this conversation with *Fortune India*, Mashelkar, now 82, who serves as chairman of Reliance New Energy Council and chancellor of Jio Institute, says, "My response was to question the premise of his metaphor." He advised Ambani, "Frogs leap as a natural defence mecha-

nism against predators, a response rooted in fear. Do we really wish to frame our ambitions around fear of our competitors?" Instead, Mashelkar offered a more fitting analogy for ambition. "Reliance should not just leap but pole vault, where the pole's length symbolises the magnitude of our aspirations."

Whether the exchange had a profound impact on Ambani is not known, but it did foreshadow the disruptive entry of Jio in telecom in late 2016. The move not only dismantled competition but also laid a fertile ground for the meteoric rise of India's digital economy, pole vaulting from 156th to first in global mobile data usage even as Jio emerged as the numero uno with 470 million subscribers. "The rapidity, speed, scale,

and sustainability of it was incredible," says Mashelkar, encapsulating the strategy as a form of corporate pole vaulting.

That strategic thinking defines RIL's approach to innovation and growth. Instead of doing well and doing good, it chose to do good as a means of doing business itself. "Not only has Jio democratised access to telecom but is also making money out of it," says Mashelkar, whose son, Amey, heads RIL's start-up accelerator.

Pole Vault 2.0

Even as Jio has firmly entrenched itself at the heart of India's digital ecosystem, Ambani has now set sights on yet another vault. This time the ambition is to ride the artificial intelligence (AI) wave that is sweep-



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ing businesses across the globe. Articulating that vision at the 2023 AGM, Ambani told shareholders, “There is a fifth — and most exciting — frontier of growth for Jio. A global AI revolution is reshaping the world around us, and sooner than we think, intelligent applications will redefine and revolutionise industries, economies, and even our daily life. To stay globally competitive, India must harness AI for innovation, growth, and national prosperity.”

It’s not surprising to see RIL partner with Nvidia, the U.S. chipmaker which controls 95% of the AI chip market, to develop a foundational large language model (LLM) to be trained on an array of Indian languages, 11 to begin with. While Reliance has not made its intent public, Nvidia CEO Jensen Huang reveals, LLM will serve as a critical component for Generative AI models simi-

lar to ChatGPT and will be, ultimately, owned by Reliance. According to Huang, this model will enable RIL to develop AI-driven services and applications. “Reliance can build its own large language models that power generative AI applications made in India, for the people of India,” he adds. Jio Platforms, an RIL subsidiary and the parent of Reliance Jio, has already rolled out Jio Brain, an AI platform designed to incorporate machine learning capabilities into telecom and enterprise networks without necessitating network or IT changes. Besides, it offers LLM as a service for enterprise and mobile applications. “Reliance wants to revolutionise the enterprise space with the use of AI... there is a centre of excellence with 100 experts working on AI solutions. Mukesh believes it is going to be transformative,” says Mashelkar.

While Reliance’s tie-

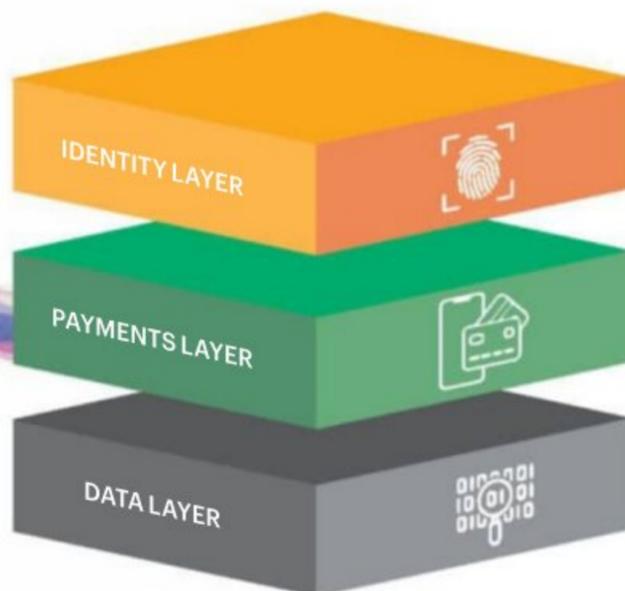
up with Nvidia is for a foundational LLM, it is also collaborating with nine Indian Institutes of Technology (IITs) to launch an advanced AI model on the open-source Bharat GPT programme. Named Hanooman, the model, stands out for its scale and scope, supporting 22 Indian languages offering multimodal capabilities, including generating text, speech, and video across multiple languages. This makes it applicable in healthcare, governance, financial services, and education. Notably large, with up to 40 billion parameters, the model ensures nuanced and contextually accurate responses in Indian languages. A larger number of parameters generally allows for more complex patterns and subtleties in data, potentially leading to better performance and more nuanced responses, though it also depends on factors such as the richness of the

data, model architecture, and fine-tuning.

Foundational AI models provide a versatile and extensive base of pre-trained knowledge, which generative AI systems can use to produce new content. By fine-tuning foundational models with additional data or adjusting their parameters, they can be specialised to perform generative tasks with greater effectiveness, benefiting from the broad understanding and capabilities that foundational AI models have developed.

Similar to the journey Reliance has undertaken, the country’s oldest conglomerate Tata Group, too, has partnered with the American chip maker. Huang says the partnership with Tata Consultancy Services, Tata Motors and Tata Communications is aimed at building AI infrastructure that “is over an order of magnitude more powerful than the fastest supercomputer in India today.” Giving company

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THE INDIA STACK

Identity Layer

Giving every resident a unique ID and enabling them to prove “I am who I claim to be”.

- ▶ Aadhaar
- ▶ eKYC
- ▶ eSign

Payment Layer

Allowing anyone to pay anyone else! Interoperable, fast and cheap — not just smartphones.

- ▶ Unified Payments Interface
- ▶ Aadhaar Payments Bridge
- ▶ Aadhaar-enabled Payment Service

Data Empowerment

To enable secure sharing of data.

- ▶ Consent Artefact
- ▶ DigiLocker
- ▶ Account Aggregator





// **RIL has a centre of excellence with 100 experts working on AI solutions... Mukesh believes it's going to be transformative."**

R. Mashelkar, chairman, Reliance New Energy Council

to the goliaths are the Nex-Gen companies. AI start-ups from India raised \$560 million across 25 funding rounds in 2023, with late-stage funding making up for 24% of the total number of rounds and 17% of the value raised, according to AIM Research. Buidler.ai, a composable software platform provider, raised the highest funding (\$250 million) in a Series D round. Expectedly, the proliferation of start-ups is concentrated in the enterprise AI space.

Acting as the proverbial ringmaster, the government, too, sees a bigger role for itself to play within the AI ecosystem. Much

before ChatGPT's launch in November 2022, a task-force on AI constituted by the Centre identified 10 important domains (including healthcare, education and public utility services) with a stated objective of viewing AI as a socio-economic problem solver at a scale rather than a mere economic growth booster.

While the government recognises the potential to democratise AI for the greater good, similar to what it achieved with the Unified Payments Interface (UPI) in payments, leveraging AI presents a completely different set of challenges.

Where Is The Oil?

Cliché as it sounds, if data is the new oil, access to data remains critical to harness the power of India-centric AI, not to mention the need for computing power as graphic processing units (GPUs) don't come cheap. GPUs, typically, have higher memory bandwidth than central processing units (CPUs) and are generally faster and more efficient than CPUs for tasks such as AI model training.

India's strategic advancements in AI hinge on critical pillars of open data, robust computing infrastructure, and accessible AI models. Key initiatives such as the INDIAai programme and the C-DAC collaborations are central to this strategy, facilitating the development of LLMs essential for competing on a global scale.

Launched in 2021, the INDIAai programme aims to make government-anonymised data available to Indian academics and start-ups, fostering innovation. This initiative is supported by the creation of a formidable AI computing infrastructure by C-DAC, in partnership with the private sector, tailored to meet the high computational demands of LLMs.

Additionally, the IndiaAI Mission introduced in 2024, focuses on creating a non-personal data collection platform specifically for Indian start-ups and companies. This platform is set to harness vast datasets from government repositories — ranging from Aad-

haar metadata to ISRO's earth observation data — which are instrumental for various applications, including governance and environmental data submitted by citizens and central agencies. There is also the India Stack, a comprehensive digital framework initiated with the launch of Aadhaar in 2009. Built upon this foundational identity layer, is a payments layer featuring the UPI payment system and a data layer for citizens to store government documents online. However, access to this wealth of data is conditional; only companies that can be categorised as trusted sources with proven track records will be eligible, though specific criteria for this trustworthiness remain undefined.

To counter the issue, Sandip Patel, MD, IBM India & South Asia, sees a collaborative approach as the way out for the development and deployment of AI solutions. "The truth is that there's no AI without IA (information architecture). Hence, partnerships between start-ups and entities that possess significant data resources can be crucial. This approach allows start-ups to innovate and create applications that leverage existing data sets," says Patel.

Elaborating further, Patel refers to IBM's "What's Next" initiative in AI that offers foundation models at scale. The platform is intentionally designed to be hybrid and supports multiple models, allowing



it not to be limited to just IBM models. “Recently, we released smaller models (SLMs), enhancing performance and latency for users. Over time, these innovations will continue to evolve. The platform’s multi-modal capability enables the creation of diverse use-cases utilising various models,” says Patel. SLMs are scaled-down versions of LLMs and can be used for very specific domain purposes such as those used in natural language processing (NLP).

However, the quality and scope of non-personal data that can be utilised remain broad and ambiguous, encompassing everything from essential citizen information required for services such as passports to datasets that support agricultural advancements and weather prediction. The introduction of the Digital Personal Data Protection (DPDP) Act 2023 complicates the landscape, permitting the practice of data scraping of publicly available data without consent. This poses privacy concerns, especially as AI technologies that can exploit such data continue to evolve.

Despite these privacy concerns, there is also a focus on using data responsibly to foster cultural and linguistic inclusiveness. For instance, efforts are also being made to develop 16 new datasets in Indian languages, managed by the Linguistic Data Consortium for Indian Languages. The initiative aims to enhance technologies such as automatic speech recognition

and live voice translation, further democratising technology use across India’s varied linguistic landscape. Though there is limitation on the datasets available in Indian languages, Prashanth Kaddi, partner, Deloitte India, believes there is a way out. “Though there is a scarcity of data sets in Indian languages, there is an opportunity to advance multilingual NLPs using creative techniques such as zero-shot and few-shot learning techniques. Making smaller trained models will also help in advancing multilingual NLPs though the pace will be much slower. There has been some work on IndicNLP Suite (a collection of foundational resources for language processing covering 12 major Indian languages).”

NLP involves comprehension of spoken or written language, which includes grasping syntax (sentence structure), semantics (meaning), and context. Zero-shot and few-shot learning are techniques in machine learning that aim to handle situations where annotated data is scarce or unavailable. For example, in image-recognition tasks, annotated data might include images of objects outlined and labelled (e.g., “dog”, “car”, “tree”). In text analysis, annotations could involve tagging words or phrases with their corresponding parts of speech or marking sentiment (e.g., positive, negative, neutral).

The push for innovation isn’t just happening in traditional computing environ-

ments. “As the landscape of technology continues to evolve with innovations like blockchain, its applications extend beyond mere transactional integrity to foundational changes in how AI systems, especially language models, are developed.

Building Blocks

Nikhil Varma, technical lead (India) at Algorand Foundation, underscores the role of blockchain technology in the decentralized development of LLMs for Indian languages. The Singapore-based foundation advocates blockchain tech-



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“**There’s no AI sans information architecture... tie-ups between start-ups and entities with data resources will be crucial.**”

Sandip Patel, MD, IBM India & South Asia

LEADING INDIA'S AI RACE

COMPANY	NO. OF AI START-UPS	OVERVIEW	DESCRIPTION	FUNDING (₹ CR)
Sarvam AI	3	Developer of large language models	It builds a platform that enables users develop and evaluate companies' GenAI apps. It contributes to open-source models, datasets, and lead efforts for large-scale data curation.	438.60
Krutrim	4	Platform to build Generative AI applications	It offers a platform for enterprises, researchers, and developers to build GenAI applications. Also provides managed access to model repository and AI compute. It is a large language model (LLM) trained on various tokens, for understanding and generating content in multiple Indian languages.	413.78
Haptik	2	AI-based conversational management solutions for e-commerce businesses	AI-based conversational management solutions for e-commerce businesses. It allows businesses to manage marketing, and enhance sales. Also provides chatbots for messaging applications to deliver omnichannel messaging and user engagement.	100.96
CoRover	1	Conversational AI platform to automate business operations	The platform leverages machine learning and natural language processing technology to support businesses give automatic responses to user queries and actions, in multiple languages, channels, and format. It provides an end-to-end managed chatbot as a service solution to train, integrate and upgrade chatbot models.	4.73

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nology by leveraging the Algorand cryptocurrency protocol and open-source software. "Blockchain's decentralised nature has the potential to revolutionise LLM development and management by creating more precise models for Indian languages. Multiple participants can contribute their data and computing power through a blockchain network for more efficient training. This allows capturing the nuances of various 'bhashas' better with inputs from language experts," says Varma.

The advancements in AI technology not only improve computational efficiencies but also open avenues for data management strategies. One such innovative approach is data tokenisation, which offers a novel way for entities to monetise and share data securely. While there is still

no single central repository of data that India has in place for creation of foundational LLMs or SLMs, blockchain can make Indian AI models more cost-effective by introducing efficiencies and enabling data tokenisation, especially for resource-hungry start-ups. This, in turn, could create opportunities for data owners to monetise assets and AI developers to access more affordable datasets. For instance, a college with specialised knowledge and data, such as unique research data, can tokenise this information. Each dataset or piece of research could be converted into a digital token. Similarly, a regional music company in India with a vast library of unique and culturally rich music recordings can tokenise this music data. Each song or album can be represented as

a digital token on the blockchain. "In the context of AI models, data tokenisation can enable businesses and individuals to tokenise valuable datasets, ensuring their authenticity and providing a decentralised marketplace for AI developers to access and utilise these datasets at a lower cost," says Varma.

However, for now, Bhashini, India's AI-led language translation and database platform, has taken the lead by enabling features such as text-to-text translation in 22 languages,

automated speech recognition, text-to-speech, voice-based payments, among others. In fact, Bhashini's real-time translation works in 12 languages, and it has improved the live translation lag from 6 seconds to 1-2 seconds now..

Different Strokes

Even as the buzz around AI for Bharat seems omnipresent, for-profit start-ups are finding ways to keep themselves ahead in the race. This entrepreneurial spirit is illustrated by Sarvam.ai. Led by founders Vivek Raghavan and Pratyush Kumar, Sarvam.ai recently secured \$41 million in a Series A funding round last December. This funding, led by Lightspeed, Peak XV Partners, and Khosla Ventures, represents the largest raise at this stage for an Indian AI start-up. Kumar, also

12

No. of languages being translated real time by Bhashini, India's AI-led language translation and database platform

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a founder of the research initiative AI4Bharat, has a proven track record in developing state-of-the-art AI models for Indian languages, which have been applied in various public-good and commercial projects.

Harshjit Sethi, MD, Peak XV Partners, explains in a podcast, Intelligence Unscripted, that the founders' focus on Indic language LLMs made a lot of sense. "Their approach to building a superior model isn't about surpassing OpenAI or Anthropic by scale. Instead, it hinges on their collection of proprietary data, which better facilitates the training of models on Indian languages. They're also keenly aware of the cost implications of AI applications on a per user per task basis. High inference costs wouldn't be viable in India. Thus, they're exploring how to enable the use of AI at the lowest possible cost. This consideration was key in our decision-making process," Sethi tells host Bala Parthasarathy.

The OpenHathi initiative at Sarvam AI aims to enhance the ecosystem by providing open models and datasets, especially in Hindi, English and Hinglish. Given that Sarvam's model would be three-four times cheaper for users compared with global models such as OpenAI's GPT, it's not surprising that bootstrapped AI start-ups such as Kissan AI made the most of the initiative.

The agri AI start-up has introduced Dhenu 1.0, a

7-billion parameter LLM tailored for agriculture. Co-founder Pratik Desai acknowledged that to make his solution scalable and accessible to farmers, it needed to be affordable despite the high costs associated with running on GPUs. "Our aim was to develop a compact model using over 355,000 agricultural conversations we conducted with more than 1,00,000 farmers, alongside voice or text datasets gathered on our platform," Desai tells Fortune India. Following the release of Sarvam AI's Hindi LLM, OpenHathi, KissanAI began training and fine-tuning its datasets on OpenHathi. "The collaboration quadrupled our cost-efficiency and improved latency," Desai says, adding that the model's uniqueness lies in its bilingual nature, adeptly processing 300,000 instruction sets in both English and Hindi.

Interestingly, while the open-source platform has helped Desai in building out Dhenu, he is not too keen about opening up the backend of his AI on the public network. For instance, the Centre for Development of Advanced Computing (C-DAC) has implemented AI Research Analytics and Knowledge Dissemination Platform (AIRAWAT) of 200 AI Petaflops. While the 650 GPU-powered supercomputer has catapulted India to the 65th rank on the global AI supercomputing list, Desai is sceptical about a partnership. "If I have

to open up my whole back end, it's a risk as tomorrow what is the assurance that my proprietary data is safe?" says Desai.

With a 12-member team based out of India, Desai is working with Microsoft, which is helping the start-up through its Microsoft for Startups Founders Hub that provides free access to leading AI models through Azure, including OpenAI GPT-4, up to \$150,000 in Azure credits, and one-on-one guidance from Microsoft experts. "Since AI needs iterations intermittently, you may end up running out of money very quickly as GPUs are very

expensive too," says Desai.

While Kissan.ai is running its service free in India, it is closely working with pilot projects for two Fortune 500 companies engaged in the agro chem space, including Corteva Agriscience. "We are also running some pilot projects and if that translates into customer engagements, that will be a big boost," says Desai, whose start-up is currently clocking \$600,000 in revenue largely through the pilot programmes. The global agrimarket, a \$9 trillion opportunity, is much bigger where 10% of the cost goes towards the



“Since AI needs iterations, you may end up running out of money very quickly as GPUs are very expensive too.”

Pratik Desai, co-founder, Sarvam AI



BLOCKCHAIN CAN MAKE INDIAN AI MODELS MORE COST-EFFECTIVE BY INTRODUCING EFFICIENCIES AND ENABLING DATA TOKENISATION.



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“One of the major factors which will decide AI model pricing is the subsection in which the model operates.”

Prashanth Kaddi, partner, Deloitte India

customer market and that translates into a \$900-billion opportunity. “We have enquiries from 40 companies, big and small. In the U.S., customer support is a huge cost and if we can get even 1% of that opportunity in the first year that’s a huge fillip to our revenues. Conversational commerce is a big opportunity that we are looking to capitalise on,” reveals Desai.

Back home, Ola founder Bhavish Aggarwal announced that Krutrim AI has raised \$50 million at a valuation of \$1 billion from investors led by venture capital fund Matrix Partners India, becoming India’s first AI unicorn start-up to reach the milestone. “We are fully committed towards building the country’s first complete AI computing stack,” Aggarwal said in a statement. The company did not respond to *Fortune India*’s request for an interaction. The Krutrim Pro model, which includes capabilities for vision, speech, and task execution, is expected to launch later this year. It will support generative tasks in 10 Indian languages and accept inputs in 22 languages. According to Aggarwal, it has been trained on over two trillion data tokens for Indian languages.

Even as start-ups are looking to create their own legacy with the help of accelerators, Sethi feels that because AI is now a mainstream belief — it is the next platform of the future — all companies are investing in it. Established

corporations such as Tata and Reliance have significant financial resources, data access, and technical infrastructure that allows them to invest heavily in AI research and development, potentially outpacing start-ups in innovation and speed to market. With their extensive customer bases (e.g., Reliance’s 470 million customers) and established distribution networks, these conglomerates have an inherent advantage in deploying and scaling new technologies across India. “They’re (companies) competing just as strongly with start-ups, and therefore I think the opportunity is for companies that are building something new,” Sethi says in the podcast.

While these are still early days in the AI race, Deloitte’s Kaddi believes one of the major factors which will decide AI model pricing is the subsection in which the model operates. “While pricing will be competitive in basic usage such as crop price prediction in agriculture or content suggestion in education, pricing could be more aggressive in niche areas such as drone-enabled farming. We may also look at some AI models for agriculture and education as part of the digital infrastructure of the country which is made available as a public good for the country,” says Kaddi.

That being the case, in this high-stakes AI race, it will be thrilling to watch if the underdogs leapfrog ahead, or whether the titans pole vault to victory. ■

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CORPORATE GOVERNANCE:



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FOR START-UPS?

The start-up ecosystem must prioritise corporate governance and financial management to maintain investor trust and sustain growth.

By **URVASHI MISHRA**

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WHAT is amiss in start-up world over last 18 months is the ability to sustain frenetic growth with high-quality corporate governance. Relentless expansion without a corresponding increase in revenue, high investor expectations and pursuit of unicorn status at all costs have resulted in poor decision-making at several trailblazing start-ups. The result: blurring of ethical boundaries and erosion of governance standards. Once considered game-changers of a thriving start-up ecosystem, the apparent downfall of companies valued in billions of dollars not too far back, such as Byju's and Paytm Payments Bank (PPBL), has rattled the start-up world. PPBL, Paytm's fintech entity, recently got a rap from Reserve Bank of India (RBI), which imposed restrictions that effectively halted operations. RBI attributed its action to PPBL's recurrent failure to adhere to banking regulations and 'know your customer' norms. Edtech firm Byju's has been embroiled in allegations of money laundering against founder-CEO Byju Raveendran. He is also facing allegations of Foreign Exchange Management Act violations which he denies. Once valued in billions of dollars, Byju's has witnessed a significant decline in market value from its heydays. Raveendran's net worth has fallen from \$2.1 billion a year ago to zero, according to Bloomberg Billionaire Index 2024.

Nikhil Bedi, who leads

Deloitte's forensic practice in India, says all start-ups are not naturally compliance or finance oriented as founders are preoccupied with product innovation or the "dream" as he calls it. "In most cases, start-ups focus so much on business side that compliance and corporate governance do not keep up with pace of growth," he adds.

Echoing the view, Amarjeet Singh Makhija, Markets Lead Advisory, Startups and Unicorns, PwC, attributes governance lapses to inexperience of young entrepreneurs. "Most are techies who don't have experience of the corporate world. They miss processes, controls and governance needed to run a corporate structure." Despite consistently achieving average monthly growth rates of 10-20%, most fail to onboard seasoned CFOs or internal auditors until compelled by venture capitalists (VCs), says Makhija.

Analysts say VCs also overlook methods used to achieve top-line growth. "A company has to grow responsibly," says Makhija.

Investor Purview

Out of 1,26,037 DPIIT-recognised start-ups as on October 3, 2023, 111 are unicorns with a total valuation of \$349.67 billion, says Invest India. Of these unicorns, 45, with total valuation of \$102.30 billion were founded in 2021 while 22, with valuation of \$29.20 billion, were born in 2022. Indian start-ups raised around \$26 billion

WHAT AILS NEW-AGE FIRMS

- Investors prioritise topline growth over methods used to achieve it
- Promoters' pursuit of unicorn status at all costs
- Founders are more preoccupied with product innovation and ignore corporate governance
- Lack of experience of most entrepreneurs

CASES IN POINT

- **Paytm Payments Bank** has faced RBI rap for failure to adhere to banking regulations and KYC norms, effectively halting operations
- **Byju's** is facing money-laundering charges against founder-CEO Byju Raveendran, with the latter's net worth falling from \$2.1 billion a year ago to zero, according to Bloomberg Billionaire Index 2024

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in 2022, 2.1 times more than in 2020. Experts say such massive capital inflows triggered spike in start-up valuations which, in turn, created pressure for growing fast at all costs—one of the key reasons for lapses in corporate governance.

However, VC funding has witnessed a sharp dip of late. Last year, VC inflows into Indian start-ups plummeted over 60%, from \$26 billion in 2022 to \$10 billion in 2023. Zepto and InCred were the only entrants to the unicorn club in 2023.

Sateesh Andra, managing director, Endiya Partners, believes that VCs have become more guarded in the wake of corporate governance whiplash. “LDD (legal due diligence) and FDD (financial due diligence) have become more stringent and take longer now. External consultants are being brought in. There’s a lot more introspection, oversight and prudence,” he says. By auditing account books, FDD not only verifies past claims but also evaluates future projections and targets, while LDD is an integral “skeletons in the

closet” check. It entails a thorough examination of all agreements and contracts, including arrangements with shareholders, suppliers, clients, employees, founders, banks, financial institutions and affiliated parties. “Up to Series A, start-ups don’t have enough funds. The mindset of the founder is that corporate governance requires huge costs. Not everyone in India is trained to consider cost as a necessary evil,” says Tej Kapoor, managing partner IvyCap.

