
Family Business: Next-Gen Rules
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Forbes
INDIA
When
NEXT-GEN
Women
Lead
Two scions.
Two storied
conglomerates.
Two strategies.
One mission
Ananya Birla (left) of
the Aditya Birla Group
and **Nyrika Holkar** of
Godrej Enterprises Group
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Welcome to the

Forbes INDIA

Digital Edition

A clutch of next-gen scions is breathing fresh energy and ideas into traditional businesses

Letter From The Editor

Power of Legacy

Depending on the research or analysis you stumble upon, you're as likely to read pieces on the 'three-generation rule' as you are about the 'three-generation myth'. The three-gen rule postulates that most businesses degenerate by the time the third generation of the family gets into the frame.

In the current Indian environment, this theory—which may have been founded in a localised study in the West—does not hold much water. Sure, there have been storied family empires that have crumbled over the past few decades, but that may have a lot to do with poor governance and increasing competition, both local and global, in a better regulated and liberalised post-Licence Raj era.

There are some other pretty universal reasons why family businesses could fail beyond the second-gen, perhaps the biggest one being that the scions lack the hunger and passion of the founders. Succession battles and resistance to change are a few other reasons for businesses faltering.

From the Tatas, Birlas and Godrejs to a bunch of contemporary Indian business families, there is enough evidence to suggest that private Indian industry has more than survived beyond the second generation. To be sure, a clutch of next-gen descendants is breathing fresh life into traditional businesses, by injecting technology and/or starting sunrise activities.

The *Forbes India* special package captures the phenomenon of how the next gen is bringing in fresh energy and ideas into businesses that have evolved over decades, even centuries. On the cover are two young women leading their respective conglomerates, both whose origins go back to the late 19th century, on a fresh course.

Ananya Birla is from the fifth generation of a family business whose founding father was Ghanshyam Das Birla and the eldest daughter of Aditya Birla Group Chairperson Kumar Mangalam Birla. The former pop singer is at the helm of a transition that will see a commodities-heavy conglomerate now sporting a more consumer-facing profile.

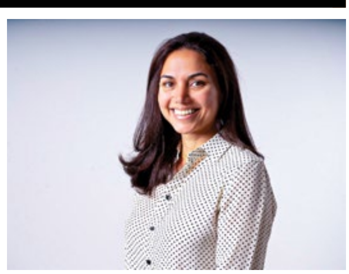
Ananya, who founded Svatantra Microfin more than a decade ago, will count on her entrepreneurial instincts as she plays a deeper role in businesses like the recently started Birla Opus in the paints sector. As she tells Salil Panchal, "This is a fantastic time to enter into consumer businesses and we have the right to win there, with the trust factor that we have." For more on her game plan, don't miss Panchal's 'One Of Her Kind' on page 34.

The other woman leading the way is Nyrika Holkar, from the fourth generation of a group founded by brothers Ardeshir and Pirojsha Burjorji Godrej in 1897. Nyrika is the niece of Jamshyd Godrej, chairperson & managing director of Godrej & Boyce, the flagship of the newly-created Godrej Enterprises Group (GEG). GEG, which includes companies in sectors like aerospace and precision engineering, is one of two arms of the Godrej conglomerate that announced an amicable division of its businesses in end-April.

Nyrika, executive director of Godrej & Boyce, has a mentor in Jamshyd Godrej, who may be grooming her to pick up the baton. So what does leadership mean to Nyrika? "It's about being able to steward the assets of the company, the brand, and leave it in a better place than we found it," she tells Jasodhara Banerjee. For more on how Nyrika is bringing her collaborative approach to a 127-year-old enterprise, Banerjee's 'Next-Gen Nation-Builders' on page 24 is a must read.

India is a land of family businesses, and also a must read are those handpicked up by Rajiv Singh, from Pune to Ahmedabad, where the next-gen is driving the family legacy forward. It all begins on page 20.

STORIES TO LOOK OUT FOR



Ananya Birla (left) founded Svatantra Microfin more than a decade ago; Nyrika Holkar, executive director of Godrej & Boyce

Brian Carvalho
Editor, *Forbes India*

brian.carvalho@nw18.com

Best,

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Forbes INDIA
ON THE COVER

FAMILY BUSINESS

(Clockwise) Nyrika Holkar, executive director, Godrej & Boyce; Ananya Birla, director, Grasim Industries, Hindalco Industries and Aditya Birla Fashion and Retail; Kailash Katkar, founder and MD, Quick Heal Technologies; Rajinder Gupta, chairman emeritus, Trident Group; Sandeep Aggarwal, managing director, Paramount Cables; Naga Srinivas Kacham, MD, Padmaja Herbs and Foods Pvt. Ltd.; Haresh Karamchandani, MD and CEO, HyFun Foods; Rahul Munjal, chairman and MD, Hero Future Energies

Shaktikanta Das, governor, Reserve Bank of India

Namit Malhotra, chairman and CEO of visual effects company DNEG

Deadpool & Wolverine, a superhero flick featuring Ryan Reynolds and Hugh Jackman (right), has crossed $1 billion in collections globally

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Editor: Brian Carvalho

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CHEWING OF PAN MASALA IS INJURIOUS TO HEALTH

SEMICONDUCTORS

'We Have a Pipeline of 20 Automotive Clients'

Sandeep Kumar, CEO of L&T Semiconductor Technologies, on L&T's entry in the sunrise sector and the areas India needs to focus on while building the ecosystem

BACK IN 1986, FIVE FRESH graduates who had joined semiconductor giant Texas Instruments (TI) were about to make a breakthrough. When Apple, Microsoft, and the likes were making microprocessor units (MPUs) used in servers, desktop computers, and mobile computing devices, Dallas-based TI formed a new team and tasked the young guns with making microcontroller units (MCUs) that go into refrigerators, washing machines, and cars, among other devices. TI's focus was more on microcontrollers, as they don't require complex operating systems to function, whereas microprocessors do.

"We were successful in making the first cell phone chip, the Adaptive Voltage Scaling [AVS] microcontroller, and the engine controller. We built it from zero to roughly $700 million in business in 10 years," recalls Sandeep Kumar, CEO of L&T Semiconductor Technologies. After completing his BTech from IIT Delhi, Kumar, who hails from Chandigarh, moved to the US and did his MS in electrical engineering at the University of Cincinnati before joining TI.

Cut to 2021, and life came full circle when Kumar's classmate from IIT, heading L&T's defence business, suggested he build a semiconductor company in India. Kumar put together a plan and approached multiple companies, including L&T. Two years later, Larsen and Toubro showed interest, but instead of investing in the company, they asked him to start the whole business for them. In 2023, L&T Semiconductor Technologies (LTSCT), a fully owned subsidiary of L&T, came to life, and Kumar became its CEO in November.


Sandeep Kumar, CEO of L&T Semiconductor Technologies

LTSCT is a fabless semiconductor company that will focus on designing chips. They will outsource the manufacturing to US-based Global Foundry, Taiwan's TSMC, and Vanguard. Their product portfolio includes smart devices across MEMS sensors, power, analog, mixed-signal, and radio-frequency (RF) products to support automotive, industrial, and energy verticals. LTSCT has onboarded six automobile companies, and the total value of the deal is $150 million per year. "We have a pipeline of roughly 20 automotive clients in Europe, Japan, and India, and out of these, we are signing six. The rest will also be signed soon," says 61-year-old Kumar, who lives in Austin but is currently in India.