The start-up community is also divided between the need for self-regulation and enforced regulation. Absence of self-regulation is likely a significant factor for Byju’s downfall, though it also points at failure of investors and auditors. “What was the board doing for two years when accounts were not being audited and presented? It is not acceptable,” says Padmaja Ruparel, co-founder at Indian Angel Network. “How was such a slip-up possible at a company of their size? What was the auditor doing? Why did they resign after two years, and not after the first

quarter, if things were not good?” she says.

Makhija highlights a crucial aspect that investors overlooked: thorough background checks on entrepreneurs. He attributes certain failures to this oversight. In fact, regulators, too, initially adopted a liberal approach to foster the growth of the ecosystem. However, when they became aware about the likely impact of bad corporate governance on consumers, they became more vigilant.

The founder can run amok if there is minimal oversight and accountability, especially if he wants to show growth even when it’s lagging, leading to fund diversion or artificially pumping up the performance. Preventing this is tough but possible.

Founder Vigilance

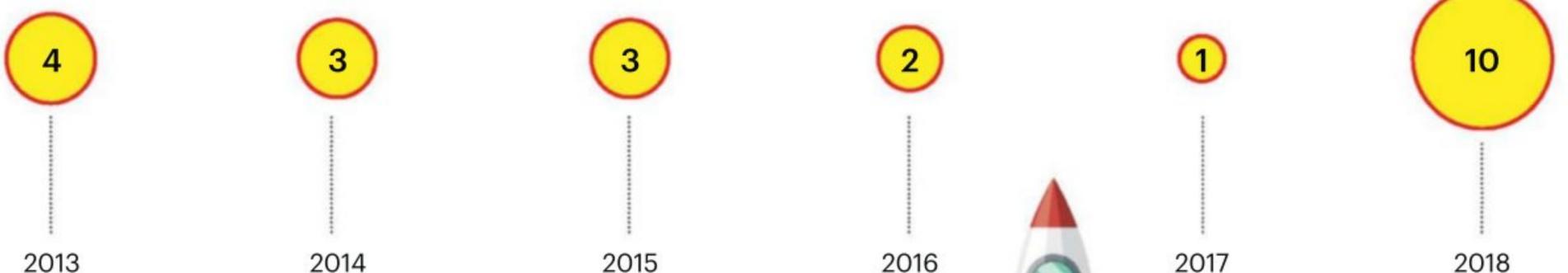
“It’s easy to understand what they are doing and how they are doing it. But we spend a lot of time understanding what’s driving them,” says Kapoor.

Are they primarily focused on financial gain, perhaps at the expense of ethical practices, or outmanoeuvring competi-

tors through questionable means? Alternatively, are they determined to establish a tangible footprint regardless of costs? Are they genuinely committed to creating lasting value? Ultimately, the key lies in discerning whether they are in it for the long haul and passionate about solving the problem at hand. “This tells you whether they are serious about corporate governance. From ethics and way of doing business to team-building, managing customers and raising funds, everything stems from this value system,” he adds.

Ruparel agrees, saying the bet is on the founders. She narrates the story of Aventus, a technology-centric investment bank. Originating in 1999 amid the dot-com bubble as coolstartups.com, mirroring Silicon Valley’s garage.com, the venture faced setbacks when the dot-com bubble burst. However, fueled by determination, the three founders—Gaurav Deepak, Ranu Vohra, and Kaushal Aggarwal—emerged from the ashes and transformed Aventus into a billion-dollar enterprise.

MINTING UNICORNS



CORPORATE GOVERNANCE FAILURES AT WELL-FUNDED START-UPS HAVE MADE INVESTORS CAUTIOUS ABOUT BETTING LARGE SUMS

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At the same time, it is incumbent upon investors to make entrepreneurs internalise the importance of good corporate governance right from the outset. This is exactly what they have started doing.

The Metamorphosis
 Serious corporate governance failures at well-funded start-ups have made investors cautious about betting large sums. In 2023, funding was a little over \$10 billion, a 60% dip from 2022 and 76% from the

peak in 2021. This reflects how prominent investors are viewing the space as they add layers of oversight while dealing with early-stage start-ups. “Investors are not at the driving wheel all the time. We are at best co-pilots looking at governance framework,” says Andra. VCs are rising to the occasion by asking tough questions, be it on asset acquisition, marketing expenditure, customer demographics, board composition, transparency in financial reporting

or operational efficiency. Interestingly, IvyCap board recently discussed inclusion of corporate governance expenses as a dedicated line item in business plan before investing in a company. Substantial changes are taking place even in term-sheets, non-binding agreements outlining basic terms and conditions under which the investment will be made. Over last 15 years, the start-up world has behaved like a seesaw, oscillating between sellers’ market and buyers’ market. “VCs today ask for an equitable term sheet,” says Makhija. Andra says with respect to operational nuances, investors now have more visibility and greater control.

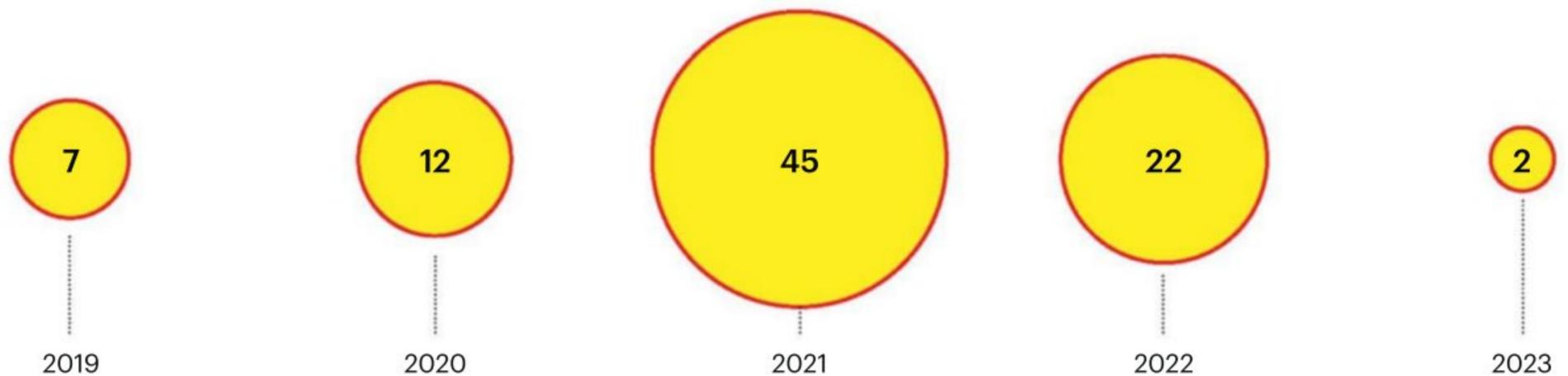
While some experts say term-sheets have tilted in the favour of investors, others say founders, backed with an army of lawyers to incorporate their rights, have become more inflexible. “Unfortunately, founders are not able to differentiate between investor A and investor B,” says Kapoor. He says A may be a pure financial investor content with certain rights and unconcerned about adding

value or addressing specific operational matters. It may lead them to agree to terms that satisfy the founders; conversely, investor B may adopt a more strategic, long-term approach, he says.

Moving Forward

While increased oversight and due diligence may promote accountability, there is a looming question of whether this will rejuvenate the ecosystem or stifle innovation and investment. The balance between investor protection and entrepreneurial freedom is delicate, and it’s yet to be seen whether the current wave of scrutiny will pave the way for a sanitised and resilient start-up environment or choke the flow of funds and stifle the very innovation it seeks to safeguard.

Although a lot of value has been destroyed and significant capital gone down the drain, Ruparel remains optimistic that a new, transparent ecosystem will rise from the mess. “The idea is not so much to cry foul but give guidance to entrepreneurs to follow best practices,” says Andra. ■





YEAR OF RECKONING FOR NEW-AGE IPOs

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As investors start looking closely at company bottomlines, the long list of start-up IPOs will have a tough time convincing investors.

By **CHITRANJAN KUMAR**

AS INDIAN equity market continues to hit fresh highs, it is witnessing a tsunami of initial public offerings (IPOs), with momentum expected to persist right through 2024. The year kicked off with 23 main board IPOs (including Bharat Highways InvIT) raising a cumulative ₹15,490 crore in January-March, 24 times more than ₹633 crore raised by three firms in Q1 of CY23. For CY24, 19 companies that plan to raise nearly ₹25,000 crore have got approval from Securities and Exchange Board of India (Sebi) while another 37, looking to garner about ₹45,000 crore, are awaiting nod. Of these 56, nine are new-age technology companies looking to raise around ₹21,000 crore. "At present, there is a bit of a pause in IPO activity ahead of elections, but after the results are announced, floodgates will open," says Pranav Haldea, managing director, PRIME Database Group.

The list of new-age companies or start-ups that plan to raise funds from primary market includes established players such

as Ola Electric, Swiggy, PhonePe, Snapdeal, Tata Play, FirstCry, Oyo, PharmEasy, Mobikwik, PayU India and GoDigit. In 2021, many unicorns had gone public, but there was not much action in 2022 and 2023 due to high valuations, global technology sector slowdown and weak performance of heavyweights such as Paytm, Zomato and Nykaa. However, bullish markets, decent listing premiums and strong macros have improved the sentiment this year. "A lot has changed since the first round of IPOs by new-age companies in 2021 starting from Zomato, Patym and

others. But their post-listing performance was not up to the mark because of which not too many similar companies launched IPOs in 2022 and 2023. In 2021, investors seemed to be okay with loss-making companies. Now, they are focusing on unit economics and road to profitability," says Haldea.

Investors are not just looking at topline but bottomline as well. "Given increased focus on profitability, we are seeing companies calibrating growth with unit economics and profitability in the near term and sustainability of their business model in the longer term," says Neha Agarwal, MD & head, Equity Capital Markets, JM Financial Ltd. "In the past, some new-age tech companies did not perform well post IPO, which resulted in value erosion for shareholders. That has made potential investors in new-age tech sector more conscious about IPO valuations. They are scouting for profitable companies with differentiated business models, low cash burns, stable margins and sound corporate governance," she adds.

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Money raised by 23 main board IPOs (including Bharat Highways InvIT) in first quarter of FY25

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Performance of Of Previous New-Age Tech IPOs

Company Name	IPO price (adjusted) (₹)	Current market price (₹)	Market cap (₹ cr)	% change- current price over adjusted IPO price
Zomato	76	186.75	1,64,709	145.7
PB Fintech	980	1,230.30	55,512	25.5
FSN E-Commerce Ventures Ltd (Nykaa)	187.5	173.7	49,608	-7.3
Delhivery	487	453.65	33,430	-6.8
One 97 Communications Ltd (Paytm)	2,150.00	391.35	24,878	-81.8
Honasa Consumer Ltd (Mamaearth)	324	382.85	12,414	18.16
C.E. Info Systems Ltd (MapMyIndia)	1,033.00	1,849.15	9,999	79
Rategain Travel Technologies	425	666.95	7,855	56.9
MTAR Technologies	575	1,822.90	5,607	217
Nazara Technologies	550.5	636.2	4,847	15.5
Zaggle Prepaid Ocean Services	164	284.25	3,482	73.3
Cartrade Tech	1,618.00	698.05	3,273	-56.8
Fino Payments Bank	577	284.75	2,370	-50.6
Yatra Online	142	145.9	2,289	2.75
Tracxn Technologies	80	97.3	1,011	21.6

AS ON APRIL 14; SOURCE: CAPITALINE

Before we delve deeper into upcoming new-age IPOs, let's look at action in primary markets over last three years.

IPO Landscape & Trends

A total of 76 companies debuted on stock markets in FY24, a 16-year high, and raised ₹61,921 crore, 19% more than ₹52,116 crore mobilised by 37 firms in FY23. IPO fund-raising, however, was nearly half the ₹1,11,547 crore (all-time high) raised by 53 firms in FY22.

One of the most striking aspects of IPOs last fiscal was record fund-raising via fresh equity issuance, indicating revival in capital

expenditure. In fact, about 46% (₹28,824 crore) was fresh equity, third-highest after ₹40,849 crore in FY22 and ₹38,635 crore in FY08, which will be used to expand and retire debts. Average issue size reduced to ₹815 crore, as against ₹1,409 crore in FY23 and ₹2,105 crore in FY22. The largest IPO in FY24 was Mankind Pharma (₹4,326 crore) while the smallest was Plaza Wires (₹71 crore).

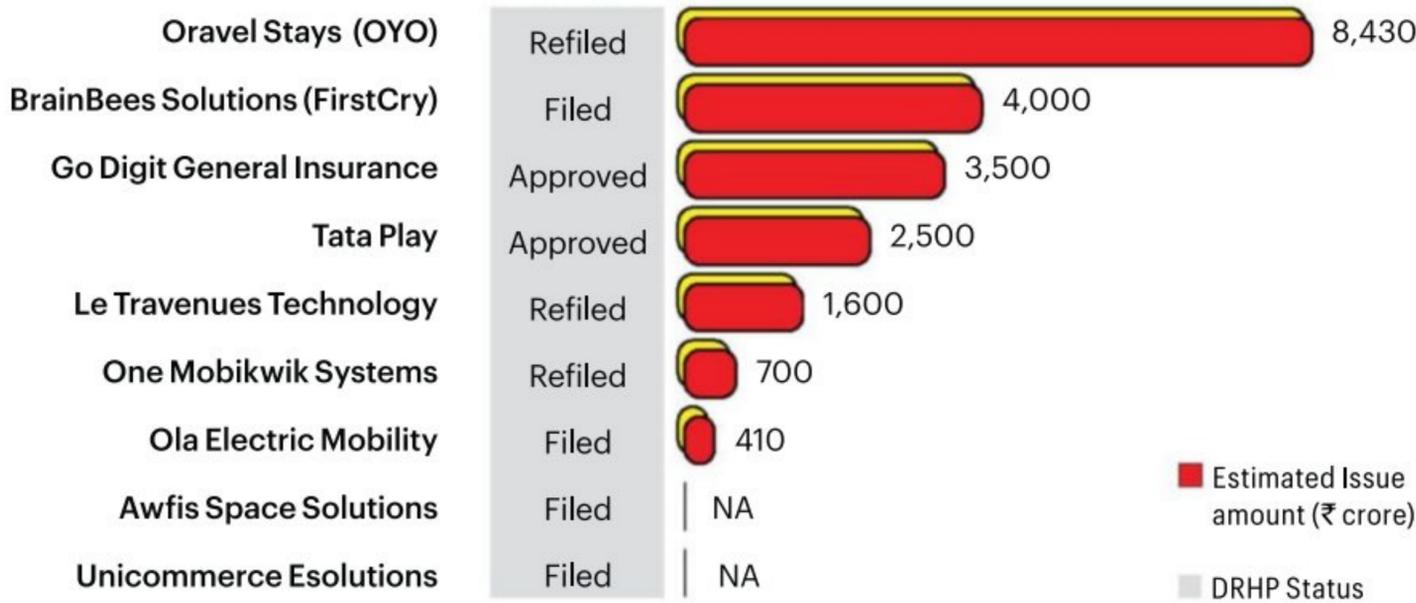
However, the biggest takeaway is that only three new-age companies—Yatra, Mamaearth and Zaggle—debuted on domestic exchanges in FY24, with total issue size

ONLY THREE NEW-AGE COMPANIES—YATRA, MAMAEARTH AND ZAGGLE—DEBUTED ON DOMESTIC EXCHANGES IN FY24, WITH TOTAL ISSUE SIZE OF ₹3,039 CRORE

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Confirmed New-age Tech IPOs of 2024



IPO-bound Start-ups



SOURCE: MEDIA REPORTS

of ₹3,039 crore. Start-ups were missing in action in FY23 too, with just two companies, Delhivery and Tracxn Technologies, raising ₹5,544 crore. In FY21, 11 start-ups had gone public to raise a record ₹50,000 crore; these included Paytm, Zomato and beauty e-commerce platform Nykaa. The year 2021 was historic due to strong demand and easing of regulatory norms; Sebi relaxed lock-in conditions for promoter and non-promoter shareholding, eased disclosure norms and allowed companies without three-year profitability to get listed through qualified institutional buyer

route. This made it easier for even loss-making start-ups Paytm (One97 Communications), Zomato and Nykaa (FSN E-Commerce) to raise huge capital through the IPO route. But most investors in these stocks suffered losses over next few quarters, largely due to irrational valuations, weak financials and global headwinds. The performance of Paytm, Nykaa and Zomato shares, which tumbled up to 70% from IPO prices, forced other tech unicorns such as MobiKwik, PharmEasy, Flipkart, Snapdeal, Ola, Droom, Oyo and BoAt to defer listing plans.

IPOs To Watch Out For

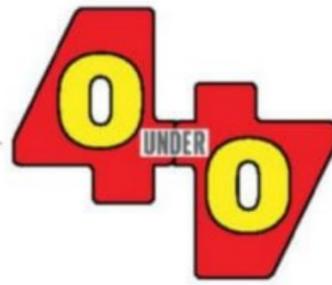
The dry spell is now getting over. New-age insurer Go Digit General Insurance, backed by Canada's Fairfax Group, last month received final observation from Sebi for its IPO. The insurer, which counts cricketer Virat Kohli and his actress wife Anushka Sharma as investors, had filed preliminary IPO papers with Sebi in April 2023. It received approval on March 1, 2024. Tata Play, previously Tata Sky, got Sebi's observation letter in April 2023. Bengaluru-based electric two-wheeler manufacturer Ola Electric filed draft red herring prospectus (DRHP) in December last year. The IPO of Bhavish Aggarwal-led EV company will be the first public offering by a pure electric vehicle company.

Shortly after, SoftBank-backed e-commerce unicorn Brainbees Solutions, the parent of FirstCry, filed preliminary IPO papers in December 2023. The issue, yet to receive green signal, will be the first public offering by a large e-commerce company after Nykaa in 2021. Awfis Space Solutions Ltd., a flexible workspace solutions provider, and Unicommerce, an e-commerce Software as a Service company, have also submitted draft IPO papers. Oravel Stays Ltd., the operator of travel tech firm OYO, fintech start-up MobiKwik and online travel aggregator brand Ixigo have refiled DRHPs.

The list will become much longer as online

₹61,921 CRORE

Money raised by 76 companies in FY24



foodtech unicorn Swiggy, Walmart's payments company PhonePe, Aakash Educational Services and homegrown e-commerce company Snapdeal also plan to go public this year; although there's no confirmation of the exact timeline of their plans, which will depend on market conditions.

Market experts say India is fast emerging as a hot destination for start-up investors, thanks to improving market conditions and business performance. Start-ups, too, have realised the benefits of depending on more stable primary market capital. "Private sector's demand for reliable capital and escalating interest in innovative technology businesses are fuelling optimism about public market debuts. We expect new-age technology sector to be one of the key sectoral opportunities over next five years," says Mahavir Lunawat, managing director, Pantomath Capital Advisors.

"Many tech companies are gearing up for IPOs amid funding winter in private markets. Given the strong IPO market environment, we expect to see 8-10 IPOs from new-age tech sector in next 12 months," says Agarwal of JM Financial.

Listing day gain has emerged as one of the catalysts for the rush, says Haldea of PRIME Database. As per exchange data, average listing gain (based on closing price on listing date) was 29% in FY24

compared to 9% in FY23. Of the 75 IPOs listed in FY24, 48 delivered over 10%. Vibhor Steel delivered 193% followed by BLS E-Services (175%) and Tata Technologies (163%). A total of 51 out of 75 IPOs are trading above issue price (closing price of March 21, 2024) with average return of 65%.

"Weak performance of Chinese market, one of the world's largest sources of IPO fund-raising, is also favouring India," says Sandip Raichura, executive director & CEO (Broking and Distribution), Prabhudas Lilladher. In recent past, India has beaten China's growth rate and attracted massive investments from foreign institutional investors seeking to diversify away from Beijing, he adds.

According to Ernst and Young's (EY's) Global IPO Trends 2024 report, China's market has significantly slowed, while India has emerged as a standout performer. China A-share IPO activity "slowed significantly" in first quarter of the year with only 30 offerings raising \$3.4 billion. The number of IPOs and their proceeds were the lowest since 2020. This was attributed to a recent decision to impose stricter rules for share offerings. "Since 2019, India has rapidly gained distinction in the number of IPOs. The country's share of global IPO activity surged from 6% in 2019 to 27% in first quarter of 2024, propelling it to the world's leading IPO market by

INDIA'S SHARE OF GLOBAL IPO ACTIVITY SURGED FROM 6% IN 2019 TO 27% IN FIRST QUARTER OF 2024, MAKING IT THE WORLD'S LEADING IPO MARKET BY VOLUME

deal volume," as per the EY report.

Investor Interest

Recently, there has been an improvement in valuations and pricing to more reasonable levels, indicating growing confidence of both issuers and investors. People are now willing to invest in companies with solid fundamentals and path to profitability rather than just betting on rising revenues. "Indian capital markets went through a learning curve in last two years in relation to new-age companies. Investors are now clearly focusing on companies that demonstrate near-term growth and clear path to profitability," says Pranjal Srivastava, partner, Investment Banking, Centrum

29%

The average listing day gain in FY24

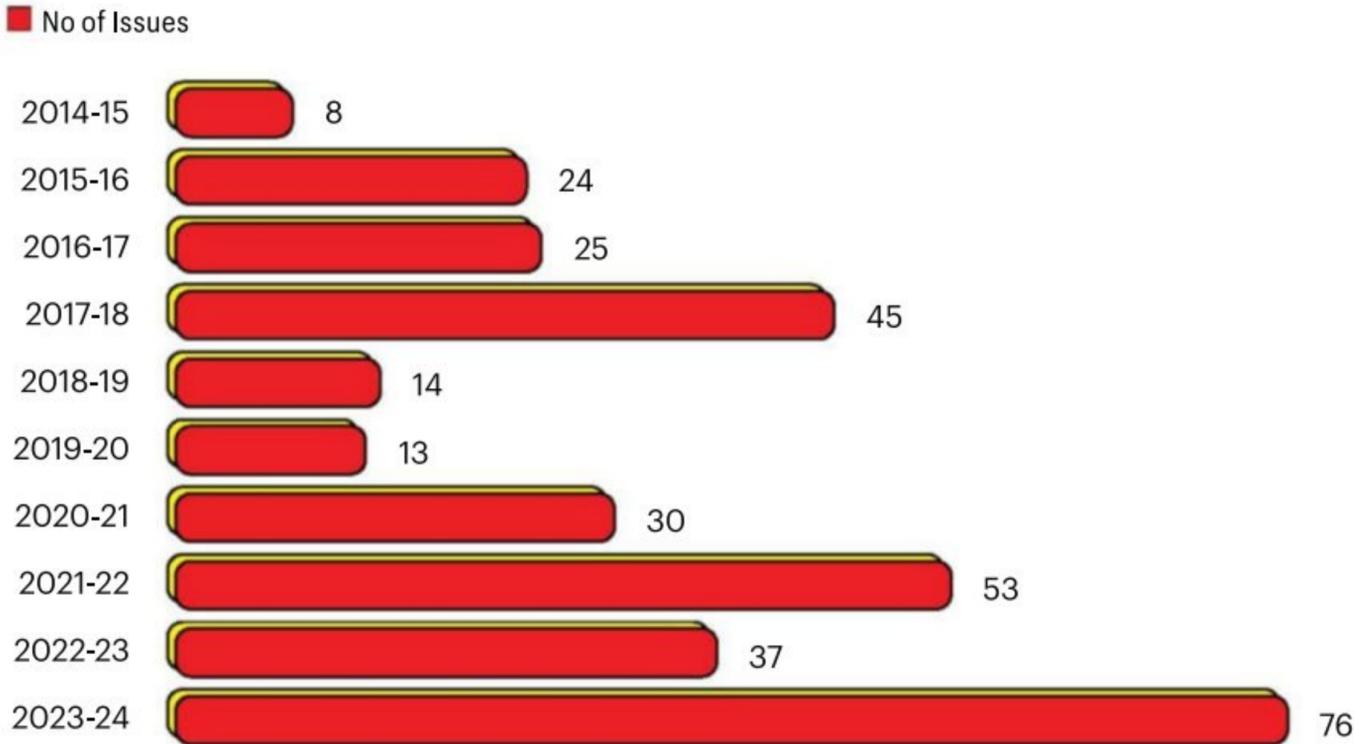
54

Number of IPOs that were subscribed more than 10 times in FY24

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IPO Activity By Number Of IPOs



SOURCE: PRIMEDATABASE.COM

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IPO Activity By Proceeds (₹cr)

Financial Year	Issue Amount	Fresh Equity Capital	Offer For Sale
2014-15	2,770	1,646	1,123.9
2015-16	14,500	6,805	7,694.6
2016-17	28,225	10,187	18,037.5
2017-18	81,553	15,010	66,543.5
2018-19	14,718	2,663	12,056.4
2019-20	20,350	2,486	17,864
2020-21	31,268	9,502	21,765.3
2021-22	1,11,547	40,849	70,697.8
2022-23	52,116	14,034	38,081.4
2023-24	61,921	28,824	33,097.1

NUMBERS ROUNDED OFF SOURCE: PRIMEDATABASE.COM

Capital. He adds retail investors have become savvy and take cues from anchor investors.

Lunawat of Pantomath Capital believes the buoyant outlook is based on current market dynamics and favourable regulatory

environment. “However, it’s important to consider risks such as market volatility, shifts in global economic conditions, regulatory adjustments impacting investor sentiment and liquidity levels.” Lunawat says this optimism is

fuelled by a confluence of factors, including surge in domestic capital, improved governance practices, vibrant entrepreneurship and favourable government policies bolstered by FDI support. “We expect Indian IPO markets to

continue outperforming in FY25 because of strong macros, stable political environment and expected equity market inflows. However, unlike FY24, we expect many large IPOs, including from new-age tech companies post elections. Factors that could impact the flow of IPOs are general election results, wars in Middle East and Europe, higher than expected inflation globally and volatility around U.S. elections,” says Agarwal of JM Financial.

Given the strong response to IPOs in 2024 as well as improvement in global macroeconomic environment, this year is expected to be exceptional for most new-age tech stocks, says Sandip Raichura of Prabhudas Lilladher.

In FY24, response from public was excellent, with 54 IPOs receiving a subscription of more than 10 times (22 IPOs were more than 50 times), while 11 IPOs were subscribed more than three times. The remaining 10 IPOs were subscribed between one and three times. The response from retail investors also increased with average number of applications from retail surging from 5.57 lakh in FY23 to 13.17 lakh in FY24. The amount of shares applied for by retail (₹1,95,399 crore) was 216% higher than total IPO mobilisation.

Such enthusiasm from retail means higher chances of IPOs from new-age companies sailing through. ■

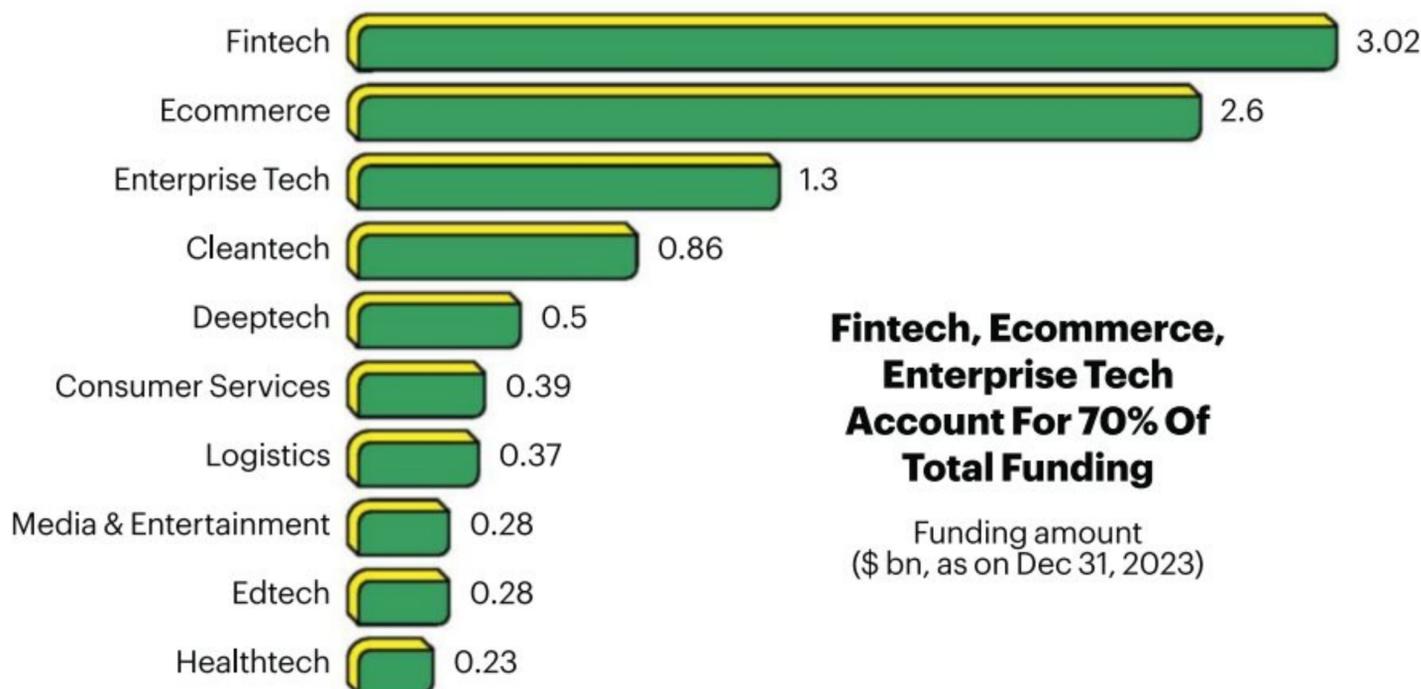
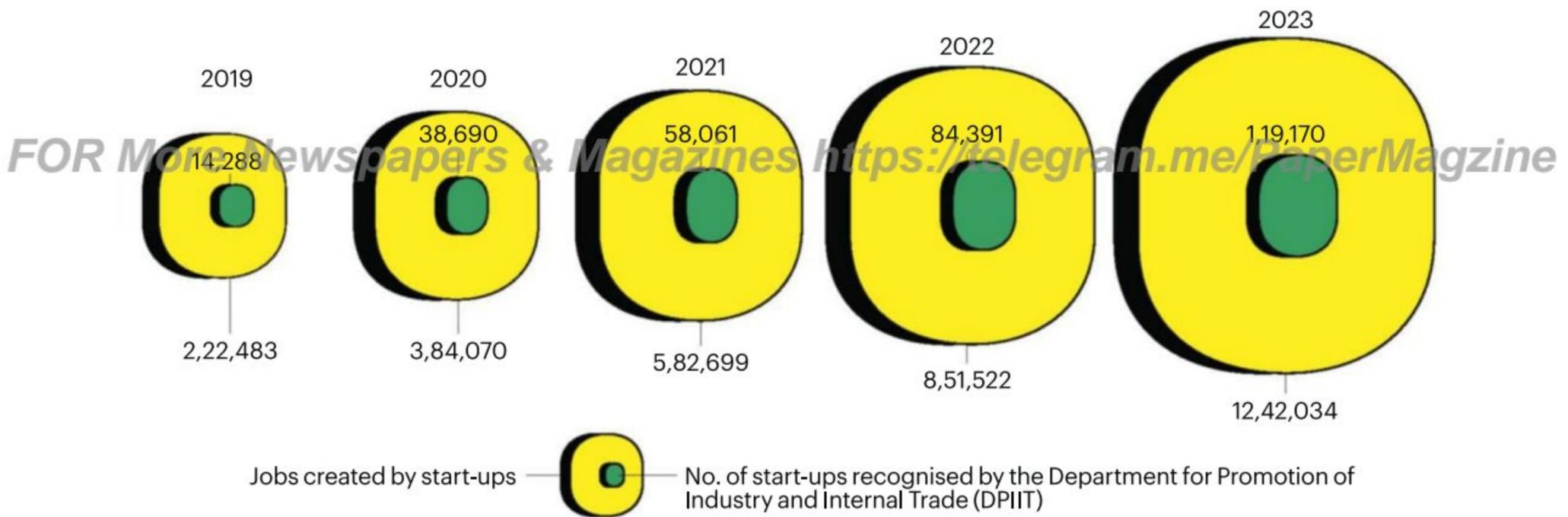


STARTING UP A JOBS MOVEMENT

Number of start-ups has grown rapidly since the launch of the Startup India programme in January 2016, creating lakhs of jobs.

By **SHIVANI SHARMA**

Start-ups Add To Their Count... ... Create 12.4 Lakh Jobs Till 2023



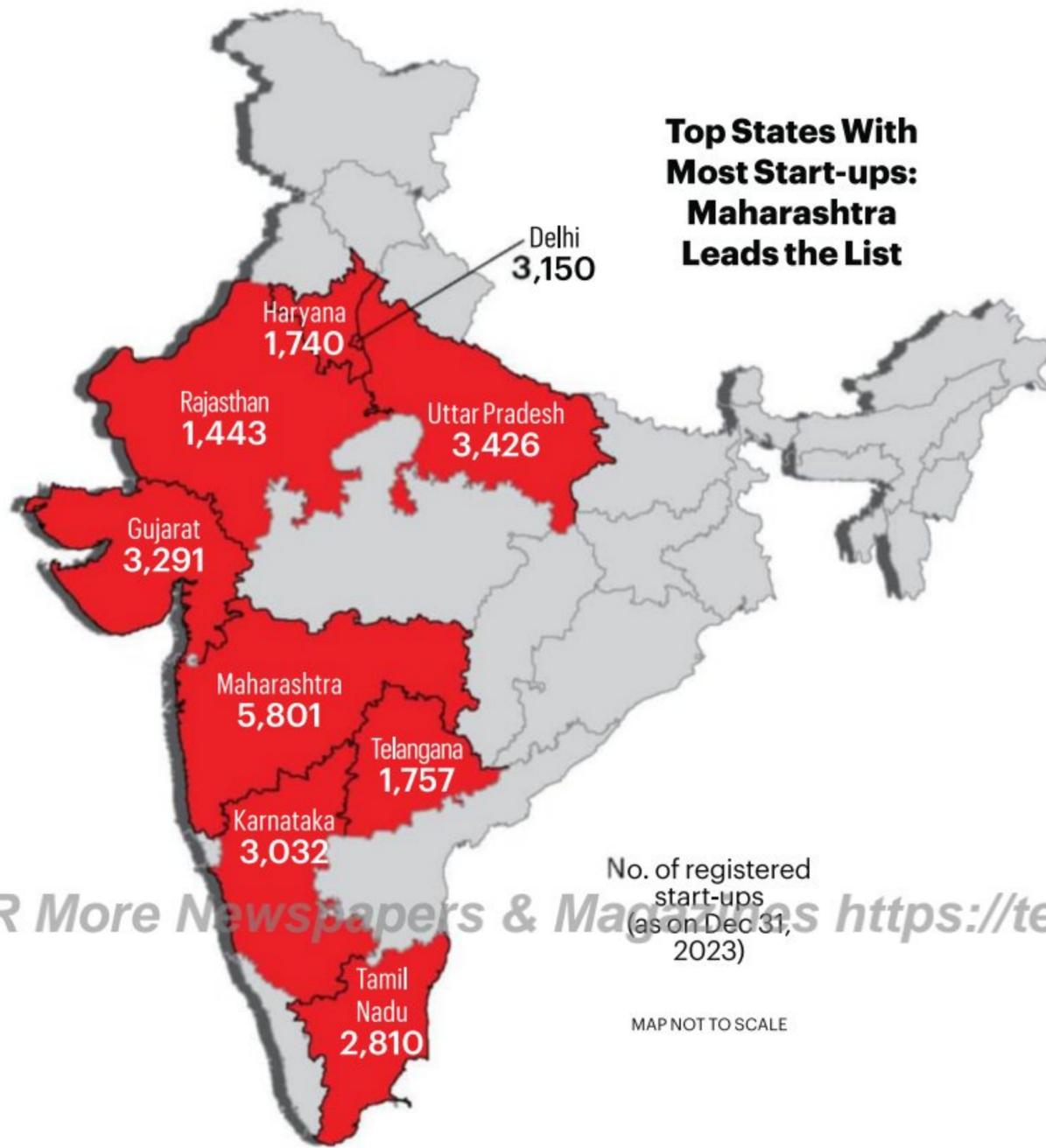
67%

Share of services companies incorporated in FY24, the highest among sectors

SOURCE: DPIIT



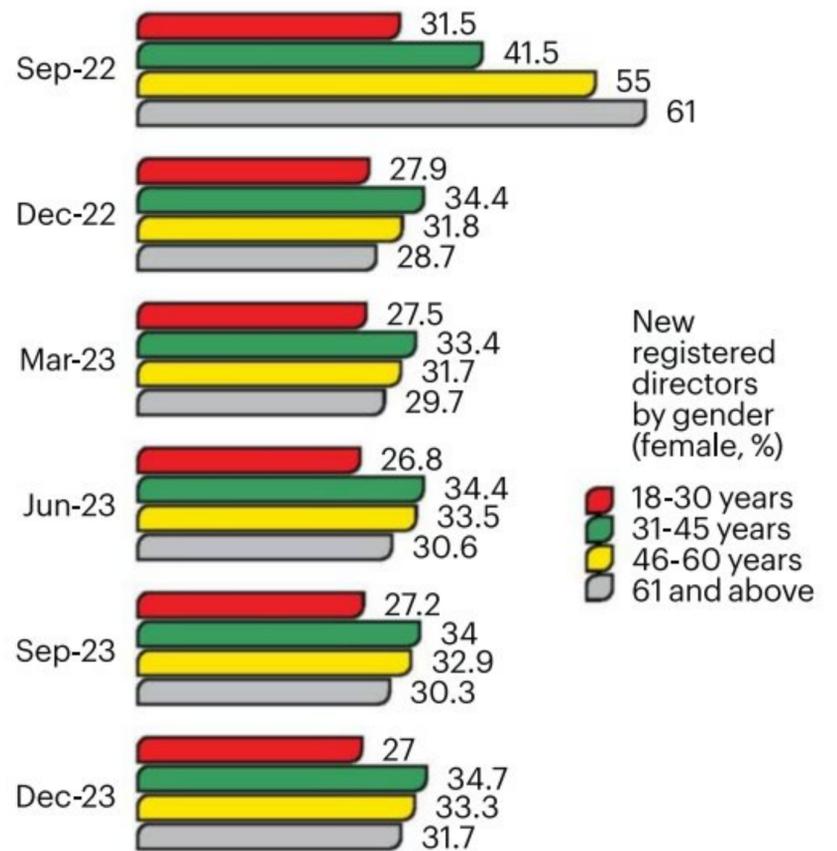
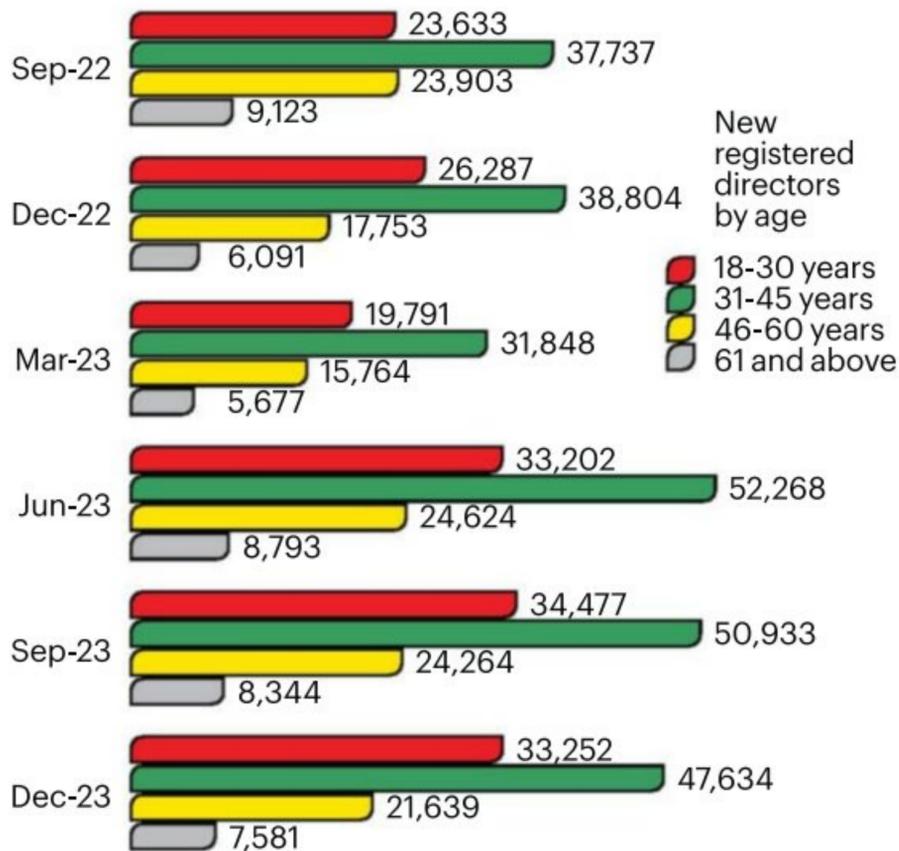
GRAPHIC BY **AMIT SHARMA**

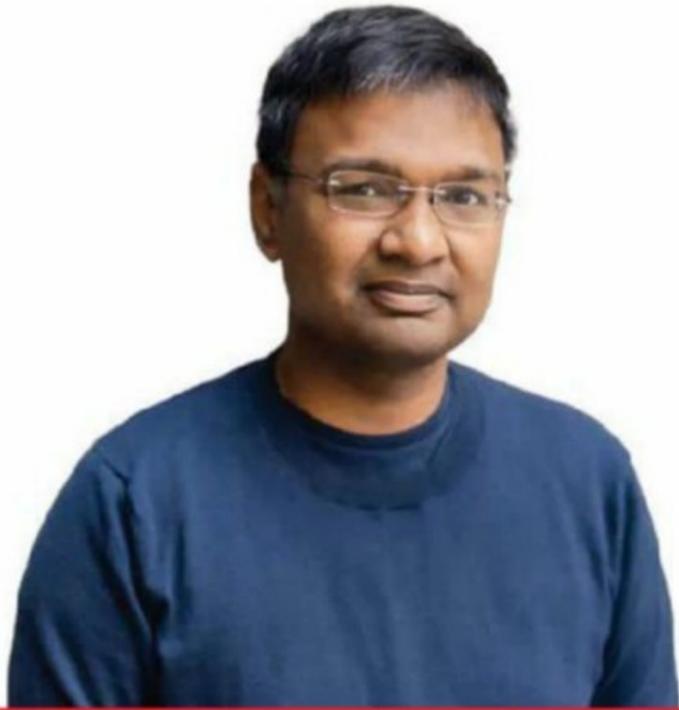


DPIT IS WORKING ON A PLAN TO ENSURE THAT EVERY DISTRICT IN THE COUNTRY HAS AT LEAST ONE RECOGNISED START-UP.

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Boards Get Younger





ABHINAV SHASHANK, 36
Co-founder & CEO, Innovaccer

Healthifying U.S.: Innovaccer's AI Doctor

LAST 12 MONTHS have been the most significant period in the decade-long entrepreneurship journey of Abhinav Shashank, co-founder and CEO of San Francisco-based health-tech firm Innovaccer. The company offers data analytics and data activation tools to accelerate health-care innovation. Innovaccer's solution suite is a collection of digital solutions that can be customised by its clients using modular building blocks. The company charges its clients for tailor-made software it builds.

From \$95 million in revenues and a cash burn of \$25 million in 2023, Innovaccer expects to end 2024 with revenues of \$130 million and close to zero cash burn.

In 2023, Innovaccer launched 'Sara', a healthcare-specific AI solution designed to meet operational needs of the healthcare sector in the U.S. 'Sara' promises 83% accuracy in executing complex healthcare queries compared to other AI models such as Open AI GPT-4, says

Shashank.

"One of the things we appreciate about Innovaccer is its ability to identify and ingest data sources," says Dr. Yates Lennon, president and chief transformation officer, CHES Health Solutions. CHES negotiates value-based payer contracts and risk-based deals to reward providers financially for focusing on cost and quality.

"Innovaccer plays a vital role in helping our population health management team identify patients who are already high risk and who could be at rising risk," says Bob Sarkar, CEO, Arkansas Health Network, the largest physician-led clinically integrated network in Arkansas.

Innovaccer, which began operations as a Delhi-NCR based company, has raised \$430 million so far. The company plans to expand to West Asia later in the year. "We have 50 people in Abu Dhabi. They are developing the product right now," says Shashank. —**Joe C. Mathew**

ENABLING FINANCING FOR START-UPS

lenders and borrowers on the company's platform. In case a borrower defaults on a loan, 5% of the financial risk is borne by Velocity (fintech provider) while the rest is borne by the lender, says Medhekar, co-founder and CEO. Velocity's business model is fee-based where it gets a commission of 6% and 10% (depending on the loan size and duration) from the lenders during the course of the loan.

Till date, Velocity has serviced over 4,000 brands and facilitated disbursement of more than ₹750 crore in loans. Its clients include start-ups such as French Crown, Iconic Fashion, Soulflower, Chumbak, IDC Kitchen, Off Duty, Itsy Bitsy, Bear House, and Zlade.

Velocity's primary product, revenue-based financing, has enabled over 900 businesses, especially, D2C and ecommerce brands, overcome working capital needs. The platform also offers products such as fixed EMI, revenue-based ODs, credit lines etc. Start-up founders who do not want to dilute their equity are the biggest clients, says Swaroop, co-founder and CTO.

The company has achieved 2.2x YoY growth, expanding both disbursements and revenues. It has more than 100% net revenue retention rate and has maintained NPAs at less than 1.5%. —**Rajiv Ranjan Singh**

FAILURE IS THE first step to success but the founders of Velocity, Abhiroop Medhekar and Saurav Swaroop, have lived the idiom as entrepreneurs.

Before founding Velocity, the duo had launched Taskbob in 2015. After raising ₹25 crore via VC funding, Medhekar and Swaroop decided not to raise more capital. The result: Taskbob did not survive the funding winter of 2017.

Cut to 2020, Medhekar and Swaroop created Velocity, a revenue-based financing platform that enables digital-first start-ups access financing products.

The company has so far raised \$30 million in equity funding with its biggest investment from Valar Ventures, a New York-based fund backed by Peter Thiel, the former co-founder of Paypal. Velocity is Thiel's solo Indian investment.

It primarily works with SME-focused lenders such as U Gro Capital, Credible Capital and Trillionloans and builds their loan books online by bringing both

**ABHIROOP
MEDHEKAR, 38**
**SAURAV
SWAROOP, 32**
Co-founders,
Velocity

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PHOTOGRAPH BY NARENDRA BISHT

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PHOTOGRAPH BY NISHIKANT GAMRE

The Packaging Specialist At DTDC

ABHISHEK CHAKRABORTY is reaching out to new consumers such as sweetmakers who want to ship perfectly preserved *rasgullas* or *sandesh*, women entrepreneurs running small businesses on Instagram, or small D2C brands that need packaging or fulfillment solutions. “DTDC is one of the few firms in India that can handle temperature-controlled products using a normal network,” says Chakraborty.

DTDC Express is using insulated packaging combined with temperature-regulating materials such as dry ice instead of relying solely on refrigerated vehicles to transport temperature-sensitive goods.

The company, which runs three primary verticals, including express parcels, international, and e-commerce, saw its revenues jump 21.8% YoY to over ₹2,000 crore in FY23. With an international presence in the U.S., Canada, the U.K., the U.A.E., Singapore, and Australia, it recently added Malaysia to its global footprint. “We’ve seen 30-35% growth in our global business,” says Chakraborty.

DTDC has 16,500 touchpoints in India where customers can access its services, and 16,000 partners. The DTDC app launched in 2020 has over 3.1 million downloads and 400,000 active users. — **Arnika Thakur**

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ABHISHEK CHAKRABORTY, 39
CEO, DTDC Express

AGNISHWAR JAYAPRAKASH, 33
Founder & CEO, Garuda Aerospace

The Drone Maker Of Garuda

AGNISHWAR Jayaprakash, founder and CEO of Chennai-based drone start-up Garuda Aerospace wishes Mahendra Singh Dhoni’s association with Chennai Super Kings and the IPL should continue for a few more years. Dhoni, the brand ambassador and a minority investor in Garuda Aerospace, is the face of the company, which is among India’s top drone makers and one of the pioneers of multipurpose

drone making since 2015. The company has come out with a foldable nano drone that fits into one’s pocket — Droni — named after Dhoni.