The engineering and construction conglomerate is taking the route of 'chip design' rather than 'chip making' as there is a dearth of indigenous companies to build designs and intellectual property (IP) in India. There are a number of small startups working in the semiconductor design space, but none of them has made it big.

LTSCT's focus on designing custom application-specific integrated circuits (ASIC)-based chip solutions would help them carve a niche, especially with the growing boom for compute as we enter the AI era, says Neil Shah, vice president of Counterpoint Research.

In a conversation with *Forbes India*, Kumar speaks about the areas India needs to focus on while building the semiconductor ecosystem, L&T's entry in the sunrise sector, and why the government's design-linked incentive (DLI) scheme needs amendment. Edited excerpts:

Q The Indian government is promoting chip-making in India. Why did L&T choose to foray into chip design?

Three years ago, the Indian government was very big on manufacturing, and the incentives were geared towards bringing in 7 nanometres, which is a very advanced technology. My view was that nobody will bring that, and we need to build a product company. I had put together a plan for the same. After a while, the government also realised that wasn't happening. They changed the incentives to 180 nanometres for bringing the technology to the country anyhow. But the fundamental gap is still the same in my mind, which is never build a factory unless you know what product to make inside the factory.

Q Why is the focus specifically on the automobile, energy, and industrial sectors?

Most semiconductor players don't like to touch these markets because it takes three years to design the product and qualify it, and real sales will start in five years. Plus, the quality and reliability requirements are very high. The positive is that they will keep buying from you for 10 years. Also, there is a lot of room for new innovations because there are elements of sensing, edge AI, and control systems, and it is not just computation.
You have a human interface, a mechanical interface, going into an electronic interface. We have to figure out the electromechanical system in the case of industrial or automotive. In the case of energy, we have to understand power distribution, power generation, and turbines. So it is not just data manipulation, like it is in the cell phone or in the PC. Here, you have to have cross-functional domain expertise.

> **"We are building a capacity to do 10 to 15 products in parallel. Each of these products, on average, takes 30 engineers to execute in a two-year period."**

We are building a capacity to do 10 to 15 products in parallel. Each of these products, on average, takes 30 engineers to execute in a two-year period. It takes 12 months to design, six months to test, and three months to qualify. So it will take about a year and a half to two years before you are production-ready with a new product.

Q What is the size of the chips LTSCT will be designing?

In the automotive sector, smart analog and smart power will generally run at 130 to 45 nanometres. The smart RF and the compute engines will run somewhere between 28 nanometres and 7 nanometres. And then the power devices for EV electrification get built on silicon carbide or gallium nitride, where the geometry is not so relevant. They are large devices and measured in microns, not nanometres.

Q Is LTSCT planning to gradually move into manufacturing chips?

This is more of a math game. A silicon fab takes $10 billion of investment. That is the lower end. It can take more. In order to make money, if you build a factory with that much capital, you need to be able to sell at least $1 billion worth of product from that factory every year. So I need to know how to sell $1 billion of product before I build a factory. I can get there in seven-eight years; that's when I need a factory. Now if I know how to get there in the next three-four years with high confidence, then I can start building the factory in three-four years, so that it is ready in seven-eight years, because it takes four years to build it.

Q LTSCT has invested $100 million so far. Have you taken support from the government's design-linked incentive (DLI) scheme?

The answer is no, and partly the answer is no because the DLI scheme actually, at least until now, doesn't allow companies like L&T to take that funding. It is restricted to some startups, and there is a very strong definition of that. Maybe they will revise it, and then we will see if it makes sense to leverage it. L&T has deep pockets and enough capital, so I don't think capital is the issue for us. We easily have a three-year runway, out of which we've consumed nine months.

We're looking for acquisitions. We recently acquired a semiconductor design startup, SiliConch Systems. We are evaluating multiple more, and all those are driven to accelerate our product portfolio, revenue ramp, and talent acquisition on all three fronts.

• NAANDIKA TRIPATHI

INTERVIEW

'India Needs To Invest In R&D To Eventually Create Jobs'

Each region in the country needs growth engines to compete with global cities, says Zoho founder Sridhar Vembu

IMAGE COURTESY: ZOHO

BORN INTO A FAMILY OF farmers in Tamil Nadu's Thanjavur district, Sridhar Vembu went on to study at Princeton University in the US. He then worked at Qualcomm in San Diego, California. In 1996, along with Sreenivas Kanumuru and Tony G Thomas, Vembu founded AdventNet to make software products. In 2009, the company was renamed to Zoho Corp.

While Zoho has turned into India's only billion-dollar software products company by revenue, Vembu's vision remains the same—for Zoho to be one of the top five technology players in the world. In 2023, the company crossed 100 million users. Vembu continues to invest extensively in R&D. But, in doing so, he wants to ensure that R&D powers rural development. Over the last few years, Vembu has moved his base to a village in Tenkasi district, 650 km from Chennai, and continues to develop the area extensively.

In an interview with *Forbes India*, Vembu spoke about its semiconductor investment, solving for India's employment problem and more. Edited excerpts:

Q Recent news reports indicate that Zoho plans to enter the semiconductor manufacturing sector with a $700 million investment.

We have an application pending with the government to set up a semiconductor fabrication (fab) plant. The Indian government is actively looking for fab manufacturing

₹8,703 cr

Zoho's consolidated revenue in FY23, up nearly 30 percent year-on-year; net profit was ₹2,836 crore

projects, since India doesn't manufacture any commercial fabs yet. We are also looking to invest, of course not at the scale at which the Tata group is investing. We are going after a different market, which would be power electronics and power regulation.

The technology for these is different, and the scale of investment is not as large as in the one needed in a digital fabrication unit. Since we don't have the expertise for it, it would involve working with a foreign player and licensing that technology from them, to bring it to India. So, we do have one application, but since it is pending, I cannot give more details. However, I can confirm that the number being reported in terms of investment is not accurate.

Q What are some challenges that the tech industry in India is facing?
First, let's talk about the SaaS (software as a service) industry. SaaS went through a bubble post-pandemic. Clearly, that bubble is deflating, and all that investment has moved to the new bubble—artificial intelligence (AI). Since, globally, the market is subdued in terms of investment, it also reflects in India.

Second, India needs to invest in research and development (R&D)—whether it's in semiconductors, drones, medical instruments, robotics, biotechnology and more. We need to create some durable tech-led growth across fields, and for that we need to invest in R&D. We have been weak in R&D. Slowly, the awareness that we need to master R&D is spreading. However, it has a long gestation period—if we invest now, it might take close to five years for the results to show.

Q Does skill development remain a challenge?
Traditionally, that's what the industry would have said. But I feel that the industry needs to flourish, first, for skilling to happen. For instance, it wasn't that Taiwan University developed semiconductor talent, and then TSMC came up. It was the other way. Foundries started, and then they worked with universities to tailor curriculums and foster talent.

So, for India, we need to work with local colleges, bring in talent or experts from abroad, and, if necessary, send instructors abroad for training too. For instance, Thanjavur needs drone talent, which is why we are working with SASTRA University to formulate a curriculum to develop drone talent. Knowing that there is a need for drone-related jobs in the area provides context and motivates them to study the subject.

There has to be a push-pull model, where you first create some industry and then the education system will catch up, instead of saying people are not 'industry ready'. Well, I feel there isn't enough industry to be ready for.

"There has to be a push-pull model... you first create some industry and then the education system will catch up."