Garuda makes customised unmanned aerial vehicles (drones) for multiple uses, including sanitisation of public spaces, delivery of medicines and food, vaccinations, surveillance, solar panel cleaning, crowd management and the like, but has become a specialist in agriculture drones. It has already sold over 1,500 ‘Kisan’ drones for spraying insecticides, pesticides and herbicides, seed sowing, crop manning etc. “Garuda has sold 2,500 drones so far, out of which 2,000 are agri drones. We plan to sell 25,000 agri drones in

the next two years and at least 25,000 other consumer drones in the next few years,” says Jayaprakash. The company has 400-plus clients, including L&T, Tata, Godrej, Reliance, Adani, NTPC, SAIL, IOC and ONGC.

More than half of the agricultural drones used now in India are from Garuda, says Jayaprakash. No wonder, revenues grew from ₹2.3 crore in FY21 to ₹47 crore in FY23. The company, which targets to become the first unicorn among Indian drone makers by next year, is planning an IPO by year end or early next year.

— **P.B. Jayakumar**

PHOTOGRAPH BY NARENDRA BISHT

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RIL'S TECH DRIVER

WHAT AKASH AMBANI does in Reliance Jio is mostly out of bounds for outsiders. The elder son of Mukesh Ambani who was involved in the creation of Jio from its concept stage 13 years back eventually threw up a host of surprises, including the launch of India's first free-voice telecom business in 2016.

These days, Akash spearheads the development of products and services that leverage 5G, Artificial Intelligence (AI), Blockchain and the Internet of Things. The company aims to enable a generational shift in commerce, education and healthcare delivery with these technologies.

Jio is India's largest telecom service provider with a wireless subscriber base of 468 million as of February 2024. In FY23, it reported gross revenues of ₹1.15 lakh crore. For the first nine months of FY24, gross revenues stood at ₹94,687 crore.

Akash was appointed the chairman of Reliance Jio Infocomm (RJIL) in June 2022. He has served as non-executive director on the board of RJIL since 2014. He is also a part of the leadership team of RIL's retail arm, Reliance Retail Ventures (RRVL), as a director.

Since his appointment as chairman, RJIL has seen its subscriber base grow to 468 million from 413 million, including over 90 million 5G users. The telco has launched Jio True 5G, which covers over 96% of the census towns in the country and carries one-fourth of the mobility data traffic of Jio subscribers. At the India Mobile Congress last year, Akash announced the launch of the satellite-based GigaFibers, which provides wireless broadband services.

— Nevin John

**AKASH
AMBANI, 32**
Chairman, Reliance
Jio Infocomm



ALAKH PANDEY, 31
 Founder & CEO,
 Physics Wallah



Physics Wallah's Educator Entrepreneur

IN THE LAST two years, Physics Wallah — an edtech platform training school students and those preparing for JEE, NEET and other competitive exams — has opened about 130 offline centres in over a 100 cities across the country. Its reach now extends to 4.3 crore students on YouTube across 85 channels. The company also has around 27 lakh students using its PW app, which offers courses across 35 exam categories.

As the Noida-headquartered edtech unicorn scales rapidly, founder and CEO Alakh Pandey says he is focussed on bringing

more financial discipline to the company. "Three years ago, we had no offline centre, today we have 130... right now we have the brand and this is the best time to scale pan India," says Pandey. The firm's revenue from operations rose to ₹772 crore in FY23 from ₹233 crore in FY22.

In the next one year, Pandey plans to make affordable smartphones with an educational operating system, tentatively priced at ₹8,000-10,000, and launch an NBFC that offers loans to economically disadvantaged students on the basis of academic credibility. — **Arnika Thakur**

ANAND PIRAMAL, 39
 Executive director,
 Piramal Group

Building Blocks At Piramal Group

IN HIS STUDENT years, Anand Piramal, executive director, Piramal Group, was in two minds about whether to get into consulting or banking to kickstart his career. He approached family friend and now his father-in-law Mukesh Ambani, chairman of Reliance Industries for advice, which changed

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the course of his thinking. Ambani told him, "Being a consultant is like watching cricket or commenting about cricket, while being an entrepreneur is like playing cricket." Anand chose to be an entrepreneur and founded Piramal Realty, now one of Mumbai's premier developers with prime residential and commercial properties across Mahalaxmi, Byculla, Thane, Kurla, Lower Parel, and Worli. According to Capitaline database, Piramal Realty reported a total income of ₹1,832 crore in FY23.

In 2017, Anand joined the board of Piramal Enterprises as a non-executive, non-independent director, as part of his father Ajay Piramal's plan to groom next-generation leaders. In 2022, Piramal Pharma was demerged from Piramal Enterprises to create two separate listed entities.

Anand now heads the financial services business of the group, one of the country's largest NBFCs specialised in affordable home lending, SME lending, construction finance, and mid-market corporate lending. Piramal Enterprises posted consolidated revenues of ₹9,087 crore in FY23, and net profit of ₹9,969 crore. Assets under management stood at ₹63,989 crore in FY23.

Anand oversees Piramal's alternatives business, a fund with \$1.5 billion under management and tie-ups with CDPQ, Bain Capital, CPPIB and others.

— P.B. Jayakumar

ANANYA BIRLA, 29
Founder & chairperson, Svatantra Microfin

MICROFIN CHAMPION OF ADITYA BIRLA GROUP

ANANYA BIRLA has two goals running parallel while running a business — profitability and impact. Svatantra Microfin, which she founded in 2012 at the age of 17 to provide micro loans to women entrepreneurs in rural India, is currently the second-largest player in the NBFC-MFI segment with a 4.2 million customer base across 20 states. Assets under management stood at ₹13,000 crore in FY23.

"I would like my businesses to be profitable, but I also want them to create an impact," says Ananya Birla, daughter of billionaire industrialist Kumar Mangalam Birla. Ananya is also on the board of Aditya Birla Management Corp. Pvt. Ltd — the group's apex decision-making body that provides strategic direction to group companies — along with her brother Aryaman Vikram Birla.

Ananya believes small steps can make a big impact. "My head office is plastic-free. The group aspires to achieve net-zero carbon emissions by 2050... Aditya Birla Fashion & Retail Ltd. has already achieved zero waste to landfill across its facilities," says Ananya.

"One of the biggest challenges for me is balancing performance with humanity," she adds. "I want teams to be hardworking, but I don't want them to burn out," says Ananya, who co-founded the Mpower movement with mother Neerja Birla in 2016, an awareness initiative to alleviate the stigma associated with mental health.

— Nevin John

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PHOTOGRAPH BY NAREN



THE MASTERCHEF IN REBEL FOODS' KITCHEN

A FOODIE'S JOY knows no bounds, especially if his job involves savouring a range of delicacies on a daily basis to decide what would suit the palate of a wide spectrum of consumers, from Gen-Zs to millennials. Thirty nine-year-old Ankush Grover, co-founder and CEO, India, Rebel Foods — which owns popular brands Behrouz Biryani, Faasos, and Oven story etc, operates master franchises of Wendy's burgers, and partners brands such as Natural Ice Creams — is candid enough to accept he is a foodie and occasionally ventures into the kitchen to try his hands at new recipes. The *chicken bhuna wrap* of Faasos, from which Rebel Foods' journey as a single brand began almost a decade back, is his personal favourite.

Over the last 10 years, Rebel

Foods has evolved as the largest Internet restaurant chain with over 45 brands under its fold including franchises, a D2C channel EatSure, and is developing more brands in the fried chicken and health categories. Revenue rose 24.6%, from ₹1,400 crore in December 2022 to ₹1,750 crore in December 2023. Measures to improve margins and optimise costs led to a 23% improvement in operating EBITDA margins.

Brand-specific innovations to get closer to customers have been key, says Grover. "We are at 350 kitchens and our vision is to go to 700 in the next three years and 1,000 plus by 2030. Today we are in 60-plus cities and the idea is to be in 150-200 cities in the next five years. A lot of expansion will take place going ahead," says Grover.

— Ashutosh Kumar



ANMOL SINGH JAGGI, 38

Co-founder & CEO, Gensol Engineering

Powering Clean Energy At Gensol

THE WORLD these days is facing a unique challenge — how to balance the needs of an energy hungry civilisation while addressing the issues of climate change that power generation brings forth. Anmol Jaggi had set out to deliver solutions to the dilemma, more than 15 years ago, by venturing into the clean energy sector.

Jaggi forayed into carbon trading when he was in his final semester in college,

Gensol has put up 600MW of solar projects such as floating installations, across India.

buying carbon credits from wind farms in India and selling them to European firms.

Today, his company Gensol Engineering Ltd. is a one-stop shop for all things related to solar power generation, from advisory services to turnkey EPC projects to being an OEM. The company also entered the EV manufacturing sector in 2023 and announced its maiden electric vehicle to be manufactured at its green-field plant in Chakan, Pune. The facility can produce 30,000 EVs per annum.

Gensol has also put up 600MW of solar projects, including rooftop, ground-mounted, and floating

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PHOTOGRAPH BY SANJAY RAWAT



ANKUSH GROVER, 39
Co-founder & CEO,
India, Rebel Foods

installations, across India. It has expanded its footprint to South-East Asia, West Asia, and Africa.

In 2019, Jaggi co-founded BluSmart, which operates in the EV ride-hailing and EV charging infrastructure space in Delhi-NCR and Bengaluru. Its total fleet of nearly 7,000 EVs has saved 31,000 metric tonnes of CO₂. It currently operates 40 charging hubs with 5,000 charging stations.

Gensol's revenue grew 145% YoY to ₹390 crore in FY23, while BluSmart crossed \$50 million in annual revenue run rate, delivering over 100% YoY growth.

— **Rajiv Ranjan Singh**



ARJUN JUNEJA, 37
COO, Mankind Pharma

Mankind Pharma's Medicine Man

ARJUN JUNEJA grew up playing cricket as a leg spinner, right from grade 4, and went on to play up to the state level. His love for cricket now reflects in the company's marketing campaign which features former India captains Sourav Ganguly and Anil Kumble. When Juneja joined Mankind Pharma in 2008, the company started by his father and uncle in 1995, its turnover was around ₹600 crore. In FY24, the revenue stood at ₹8,127 crore.

The company is a leading player in the domestic pharmaceuticals space, especially in acute and chronic therapeutic areas, including anti-infectives, cardiovascular, gastrointestinal, anti diabetic, neuro/CNS, VMN and respiratory. In consumer healthcare, it operates in condoms, pregnancy detection, emergency contraceptives, among others. It has

28 manufacturing facilities across the country.

The company's biggest brand is Nurokind (acute and chronic) valued at ₹579 crore with a market share of 14.45%. In chronic, its Telminkind ranks first with ₹554 crore and has a 10% share of the hypertension segment.

For Juneja personally, the inflection point came in 2009-10 when he started leading business development. "Cold calling randomly got us the first break with UCB (Union Chimique Belge) of Belgium, which offered us Longifene, an appetite stimulant for children, for marketing," says Juneja. Eventually Mankind brought UCB's India business.

Another major inflection point was setting up R&D for Mankind in 2012 with a molecule called Dydroboon. The gamble paid off and Mankind became the second company in the world — after Abbott — to offer the infertility product for women. Juneja also led the company through its listing last year.

— **Gina Krishnan**



▶ **ARUN VINAYAK, 32**
Co-founder & CEO, Exponent Energy

CASHING IN ON EVs AT EXPONENT

ARUN VINAYAK co-founded Exponent Energy — a fast-charging ecosystem for electric three-wheelers — during the pandemic in 2020, just when he was exiting the founding team at Ather Energy, the premium electric bike maker. “I realised my job at Ather was done. The products we built were ready to scale. I decided we need to double down on the energy problem statement. We realised commercial vehicles need this solution,” says Vinayak.

Exponent sells battery packs to OEMs that can be fast-charged in 15 minutes. “Our dollar per kilowatt hour pricing for battery packs is 10% more because we give rapid charging. But we put a 30% smaller battery. When you do that entire math, the sticker price comes down and we end up being a little cheaper,” says Vinayak.

The three-year-old start-

up rolled out its first electric cargo three-wheeler by tying up with Altigreen last year. In April, it tied up with Omega Seiki Mobility to launch a passenger three-wheeler for ₹3.25 lakh. “With passenger vehicles, we are going to see a huge uptick in volumes,” says Vinayak. The start-up is looking to set up 40 charging stations in Delhi. It also plans to roll out batteries for electric buses this year.

“We are not just a battery supplier. We are an energy partner. We work with OEMs to create a demand ecosystem,” says Vinayak.

Exponent says its charging stations top up 20-30 vehicles every day. “We charge ₹16 per unit to the end user while our cost of electricity is ₹6-7,” says Vinayak. It costs ₹5 lakh to set up a charging station, he adds.

The TDK Ventures-backed start-up has raised \$44 million so far. — Karan Dhar



“Supply chain and gross margins are going to be focus areas for us... We are still in a very aggressive growth phase.”

PHOTOGRAPH BY SANJAY RAWAT

Deepak Dara: The Global Investor

WHEN HE left the Indian shores in 2009, Deepak Dara, senior MD of the Ontario Teachers' Pension Plan (OTPP), was not sure about his ultimate calling. Born and raised in India, Dara's foundational years in his homeland laid the groundwork for an international career that spans continents. After leaving India in 2009, he pursued

MBA at Duke University, a decision that would crystallise his journey into the financial world. Post-MBA, he joined Capital One, further refining his expertise in finance. However, Dara's ambitions saw him transition from the world of consulting, where he worked with PwC, Booz, and BCG, to a pension fund.

In 2020, a new chap-

ter began for Dara as he joined OTPP, bringing with him experience and perspective shaped by years of international exposure and a diverse professional background. As advisor to the chief investment officer and the investments executive team, Dara played a pivotal role in shaping the organisation's investment strategy,

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PHOTOGRAPH BY NARENDRA BISHT

DEEPAK CHAHAR, 31
Cricketer & co-founder, JCDC Sports

Deepak Chahar Hits It Off With Gaming Venture

IN THE sprawling cricket grounds of Rajasthan, at the tender age of 12, Deepak Chahar stepped onto the pitch, fuelled by the inspiration of his father. A mischievous child with boundless energy, his father saw cricket as a means to instill discipline in him. Little did they know, this would spark the rise of a cricketering star and an innovative entrepreneur.

Fast forward to today, Chahar stands as one of India's most promising cricketers. A key member of the Chennai Super Kings, his achievements include being the only Indian to secure a hat-trick in the T20s.

However, his impact transcends the cricket pitch. In 2022, he embarked on two ventures, challenging conventions and disrupting industries. The first is TFG (Trade Fantasy Game) — fantasy cricket, established under JCDC Sports Pvt. Ltd., which revels in its unique six-player format as against the

industry standard of 11. The app focuses on user-interface to incorporate innovative game-play features.

The second, D-NINE, established under LCDC Athletics Pvt. Ltd., provides quality cricketering shoes and health supplements at affordable prices. The nutrition products are made by a third party, FMCG company Weo-live, while shoes and other sports gear are produced through contract manufacturers based in Rishikesh and Dehradun.

"My wife and my father handle the daily operations of both the businesses. I contribute as an advisor," says Chahar.

TFG, launched in February 2023, has an average 30,000 playing on the app daily. The platform aims to surpass 3 lakh users during the IPL season. Meanwhile, D-NINE clocked sales of ₹1.2 crore in the last six months and forged partnerships with 30 distributors.

— Urvashi Mishra

particularly through the lens of his understanding of both global and regional market dynamics.

As the senior managing director for OTPP, Dara's return to India in early 2023 marked a full-circle moment in his career. His experience across multiple asset classes has helped OTPP's expansion in the region. With over CAD

4.5 billion poured into India, Dara and his team have been cherry picking investments across PE and infra space with a focus on renewables. As the Canadian fund aims to hit \$300 billion in assets by 2030 from the current CAD 247 billion, Dara knows a lot will be riding on his shoulders.

— V. Keshavdev



DEEPAK DARA, 39
Senior MD,
Ontario Teachers'
Pension Plan

PHOTOGRAPH BY PADMINI B



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THE GREEN CHAMPION OF INOXGFL

in three years, says Jain.

On the back of India's chemical boom, Gujarat Fluorochemicals Ltd. (GFL), the flagship company of the INOXGFL Group, has seen increasing demand across the globe and in India. GFL is the country's largest polytetrafluoroethylene/fluoropolymer manufacturer. The product has applications across industries such as oil and gas, pharma, food, automotive, aerospace and defence, electricals and electronics. GFL's consolidated revenues grew 44% YoY to ₹5,685 crore in FY23, while PAT grew 71% YoY to ₹1,323 crore. The company is looking at a push into renewable energy and sustainability opportunities. It is in the process of setting up an integrated battery chemicals complex under GFCL-EV, and the first phase has already taken off. "There is hardly any competition outside of China from players who make raw materials for lithium-ion batteries. The products we make and will be making, constitute about 40% of the cost of such batteries," says Jain.

Another new subsidiary is GFCL Solar and Green Hydrogen Products, which will offer fluoropolymer solutions for the entire solar and green hydrogen value chain. Internally researched and developed proton exchange membranes will tap opportunities in the green hydrogen ecosystem once it takes off, says Jain.

INOXGFL's market capitalisation stood at over ₹65,000 crore as of March 31, 2024. "Our focus will continue to be on strong EBITDA generation, as new growth engines in coming years are in niche and specialised products where margins are high," adds Jain.

—P.B. Jayakumar

INOX WIND, which manufactures wind turbines and generators, has four manufacturing plants — at Rohika and Bhuj in Gujarat, Barwani in Madhya Pradesh and Una in Himachal Pradesh. All these plants are on an overdrive to meet rising orders. "Our order-book is now 2.6GW, translating into a revenue visibility of ₹18,000-19,000 crore in the next two-three years," says Devansh Jain, executive director, INOXGFL Group.

Wind equipment is not the only area where INOXGFL Group is invested heavily. Riding on new energy forms and planned investments of over ₹10,000 crore in niche renewable energy forms such as chemicals and fluoropolymers for EV/ESS batteries, hydrogen fuel cells and electrolyzers, the group is looking at an EBITDA of over ₹5,000 crore

DEVANSH JAIN, 37
Executive director,
INOXGFL Group

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PHOTOGRAPH BY NARENDRA BISHT

Apollo Hospitals' Cancer-care Flagbearer

HARSHAD REDDY is a sports buff who runs and cycles regularly, something he finds meditative. An avid supporter of Manchester United, Harshad has run a few half marathons, with a long-term goal of the Boston Marathon.

In 2014, Harshad set up Apollo Hospitals' home-care enterprise, but one of his bigger achievements has been the Apollo Proton Cancer Centre (APCC) in Chennai, the first such facility in South Asia and West Asia, in 2019. Even today, the only other entity to have a similar facility in the region is Mumbai's Tata Memorial Centre. In

proton therapy, there is no entry or exit load from the radiation. Essentially, it ensures it does not radiate non-cancerous tissues

"We were literally putting in a cyclotron, a nuclear reactor in the middle of Chennai, something that the country hadn't seen before. Therefore, it took a while for regulators to understand the require-

//
Choosing the right technology impacts affordability, which is critical."

ments," says Harshad. Getting approvals from the Atomic Energy Regulatory Board itself took two years.

Set up at a cost of ₹1,250 crore, APCC has treated over 400 patients with proton beam therapy last year, even from far away New Zealand and Chile. Earning from APCC during FY23 was ₹220 crore, followed by ₹264 crore in FY24.

Harshad hopes to bring more cutting-edge technologies to India. Recently it launched ZAP-X, a gyroscopic radiotherapy platform to treat brain tumours at the Indraprastha Apollo Hospital in Delhi.

— Anup Jayaram

HARSHAD REDDY, 37

Director, group oncology and international, Apollo Hospitals



PHOTOGRAPH BY R CHANDRU



HARSHIL MATHUR, 32

Co-founder & CEO, Razorpay Software

Fintech's Poster Boy At Razorpay

HARSHIL MATHUR'S journey to make Razorpay one of India's leading full-stack financial solutions providers didn't start off so well. He, along with Shashank Kumar, fellow classmate at IIT Roorkee and now co-founder and MD, faced numerous rejections from banks before finding one (HDFC) who partnered with them to go live as the payment gateway. "Today, we work with most banks in enabling payment acceptance for their businesses," says Harshil, co-founder and CEO.

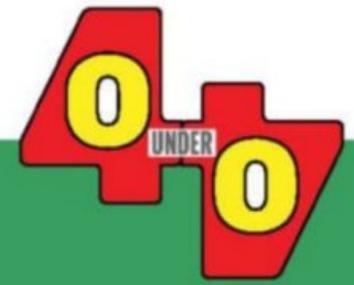
The Bengaluru-based start-up provides tech payment solutions to over 8 million businesses, including OYO, Zomato, Nykaa, Zerodha, Swiggy, BMW and NIIT.

Last valued at \$7.5 billion in December 2021, Razorpay has raised \$742 million in funding in 11 rounds, led by Lone Pine Capital, Alkeon Capital, TCV, GIC, Tiger Global and Sequoia Capital India, among others. In FY23, it reported consolidated revenues of ₹2,268 crore, 53% growth YoY, driven by an increase in enterprise and SME customers.

— Chitranjan Kumar

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RIL'S RETAIL QUEEN

ISHA AMBANI, director, Reliance Retail, nowadays construes what Sam Walton, founder of Walmart, once said: "The secret of successful retailing is to give your customers what they want." Isha is now building an inclusive retail business through a variety of brands and strategic partnerships, including Campa Cola, Sosyo, and Lotus. Wherever she finds a gap in products and pricing, Isha tasks the retail team to bridge it with in-house brands.

The eldest child of RIL chairman Mukesh Ambani will complete 10 years on the board of Reliance Retail this year. In the initial two years until 2016, Isha was in the learning phase, focusing on profitability at each store. In the second phase, she began involving herself in the consumer side of retail as well as the telecom business, which launched in 2016.

India's largest retailer operates 18,774 stores with an area of 72.9 mn. sq. ft. It posted operational revenue of ₹2.52 lakh crore in FY24, and net profit of ₹7,045 crore. When she joined the business in FY15, Reliance Retail had 12.5 mn. sq. ft. of space and 2,621 stores.

Isha is now focused on enabling artisans and small merchants to thrive alongside modern retail. JioMart has onboarded over 25,000 artisans, weavers and micro-entrepreneurs. She is also building a designer label powerhouse from India by partnering with some of India's best designers, such as, including Manish Malhotra, Abu Jani Sandeep Khosla, Anamika Khanna and Ritu Kumar. — **Nevin John**

ISHA AMBANI,
32
Director,
Reliance Retail

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JAY KOTAK,
35
Co-head,
Kotak811



“Privileges are an undeniable reality... but I would like my growth as a professional to be driven by metrics of the business that I co-head.”

The Digital Sculptor at Kotak Mahindra

IN AN ERA where digital transformation dictates the pace of progress, Kotak Mahindra Bank has been quick to capitalise on the shift with the launch of 811, a digital-only app whose name stands for India's tryst with demonetisation in 2016. Under Jay Kotak's co-leadership, Kotak811 accounted for 72% of all new accounts opened by the bank last year. As of March 2023, 811 had 17.5 million savings accounts, of which over 5 million were opened just last year. Kotak's plan though extends beyond digital transactions, he envisions Kotak811 as a leader among technology companies that are revolutionising banking. "The big learning is trust and reputation really matters for Indians even in digital world," says the eldest son of founder Uday Kotak.

Jay's strategy involves focusing on high-use case offerings such as debit and credit cards, FDs, and UPI transactions. "We are part of a bank, we're not a fintech. But the way we think about the world is similar to how Cred would think," says Jay.

His additional role as SVP conglomerate relationships is helping him build ties with both the retail and corporate banking sectors, leveraging insights from each to drive innovation. "If you look at the credit-to-GDP ratio in the U.S. and at the sophistication of their consumer credit industry. . The number of people that consume those products and have financed them on a reasonably robust banking system, gives me hope that India is getting there and we're doing a solid job as an industry," believes Jay. — **V. Keshavdev**

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**KARAN
ADANI, 36**
MD, APSEZ

FUELLING ADANI PORTS' GLOBAL AMBITION

ON MARCH 26, India's largest port operator Adani Ports and Special Economic Zone Ltd. (APSEZ) acquired Gopalpur Port in Orissa for ₹3,080 crore from Shapoorji Pallonji Group and Orissa Stevedores. Adani now owns 15 ports across India's east and west coast — 355 million metric tonnes (MMT) capacity in the West and 272 MMT in the East. Besides, APSEZ operates Israel's largest port Haifa, has O&M contracts at ports in Australia and Tanzania, and is building a container terminal at Colombo.

Phase one — with a capacity of 18 MMT — of India's first deepwater international seaport and container transshipment terminal at Vizhinjam near Thiruvananthapuram will be operational next year. The port, 10 nautical miles from the international sea route, will make India a key player in global sea trade. "Vizhinjam has the potential to compete with Colombo, Singapore, Port Klang and Jebel Ali," Karan

Adani, MD, APSEZ, said during the inauguration.

The moves are part of Karan's aim to make APSEZ the world's largest port operator (and carbon neutral) by 2030. APSEZ invested around ₹27,000 crore on capacity expansion and six acquisitions in FY23 alone. Revenues grew 22% YoY to ₹20,852 crore in FY23, while net profit rose 9% to ₹5,393 crore. For the first nine months of FY24, revenues increased 32% YoY to ₹19,814 crore, while PAT went up 43% to ₹6,089 crore. APSEZ handled 420 MMT of cargo in FY24, 24% increase YoY, with domestic ports contributing over 408 MMT.

Other than APSEZ, Karan also oversees the cement business of the group, as an independent and non-executive director.

According to insiders, Karan plays a key role in strategic decisions at the group level, especially in bringing alliances and investors in various businesses.

—P.B.Jayakumar



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▲ **MEHUL AGRAWAL, 37**
Co-founder & COO, Cars24

Building Economies Of Scale At Cars24

MEHUL AGRAWAL, co-founder and COO of Cars24, India's largest used-car platform, spends a significant amount of time building the company's overseas businesses. The pre-owned car company started international expansion during the pandemic. Now, almost 30% of its revenues come from outside India. Australia is its biggest overseas market followed by Thailand and the U.A.E. Cars24 has invested between \$50 million and \$100 million in each of these markets.

Yet, India remains the core of what Cars24 is building. That's because the \$25 billion used-car market in the country is unorganised and underpenetrated. "Out of 1,000, only 30-35 people own a car in India. In the Western world, this would be 800-900. That's the scope of India," says Agrawal.

Over 4 million new cars were sold in the country last

year (excluding exports), making it the third-largest auto market by volume. The used-car market is one and a half times bigger at 6-7 million, says Agrawal. Cars24 sold about 3 lakh cars last year, cornering a 5% share in India's used car market.

"Every used car is unique. The make, model, variant, year, colour, insurance, and repairs make the car different. Pricing it is a game of data. We have got so much data in the last 10 years. This is our moat which no other firm will be able to build easily," says Agrawal.

The company's topline grew 8% YoY to ₹5,535 crore in FY23, while losses narrowed by 57% to ₹468 crore.

"FY23 was a year for us to focus on economics. We made sure that growing beyond this point is not becoming an expensive choice of burning money and how can we get to the break-even faster," says Agrawal. "Our global burn across markets came down by almost 80%. So that became the core agenda. When we look at growth, it is not just vanity metric of how many cars and how many transactions. Eventually, a business is there to create money. We are not here to create valuation," he says. — **Karan Dhar**

// **Currently, the focus is to use it (capital) more prudently & attain profitability."**

PHOTOGRAPHS BY **SANJAY RAWAT**

Strategic Thinkers Of Classplus

"**TAKING A** leap of faith is a verb. We took it in our naiveté of 25-year-olds," says Mukul Rustagi, co-founder and CEO, Classplus.

Run by friends Mukul Rustagi and Bhaswat Agarwal (co-founder and COO), Classplus offers teachers running tuition centres or online teaching modules a secure online software, even a website and an app for courses and content to marketing support, in exchange for an annual fee. The firm designs software on which a neighborhood teacher or creator can run their websites and apps. It charges SAS fee as well as a small percentage of the revenue generated by the creator.

Almost 25 million students use the platform offered by Classplus. Revenues have grown from ₹45 crore in FY22 to ₹149 crore in FY23. The company has onboarded 20,000 creators, including those selling yoga, astrology courses, spoken english, personality development, and even farming.

The team at Classplus also curates strategies to help tutors/creators grow — from venturing online to publishing their courses, pricing, content curation and reaching a global audience.

— **Gina Krishnan**

▼ **MUKUL RUSTAGI, 32**
BHASWAT AGARWAL, 32
Co-founders, Classplus



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Ruppy Finds Fortune In Used Car Loans

BACK IN 2015, there was a dichotomy in the four-wheeler segment. While 70% of buyers could easily get loans for new cars, only 3% used car buyers could avail finance. Namit Jain saw this as an opportunity and started Ruppy, a loan discovery platform for used vehicles which helps customers avail loans at point of sale using its QR code, distribution partner app and websites of Ruppy consumer affiliates (e.g. CarDekho.com) through its website.

The business model revolves around a service fee charged to its 40-plus lending partners. It also operates a financing arm that

generates interest income. Ruppy has been profitable for past two fiscals and is poised to achieve double-digit bottom line margins by FY25, says Jain. Ruppy sold its services to around 2,50,000 customers in FY24 and has facilitated over \$1.6 billion in annualised loan disbursements by collaborating with 35+ financial institutions. Unlike typical lending platforms that connect the buyer with the lender, the Ruppy platform connects the buyer, the lender and the distributor.

Ruppy uses a proprietary machine learning fair market valuation tool and a digital title transfer workflow across



thousands of local government authorities. Approval rate is more than 80%. The company registered 63% year-on-year growth in 2023. Revenues surged 51% and hit an annualised run rate of \$66 million in December 2023. EBITDA margins touched double digits by March 2024. In 2023, Ruppy also scaled up its new car financing vertical to \$500 million in annualised disbursements.

—Rajiv Ranjan Singh



PHOTOGRAPH BY NARENDRA BISHT

Approval rate is more than 80%. The company registered 63% year-on-year growth in 2023.

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NIBHRANT SHAH, 39, DHIMAAN SHAH, 37
MD and co-CEO; ED and co-CEO, Isprava Group



Shahs Add Golden Touch At Isprava

WHERE do India's wealthiest travel besides local destinations like Udaipur or Goa? It's either Europe or tropical places like Bali and Koh Samui. That's where Isprava Group has expanded its hospitality business, Lohono Stays, globally in last two years with locations in Phuket and Koh Samui in Thailand, Bali in Indonesia, Maldives and Sri Lanka. The company was founded in 2016 by brothers Dhimaan and Nibhrant Shah, investment bankers who returned to India after stints in London and New York. "We cater to customers who are as likely to spend holidays outside India as

inside India. We have almost 250 homes, over 1,000 rooms, outside India," says Nibhrant Shah. It plans to expand in Europe too. "We are looking at Italy, Greece, south of France," he adds.

Mumbai-based Isprava Group, which owns luxury real estate developer Isprava (average ticket size ₹10 crore) and real estate brand Chapter (average ticket size ₹5 crore), besides Lohono, is on an expansion spree. "We have grown at 65% CAGR over a five-year period," says Dhimaan Shah. The company reported sales of about ₹700 crore in FY24, up from ₹530 crore in FY23.

—Arnika Thakur

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NIKHIL KAMATH, 37 ▶
Co-Founder, Zerodha

LEADING ZERODHA'S RETAIL REVOLUTION

A COMBINATION of words 'Zero' and 'Rodha,' Sanskrit for 'barrier,' Zerodha has been true to its name when it comes to serving common investors. Founded in 2010 by Nikhil Kamath and elder brother, Nithin, Zerodha has emerged as a disruptor in retail category by offering discount brokerage. It has more than one crore retail subscribers who account for over 15% retail volumes in Indian stock market.

Last fiscal, it managed an asset base of ₹3 lakh crore, making it India's largest retail-focused broker. In FY23, Zerodha reported revenue of ₹6,875 crore and profit after tax of ₹2,907 crore. The company had reported ₹4,964 crore revenue and ₹2,000 crore profit in previous year. Nikhil is India's youngest billionaire with a net worth of \$3.1 billion, according to Forbes Billionaires List 2024.

In 2021, he co-founded Gruhas, a venture capital fund, with Abhijeet Pai. He is also involved with various organisations and foundations such as Rainmatter, Giving Pi, Bridgespan, British Asian Trust and YUVA.

—Rajiv Ranjan Singh



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PHOTOGRAPH BY NARENDRA BISHT

Driving Patient Care At Medulance

WHEN PRANAV BAJAJ and Ravjot Singh met at a friend's place, they had no idea they would become business partners. They enjoyed each other's company and often discussed personal stories of their life. Once they ended up discussing how difficult it was to get to hospital. It was not long before the idea of making ambulance services more efficient took hold. Both pooled around ₹10 lakh each and began aggregating all ambulance services in Delhi. Medulance also owns 400 ambulances. It serves 100 cities and, starting with Delhi, is now focusing on tie-ups with state governments. The service is backed with a call centre 'offering a voice of trust' and trained personnel. It has also set up Medu clinics and



a training institute, Medulance Healthcare Academy, for emergency response. As a team, Ravjot contributes through his technology background, while Pranav backs the team with his business acumen. Medulance generates revenue through subscriptions, both retail and corporate. Recently, in addition to going on Shark Tank, they also closed their first round of funding at \$3 million with Alkemi Growth Capital as lead investor led by Deepinder Goyal, apart from Dexter Capital, Aman Gupta and Namita Thapar.

—Gina Krishnan



◀ **PULKIT KHURANA, 33**
SIDDHARTH SIKKA, 33
Co-founders, Battery Smart

Battery Smart's Power Partners

PULKIT KHURANA and Siddharth Sikka are no novices to mobility. Before Battery Smart, a battery-swapping network for electric two-wheelers, three-wheelers and e-rickshaws in 2019, the IIT-Kanpur graduates had tried their hands on an intra-city bus pooling application in 2015.

In 2020, they set up first battery-swapping station in Delhi-NCR. It has since expanded in 28 cities with 1,000 stations. Battery Smart partners with small

businesses to set up stations. The partners are responsible for maintenance, infrastructure and electricity connection. For every swap, the vehicle owner pays ₹50-100 to Battery Smart. Of this, 40% goes to the partner. "Customer service and dense network is what differentiates us," says Sikka. Battery Smart does more than 80,000 swaps in a day. It wants to scale up by five times in next 15 months. The company is also evaluating a foray into battery storage solutions by repurposing the batteries. For FY23, it incurred a loss of ₹61 crore as against a loss of ₹12.86 crore in previous year. The company has raised \$100 million so far.

—Astha Oriel



BUILDING CIRCULAR ECONOMY WITH RECIRCLE

IT WAS A weekend in 2016 when Rahul Nainani and Gurashish Singh decided to attend the Google Startup Weekend in Mumbai. The event proved to be a turning point of their careers by giving them a business idea—a clean-tech start-up providing waste management solutions. Nainani, who holds a finance degree and Singh, working in real estate sector, wanted to offer much more than plastic waste management. With the motto of 'Circular Economy and Circular Solutions,' they wanted to build a traceable reverse supply chain for all types of waste. "The idea is to build an inclusive business model as we close the loop on plastics," says Nainani.

ReCircle has a presence in more than 270 cities and towns and 400 collection partners. It has also partnered with big FMCG brands such as Hindustan Unilever, Dabur, Coca Cola, Marico, Nestle and Starbucks India. It helps these brands offset their plastic footprint by providing them plastic credits. Plastic credit is among its main sources of revenue. The second source of revenue is partnerships with international organisations for capacity building and plastic waste recovery. In FY23, profit was ₹2.45 crore, ₹68 lakh more than in FY22. ReCircle, which has raised \$6.7 million from Flipkart Ventures, 3i Partners and Acumen Fund, also plans to work on other waste materials such as paper, glass and metal. —Astha Oriel

RAHUL NAINANI,
31, **GURASHISH**
SINGH SAHNI, 31
Co-founder & CEO,
Co-founder & COO,
ReCircle

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PHOTOGRAPH BY NISHIKANT GAMRE

RISHABH SHROFF, 37
Partner, Cyril Amarchand Mangaldas

The corporate M&A vertical accounts for almost 70% turnover

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Rishabh Shroff Makes Global Bet

AS HEAD of international business development of corporate law firm Cyril Amarchand Mangaldas, Rishabh Shroff is keeping a hectic schedule these days. Early to sense the direction of India's investment flows, he was busy establishing an overseas office in Singapore last year. This year, the destination is Abu Dhabi, UAE. The corporate M&A vertical accounts for almost 70% turnover; others are litigation, banking and finance. "We are

seeing a lot of investment interest from Middle East, specifically Dubai and Abu Dhabi. Number of Indians making family office investments and building investment structures in that region is also on the rise," he says.

Rishabh is also co-head of private client practice specialising in family constitutions and settlements, trusts, wills and succession planning. He also provides related advice to trustees and other pri-

vate client service providers such as family offices and institutional and corporate trustees. "We are seeing a lot of situations where families are separating. So we are doing a lot of this work, either working with one family or one branch of the family," says Rishabh.

Last year, the firm added a new practice, intellectual property rights. "It is a key growth area for us," he says.

—Joe C. Mathew



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Encashing Tech At Airavat Capital

AS BATCHMATES at The Wharton School, where they did MBA in 2012, Rohit Bhat and Suraj Subramaniam shared a belief that domestic internet companies will open colossal opportunities. Back in India, Rohit, an electrical engineer from IIT-Madras, joined Sequoia Capital. “I did tech investing for four years. I worked on investments in Practo, Ola Cabs and realised my heart was more in public than private market,” he says. Suraj was working with Temasek Holdings in India.

The four-year stint in India from 2012 convinced them an opportunity was waiting to be tapped. Both set up Airavat Capital, an investment management firm focused on listed internet and technology-enabled businesses in consumer, financial service, technology and pharmaceutical sectors. One of the key initiatives in last one year is launch of Airavat Global Technology Fund R in June last year. “AUM is \$100 million,” says Rohit. The firm runs two

One of the key initiatives in last one year is launch of Airavat Global Technology Fund R

strategies, India and global technology, with two funds in each. India strategy focuses on technology businesses. “Major investments include KPIT Technologies, E2E Networks, Ujjivan Financial Services and PB Fintech,” says Bhat. Global strategy includes two funds. The portfolio is tilted towards software as a service (60%), fintech/payments (20%) and e-commerce (15%). “Major investments include Adyen, Block and CrowdStrike,” he says. —**Ashutosh Kumar**

GETTING RPSG GROUP CONSUMER-READY

SHASHWAT GOENKA, 34
Vice Chairman,
RP-Sanjiv
Goenka Group

WHEN SHASHWAT GOENKA joined the \$4.6 billion empire (RP-Sanjiv Goenka Group) a decade ago, the intent was to give a facelift to the over 200-year-old legacy business by foraying into new-age consumer-centric categories. When he joined, the group's only new-age consumer business, Spencer's Retail, was in choppy waters. After growing Spencer's to ₹2,485 crore business, he has assumed charge of the group as its vice chairman.

In retail, he has been focusing on luxury food retail with Nature's Basket Artisan Pantry. Food retail is a tough business where most retailers have burnt fingers. Goenka says Nature's Basket Artisan Pantry stores have broken even in second month of operations. "Most of our other formats take three quarters to break even," he says. The format promises gastronomic experiences from across the world—The Cheese Room, where consumers can taste artisanal cheese from around the world, Spice Souk, inspired by the spice market in Turkey, and Nibbs, a live artisanal chocolate brand.

Goenka has also taken charge of the sports business. While ₹7,000 crore investment in Indian Premier League's Lucknow franchise is most talked about (most expensive IPL team), RPSG's first brush with sports was when it bought football club ATK Mohun Bagan in 2017. It is now one of the franchises of the Indian Super League (ISL). While most ISL teams are making losses of ₹30-35 crore, Goenka says ATK Mohun Bagan is close to breaking even. He expects profitability in IPL franchise too. "We will start making money less than three years from now," he says. Goenka sees a huge advantage in being part of a legacy conglomerate. "It enables you to create new legacies."

—Ajita Shashidhar

PHOTOGRAPH BY SANJAY RAWAT

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SHRUTI SHIBULAL, 39
CEO and Director,
Tamara Leisure
Experiences

TAMARA'S WELLNESS AMBASSADOR

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SHRUTI SHIBULAL, who has established Tamara as a luxury eco-friendly destination, believes domestic tourists will drive growth. The CEO and Director of Tamara Leisure Experiences says FY23 was an year when demand touched pre-Covid level with people undertaking more long distance travel. For instance, Tamara's latest NABH-certified Ayurvedic hospital and resort, Amal Tamara at Alleppey, has 50:50 domestic and foreign tourists in spite of longer stay programmes ranging from seven to 21 days where ayurveda, yoga and meditation are bundled into a package costing more than ₹1.5 lakh. "Demand for wellness and well-being, especially ayurveda, has increased in last couple of years," she says.

Tamara Leisure Experiences operates in three segments—Five-star The Tamara Resorts, upscale

business hotels O by Tamara and mid-segment Lilac Hotels. In FY23, it added two more properties, a 141-key hotel under O by Tamara in Coimbatore and a 38-key property under Lilac Hotels in Guruvayoor. The company is also looking to open a property at Kumbakonam. According to MCA filings, revenue was ₹107.94 crore in FY23 compared with ₹60.19 crore in FY22. In FY23, it turned profitable with ₹4.3 crore profit compared to ₹20.42 crore loss in previous year. Tamara is also expanding

through management contracts. Shruti says domestic travel, especially around spiritual and religious tourism, is a big market waiting to be tapped. "We have had that strategy for years," she says. The company is now developing properties in Velankanni and Bodhgaya. "The spiritual/pilgrimage travel has been always strong in India and there is a huge opportunity to create experiences for people like us; and not necessarily in the luxury space," says Shruti.

—Rukmini Rao



SUDARSHAN VENU, 34
MD, TVS Motor Company

Electrifying TVS

TVS MOTOR climbed three spots to become India's second-largest electric two-wheeler manufacturer in FY24, the only legacy automaker in the Top 3 list. It sold over 40 lakh two-wheelers. Of these, 1.83 lakh were electric, up 123% from 82,108 in previous fiscal. "Electrification has been a huge focus," says MD Sudarshan Venu. He expects electric vehicles to contribute 20-25% to volumes in three years from 5% at present. The government wants 80% of all two-wheelers sold to be electric by the end of the decade. "We have developed a complete range, from small scooters which you will see soon to mid-size electric iQube and premium electric scooter TVS X," says Venu. TVS will also enter the electric three-wheeler market.

Globally, the company gets a bulk of export revenue from Africa, which has underperformed recently. TVS Motor is also venturing into western markets like Europe and U.K. It acquired Britain's iconic sporting motorcycle brand Norton in 2020 in which it is investing ₹100 million. "We will play it in a totally differentiated way as brand Norton comes to life again next year," he says. TVS has had a decade-long partnership with BMW Motorrad. The company is also looking at new categories such as e-bikes. It has acquired Switzerland's largest e-bike maker Swiss E-Mobility Group.

Venu also leads the group's financial services. "Today, 25% of our group profits come from financial services, most of which is non-two-wheeler," he says. "We have over 15 million consumers on the platform and over ₹30,000 crore of AUM. Financial services is going to be a big opportunity," he says.

—Karan Dhar



SUMIT GUPTA, 32
NEERAJ KHANDELWAL, 33
Co-founders, CoinDCX

CoinDCX's Money Minters

SUMIT GUPTA AND NEERAJ KHANDELWAL, founders of India's biggest crypto investment app by volume with user base of over 1.4 crore, have been friends for 15 years since their coaching days in Kota. The duo started their entrepreneurial journey in 2018 from a small flat in Mumbai. Last valued at \$2.1 billion in 2022, the company, which competes with CoinSwitch and Unocoin in India and Binance and Gemini globally, has raised \$247 million in six funding rounds; it entered unicorn club in 2021. With average daily trading volume of ₹246.5 crore and 500+ trading pairs, CoinDCX is becoming popular with crypto investor through investment app CoinDCX Go, crypto trading platform CoinDCX Pro and investor education platform DCX Learn.

The company's revenue

Last valued at \$2.1 billion in 2022, the company has raised \$247 million in six funding rounds.

comes from fee on buying and selling cryptos (0.1% transaction amount), as well as partnerships with other companies in blockchain and cryptocurrency. Neblio Technologies, the Indian arm of CoinDCX, which is registered in Singapore as Primestack Pte., turned profitable in FY23. The company ended FY23 with a net profit of ₹28 crore against a net loss of ₹41 crore in previous fiscal. "Around 50 million people should be able to use blockchain technology in India in their daily lives in next five years," says Khandelwal. He adds in India, blockchain can be directly added to applications. "You don't need to build a completely new world of mobile applications as blockchain can be integrated directly inside apps that people are already using."

—Chitranjan Kumar



ENERGISING MYNZO

GONE ARE the days of limited women representation in energy, resources and infrastructure industries. Ask Tanya Singhal, who founded renewable energy platform SolarArise and started Mynzo Carbon, a tech platform focussed on increasing climate consciousness by using AI.

Tanya, an IIT-Delhi and Royal Institute of Technology, Sweden, alumnus, entered the solar industry in 2010 after leaving her job at Boston Consulting Group. After working for a few years at a solar thermal firm, she set up solar asset management vehicle SolarArise with colleagues James Abraham and Anil Nayar. "I worked to position solar energy on a par, or even lower, than conventional sources," she says.

Backed by Core Infrastructure India Fund Pte Ltd., managed by Kotak Mahindra Group, and Global Energy Efficiency and Renewable Energy Fund, advised by European Investment Bank Group, SolarArise raised and deployed over ₹2,000 crore to build solar plants totaling about half GW. In FY23, it reported consolidated revenue of ₹170 crore, up 30% from same period last year.

After eight years of leading SolarArise, Tanya sold the portfolio to investor ThomasLloyd Energy Impact Trust. After the exit, she co-founded Mynzo Carbon with James Abraham. Mynzo (MyNetZero) is developing new-age technologies to help individuals and businesses reduce their carbon footprint.

—Chitranjan Kumar

TANYA SINGHAL 38
Founder, Mynzo Carbon and SolarArise



PHOTOGRAPH BY SANJAY RAWAT



PHOTOGRAPH BY SANJAY RAWAT

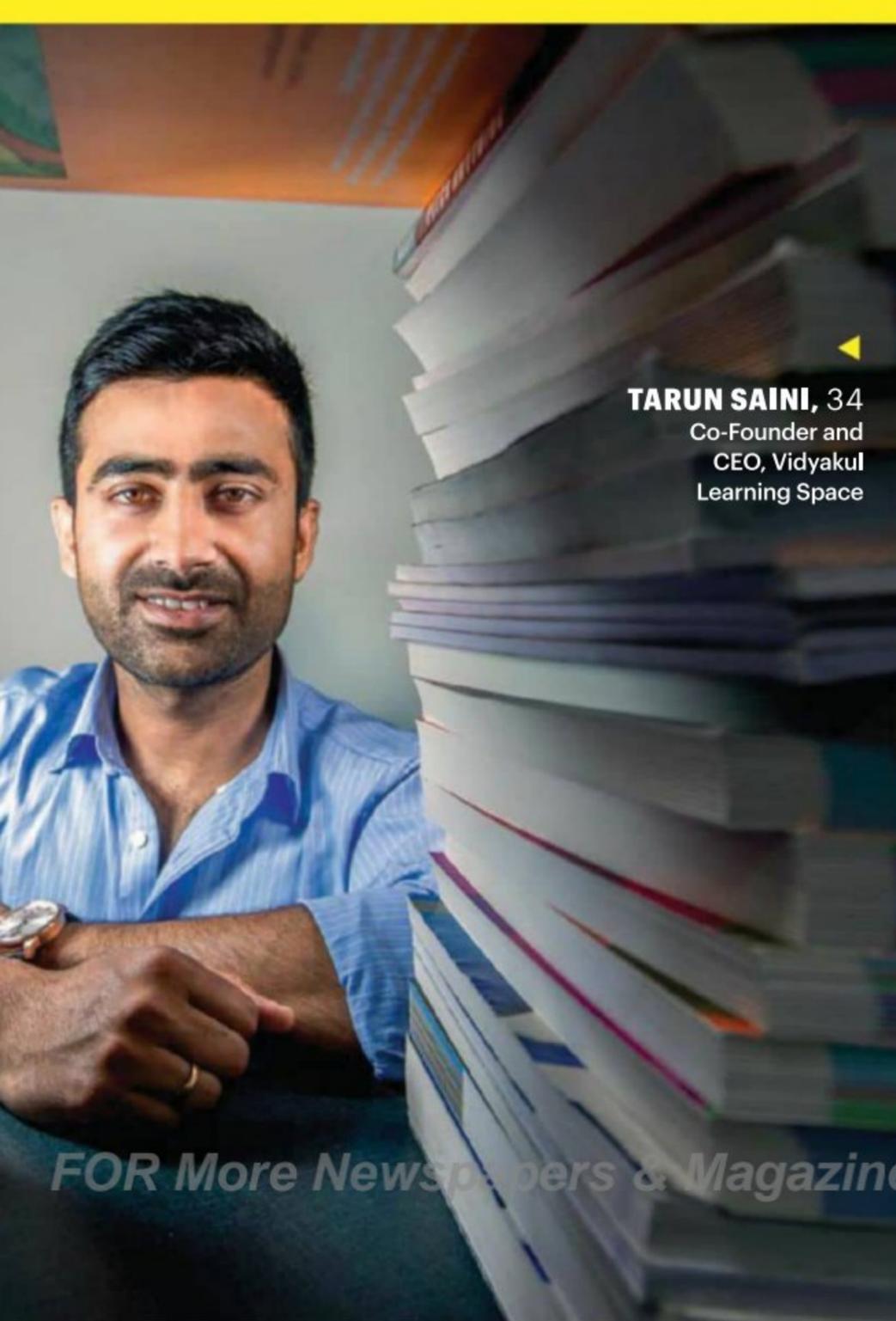
UDITA BANSAL, 36
Founder & CEO,
TrueBrowns

TrueBrowns' Trendsetter

LOOKING TO carve out a space in contemporary ethnic apparel, Udita Bansal started her entrepreneurial journey in 2019 with TrueBrowns. Armed with a modest investment of ₹15 lakh for first two years, Bansal, an alumna of National Institute of Fashion Technology, set out to tap the over ₹70,000 crore women ethnic wear market, 85% of which is unorganised.