Q Addressing employment continues to be a pressing concern in India. What strategies can tackle this issue?
I have to confess these are some of the toughest problems to forecast in economics. However, I believe India should invest in R&D, which can create a multiplier effect and ultimately generate jobs. For instance, if, in Tenkasi, we create a thousand software development jobs, and a thousand mechanical engineering jobs, then there will be a few thousand more jobs created in the local ecosystem such as construction, hospitality etc. We are already seeing this trend in Tenkasi. There are new ice cream shops that are coming up.

Hence, I believe that every region in India needs an economic engine. India wants to have one economic engine. I would say we need 800+ economic engines, one for each district. Then, we decide what kind of jobs are born from that area. We are trying to establish software as the engine for Tenaksi and for Thanjavur it might be drones. We are investing in Nagpur to build server technology in data centres, if that scales up, that might be the economic engine for Nagpur.

Q But economic engines for the larger cities seem to be in place...
Are we globally competitive though? Can Chennai compete with Tokyo or Singapore in terms of industry? Probably not. Similarly, Coimbatore has reached a middle income economy. But it's facing competition in the textile sector from Bangladesh, since we can't compete with their labour costs. Again, while Bengaluru is our tech hub, can it compete with San Francisco? And can we create a future 'Apple' from Bengaluru? That's the question we need to ask.

Q In that case, what's missing?
Investment in R&D. Instead of asking what's missing, I would rather ask: How do we go about doing it? How do we create the next Apple from India?

Q What potential does technology such as artificial intelligence hold?
Well, AI could itself be an economic engine in some regions. But it also reconfigures certain industries, with a lot of automation. Initially, for five years, it might create employment. But later, if everything is automated—lights-out manufacturing—we are likely to see these 'dark factories' that are operated with minimal human activity. But, even then, people are needed to run these AI-led technologies or look at the services side. In either case, AI will need to work as an enabler.

• NAINI THAKER

$50 bln

Revenue of the SaaS market in India in six years, as per Puri

SHUTTERSTOCK

TECHNOLOGY

‘India SaaS is Going to Transition to IndAI SaaS’

Anant Vidur Puri, a partner in India at VC firm Bessemer Venture Partners, believes artificial intelligence software and solutions will accelerate cloud software adoption

Q Tell us about your latest report on the SaaS sector, The Rise of Cloud AI in India 2024.

We believe India is well on its path to be a $50 billion revenue SaaS (software as a service) market in six years. We feel AI (artificial intelligence) is accelerating software adoption, increasing the amount of value that software can deliver and the breadth of what software can do. In the last 12 to 18 months, venture funding had kind of gone down… that’s starting to come back. And a large part of that is led by AI. We’re also seeing that there are more $100 million ARR (annual recurring revenue) companies. What that means is that the company has enough product-market fit and customer love to give it a right to really scale. And we call such a company a ‘centaur’.

Q Tell us about the predictions …

We have five: The first two deal with AI, the third deals with cybersecurity, the fourth is with software for wealth tech, and the last is on industrial software.

We did a survey of a large number of SaaS companies. Of them, 86 percent classified themselves as either AI native or AI enabled. And that is the underlying thesis of our first prediction: We feel India SaaS is going to transition to IndAI SaaS.

Enterprises have realised the value that AI can deliver to them. So, we feel that software is going to become AI software. AI has created a tailwind for the services industry. It has allowed services to become a much better business model in the sense you can now use AI to augment humans.

The third prediction is that cybersecurity is going to increase in relevance and is just going to exponentially grow in India in the coming years. AI has brought down the cost of cyber attacks, just like it has brought down the cost of business for everyone.

HARICHANDAN ARAKALI

“AI has brought down the cost of cyber attacks, just like it has brought down the cost of business for everyone.”

Prediction four and five are more of what I call as sunrise predictions. Retail participation in equity and alternative assets is increasing. And a set of cloud software companies is emerging that is orchestrating the backend needed to handle this growth. We feel these providers are also going to have a heyday or they’re going to grow massively because as the front-end demand grows, the backend demand grows.

The last prediction is around industrial software. We’ve heard about make in India, and there is also a push towards sustainable manufacturing. For example, very recently, a new set of norms was released for shoes manufacturing in India that everything needs to be BIS certified. Tracking compliance for all of this entails a growing need for software. As manufacturing grows, managing the additional workforce and new machines needs software. Therefore, industrial software is going to be like the grease for the wheels of the industry.

Q For comparison, where’s the Indian SaaS sector at today?

So, today just the Centaurs and unicorns in India are creating $5 to $6 billion of revenue annually. The total market is at $12 to 15 billion. And we’re going to compound from here.

• HARICHANDAN ARAKALI

₹24 lakh cr

Amount banks deployed in gross bank credit to MSMEs in March; 3.3 crore units are based in rural areas

SHUTTERSTOCK

ENTERPRISES

Why MSMEs Struggle to Scale up

Expensive and time-consuming paperwork, lack of access to financial aid and marketplaces impede the growth of micro enterprises

MSMEs contribute about 30 percent to India's GDP

GETTYIMAGES

ABOUT 4 CRORE MICRO, SMALL and medium enterprises (MSMEs) exist in India, according to the Ministry of Micro, Small, and Medium Enterprises, and contribute about 30 percent to the GDP and 45 percent to exports. The government has implemented various policies and schemes to boost the production of MSMEs, aiming to increase its contribution to GDP by up to 50 percent. However, the biggest challenge MSMEs face is scaling up from micro to small and medium enterprises.

Micro enterprises in India, with investments of less than ₹1 crore and annual turnover of about ₹5 crore, make up 97.7 percent of total MSMEs. Small enterprises, with investments of up to ₹10 crore and turnover of up to ₹50 crore, make up 1.5 percent of MSMEs. Medium enterprises, with investments of up to ₹50 crore and annual revenue of up to ₹250 crore, make up 0.8 percent. About 85 percent of micro enterprises, 3.3 crore units, are based in rural areas, on agricultural land. These are family-owned units that are run without labour. The biggest problems in upgrading these micro units are the lack of capital and the heavy burden of certification and documentation. Also, getting financial help from banks is difficult.

"Completing the necessary documentation cost me around ₹60,000, before getting a bank loan of ₹6 lakh after a wait of 11 months," says Arif Ali, an MSME entrepreneur from Bulandshahr district, Uttar Pradesh. "The CA alone took ₹25,000 as file charges."

Dr Tamal Sarkar, senior advisor at the Foundation for MSME Cluster, says most of the time MSME entrepreneurs get loans, but these are personal loans since they are not based in industrial areas. Since they are term loans, entrepreneurs have to pay a very high interest rate.

About 14 percent, or 6 million, micro enterprises have the potential for growth and scaling up to small and medium enterprises. However, supply challenges, bank repayments, and financial management remain big challenges. Sarkar says there is a large deficiency of subcontractors who specialise in providing solutions for issues such as financial and supply management. "They need people who are locally available and can handle HR, financial accounts, suppliers, banks, certifications, and regulations."

Further, micro enterprises face the challenge of coming up against bigger companies when they take their products to the market. Despite the growth of digital marketplaces, visibility for low-capital enterprises on these marketplaces remains a challenge. "Many micro enterprises have their products registered on platforms such as Amazon and Flipkart, but if they are not paying for promotion, their product will show at the end of the search," says Dr Bhupendra Bahadur Tiwari, professor and director, School of Economics and Commerce, CMR University, Bengaluru.