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TARUN SAINI, 34
Co-Founder and
CEO, Vidyakul
Learning Space

Vidyakul's Online Educator

HAILING FROM a small village 40 kms from Ambala, Tarun Saini is on a mission to give a leg-up to education in Bihar, Uttar Pradesh and Gujarat through his online edtech platform Vidyakul. Saini, who comes from a family of agriculturists, was helped by his teachers to sign up for scholarships. Later, his father mortgaged his land to send him to Australia, where one of his elder sisters was married, for studies. After returning, he registered his company in 2017, started work in 2018 and opened the platform for first 6,000 students in 2021. In 2023, it had 63,000 paying students.

Vidyakul teaches high school students (IX to XII) all subjects for ₹300 a month in their dialect. It follows curriculum recommended by respective state boards.

The platform opens doors especially for girls who drop out of school because they cannot go to Tier-II/III towns for education. While Vidyakul's YouTube channel works as a funnel to drive in students by offering free content, the live tutoring platform gives students the opportunity to interact with teachers. Saini runs Vidyakul like a mission with 70 people in Gurgaon and 60 teachers and academic support staff running the studios. Investors include JITO Angel Network, Indorama, Nadathur family, Dholakia Ventures.

Vidyakul ended FY23 with a turnover of ₹15 crore. Along with co-founder Akhil Angera, a former intern who focuses on academic side as well as enrolments, and Raman Garg, who handles IT, Saini says they have barely dipped into the opportunity. —Gina Krishnan

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"There was no brand bringing ethnicity in a more contemporary way," says Bansal, who describes her designs as 'urban ethnic'.

TrueBrowns took another leap when it embraced inclusive sizing. It expanded its size range from 2XS to 6XL, challenging conventional sizing practices. Around 20% sales come from the extreme size portfolio.

After establishing a presence in smaller online marketplaces, TrueBrowns launched its own website in 2019. Bansal attributes the brand's success to its distinctive design language, particularly its innovative approach to silhouettes.

During early days, TrueBrowns handled manufacturing in-house but as the brand evolved, outsourced

production to third-party manufacturers in Delhi-NCR. The brand anticipates 1.5 times growth in FY25.

Last year has been significant, characterised by establishment of international business through a microsite, expansion into men's segment and initiation of retail operations. International business, which began in January 2023, already contributes nearly 25% to overall revenue with U.S. being the biggest market, followed by U.K.

The brand also launched men's wear in October 2023. The segment contributes 5% to revenue. "In just five-six months, this is a significant contribution. For the entire year, I expect it to grow to 10%," says the founder.

—Urvashi Mishra



International business, which began in January 2023, contributes nearly 25% to revenue

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VIDIT AATREY, 34; SANJEEV BARNWAL, 35
 Founder & CEO; Founder & CTO, Meesho

MEESHO FOUNDERS' SMALL TOWN BETS

WHAT happens when two friends with entrepreneurial fire in their belly join hands? It unfolds the path to the fastest growing e-commerce platform in India with a valuation of \$3.9 billion. Sanjeev Barnwal and Vidit Aatrey, IIT-Delhi alumni, founded Meesho in 2015 to help small and medium companies build online presence. What started as a journey of going door to door to convince micro-entrepreneurs has become a venture that aids more than two million merchants on its platform.

"In 2015, e-commerce had branded products, being sold to Tier-1 customers. We were sure that existing models will not bring everyone, especially small businesses, online," says Aatrey. Meesho's e-commerce ecosystem enables small businesses to foray into online space. The target is primarily consumers from Tier-II cities and beyond. One of the pull factors is industry-first zero commission for sellers on the platform. Tech innovations, seller-friendly policies and asset-light structure have helped it emerge as the



lowest-cost destination for small businesses. Losses shrunk 48% from ₹3,248 crore in FY22 to ₹1,675 crore in FY23. It remained cash flow positive in H1 of FY24. Total funding is \$1.06 billion, according to Tracxn. The Bengaluru-based duo says pandemic forced sellers to recognise

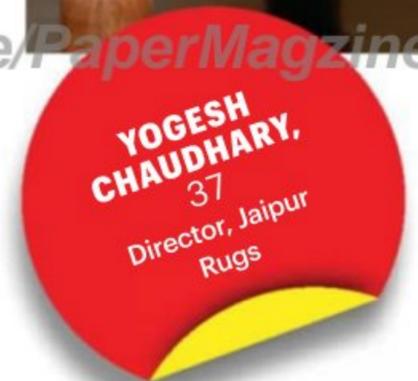
Meesho's potential. They see huge opportunity as only 7% retail has moved to e-commerce in India. Their impact is evident in the fact that 10% of India's population (more than 140 million) has made at least one transaction on the platform. In 2023, 150 million people, or unique

transacting users, bought at least one product from Meesho.

In fact, according to data.ai, Meesho recorded 14.5 crore downloads in 2023, making it the most downloaded shopping app in India every day for nearly three years.

—Urvashi Mishra

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▼
ZAHEER ADENWALA, 39
 Co-Founder, Ketto Online

Ketto's New-Age Healer

IN 2012, during a philanthropy course at Dasra, a service provider for ultra-high-net-worth individuals, Zaheer Adenwala's journey took a pivotal turn. The exposure to North American crowdfunding platforms highlighted a significant underutilisation of technology in the social sector in India. Zaheer and his co-founders, Varun Sheth and Kunal Kapoor, saw an opportunity to use technology to connect givers with causes. Ketto operates on a hybrid business model, charging a platform fee from non-profit partners for fundraising. It has also incorporated a donor tip feature to encourage contributors to leave a gratuity and offers amplified services for fixed-fee digital marketing support.

Starting with initial bootstrapped capital of ₹21 lakh, the journey was not devoid of challenges. "Convincing donors to contribute and navigating the landscape pre-demonetisation were significant early obstacles," says Adenwala. Ketto has impacted over 1 crore lives and raised over ₹2,000 crore since inception. It has raised \$10 million in three rounds.

—V. Keshavdev



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Yogesh Chaudhary Wins The Rug War

INSPIRED BY entrepreneurs such as Steve Jobs, Bill Gates and Mark Zuckerberg, Yogesh Chaudhary, director of Jaipur Rugs, did what they did—dropped out of college. But instead of starting up, he joined the family business at 19 to assist his father, following losses due to a robbery and resignation of several senior executives. The first decision was to prioritise exports and expand beyond U.S. into Middle East, Germany, Europe and South Asia. In 2016, Jaipur Rugs forayed into retail and now sells in more than 90 countries. "We sell to some of the world's high-end brands. When we entered consumer space, we realised innovation needs to be faster," says Chaudhary. The company collaborates with designers such as Shantanu Garg and Gauri Khan. The artisanal rugs are a result of nurturing of 40,000 artisans in 600 villages of five states over 50 years. About 90% are women weavers. In fact, Jaipur Rugs did not opt

//
Jaipur Rugs did not opt for middleman-owned looms and instead granted weavers ownership of looms."

for middleman-owned looms and instead granted weavers ownership of looms, disrupting the age-old practice of transporting artisans to factories, eliminating the need for large manufacturing set-ups. Leveraging technology, it launched the "Tana Bana App" in 2018 which maintains a comprehensive repository of work hours. The brand's ethos is built on empathy, kindness, happiness and, most important, transparency.

Despite geopolitical tensions which disrupted supply chains, it achieved a turnover of ₹766 crore in FY22. In FY23, it grew another 18% to ₹920 crore. The company aims to open 35 more stores in five years. Yogesh continues his father's commitment to social impact, attributing much of Jaipur Rugs' success to the people-centric model established by Nand Kishore Chaudhary in 1978. "What keeps me going is the impact the business has on peoples' lives," he says.

—Urvashi Mishra



HOW WE DID IT



Aman Gupta



Anil Rai Gupta



Ankur Gupta



Cyril Shroff



Rajat Dhawan



Suneeta Reddy

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THIS IS the ninth edition of *Fortune India's 40Under40*, where we identify young achievers who made a mark over the past year in business and economy. For this year's listing, the achievers needed to be under 40 years of age as on March 31, 2024.

Fortune India kickstarted the process by asking

our team of journalists, HR heads and senior professionals across industries to recommend names of people who made an impact over the past year. In addition, we invited nominations via *Fortune India's* social media handles. We received around 175 nominations by the stipulated deadline.

This year we continue with what we initiated last year — of two sets of candidates. Those who made an impact in legacy companies and founders of start-ups and young professionals leading organisations.

The candidates were required to provide exhaus-

sive information which included details of how they have been disruptors; how the business scaled up in the last year; how the company's offering is different from others; any decisions taken by them that helped the organisation. They also needed to provide their age proof with PAN card or Aadhaar card.

After going through the information provided by the nominees in detail, the Fortune India senior editorial team identified 80 potential achievers — 16 legacy entrants and 64 start-up founders and promoters — whose details were presented before an

independent jury that identified the winners based on quantitative information provided by the nominees and qualitative inputs that the jury deliberated upon.

Members of the jury comprised: Aman Gupta, co-founder, boAt Lifestyle; Anil Rai Gupta, chairman and MD, Havells India; Ankur Gupta, managing partner, real estate, Brookfield; Cyril Shroff, managing partner, Cyril Amarchand Mangaldas; Rajat Dhawan, India managing partner & senior partner, McKinsey & Company and Suneeta Reddy, MD, Apollo Hospitals Enterprise. Rajat Dhawan chaired the jury. ■

FUTURE FORWARD

Synergizing Creativity, Innovation & Marketing in the Digital Domain

Vishal Agarwal's journey as an entrepreneur exemplifies the essence of the maxim, "If you never try, you will never know what you are capable of."

This philosophy guided him from the classrooms of Cambridge School in Cuttack to the laying the foundation of Creatief Media in Bhubaneswar, transforming him into a leading figure in the digital marketing industry. His story isn't just about rising to prominence—it's about realizing the power of potential through unwavering dedication and strategic risks.

Born into humble beginnings in Cuttack, Odisha, Vishal's journey from a keen & observant mechanical engineer from CET, Bhubaneswar, to a groundbreaking entrepreneur is nothing short of inspiring.

Vishal's professional journey began in the health care sector in Delhi, where as a business development manager, he first dipped his toes into the world of marketing. It wasn't long before the allure of digital marketing drew him in. As businesses increasingly prioritized their digital presence, Vishal recognized a critical opportunity: understanding that businesses must have a robust digital presence to connect with their target audience. His goal was to revolutionize the digital marketing landscape with engaging and innovative content and strategic planning, helping businesses gain a competitive edge in the digital realm.

It was in 2017, he decided to try his hands into entrepreneurship & founded Creatief Media, a 360-degree creative and marketing agency that initially captured the vibrant pulse of the capital city of Delhi. But soon Vishal saw untapped potential back home in Odisha and in a strategic move in August 2018, he relocated Creatief Media to Bhubaneswar. This decision was propelled by his keen insight into the local market's burgeoning opportunities, setting the stage for what would become one of the most successful agencies in the region.

Creatief Media's strengths lie in influencer marketing, branding, creative strategy, performance

In a span of five years, Creatief Media has experienced a stellar rise, collaborating with over 180 brands globally across various sectors including high profile clients like ITC Fortune Hotels, Paralympic Committee of India, Sleepfresh Mattress to name a few. He has been running successful campaigns with leading Automobiles, Education, Real Estate and Jewellery clients, both in the state and outside. His international portfolio includes clients from London & Dubai. However, according to Vishal, the jewel in the crown so far has been his role in the famous 'Brides of India' campaign by Malabar Gold & Diamonds, where his agency handled the pan India influencer campaign for the brand roping in more than 50 influencers from across the country.



VISHAL AGARWAL
Founder, Creatief Media

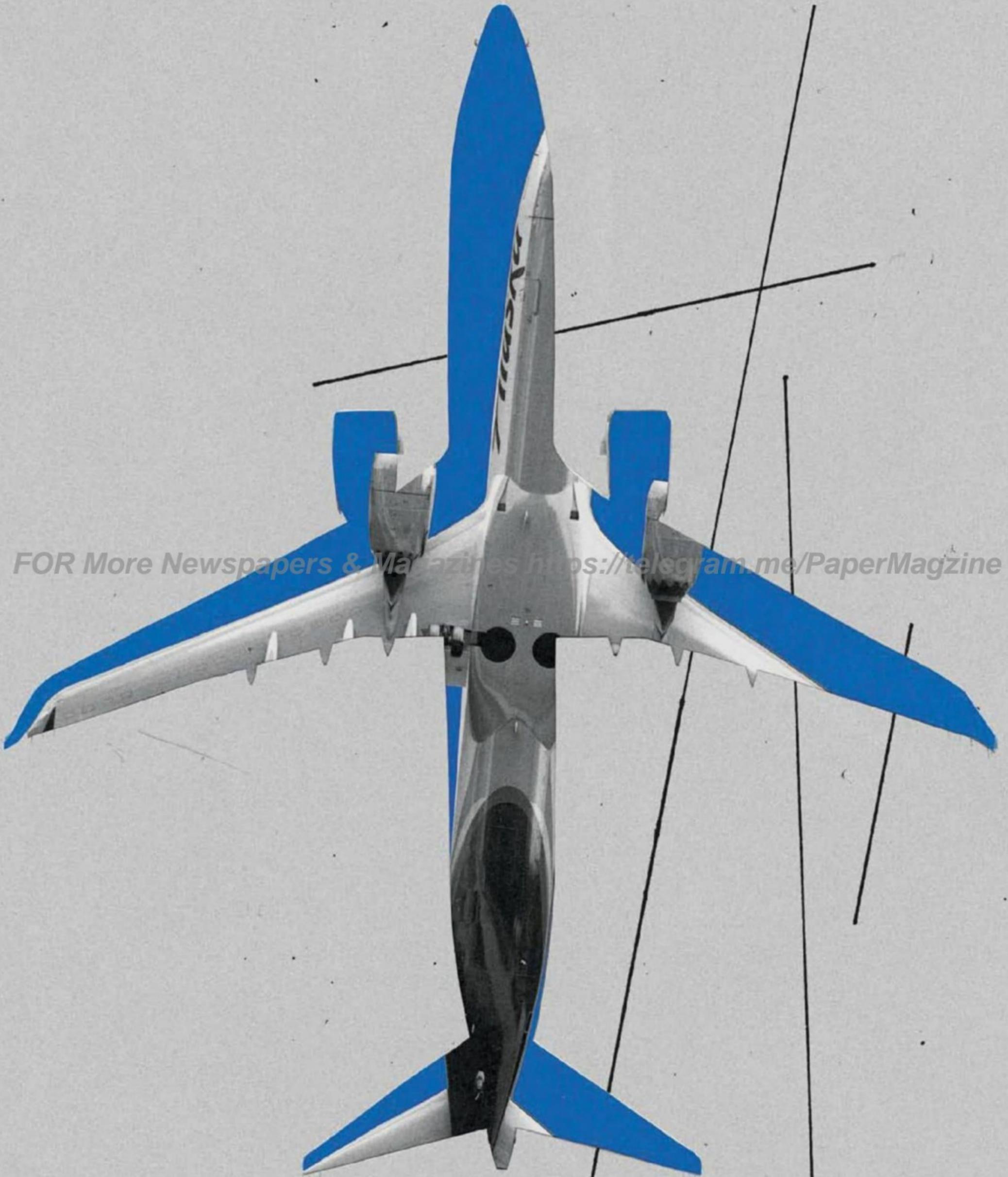
marketing, and social media management. Their success is underpinned by a team with a relentless 'never say no' attitude and a passion for delivering innovative solutions. This has resulted in a remarkable client retention rate of nearly 90%, a testament to the agency's effectiveness and the trust it has cultivated within the industry.

Outside the office, Vishal is equally committed to societal contributions through his active involvement in social forums and organizations like Young Indians and Round Table India. These engagements reflect his dedication not just to business success but also to community development.

Looking ahead, Vishal envisions expanding Creatief Media beyond Bhubaneswar to cities like Raipur, Ranchi, and Kolkata. With steady growth and a strategy focused on penetrating new markets, his dream of making Creatief Media a leading name in the industry seems well within reach.

"Much of my success can be credited to my wife, who has been my anchor and unwavering support through the demanding hours and numerous challenges of entrepreneurship," Vishal acknowledges.

Vishal Agarwal's story is a compelling reminder of how vision, coupled with dedication, can transform potential into reality. At the helm of Creatief Media, he continues to push boundaries, ensuring that both his dreams and those of his clients turn into tangible successes. ■



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HOW BOEING BROKE DOWN

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↓
Boeing's strategy sent the stock soaring more than 1,000% over 20 years. But it contained dangerous flaws that are only now coming into view amid a drumbeat of terrible news.

↓
BY SHAWN TULLY

ILLUSTRATION BY
MIKE MCQUADE



SATURDAY, MARCH 9, dawned with thunderstorms rolling across Charleston, S.C., and daggers of lightning illuminating the skies of the historic city. Just after 10 a.m., Rob Turkewitz was sitting in a tony lawyers' office downtown, waiting for his client John Barnett to testify. Barnett was slated to continue the account of the production gaffes he had allegedly witnessed up close on the Boeing factory floor, a dramatic narrative that he had started the previous day. Following a long career in Everett, Wash., where by all accounts he took pride in the planes his teams assembled, Barnett did a stint from late 2010 to 2017 as a quality manager at the North Charleston plant that assembles the 787 Dreamliner. In that role, he had alerted senior managers to what he saw as myriad violations of legally required processes and procedures, and he maintained that his warnings were being ignored. In the years following his departure, Barnett emerged as arguably the most renowned Boeing whistleblower, recounting the quality-control abuses he claimed to have witnessed to everyone who would listen.

Turkewitz wasn't totally surprised that Barnett was late for this round of depositions. "Downtown Charleston was flooded by one of the worst rainstorms I've ever seen," he recalls. "I'd called John's room at the Holiday Inn where he was staying at 9 a.m. to see if he wanted me to pick him up, but he didn't answer."

Barnett's charges had drawn fresh attention in the wake of the January 737 Max door-plug blowout on



Alaska Airlines Flight 1282 just after takeoff from Portland, Ore., followed by a string of other mishaps on Boeing aircraft. In interviews after the door debacle, Barnett had been scathing in his criticism of Boeing's lapses, and he attributed the catastrophe to the types of sloppy practices he said he had witnessed and flagged years earlier at the North Charleston plant.

But later that Saturday morning, Barnett would be found dead in his truck outside the Holiday Inn. The Charleston County coroner ruled the cause of death as a "self-inflicted wound," and a police report disclosed that a "white piece of paper resembling a note" lay in plain view on the passenger seat. Its contents haven't been disclosed. ("We are saddened by Mr. Barnett's passing, and our thoughts are with his family and friends," read a statement released by Boeing; the company did not comment further for this story.)

Barnett's death was the latest shocking turn in a series of tumultuous events that have rocked the world's most prominent aerospace company over the past three months. The drumbeat of news has included airline customers' discovery of loose bolts; a lost tire on takeoff; a 25-year-old 737 that flew with a missing external fuselage panel; and a freak accident aboard a flight from Australia to New Zealand where a flight attendant hit the pilot's seat button and

sent the aircraft plummeting, causing passengers' heads to hit the ceiling.

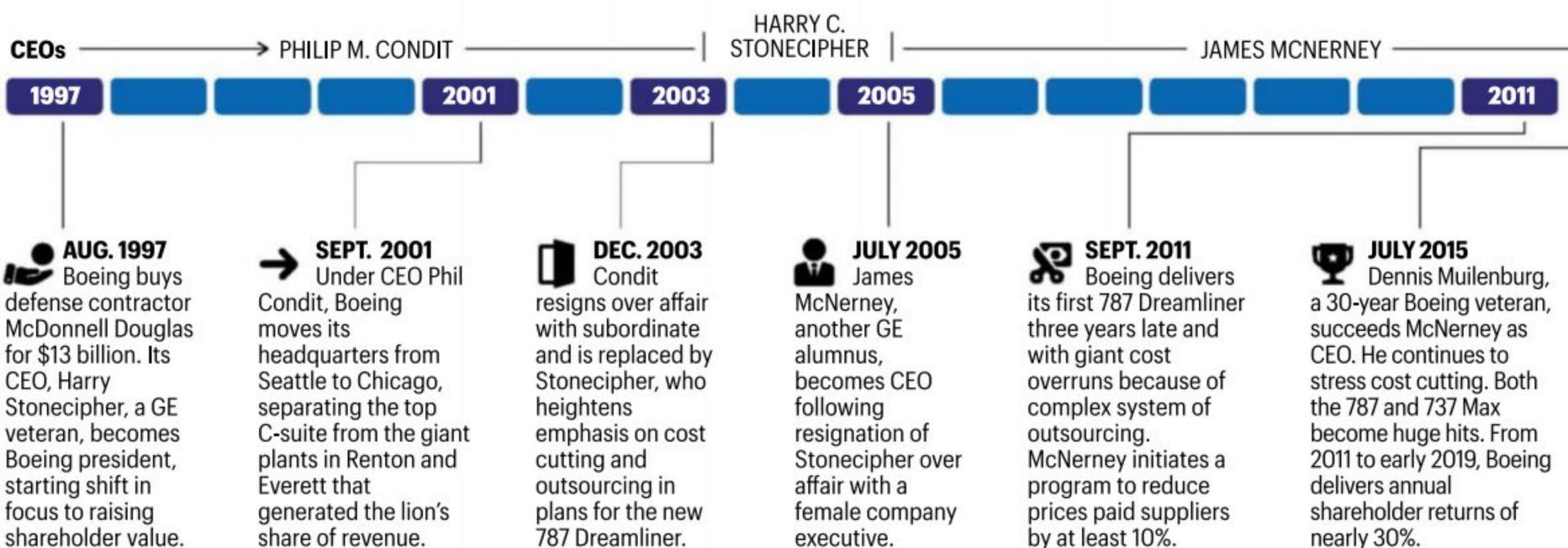
The Alaska Airlines disaster's jet stream, meanwhile, has blasted through Boeing's executive suite. Since February, the company has ousted the 737 program's production chief and the head of its commercial-aircraft business. And in late March, CEO David Calhoun—a 26-year GE veteran who was brought on in 2020 to address the Max crisis—announced that he would step down at the end of the year, effectively conceding that Boeing needs new leadership.

Various regulators appear to have the troubled aircraft-maker in a vise. The Department of Justice opened an investigation into whether missteps leading to the door blowout nullify an agreement not to criminally prosecute Boeing for the Lion Air and Ethiopian Airlines crashes, which together killed 346 people half a decade ago. Meanwhile, the Federal Aviation Administration took the extraordinary measure of capping output for the entire Max lineup, consisting of the 737-8 and 737-9, at the pre-blowout rate of 38 per month. That's a serious blow, since Boeing was basing its comeback campaign on gradually raising its monthly Max output to 50 by 2025 or 2026. The FAA is also withholding approval on a planned Everett production line for the Max until



Boeing shows required progress. The company's management has pledged to do better. But in a press release, FAA administrator Mike Whitaker warned: "This won't be back to business as usual for Boeing."

Boeing's trajectory from here towers as one of the most significant business dramas of this millennium. U.S. airlines carried more than 900 million passengers in 2023, over 25% more than in 2013 and roughly matching pre-pandemic numbers. Boeing produced around 40% of the 29,000 commercial aircraft in service





Many weren't related to airline safety but caused long delays; others had major and tragic consequences. "The seeds of these quality problems were planted a long time ago," adds a former top executive at a Boeing supplier. "These problems were hidden for years, then they exploded."



THE STRUCTURAL WEAKNESSES in Boeing's planemaking flow can actually be quite neatly traced to strategic missteps that took root over three decades ago.

Surprisingly, the first big mistake occurred under CEO Phil Condit, an engineer steeped in the tradition of caution, safety, and excellence in design. In 2001, Condit persuaded the board to relocate Boeing's headquarters to Chicago from Seattle, where the C-suites were a short drive to the giant plants in Renton and Everett that generated the lion's share of revenue. The idea was to establish a "neutral" nerve center in easier traveling distance to Boeing's other businesses, including its defense and space arm in Arlington, Va. Then, in 2022, Boeing relocated again, this time to Arlington.

Shifting the top brass far from Boeing's biggest business, and the one that has suffered the severest problems, was a huge mistake in the opinion of several of the Boeing suppliers and clients *Fortune* spoke

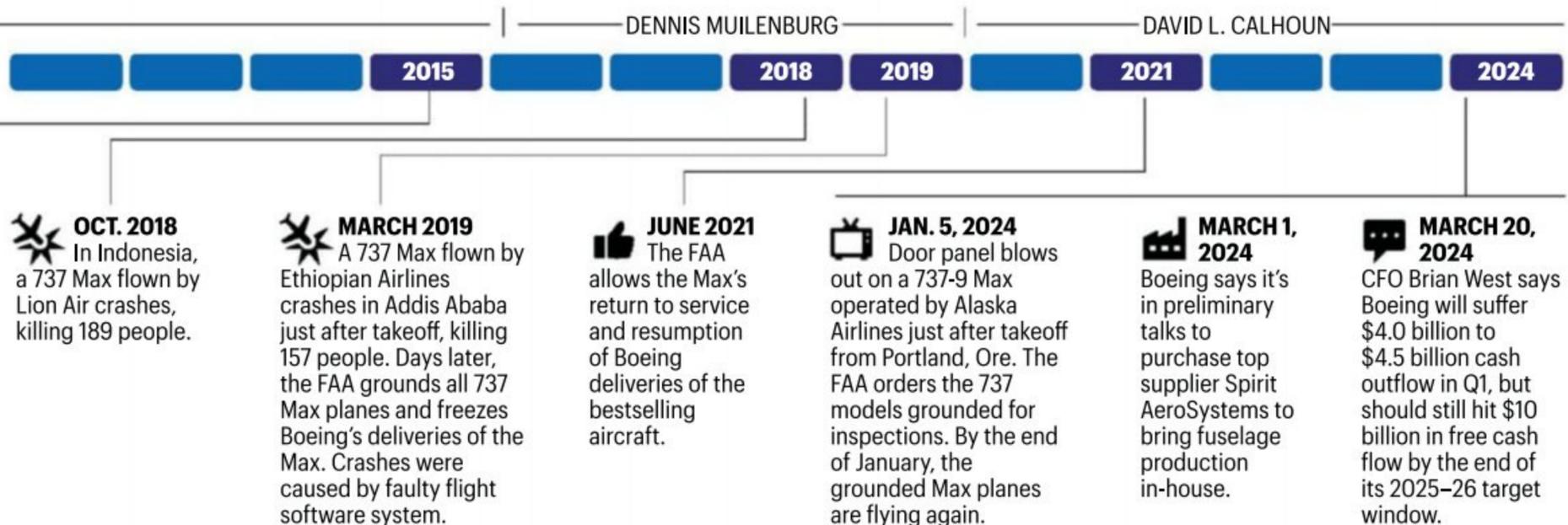
worldwide. This is the company that launched the jet age; created the world's first wide-body in its fabled 747; ranks as America's third-biggest defense contractor behind Lockheed Martin and RTX; and has long reigned as the largest U.S. exporter. But rather than capitalizing on the boom, Boeing—and arguably its workers and passengers—have become victims of corporate strategy run amok.

The rub is that Boeing's quality shortcomings—and heavy dependence on a far-flung network of suppli-

JUST PLANE TROUBLE
CEO David Calhoun, caught between angry customers and regulatory scrutiny, will step down at the end of 2024.

ers—are recurring and deep-seated. As the whistleblower Barnett detailed, managerial decisions, made over a period that spanned more than 20 years and four CEOs, gradually weakened a once-vaunted system of quality control and troubleshooting on the factory floor, leaving gaps that have allowed sundry defects to slip through.

AARON SCHWARTZ—NURPHOTO/GETTY IMAGES



to. Says a former top executive at a Boeing customer whom *Fortune* interviewed on background: “Why take one of the greatest manufacturing companies in the world and create a de-linkage between the leadership and the wrench turners who make the company go?” this person asks. “That, coupled with all the outsourcing, created a kind of Frankenstein without enough command and control.”

And Boeing’s current top executives are now extremely dispersed. Though the commercial aircraft chiefs are based in Seattle, CFO Brian West and the treasurer work from suburban Connecticut, and the HR and PR heads from Orlando. It’s not clear how much time Calhoun, who served as chairman before being named CEO, spent in Renton or Everett prior to the Portland disaster. He’s stated that Boeing’s headquarters “is wherever Brian and I happen to be.” The 66-year-old boss has two homes—one on a lake in New Hampshire and one in a gated community in South Carolina.

A landmark shift in Boeing’s direction began when it purchased defense contractor McDonnell Douglas in mid-1997. Before the merger, the planemaker had been “an association of engineers dedicated to building great flying machines,” who put de-

sign and quality above all else, in the words of journalist Jerry Useem, who wrote a *Fortune* piece based on extensive interviews at Boeing in 2000, when the battle between the engineering and profit-boosting camps was storming. The prime change agent was McDonnell Douglas chief Harry Stonecipher, a 27-year GE veteran who became Condit’s number two. Son of a Tennessee coal miner, Stonecipher expressed admiration of President Harry Truman for his decision to use nuclear weapons versus Japan. (Stonecipher famously loved delivering his variation on a quote from Truman: “I give ‘em hell and tell them the truth, and they think it’s hell!”) Most of all, Stonecipher was a hawk on raising shareholder value and pushing down costs. He rallied the troops to be “less of a family and more of a team.”

↓
PRIOR TO THE EARLY 2000S, Boeing had built most key portions of its planes in-house, from fuselages to landing gear. As an internal debate raged over whether to embrace a new, low-cost outsourcing model, a Boeing engineer named John Hart-Smith presented a white paper arguing that the new, decentralized approach risked not providing suf-

ficient on-site technical support and quality control of contractors. “The manufacturer is only as good as the least good of its suppliers. Costs don’t go down because the risks are out of sight,” wrote Hart-Smith.

Stonecipher, then president, and commercial aircraft chief Alan Mulally—backed strongly by new director Jim McNerney, another GE alum—pushed for a new, “clean sheet” wide-body that Boeing could build at far lower cost than its previous version, the 777. Both Boeing and Airbus had long deployed subcontractors, though both built the major systems in-house. But for the 787, Boeing launched not just a new aircraft but an entirely original business model. It signed “partners” who contributed billions toward the project in advance in exchange for long-term contracts for supplying key portions of the aircraft.

Among the recruits were GE for engines, Rockwell Collins for traffic alert systems, and Spirit AeroSystems for fuselages. The new paradigm, management reckoned, would allow the planemaker to move quickly so that it wouldn’t lose orders to the forthcoming Airbus A380. By contrast, Airbus didn’t need partners for funding. It regularly secured its development backing for new models from the French and German governments.

In the 787 program, Boeing radically altered its flight plan and diverged from its chief rival by adopting a less capital-intensive model and focusing more strongly on where it could add the greatest value, in hatching the overall design and providing final assembly.

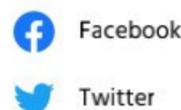
But the 787 “partnering” approach required a totally different manufacturing blueprint from Boeing’s use of subcontractors in the past. “The 787 set Boeing on its ear,” says Richard Safran, a former aerospace engineer at Northrop Grumman who’s now an analyst at Seaport Research Partners. “Boeing was saying to its suppliers, ‘You design the part or section, and tell us how you’ll build it. You need to do integration work.’ Now all the

BOEING’S TURBULENT RIDE

BOEING STOCK PRICE CHANGE SINCE JAN. 1, 1997



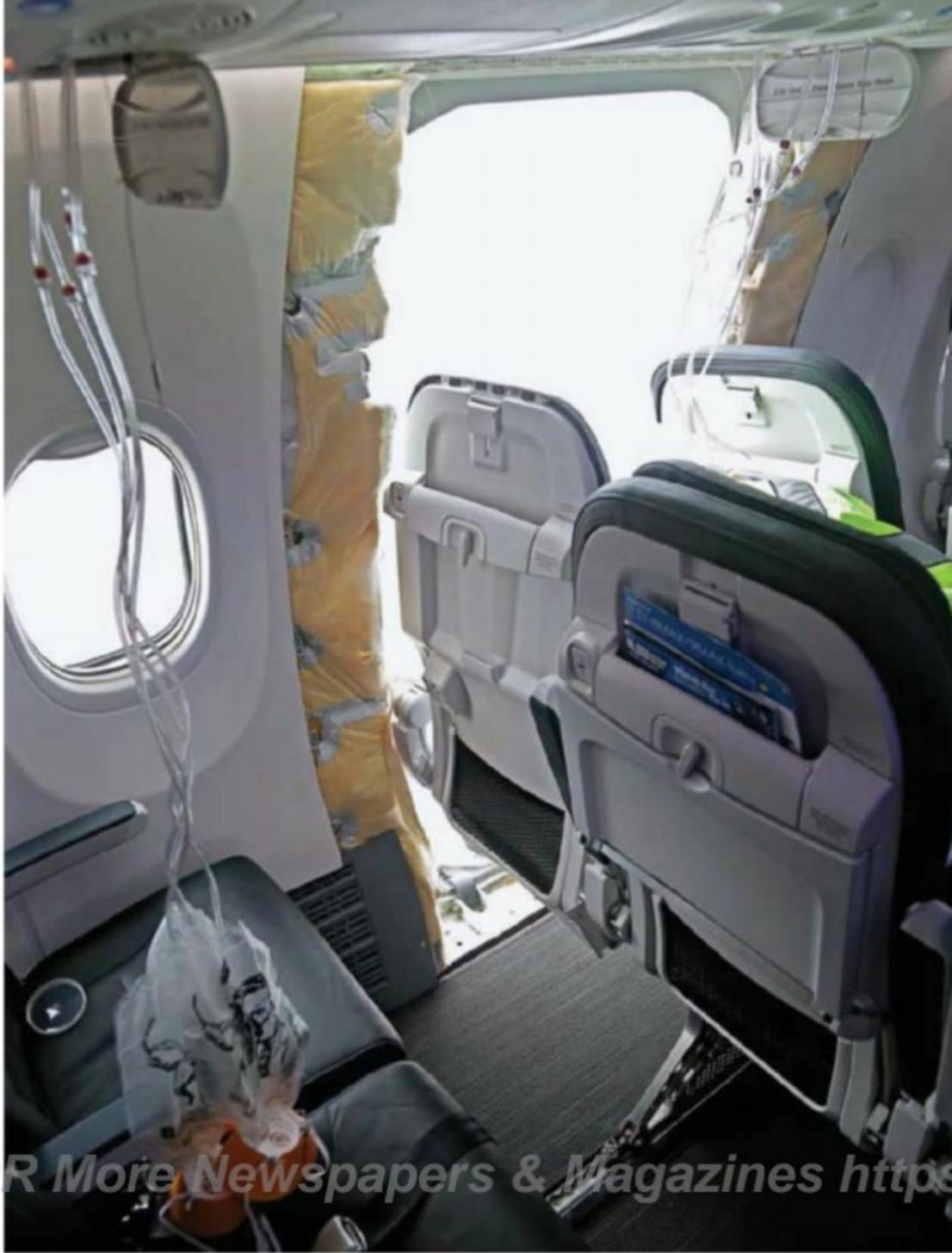
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787 program, Pat Shanahan, recently named CEO of Boeing's troubled supplier Spirit AeroSystems, in 2008 camped out at the Everett plant and managed to get production flowing smoothly.

But for McNerney, the lingering losses the 787 generated made it essential for Boeing to escalate its war on costs. In 2011 he introduced a now-notorious initiative called Partnering for Success that consisted of pressuring all contractors to lower their prices, generally in the range of 10% to 15%, or even more. Those who refused often got placed on a "no-fly list" that barred them from bidding on new programs. McNerney declared that it was "out of kilter" for suppliers to reap bigger margins than Boeing. McNerney threatened to bring production of wings and other key systems in-house as a lever to garner reductions. "He kept toggling back and forth between saying suppliers are incompetent, and that we have to push out more and more business to suppliers," says a former executive at one of Boeing's large contractors. "Both are incorrect. You need to rely on suppliers whenever they can do things better than you can, at competitive cost." McNerney was known both inside Boeing and by suppliers as a big-picture strategist not deeply involved on the operations side. He enraged the rank and file by stating in 2014 that he wouldn't retire at 65, because "the heart will still be beating, employees will still be cowering."

In the period starting around 2011, Boeing started revving on all engines. The 787 dominated wide-body sales, and the 737 Max series, which began collecting orders in 2011 and featured the fuel-efficient GE LEAP engine, also proved a big hit, garnering huge orders from American, United, and Southwest. In 2015, Dennis Muilenburg replaced McNerney in the pilot's seat and continued the strong focus on lowering costs and delivering big shareholder returns. From the close of 2010 through 2018, Boeing's financial performance was extraordinary. In



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BLOW BY BLOW

The door-panel blowout over Portland seemed to kick off a steady string of in-flight mishaps reported on Boeing planes.

suppliers are mini-Boeing. They're suddenly investing in design and engineering work, not just making the parts Boeing designed for them. It was hard for Boeing to control quality in that system, and it still is." For Safran, Boeing never lost its talent for topflight engineering. The problem was that starting with Stonecipher, its CEOs layered on an obsession with hammering down expenses that conflicted with Boeing tradition and sowed confusion. "The cost culture was the culprit," he says. "It started with Stonecipher, and his successors executed on it."

The 787 Dreamliner and Boeing's embrace of outsourcing had a rocky takeoff. The plane was three years late when the airlines got their

first deliveries in 2011. For several years, Boeing booked losses on each Dreamliner that rolled out from the assembly plants near Charleston, S.C., and in Everett. The extra costs ballooning from the contractors' design miscues and production delays, along with Boeing's errors in assembling systems made in Japan, South Korea, Italy, France, and Sweden, meant that all the outsourcing that was supposed to reap big savings backfired. In a 2011 speech, top Boeing executive Jim Albaugh stated that it never would have experienced those huge overruns if it had kept the technology closer to Boeing.

Still, the 787 proved a massive hit. "Boeing was brilliant in introducing a plane that flew direct routes and had extremely long range, while Airbus competed with the A380 that was a hub-and-spoke plane," says Safran. "The 787 won. The airlines wanted a plane that had longer range and flew point to point." The new chief of the

that eight-year span, it multiplied its free cash flow sixfold, and its stock vaulted from \$70 to \$425. It posted total annual returns of 29.5%, waxing Microsoft (21.7%), Apple (19.6%), and Alphabet (18.0%). Those results demonstrate how profitable Boeing can be when not beset by quality failings.

But the eight-year run of fantastic profits was brought to a halt by the two tragic crashes in 2018 and 2019, caused by the faulty design of a new flight control software system that repeatedly pushed down the nose of the then-new 737-8 Max. Those disasters exposed the problems that had been lurking for years. And Ed Pierson witnessed firsthand the simmer building to a boil.



PIERSON, A FORMER NAVAL flight officer, worked as a senior manager on the Renton factory floor from 2015 to late 2018 during this boom period. Today he's executive director of the Foundation for Aviation Safety, a newly created nonprofit, and in 2019 he testified before Congress as a whistleblower, warning of potential manufacturing safety issues on the Max that he witnessed developing on the job. Those issues had everything to do with the toxic combination of a complex network of suppliers colliding with soaring demand for new planes. "The CFM LEAP-1B engines would come in late," Pierson told *Fortune*. "So the planes would move down the assembly line to the next station missing engines and other parts. The workers farther back on the line had to rush down the line with their tools and interrupt the workers at the later stage to install the parts scheduled to be installed days before. That out-of-sequence work is a dangerous practice."

He also claims that Boeing changed its inspection protocols to raise the pace. Part of the change, he says, involved laying off experienced quality control inspectors, and in lieu of the human inspections relying on a combination of "modern inspection tech-

nologies," random statistical analysis, and more reliance on self-inspections by assembly-line workers. He notes that inspections were lowered, not eliminated. "In 2018, on weekends, we'd bring on hundreds of manufacturing employees on overtime, and we'd have less quality inspectors than we used to have, and those that remained were very overworked."

In addition, says Pierson, Boeing did an inadequate job fixing problems identified by frontline workers. "The reality is that when workers would speak up, sometimes they weren't listened to at all," he observes. "Most times, they were listened to, but that didn't solve the problem. The people they informed tried to resolve those issues, but they often didn't get fixed, because Boeing didn't supply the resources or capacity to do what was needed." Concludes Pierson, "It was obviously a dangerously unstable operation. The culture on the factory floor was, 'This is production. You need to get your job done.'"

Boeing has stated publicly that although it announced plans to lay off 900 inspectors in early 2019, it didn't implement the plan and has increased the number of quality inspectors 20% since 2019.

After the second crash, Muilenburg acted as if shareholders, not passengers and airlines, were his core constituency. He declared that planes' safety systems were "designed properly" and that the pilots didn't "completely" follow the procedures Boeing had outlined to prevent the malfunctions that cost the 346 lives. The comments didn't sit well with the FAA. Then, in late 2019, Muilenburg publicly speculated that the FAA would return the Max to service by December of that year, further riling the agency. "I had to rein that in; I had him to my office," Stephen Dickson, who served as FAA chief from 2019 to 2022, told *Fortune*. "I told Dennis, 'This doesn't help that you're putting out projections on what's an FAA decision. We're in the driver's seat.' Dennis was over his skis on

some significant cultural issues. They needed a change." Eleven days later, the Boeing board fired Muilenburg.

Dickson cites that after the crashes, Boeing—in cooperation with the FAA—started implementing a new protocol called Safety Management System that encourages line workers to report any quality issues and other safety concerns, and for Boeing to more systematically troubleshoot areas of risk around the production process. The FAA also removed Boeing's ability to independently approve the issuance of "airworthiness certificates" that allow planes to be released for delivery, and mandated that agency inspectors provide all sign-offs. Following the Portland incident, the FAA multiplied the number of inspectors on-site in Renton. Since the Portland blowout, Calhoun has strongly emphasized in meetings with frontline workers the importance of their speaking up on quality and safety issues.

No case study better illustrates the costly perils of shifting reliance to suppliers than the travails of a giant Boeing supplier, Spirit AeroSystems, manufacturer of the fuselages for both of Boeing's bestselling series, the 737 and 787. For almost 80 years, Boeing owned the facility in Wichita where Spirit now makes those giant cigar-shaped systems. But in 2005, it sold the Wichita facility to private equity firm Onex of Canada, which took Spirit public in late 2006 and deployed acquisitions to greatly expand its suite of products and systems. "The idea was, this big supplier is no longer part of Boeing, so it can also make systems for Airbus, Bombardier, and others, and hence the arrangement lowers the part of the overhead Boeing has to pay," says Safran. "But Boeing keeps a tight relationship with a trusted contractor. It was all part and parcel of Boeing's cost-reduction initiative."

But the grounding of the 737 Max following the fatal crashes and a walloping from the pandemic forced Spirit to lay off thousands of experi-

enced production and inspection personnel. Its stock dropped almost 70% from late 2019 to the close of 2023, and it bled \$1.9 billion in free cash flow. Spirit's troubles boomeranged to plague Boeing. Starting in the fall of 2020 and into 2023, Boeing and its suppliers found quality problems, including defects in fuselages and other parts that delayed deliveries for years. Just last year, Boeing discovered improperly drilled and misaligned holes in the aft pressure bulkhead of the Max, part of the fuselages made by Spirit, that caused time-intensive repairs that delayed deliveries. Boeing and its suppliers corrected all problems, but the extensive rework saddled Boeing with delays and added costs.

In October, Spirit's CEO abruptly resigned. His replacement: none other than Pat Shanahan, the 31-year Boeing veteran who'd helped rescue the 787 by swooping down on the Everett plant to smooth the production snafus. The same month, Boeing provided Spirit a sweeping financial aid package that includes an immediate cash infusion of \$100 million for capital investment in tooling, and an increase in what Boeing will pay Spirit for 787 parts over the next two years of \$455 million.

And even after Spirit delivered the parts, it's clear that a lack of rigor and communication on the Boeing production line planted the seeds for the door blowout heard round the world. An anonymous whistleblower stated that during final assembly of the 737, Boeing removed the door plug to make repairs but put it back in place without replacing any of the four bolts, so that the bolts "were not installed when Boeing delivered the plane. Our own records reflect this." According to the whistleblower, two defect-reporting systems failed, so that they never alerted Boeing quality inspectors to examine and sign off on the plug. The National Transportation Safety Board's preliminary report, issued on Feb. 6, confirmed that Boeing workers had removed the panel's bolts and that the bolts were

missing at the time of the accident. As the whistleblower characterized it, Boeing's production process was "a rambling, shambling disaster waiting to happen."



WHERE DOES BOEING GO from here?

The outcome Boeing, its investors, and its customers fear most is a repeat of the delays that have saddled the manufacturer with giant stockpiles of planes waiting for delivery. The problem that triggered \$16.7 billion in losses from 2019 to 2021 was the huge overhang of airliners Boeing was carrying in inventory. Even after the first crash in 2018, Boeing kept producing planes at high speed to fulfill orders, even though the FAA's grounding of all Max aircraft made it impossible to deliver them. It even cleared employee parking lots for storage. Then, all the quality problems, plus new FAA design requirements, and routine maintenance on aircraft stored for many months delayed delivery once the FAA approved the Max for flight at the end of 2020. Today, Boeing is still holding a gigantic 200 Max and 50 787s in inventory. The vast majority of these planes sit in what Boeing calls "shadow factories," where they're undergoing heavy and expensive maintenance and rework. As Calhoun put it on the Q4 earnings call, "We still have a hangover from not being able to deliver planes. In our shadow factories, we put more hours into those airplanes than we do to produce [them] in the first place."

The blowout over Portland doesn't restrict Boeing from delivering those planes, and Calhoun predicts that Boeing will send virtually all the excess aircraft to their owners by year-end. Chinese airlines have begun taking delivery on 85 Max planes that, caught in the trade war with the U.S., have waited, parked, since 2019. On March 20, Boeing CFO Brian West disclosed at a conference in London that Boeing would suffer a cash outflow of between \$4 billion and \$4.5

billion in the first quarter of 2024. The company is still predicting that it will achieve \$10 billion in free cash flow by 2025 or 2026, but West made it clear that the company is pushing back the timeline toward the end of that wide window. Management's admission that the comeback will take much longer than it thought even a few weeks before, and uncertainty over when the FAA will lift the cap on 737 production, has been rough on the share price. As of March 20, its stock had dropped 11% to \$183 in just the previous three weeks. In a potentially crucial shift in strategy, Boeing announced on March 1 that it is in talks to purchase Spirit AeroSystems, a move that would bring production of fuselages for the 737 and 787 back in-house. But positive financial projections and relying less on outsourcing won't fix the culture issues that allowed these problems to fester.

Despite his disillusioning times there, Pierson is wistful about his years in Renton: "Before working in production, I worked in flight testing at Boeing Field in Seattle with a group of exceptional professionals that benefited from solid leadership." Pierson says that every top executive and board member at Boeing should ask themselves one crucial question to determine if they're providing the right leadership: "The simple test is, 'In 2023, how many times did you spend time on the factory floor and listen to the concerns of the employees who are the backbone of the company?' If the answer is [never], you're clearly not the right person for the job."