Over the years, the government has increased the budget for MSMEs. In FY19, the Ministry of MSME allocated ₹6,513 crore for the development of MSMEs, which was increased to ₹25,823 crore in FY23. Further, in the interim budget of 2024-25, the government announced the establishment of a fund totalling ₹1 lakh crore for 50 years of interest-free loans for MSMEs. This March, banks deployed about ₹24 lakh crore in gross bank credit to MSMEs.

Despite various attempts, micro enterprises in semi-urban and rural areas find it difficult to get financial help. The share of micro enterprises based in semi-urban and rural areas accounted for 22.54 percent of total bank lending in FY24.

• FAZAL RAHIM

$1.1 bln

Taylor Swift's net worth. She is the first musician to become a billionaire solely through her music and live performances

GETTY IMAGES

NEW BILLIONAIRE

From E Street To Easy Street

How Bruce Springsteen turned his blue-collar music into a 10-figure fortune

IN ROCK N' ROLL, AS IN business, it's good to be the Boss. Over five decades, Bruce Springsteen, New Jersey's original guitar hero, has amassed a substantial fortune—which *Forbes* conservatively estimates to be worth $1.1 billion—singing about his blue-collar roots. Even now, at 74, he's still touring and doing three-hour shows. Always a workman's workman, Springsteen is clocking in and rolling up his sleeves. From his first major-label LP, Greetings from Asbury Park, NJ (1973), Springsteen's music spun tales of manual labor, finding love and getting out of the place that "rips the bones from your back". He would know, having been born in a Jersey Shore town to working-class parents and living with his paternal grandparents in what he once described as their "noticeably decrepit" home.

After helping put Asbury Park's Stone Pony club on the map in the 1970s, Springsteen dominated the charts with 21 studio albums, seven live albums and five EPs, selling more than 140 million records globally. He has also told his stories in a No 1 *New York Times* bestselling memoir and 236 sold-out Broadway performances; along the way he won 20 Grammys, an Oscar, two Golden Globes and a special Tony Award, and has earned a place in both the Rock and Roll Hall of Fame and the Songwriters Hall of Fame. The man who sang about being born in the US has also received the country's highest awards, accepting Kennedy Center honours in 2009 anda

SERGIONE INFUSO / CORBIS VIA GETTY IMAGES

Presidential Medal of Freedom in 2016.

In 2021, shortly after his second run of Springsteen on Broadway ended, he sold his music catalogue to Sony, earning a lump sum of $500 million for his life's work. At the time, his long-time manager, Jon Landau, said the deal was deserved for the half-century Springsteen spent making music. "Everybody is getting what is in their interest," Landau told *Forbes* in 2022.

The glory days keep coming: In 2023, Springsteen's world tour sold more than 1.6 million tickets, generating $380 million in revenue, as per Pollstar. With concerts scheduled through mid-2025 and no apparent plans to slow down, the elder statesman of heartland rock remains, in his words, a gun for hire.

LISETTE VOYTKO-BEST

Forbes India Crossword No. 10

BY MANGESH GHOGRE

Solve a customised puzzle with each *Forbes India* issue that holds clues from the worlds of Indian business and culture, themed around this fortnight's magazine. This issue's theme, for instance, is Family Business

■	■	1	2	3	4
■	5				
6					
7					■
8				■	■

ACROSS

1. Churn, as succession planning does to a family biz
5. Skoda's sedan model
6. Lakshmi ___: on the board of Goldman Sachs
7. Opposite of rubicund
8. Family known for Leela brand

DOWN

1. Anand ___: Former BSE President
2. "O" of ORR, in Chennai
3. Where many Parsi families hail from
4. People who drive Royal Enfield?
5. Thai rapper in "Blackpink" clan
6. ___ should never neglect his family for business - Walt Disney

■	■	R	I	A	N
■	N	E	H	S	A
L	A	T	T	I	M
A	R	U	A	L	■
L	I	O	R	■	■

Mangesh Ghogre is the first Indian to have constructed crosswords for The New York Times. *A Mumbai-bred investment banker, Ghogre recently moved to the US on an Einstein visa, acquired for his crossword skills. He will be making bespoke crossword puzzles for* Forbes India, *which can be solved in under five minutes.*

Forbes India EcoPreneurs

Green Steps Forward

StepChange has developed a suite of products to help customers, ranging from financial services to FMCG, decarbonise today and model climate risk for the future

IN A MATTER OF ABOUT THREE years, Ankit Jain and Sidhant Pai have built their environmental, social, governance (ESG) solutions venture StepChange to where they can boast of customers such as the State Bank of India (SBI), Mahindra Group, Brigade Group, ICICI Bank and HDFC Bank.

The entrepreneur duo had first met at the Massachusetts Institute of Technology in the US but had gone one to pursue separate careers for several years. They met again in 2021 and saw an opportunity to develop a product that could help businesses take informed decisions on reducing their carbon footprint.

Today, StepChange has a suite of products covering carbon reduction, ESG compliance management, and supply chain related carbon tracking. The company also offers a dedicated set of solutions that financial companies such as banks and private equity investors can use to track the climate change impact of their loans and investments.

On the ESG and supply chain reporting front, “we’ve now been working with quite a few sectors including automotive, real estate, agriculture, FMCG, and electronics manufacturing,” Jain says.

With large services companies, for example, the decarbonisation focus

Ankit Jain (right), co-founder & CEO, with Sidhant Pai, co-founder & CSO of StepChange

NEHA MITHBAWKAR FOR FORBES INDIA

$5 mln

The quantum of funding raised by StepChange

SHUTTERSTOCK

Company Profile

Company
STEPCHANGE

Founded
2021, Bengaluru, New York

Founders

Ankit Jain

Sidhant Pai

Focus	Funding	Team
ESG	$5 million	50

Investors include:
Beenext, GFC, Genesia Ventures, Whiteboard Capital, Saison Capital, Speciale Invest

Commercialisation journey:
Beenext, GFC, Genesia Ventures, Whiteboard Capital, Saison Capital, Speciale Invest

Customers include:
TSBI, HDFC Bank, Brigade Group, Mphasis, Mahindra Group, ITC, Urban Company

revolves around their real estate assets, he says.

Therefore, it boils down to tracking electricity and diesel consumption, which helps companies figure out how energy efficient they are. This constitutes the “operational sustainability” part of StepChange’s solutions.

On the portfolio sustainability front, “we work today with eight out of the top 20 banks in the country,” Jain says. Similarly, StepChange’s solutions are used by mutual funds and private equity companies. The solutions help asset managers in any of these finance companies to get a sense of the environmental impact of the loans or portfolio of investments they manage.

The startup helps finance companies raise the share of their green lending, which constitutes the “portfolio sustainability” aspect of how its products are being used by customers today.

StepChange also offers climate risk assessments, so companies can model the risk to their investments from climate change events likely in the future. And finally, the company offers software tools that customers can use to move closer towards net zero, and decarbonize their portfolios.

“One thing that we’re proud of is the depth we’ve built in what’s called Scope 3 emissions, which is the largest part of any company’s carbon footprint,” Jain says. So far, “we’ve measured 600 million tons of CO2e (carbon dioxide equivalent) through our platform. To put that number in perspective, that’s almost 20 percent higher than the all the CO2e of the UK.”

The “scope” definition of emissions come from the Greenhouse Gas Protocol, the most widely used green accounting standards, worldwide. Scope 1 covers emissions an organisation is directly responsible for. Scope 2 are emissions it causes indirectly such as emissions from its power supplier. And Scope 3 includes emissions that result from every part of the supply chain a company relies on that aren’t covered in Scope 1 and 2. This is also often referred to as emissions from the “value chain” of a company.

> **“One thing we’re proud of is the depth we’ve built in Scope 3 emissions. So far, we’ve measured 600 million tonnes of CO2e... that’s almost 20 percent higher than all the CO2e of UK.”**
>
> **ANKIT JAIN**
> co-founder & CEO, Stepchange

“Increasingly, value chain sustainability has been an emerging theme,” Jain says.

In India, for example, “value chain reporting has become a big part of every large company’s requirements,” Jain says. This has become more urgent over the last six months or so after the capital markets regulator, Securities and Exchange Board of India (SEBI), mandated that all listed entities must report at least 75 percent of their value chain, he points out.

The company had said in a May 2023 press release, announcing a funding round, that its India-specific database helps customers track emissions across 75,000 emission factors related to various products and services. StepChange today has about 50 customers, Jain says.

“By end of this year, we want to get to a place that allows us to raise a Series A investment,” he says. So far, StepChange has raised about $5 million in seed funding from investors including GFC, Beenext and Speciale Invest.

“StepChange’s innovative approach to corporate sustainability focuses on region-specific carbon accounting models and platforms. We believe this approach will be a game-changer in the global effort towards tackling climate change,” Anirudh Garg, a partner at Beenext, said in a statement at the time of the May 2023 funding announcement.

“The sophistication of our offerings has been increasing, customers willingness to pay has also been increasing with that,” Jain adds. As you move to applications like tracking Scope 3 emissions, and climate risk modelling, there’s a lot more value add.”

“We are in fact now looking to start expanding globally.” So far most of StepChange’s work has been in India, but it already has customers in Southeast Asia, Europe, and the Middle East. The company is looking at other geographies as well, he says.

• HARICHANDAN ARAKALI

The Secret Sauce

How the next-gen is striking a balance between family and business

By RAJIV SINGH

The third-generation entrepreneur tells us about the superpower of his family. Unity, resilience, trust, and transparency are unmistakable qualities that a family must possess if it has a generational outlook. "These too are superpowers, but our real superpower is the family," says Dhruv Aggarwal, president (strategy) of Paramount Communications. The company was started by Aggarwal's grandfather as a house wire brand in 1955. Close to seven decades later, Paramount Cables—the flagship brand of Paramount Communications—is one of the biggest cable makers in India.

Aggarwal explains how and why family is the biggest superpower for family businesses. "Take the family out of the business and it loses its fizz. Take business out of the family, and the family loses its existence," adds Aggarwal, whose family has battled formidable odds to survive and rebound. "It's the feeling that the family has to live for the family and die for the family that makes the business grow," he adds.

Some 1,500 km from Delhi, Sneha Katkar, tells us about the superpower of her family. "The biggest power is to give up power," says the second-generation entrepreneur from the Katkar family. Her father, Kailash Katkar, started a calculator and computer repair shop in 1993, which later morphed into an anti-virus brand, and was renamed Quick Heal in 2007. Over 15 years later, the family roped in a CEO from outside. Though professionalisation of family-run businesses is a natural stage of evolution, it's not easy for the promoters or their kids

to yield control. The job, however, becomes easier when the founder is quick to see the writing on the wall, or outside forces make the founder embrace the new reality.

In the case of Quick Heal, it was both. The founder explains the logic behind the move. “We have done this 0 to 1 journey. And I can do this ‘start from scratch’ again and again,” he says. But for the business to reach the next stage, it needs a different set of skills and vision. “Professionals, along with the next-gen, are best equipped for the ‘1 to 10’ journey,” he says, adding that he was also fed up with the perception of the company being a ‘promoter-run family’. While he roped in an outsider, he allowed the second gen to learn the ropes. Kailash’s daughter started with the B2B side of the business and now takes care of the consumer product portfolio of Quick Heal. The next-gen, underlines the patriarch, has the firepower, passion, and vision to drive the company ahead.

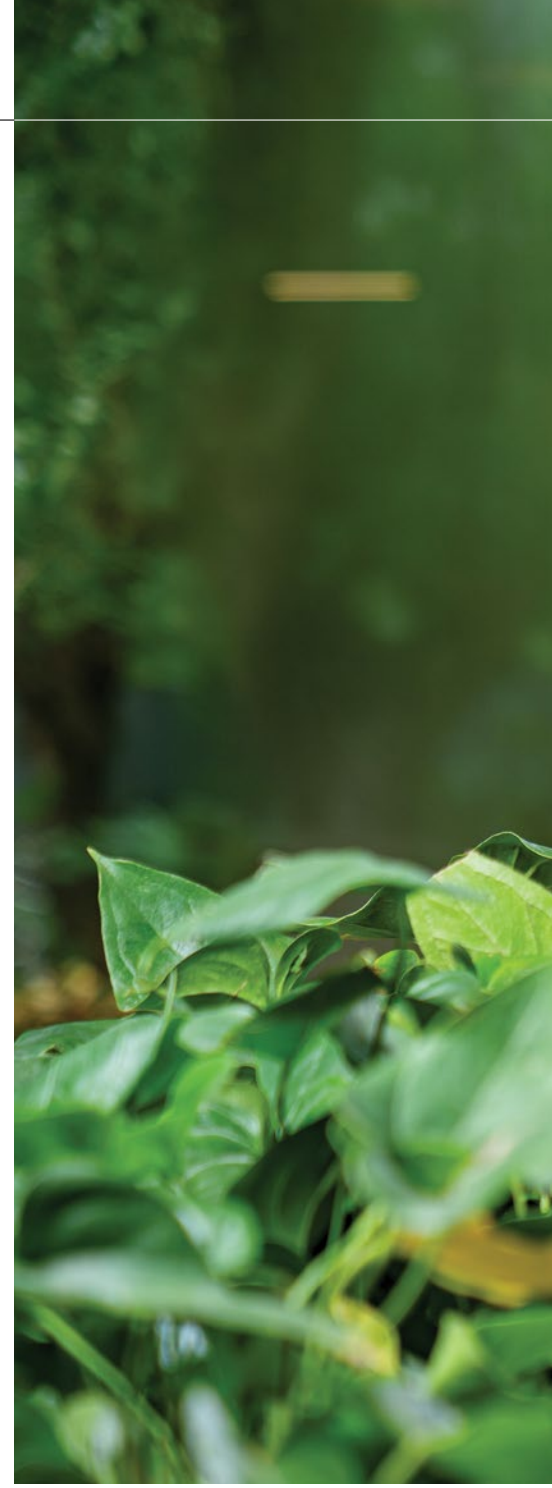
As one moves from Pune to Ahmedabad, one gets to witness another aspect of a ‘superpower’: The next-gen completely transforming the traditional family-run business. This is what Haresh Karamchandani did. Coming from a family that started a trading business in potatoes and onions in 1962, the third-gen entrepreneur started HyFun in 2015, and the family made a transition from trading to manufacturing. Today, HyFun is India’s biggest exporter of frozen french fries, and frozen potato products. Around 70 percent of sales are through exports to over 40 countries and it counts Burger King, KFC Mother Dairy, ITC, Godrej, and Wal-Mart India among its long list of customers.

Haresh’s father acknowledges the pivotal transformation. “I am incredibly proud of my son in building HyFun Foods into a global brand,” says Jayraj Karamchandani, director of HyFun Foods. “His foresight in exporting fries has been a game-changer for our business,” he adds.