But Pierson still believes that the culture of safety can spread through the entire company if Boeing gets the kind of leadership that once inspired the flight-testing crew, leadership where the C-suite walks the factory floor and that cherishes the expertise, and insists on getting facts and guidance from the folks who hand-make these extraordinary flying machines.

In other words, Boeing can get its wings level—but only if the frontline workers have a hand on the joystick. ■

WATCHING AND LISTENING

Michael Dell poses behind a model of a candy-manufacturing facility—one theoretically powered by Dell Technologies cameras, sensors, and servers.

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FORTUNE EXCLUSIVE

By Michal Lev-Ram

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FOUNDER

Michael Dell turned his dorm-room PC company into the go-to hardware provider for 99% of the Fortune 500.

Now the longest-standing founder-CEO in tech has a chance to cash in on the AI boom—and make himself and his company bigger than ever.

PHOTOGRAPH BY BEN SKLAR

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IT'S HARD TO GET a splashy sound bite out of Michael Dell, even if you tee him up for one. When asked how big a growth opportunity the AI wave could be for his namesake company, Dell Technologies, the founder and longtime chief executive doesn't offer up any pithy one-liners but instead ruminates in real time.

"It feels every bit as big as previous waves, but probably bigger," he says, pondering the question, and then adds, "You know, maybe quite a bit bigger." He takes another brief pause, reconsiders his own words, and delivers a most inconclusive conclusion: "I don't know for sure. Nobody knows."

We're seated in a conference room at Dell Technologies' headquarters just outside Austin, where the temperature has hit 88° F in early March. Dressed in dark slacks and a navy blue denim button-down (Texan for business casual, no matter the season), Dell has just emerged from a photo shoot that he tolerated but clearly didn't relish. It's not that he isn't on board with being the name and face of his company. That's been true for a while—40 years, to be exact. He remains Dell Technologies' biggest believer—and biggest shareholder, with 53% of the \$79 billion company's stock under his or his wife Susan's name. But he's not a natural-born showman. Never was. In fact, he seems to go out of his way to not put on a performance—even as he's embarking on what could be his greatest act yet.

Unlike some other tech CEOs, Dell doesn't do bombastic declarations or colorful antics; he doesn't have a side hustle that involves blasting himself into outer space. Despite having spent his entire adult life in the public eye, he is measured, analytical, and almost intentionally unexciting. So his reluctance to put a ceiling, or even a floor, on what generative AI could mean for his company is not surprising.

But while Dell may prefer to hedge, the market isn't hiding its exuberance. Just a few days before our interview, on March 1, Dell Technologies' share price leaped 38%, hitting an all-time high above \$131 after the company reported earnings that beat analyst expectations. The announcement generated plenty of excitement about demand for Dell's growing portfolio of back-end tech products, the kind required for storing and managing the massive data-

sets needed to run—you guessed it—generative AI applications. Orders for AI-optimized servers were up 40% in the most recent quarter. As chief operating officer Jeff Clarke said in the company's earnings release, "We've just started to touch the AI opportunities ahead of us."

It's not just Dell's company that's been buoyed by the buzz. As a result of the massive rise in the stock, Michael Dell's personal net worth reportedly hit the \$100 billion mark in early March—a notable milestone even for a man who became a billionaire at the tender age of 30.

But none of this seems to rock Dell's world. Over the decades, he's maintained the same steady demeanor through exhilarating highs and harrowing lows. Along the way, he's steered his company through multiple major pivots. And he's showed an uncanny ability to read his customers' needs and make the right strategic change at the right time, whether de-emphasizing PCs in favor of servers, sensors, and storage, or taking the company private—over the heated opposition of Carl Icahn—in a mammoth buyout.

That privatization maneuver is precisely what positioned the company to capitalize on the current AI boom. Over the five years that it was privately held, Dell was able to truly diversify from selling laptops and desktops. Away from the market's obsession with quarterly earnings, Dell consolidated and expanded his company, creating a behemoth provider of infrastructure tools for corporate customers. Along the way, he engineered what was then the biggest tech deal in history, the \$67 billion acquisition of data storage provider EMC.

If Dell isn't a dynamic, headline-making speaker, it may be because he's built this four-decade run on listening—deploying his analytical skills and deep curiosity to recognize what his customers need and to navigate his industry's twists and turns. "I love spending time on the technology, and I love spending time with our customers," he tells me. And at least where business is concerned, he adds, "I don't really love anything else."

Dell Technologies still sells Dell PCs; in fact, computers make up the majority of its revenue. But today it's a company vastly different from what it was five or 10 years ago—let alone 40. The one constant? Dell himself. "This is probably the longest-sitting CEO in the tech industry," says Marc Benioff, cofounder and CEO of enterprise-software maker

THE LONG AND WINDING ROAD

Michael Dell's company began life in 1984 as PC's Limited—selling computers, and that's it. A few crucial pivots helped the company evolve and stay not just relevant but dominant.

1995

Dell Computer, by then a Fortune 500 company, releases the first-generation PowerEdge enterprise server—its first attempt to sell data storage to enterprises.

2006

Dell joins the cloud era, announcing a new business unit that provides cloud products and services to customers. Demand is relatively slow to catch on.



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Salesforce and a longtime friend. “He’s six months younger than I am, but I view him as an older brother,” Benioff says of Dell. “He’s a phenomenon in every possible way.”

Sitting across from Dell at his HQ in Round Rock, a corporate campus that’s forgettable except for its sheer size, “phenomenon” isn’t the first word that comes to mind. But Dell has built—and hung on to—an empire that now provides the technological building blocks for 99% of Fortune 500 companies, most of which will have new needs in this new era of AI. If he plays his cards right, the next chapter of the story could make both the CEO and his once-flailing PC maker more relevant than ever, all but ensuring he’ll stay at the helm for years to come.

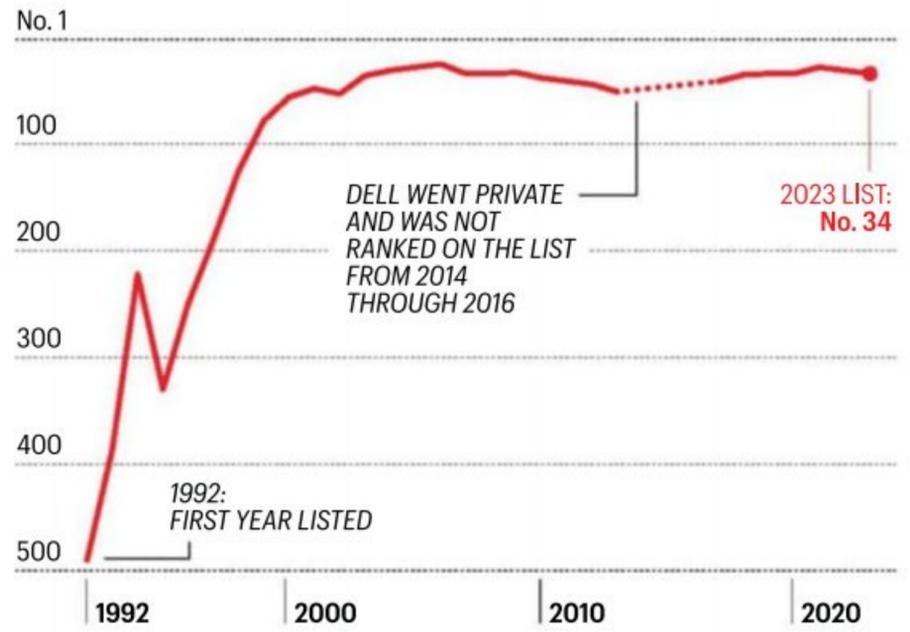
THE MORNING AFTER our interview, Dell is speaking on a panel at a health care innovation summit at the University of Texas at Austin, his alma mater. (Dell finished two semesters before dropping out to devote himself to selling PCs full-time.)

Investor Jim Breyer, who relocated to Austin from Silicon Valley in 2019 at the Dells’ suggestion, introduces the CEO with glowing superlatives. “Michael Dell is the most courageous entrepreneur I’ve ever worked with,” he gushes.

Dell’s performance is ... just fine. (It’s clear that public speaking is not his happy place.) Still, he comes across as confident and purposeful. At 59, Dell retains a youthful bearing, his curly hair only tinged by gray. And from the audience reaction, it’s clear Dell’s the big man on campus, even if he never graduated.

In his well-documented early days, the nerdy but gutsy founder could seemingly do no wrong. In 1984, as a pre-med freshman, he started tinkering with computers in his UT dorm room. By age 19, he had left school and turned all of his attention to his business. He faced other, much bigger competitors, including IBM and Apple. But Dell pioneered a new way of doing business: His computers were built to order, and he sold them directly to consumers, cutting out the middleman. In 1988 he took Dell Computer public, raising \$30 million and using the capital to expand globally. At age 27, he became the youngest CEO on the Fortune 500. And the company just kept growing—as long as demand for PCs was on the rise.

DELL’S RANK ON THE FORTUNE 500 LIST



But PCs would prove to be the company’s Achilles’ heel. In 2001, Dell became the world’s leading computer maker, surpassing the once-mighty Compaq. But sales soon began to decline. Asian manufacturers had entered the fray, offering cheaper products to American consumers. And by the late 2000s, smartphones and tablets had swarmed the market, slowing demand for desktops and laptops even more. The company tried to jump on the mobile bandwagon, but its efforts were ill-received: Dell’s “phablet,” a product that sat in the unnecessary purgatory between a phone and a tablet, was discontinued after just one year.

By then, Dell had been trying for years to diversify. In 1995 he entered the server market with the PowerEdge, a product line that still exists—designed for enterprises that were amassing far more data than they could manage with their existing equipment. In 2006, the company launched a business unit to support cloud computing, including tools to power “hybrid clouds”—private clouds (which keep data on a customer’s premises) that can integrate with public ones (where data is hosted by a third party).

But this expansion wasn’t happening fast enough to offset declines in PC sales, and investors hammered Dell’s shares. In 2013, after more than two years of falling PC

2013

Michael Dell and Egon Durban of PE firm Silver Lake (with Dell, at left) take the company private in an effort to refocus the company on corporations’ data infrastructure needs.

2016

Dell acquires EMC and its stake in VMware for \$67 billion, at the time the largest tech deal ever—making Dell’s data-storage and management portfolio far larger.

2023

Dell Technologies releases a series of infrastructure products, including servers and storage, that are optimized for generative-AI applications.

2024

In February, the company announces its AI PC, which includes a “neural processor” to handle AI workloads. In early March, Dell Technologies stock hits an all-time high.



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revenue (and after the stock price bottomed at under \$11), Dell decided to take his baby private—hypothesizing that shielding the company from Wall Street’s short-term focus on profitability was the best way to reset for the long term.

Benioff refers to the deal as Dell’s “magic trick.” But the maneuver was anything but slick and graceful. “I had no idea how difficult it was going to be,” Dell recalls. “When it started, [I thought], ‘Is this like a one-week thing or two-week thing?’ I didn’t know it was going to be an eight-month thing.”

Dell wasn’t in it alone. Egon Durban, co-CEO of private equity firm Silver Lake, was his partner from the get-go. The two presented Dell shareholders with what they thought was a good offer, a \$24.4 billion deal financed by a mix of equity and debt—the largest leveraged buyout in tech-industry history. But then corporate raider Carl Icahn entered the picture, snapping up a sizable chunk of the company’s shares and agitating for a more generous offer. Before they knew it, Dell and Durban were going to war, fighting Icahn as he made a counteroffer that involved buying the company himself—and ousting Dell as CEO.

Eventually, Icahn got concessions, and Dell got his deal. Dell and Durban increased their offer by 10 cents a share and threw in a special dividend for some shareholders. And on Oct. 29, 2013, Dell Computer became a privately held company, owned by Michael Dell and Silver Lake.

During the lengthy feud, the antagonists stayed true to their personalities: Icahn took to CNBC and other outlets to spread his narrative, while Dell lay low. But in recent years, Dell has spoken openly about the clash. His 2021 memoir, *Play Nice But Win*, opens with a scene in which Dell goes to Icahn’s house for a dinner of mediocre meatloaf, in a (failed) attempt to find common ground. Though Dell says he doesn’t hold grudges, he also says he felt a need to “expose” Icahn’s tactics.

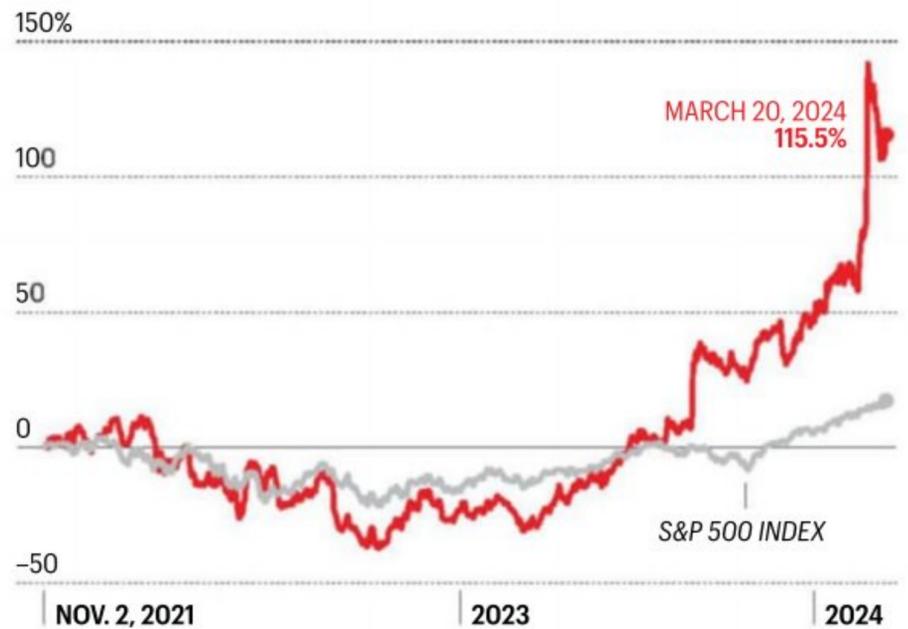
More than 10 years later, it’s clear there’s no love lost between them. “Icahn showing up was the hardest part,” Dell says. “It was a long, painful period where everyone was subjected to this horrible situation.” Dell maintains that Icahn never really planned to buy his company but simply wanted to squeeze more out of the deal. For his part, Icahn, in a phone interview, says that his actions forced a “meaningful improvement” of the buyout. “The shareholders got a lot more money because of me,” says Icahn.

Tellingly, both men quote World War II-era leaders to describe their conflict. “What’s that Winston Churchill quote?” Dell asks me rhetorically, invoking the former British prime minister: “If you’re going through hell, keep going.” Icahn, meanwhile, puts his own paraphrasing spin on a 1936 campaign speech by Franklin D. Roosevelt: “Dell hates me—and I welcome his hatred.”

Still, the trials arguably made Dell a better leader. Those close to the CEO say that his determination and belief in the deal carried the enterprise through a rough patch. “Rela-

DELL STOCK RETURNS SINCE VMWARE SPOFF

TOTAL RETURN SINCE NOV. 2, 2021



SOURCES: S&P GLOBAL; BLOOMBERG

tionships are forged on the battlefield,” says Durban, who remains close to Dell and whose firm is one of the company’s largest shareholders. Employees from that era say Dell became more connected than ever to his workforce, and even better about communication with the rank and file.

Just as important, Dell proved himself to a wider swath of the business world as an analytical, decisive chief executive. “He took a large risk, which is easier not to do,” Jamie Dimon, the CEO of JPMorgan Chase, says of Dell’s deal. “But he stuck to his guns.” Describing Dell, Dimon invokes the “OODA loop,” a military acronym for efficient decision-making that he says is a secret sauce for the tech CEO. (OODA stands for “observe, orient, decide, act.”)

That kind of coolheadedness also characterizes Dell’s



COURTESY OF DELL (3)

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very, *very* few hobbies. Benioff tells me that his friend recently took up hunting with a bow and arrow. (Dell's company won't confirm this.) Dell hunts for birds, Benioff says—the kind of elusive target you can hit only when you're calm, unemotional, and utterly focused.

JEFF CLARKE, Dell Technologies' COO, is the closest person Michael Dell has to a cofounder, having joined his team in 1987. Speaking to *Fortune* via videoconference, Clarke—dressed in a red, white, and blue T-shirt that simply says “TEXAS”—refers to the company's private-company era as one of the most fun periods of his career. “It was liberating,” says Clarke.

Being out of the public market meant that Dell could make big bets and invest in R&D, even if the payoff wasn't immediate. The company could rebuild itself around providing all things infrastructure for corporate customers like Home Depot and CVS Health, whose greatest needs increasingly revolved around the growing mountains of data they were accumulating. In 2016, Dell and Durban—with Dimon's help—orchestrated another financial feat, the \$67 billion purchase of EMC and its software subsidiary VMware. The acquisition was “something we had dreamed about doing,” Dell says.

Still, the deal was an expensive bet that saddled the business with a heavy debt load—and it created hassles down the road. The merged company started trading publicly again under a share class that tracked its ownership interest in VMware; two years later, it bought those shares back and replaced them with a new share class. Along the way, some VMware investors (including, briefly, Dell's old buddy Icahn) sued, arguing that the complex deal undervalued their shares, and Dell Technologies eventually paid a \$1 billion settlement. Still, the acquisition added an even

broader data-storage and management portfolio to Dell's arsenal, making the company indisputably stronger.

Dell's company has never been a “market maker,” a company that creates demand for something that didn't previously exist. But it hasn't had to be. “What Dell's been good at is knowing the right time to get into a market,” says Patrick Moorhead, an analyst who has covered Dell and its competitors for years and now runs Moor Insights & Strategy. “They're so close to their customers that they just know.”

That closeness was embedded at Dell from the earliest days, when Michael Dell himself was building PCs for one customer at a time. In 1988 Dell wrote the company's first Culture Code, with “Provide high-quality products and excellent customer service” at the top of the list. His focus hasn't changed much, his allies say, and it's been central to his ability to keep transforming the company.

On Dec. 28, 2018, the reorganized, renamed Dell Technologies emerged fully from its cocoon, trading on the NYSE under a new share class. In its metamorphosis, the company had all but shed its image as a lagging PC maker, refashioning itself as an enterprise infrastructure giant. And enterprises, it turned out, were about to need a whole lot more infrastructure—and maybe, just maybe, more PCs.

BACK IN ROUND ROCK, Dell is trying to explain what an “AI PC” is, and why anyone would want one. “I have a list,” he says as he gets up to grab his phone from his office. The CEO comes back and proceeds to rattle off a catalog of capabilities.

There's real-time, AI-powered translation, he explains, and a feature called “circle to search,” which enables PC users to highlight a word or line, which the computer will then provide more context and information for. There's also “generative AI editing,” which can assist with any kind



KEEP YOUR CUSTOMERS CLOSE

Dell (far left) with Salesforce cofounder and CEO Marc Benioff; with Nvidia cofounder and CEO Jensen Huang (center); and at a product launch with then-Microsoft CEO Bill Gates in 2001. Like most of the Fortune 500, Salesforce, Nvidia, and Microsoft are all Dell Technologies customers and partners.

of writing or content creation. What customers actually end up using these machines for, Dell admits, is beyond his expertise to foresee. “But I believe that people will figure out creative uses and that companies will want to have the capability to make their people more productive.”

In fact, Dell’s lessons from its earliest days of customizing laptops still apply in the AI era: The key is to be flexible enough to meet customers’ demands. “The competitive advantage for Dell today is that it offers services you can tailor to almost every need in AI,” says Orit Gadiesh, the chairman of Bain & Co. and a decades-long consultant and confidante of Dell’s. “It’s not a fixed thing.”

Corporate customers in and outside tech are already clamoring for back-end machines that can both house and make sense of the data that feeds into generative AI applications. At a time when huge platform creators like OpenAI and Google are competing for corporate clients, Dell Technologies doesn’t have to worry about who wins: Its tech “stack” is agnostic to different flavors of generative AI, just as its cloud offerings have always accommodated hybrid, private, and public cloud strategies. And just as with the move to the cloud, Dell is counting on one common denominator with AI: that all companies, regardless of which AI applications they build or deploy, will want control over the hardware where the relevant data is stored.

To be sure, Dell didn’t know that the generative AI explosion would happen when it did; he credits Jeff Clarke with devising much of the company’s AI road map. But he calculated long ago that going all in on data infrastructure was the best way to position his company for the future. As a result, “he’s not just providing the picks and shovels, but also housing and food and beverages for the AI gold mine,” says Silver Lake’s Durban.

It’s still early days for Dell Technologies’ AI story. Fast as it’s growing, Dell’s AI server products account for just a tiny fraction of its business. But most financial analysts seem bullish about what’s to come. There’s even hope that the AI craze will jump-start demand for PCs—AI PCs, to be precise. The thinking is that the need for increased processing power won’t just be on the data-center side (where servers and storage systems handle companies’ information), but also on the desktops and laptops that consumers and workers interact with.

In February, Dell Technologies announced its first line of Latitude AI PCs, which look like normal computers but include a tiny component called a neural processor, the key to enabling generative AI workloads. It’s not the only vendor with high hopes in the category—HP and Lenovo have announced similar products. And it’s not clear when demand will take off. Bloomberg Intelligence analysts wrote that “sales and units shipped may disappoint investors in calendar 2024, having a greater potential impact in 2025.”

Even Dell acknowledges that spurring demand could take a while. That said, “if you’re responsible for the PCs in

a company, the last thing you want to do is have a bunch of PCs that don’t do the thing that the users want them to do,” says Dell. “I do think there’s going to be a refresh wave.”

[T] **HE TOP FLOOR** of the University of Texas’s Innovation Tower, a new high-rise that’s meant to be a startup hub, is still empty. But one only has to look out the windows for inspiration. The 360-degree views of the Austin skyline show a city dotted by cranes and construction in almost all directions.

Jay Hartzell, the university’s president, is showing me around, pointing out all of the landmarks—including the buildings adorned with the name of the institution’s most famous dropout. Michael Dell never did become a doctor, but his name is on his alma mater’s medical school, the university’s teaching hospital, and its pediatric research center. (Not to mention Austin’s Jewish Community Center.)

“When we talk about what we want to produce as a university, and why people should come here, he’s sort of Leading Exhibit A,” says Hartzell. He credits Dell not only with being a major employer of UT graduates but also with helping to spur the city’s broader tech ecosystem. Over the years, tech companies from Meta to Apple have set up shop in the Texas capital. Investors, too, from Vista Equity Partners to Pimco to Jim Breyer, have put down roots. UT recently welcomed its first cohort of students in a brand-new AI graduate degree program.

Dell, who is originally from Houston, never wanted to move his headquarters away from Texas, even when others told him he should relocate to Silicon Valley. “He helped put the place on the map,” Austin Mayor Kirk Watson tells me in a phone interview. “If you took Michael Dell out of the equation, it would be a strikingly different city.”

Dell has made his mark outside of Austin, too. The Michael & Susan Dell Foundation, which the couple founded in 1999, has 800 active projects around the world at any given time—focusing on education, training, and health innovation to help children living in poverty. (Dell and his wife recently contributed another \$3.6 billion to the foundation, bringing its total endowment to \$5.2 billion.) Dell says he spends a little more time each year on the foundation. He’s also gotten more hands-on with his family office, which invests in real estate development and hotel companies, among other sectors.

Could those jobs someday be his life’s work? Dell’s next chapter could be a long one: Even after 40 years leading Dell, he’s still so young, at 59. But the thought of playing any role other than his current one—at the center of the business that he’s synonymous with—seems to stump him. When asked if he could see himself running Dell Technologies in 20 years, Dell says he hasn’t thought that far ahead, but that there’s no other role he craves. Then, at long last, he provides something like a money quote: “I’ve said this before: I’ll still care about Dell when I’m gone.” ■

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THE RISE AND RISE OF EQUITY CULT

THE MUTUAL FUND industry in India has witnessed significant growth over the last decade, showcasing the increasing trust and participation of investors in MFs as a viable investment option. From February 2014 to February 2024, the industry’s assets under management (AUM) has seen a near six-fold jump, from ₹9.16 lakh crore to over ₹54 lakh crore. This rapid growth is partly owing to the significant rise in equity assets, which now stand at ₹25.5 lakh crore. The equity assets, including equity-linked savings schemes and index funds, have compounded at an impressive rate of 25% since FY19. This growth rate surpasses the 14% rate at which the Nifty has compounded over the same period, highlighting the attractive returns offered by equity mutual funds compared to the broader stock market.

— **V. Keshavdev**

NOTE: FY24 AS OF END-FEB
SOURCE: AMFI, FORTUNE INDIA RESEARCH