In this special issue on family businesses, *Forbes India* handpicked a mix of known and not-so-known names to highlight how the next-gen along with professionals are changing the nature of the family, and business, for the better. From Birla, Godrej, and Hero to Paramount, Quick Heal, HyFun, and Trident, the family businesses in India are undergoing a tectonic shift: From family-run to family-led.

The change underlines just one message: From being a work-in-progress (WIP), businesses are now FIP (family-in-progress). F

(Left to right) **Nyrika Holkar,** executive director, Godrej and Boyce; **Haresh Karamchandani,** MD and CEO, HyFun Foods; **Kailash Katkar,** founder and MD, Quick Heal Technologies; **Sandeep Aggarwal,** managing director, Paramount Cables; **Rajinder Gupta,** chairman emeritus, Trident Group; **Rahul Munjal,** chairman and MD, Hero Future Energies, **Naga Srinivas Kacham,** MD, Padmaja Herbs and Foods Pvt. Ltd.**, Ananya Birla,** director, Grasim Industries, Hindalco Industries and Aditya Birla Fashion and Retail



Next-Gen Nation-Builders

As Nyrika Holkar prepares to head Godrej Enterprises Group, she is charting a fresh course by combining the best of the startup ecosystem and the legacy of the 127-year-old conglomerate

By **JASODHARA BANERJEE**

hen a 20-something Ardeshir Godrej decided to start making locks in 1897—he had already tried his hand at being a lawyer and making surgical tools, and had failed at both—he might not have imagined that his entrepreneurial spirit and values would continue to live on, and thrive, 127 years and four generations later. The Godrej Enterprises Group (GEG)—one arm of the family-run Godrej conglomerate that announced an amicable division of its businesses on April 30—today includes companies in sectors as diverse as appliances and aerospace, home and interiors and precision engineering. In FY24, its revenues crossed ₹16,000 crore, with a profit before tax of ₹603 crore (*see box: GEG at a Glance*).

"It's really a question more of trusteeship than ownership," says Nyrika Holkar, a fourth-generation family member, and executive director of Godrej & Boyce Mfg Co Ltd (G&B), the unlisted, flagship company of GEG. "It's about being able to steward the assets of the company, the brand, and leave it in a better place than we found it."

The wide-ranging portfolio of industries in which GEG is a player includes consumer-facing businesses and industrial businesses, whether

> **"Nyrika Holkar's leadership style blends visionary thinking with practical execution."**
>
> **HUSSAIN SHARIYARR,** EXECUTIVE VP AND BUSINESS HEAD, PROCESS EQUIPMENT

MEXY XAVIER

"It's about being able to steward the assets of the company, the brand, and leave it in a better place than we found it."

NYRIKA HOLKAR,
EXECUTIVE DIRECTOR, GODREJ & BOYCE MFG CO LTD

it's aerospace, processing equipment, tooling, and project businesses. It also owns land, including prime property in Mumbai.

"At Godrej Enterprises Group, we have always thrived on deep-rooted values and strategic foresight. Our vision to pioneer progress for our people and the nation, across generations, is what has kept us relevant for over 127 years. We continue to be committed to that vision," says Jamshyd Godrej, chairman and MD of Godrej & Boyce, and head of GEG.

Holkar, who is Godrej's sister Smita Crishna Godrej's daughter, is scheduled to take over the baton from her uncle (*see Godrej Family Tree*). Although a definite timeline for the transition in leadership has not been laid out yet, Godrej is mentoring Holkar, who is a qualified solicitor, and leads digital strategy, brand, legal and M&A for G&B and its subsidiaries (*See: Meet Nyrika Holkar*).

Holkar explains that the family and group have been guided by a very strong value system that has held everything together. "If one looks back at how the company originated, it was deeply intertwined with India's independence and was started as a way to ensure both economic and political freedom. Without that economic freedom, being sustainable would have been very difficult," she says.

In a family that has championed innovation and manufacturing from scratch, and has patiently incubated multiple, successful business units in varied sectors, Holkar finds herself in an ecosystem that is vastly different from her predecessors. The amount of time, effort and money that a new business opportunity can be allotted in order to turn successful has shrunk dramatically, with surging competition, not just for markets, but also talent and funds.

"I think you have to choose your bets and maybe go with fewer bets [compared to previous generations]," she says. "What is important and exciting today is that we have a very vibrant set of startups and instead of looking at reinventing the wheel, the opportunity today lies in leveraging existing pockets of expertise. How do you scale it? How do you partner with them? How do you collaborate?"

As an example of GEG's new collaborative approach, she highlights its interests in the aerospace sector, in which the company is investing about ₹250 crore to set up a plant in Khalapur, about an hour from Mumbai. "Earlier, in the aerospace domain, all R&D was done by Isro and DRDO. Today, the sector has opened up to a very vibrant startup network and we have also partnered with several startups on different projects," she says.

The reason behind these partnerships has been the kind of value, expertise and agility that startups bring to the processes. "It's incredible, it's something we need to imbibe and learn from. Also, in terms of talent, in terms of being able to leverage the best of what is out there today, it's really an opportunity that's exciting." Holkar also feels that partnerships and collaborations are ripe opportunities to bring some of the learnings into her own organisation, which may be less nimble but has very strong values of capabilities, expertise and experience. "How do we marry them, because both are equally important," she says. (*See: Nyrika Holkar's Learnings from Startups*)

INVENTORS AT HEART

One of the guiding principles for the Godrej family, says Holkar, has been innovation, especially innovation that fills a need in the country. The combination of inventiveness and strong business acumen that was embodied by the company's founders Ardeshir and his brother Pirojsha in the late 19th century, had resulted in them getting patents for the world's first springless lock, and making India's first indigenously manufactured fire- and burglar-resistant safe, and a process to make soap from vegetable oil. Over the decades, G&B has filed over 155 patents, of which 110 have been granted (*See: A Legacy of Innovation*).

Starting from the early successes with innovation to critical space missions today, as well as infrastructure, and pioneering materials that are recycled and brought back into infrastructure processes, innovation remains an integral part of GEG. "I think it's very important for brands to stand for something and to play a strong role in shaping the preferences of individuals," she says. "We remain very committed to doing that."

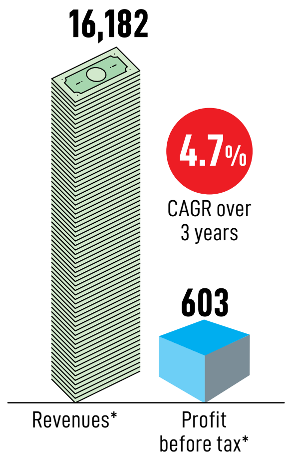
"Over the last century, we have focused on being nation-first, people-first, and future-first, which further drives us to enrich the lives of one-third of India's population through our ventures. We continue to be on this path. It is also important for us to keep adapting to an evolving landscape," says Godrej.

Holkar is carrying this spirit of innovation forward, not just in conventional sectors but also into new and emerging fields. She believes there is tremendous headroom for growth in GEG's core sectors such as consumer businesses, furniture, security locks and appliances—where the post-Covid shift in consumer preferences has presented challenges as well as immense opportunities—but also in new sectors such as energy, sustainability, aerospace and aviation.

"We have a strong focus on design, whether it's across the consumer businesses or the nation-first businesses, and a strong focus on technology," she says. GEG is making significant inroads into

GEG at a Glance

Godrej & Boyce Mfg Co Ltd (G&B) is the flagship company of the Godrej Enterprises Group



Highest contributing sectors in revenue growth: Appliances and **consumer** durables, **furniture** and **interiors**, **industrial** products

Number of employees: > 15,000

Number of business units 10

Industries include:
Appliances and **consumer** durables, **furniture** and **interiors**, **security** solutions, **industrial** products, **electricals** and **electronics**, **precision** engineering, **real** estate, and **infrastructure** and **construction**

(*Figures are for FY23-24, unaudited and provisional
Figures in ₹ crore

(From left): Godrej Interio's robotic welding line, autonomous guided vehicle and greenfield manufacturing plant at the Khalapur campus of GEG, which also houses its aerospace and other manufacturing plants

emerging sectors, that it believes hold opportunities in the future. "Today they are nascent, such as energy and renewable energy, for instance green hydrogen. These are opportunities that play to our strengths and are also in keeping with our vision for the future."

Take, for instance, the Process Equipment business unit, which makes critical components for energy plants around the world. As the world is witnessing a shift in energy reliance—thanks to geopolitical tensions countries increasingly want to be energy self-sufficient, and at the same time turn to renewable energy in order to meet net-zero targets—this division is getting future ready to take on global demands.

"LNG [liquefied natural gas] is playing a transitional role [between conventional and renewable energy] because it is much lower on carbon emissions compared to crude oil," says Hussain Shariyarr, executive vice president and business head, Process Equipment. "Then we have blue hydrogen, and green hydrogen; solar will also continue to grow. After the [March 2011] Japan earthquake, nuclear energy was not looked upon very favourably, but now European countries and the US are looking at nuclear seriously again; India had never really given up on nuclear power and the prime minister has now made some major commitments towards it."

Shariyarr says his unit is very well placed in the nuclear power sector, and is making critical components for the Nuclear Power Corporation of India (NPCI). "We are the ones who actually install, commission and run the nuclear power plants in the country. We are already a key supplier to NPCI, with lots of projects in the pipeline," he says.

Godrej Process Equipment is also getting enquiries from France and the US, he adds. Where green hydrogen is concerned, it has supplied equipment to prestigious projects in Saudia Arabia and Singapore. The business has invested about ₹300 crore in the last three years, and plans to invest another ₹300 crore in the next three years to build the required infrastructure in terms of manufacturing, quality and people so that it is future-ready.

With FY22 as a base, in the last two years the Process Equipment unit's revenue has grown 60 percent, a compound annual growth rate (CAGR) of about 27 percent. Shariyarr says its market share has doubled, and it has a global market share of five percent, with most of the growth coming from the Middle East and the US. After the growth, its revenue stands at roughly ₹1,000 crore.

"Holkar is steering GEG towards a sustainable and innovative future with a leadership style that blends visionary thinking with practical execution," says Shariyarr. "She respects the company's legacy while pushing for greater agility and collaboration. Her vision is to ensure that GEG not only maintains its legacy but also evolves to meet future challenges."

Or, take the example of another relatively recent business unit within GEG, the electricals and electronics division, which was set up six to seven years ago. It has become one of the largest divisions within G&B, says Raghavendra Mirji, the executive vice president and business head of the Electricals & Electronics division. The division is into commissioning of entire turnkey projects in power infrastructure, which are mostly government-initiated projects, as well as MEP (mechanical, electrical and plumbing) parts of large commercial buildings, such as malls, hospitals, and schools.

"There is a clear push for infrastructure in the country, irrespective of who is in the government. We have created our business portfolio in such a way that, keeping the nation-first policy of G&B, it is perfectly poised for future nation-building," says Mirji. "We are well-placed for higher growth in future, especially in areas such as renewable energy. For instance, we have a solar portfolio, and also the MEP [mechanical, electrical and plumbing] aspects of green buildings."

The revenue of the division was ₹546 crore in FY21, and last year it was ₹1,300 crore. "In the last two years, the CAGR is 22 percent, and in three years it is 33 percent," adds Mirji. Going forward, he is aiming to cross ₹1,500 crore in FY25, and is eyeing more than 20 percent growth over the next two to three years.

"Holkar's leadership marks a dynamic shift for GEG, emphasising agility and collaboration. Her approach is more democratic, valuing inputs from across the organisation and encouraging a more collaborative work environment," says Mirji. "She balances respect for the company's heritage with a commitment to modernisation and sustainability."

It is not just in emerging fields that Holkar is pushing for collaboration, but one of

NEHA MITHBAWKAR FOR FORBES INDIA

Meet Nyrika Holkar

- **Nyrika Holkar** graduated **summa cum laude** with a **BA** in **Philosophy** and **Economics** from **Colorado College, USA** and obtained **LLB** and **LLM degrees** from **University College London, UK**. She is a member of the **Bar Association of India** and is a qualified **solicitor** in the **UK**.
- Before joining **G&B**, she began her career at **AZB & Partners**, a legal firm, where she specialised in **M&A transactions** and advised **foreign firms** looking to invest in India.
- As a member of the **G&B board of directors** she is involved in key decisions related to **business strategy**, **talent management** and **corporate governance**.
- During her tenure as **executive director, Holkar** has helped **significantly reduce** the **G&B Group's financial exposure** by streamlining the **negotiation** and **contract management** process through an **end-to-end digitised** contract life cycle management platform.
- As **chairperson** of the **G&B CSR Committee, Holkar** is actively involved in **G&B's community development** efforts including **education, skilling** and the **preservation** and **protection** of **Mumbai's mangroves.**
- **Trekking, wildlife** and **photography** are some of her **interests outside of work**.

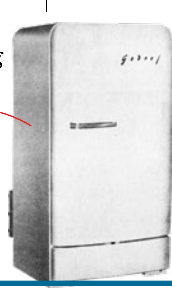
Legacy of Innovation

1902
Godrej & Boyce launched the first 'Made-in-India' safe

1909
Received the first patent for springless locks, under the seal of King Edward VII of England

1955
Manufactured the first indigenously made 'Made-in-India' typewriter

1958
Manufactured the 212-litre refrigerator, a first for the Indian market. It came with a price tag of ₹1,885, and a unique stainless steel freezer



1963
Manufactured the first fork-lift truck in India, in collaboration with US-based Clarke Material Handling Company

1995
Introduced electronic security products and ultra technology locks in India

2000
Launched the first Indian eco-friendly refrigerator that meets Montreal Protocol standards

GEG's recent strategic moves in its core sectors includes the acquisition of a 51 percent stake in a leading Indian security solutions company and expanding its R&D facilities.

With post-Covid consumer behaviour shifting to online purchases, and preferences moving to premium products, the Locking Solutions and Systems Division is focusing on technology and digital solutions. "Because of Covid, people have started looking at premium products—not just in terms of colours, material and finish, but in terms of technology and safety mechanisms—and moving up the value chain. People are also buying digital locks, which are the ultimate in safety," says Shyam Motwani, executive vice president and business head, locks and architectural fittings and systems business of G&B.

"As far as locks are concerned, we are spending our entire R&D budgets on digital technologies, and technologies that are available today. We have a multi-generational product planning pipeline in place for the next three to five years," he explains. As of now the percentage of revenue coming in from premium products is about 15 percent, and Motwani would like to see this double in the next couple of years. Post pandemic, in FY23 and FY24, the vertical has doubled its revenues, ending the last financial year with a topline of ₹1,100 crore to ₹1,200 crore.

> **Over the last century, we have focussed on being nation-first, people-first, and future-first."**
>
> **JAMSHYD GODREJ,** CHAIRMAN & MD OF GODREJ & BOYCE, AND HEAD OF GEG

Motwani adds that Holkar is steering the growth of GEG with a modern, inclusive leadership approach. "Through her efforts in fostering a culture of innovation and operational efficiency by embracing new technologies, she is ensuring that GEG's legacy continues to thrive in the modern world," he says.

And it is not just about making more advanced and sophisticated security systems, but marketing them appropriately as well. The company is enlisting and enrolling stores around the country, and converting them into premium, exclusive experience stores for the Godrej brand. These premium products will not be available in other hardware and home improvement stores.

DIFFERENT GENERATIONS, SAME GENES

In a conglomerate that has diversified far beyond its original products and sectors, the requirements and contributions from each generation of the family have also been different. As the companies have grown in size and scope, along with the changing dynamics of the world in which they operate, different members of the Godrej family brought different sets of skills and expertise to the table.

"If we start with the founders," says Holkar, "my grand-uncle Adershir had a very inventive bent of mind, and went into many different things. He used to make tools for surgery and he had a few businesses that failed, and then he came into the locks business. He got the first global patent for

2007
Introduced India's first Mechatronics Door Lock Key and a unique dual access control padlock

2015
Collaborated with UK's Sure Chill that cools vaccines even during power outages

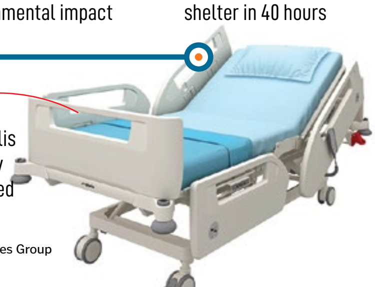
2018
Introduced the 'Active Seating Concept', a cushioned back chair that adapts to body posture

2019
Selected as finalist in the $1-million Global Cooling Prize, the only Indian firm in a global innovation competition to pioneer environment friendly cooling technologies

2020
First to offer innovative, automation, retrofit upgrade for hospital beds for patient convenience, minimal customer spend, reduced down time, and very low environmental impact

2021
Launched 'Chrysalis Nova Activ', a fully motorised ICCU bed

2022
Pioneered innovative 3D construction printing technology to make 3D-printed bus shelter in 40 hours



SOURCE Godrej Enterprises Group

the springless lock, and went on to get the first patent for a safe; he also made the first indigenously manufactured refrigerator. He was very driven by the idea that India needed to be able to have an industry of its own and shouldn't be reliant on foreign imports."

For Pirojsha, Ardeshir's brother and partner, the idea of community building was very important. So, when he first bought land in Mumbai's Vikhroli neighbourhood, in the middle of a jungle with wild animals, "everybody thought he was quite out of his mind," recalls Holkar. (During World War II, Pirojsha had bought 3,000 acres in Mumbai from the British, and another 400 acres later, taking the total to 3,400 acres. More than 3,000 acres of this lies in Vikhroli, and the rest in Bhandup and Nahur. Almost 2,000 acres of this land is covered in ecologically critical mangroves.)

No one wanted to move into Vikhroli at that time; Holkar's grandmother used to tell stories of when she had to go door-to-door to convince people to send their children to the school that the Godrej family had set up over there. Pirojsha realised the importance of having an infrastructure around people. So, whether it was a school, or healthcare facilities, or housing, he thought of all the elements that a community would need, and which are important to build if you want people to move to a new place.

"That model has been extremely successful, and even if we look around today, it [the Godrej offices in Vikhroli] really feels like a campus and a community," says Holkar.

Holkar's grandfather, Naval, joined the business straight after high school and started on the shop floor. He loved machines and mechanics, and had a natural affinity towards them. He was able to scale the business exponentially because of his deep connect with people, and he worked his way up. "People even today think of him in a very different way because of his nature, his magnetism, his charisma, and his ability to be a pioneer in the sustainability space," says Holkar.

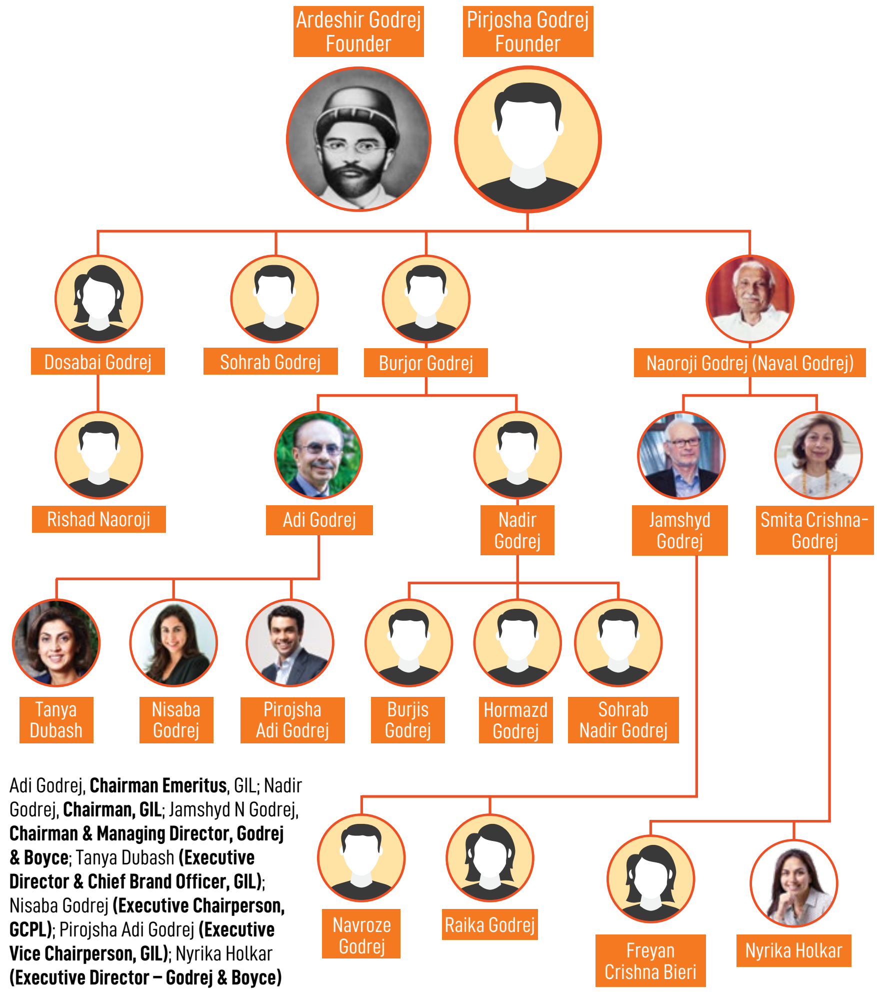
Holkar's maternal uncle, Jamshyd, championed the green building movement and brings to the business a lens of not looking at sustainability as something ancillary or external to the business but as something that is an integral part of it. "The guidance that he always gives businesses is that you shouldn't have to ask consumers to pay more for sustainability. It should be priced in, and it should be a viable alternative to anything else. That's the challenge for businesses today, but also the opportunity," says Holkar.

"As we, as a country, are working towards net zero by 2070, corporate India has to take a very strong ownership of the movement for anything to really happen. My uncle can be credited with pioneering this movement," she adds.

Holkar feels that the real challenge for her cousins and herself is to keep the 127-year-old legacy relevant, important to consumers whose preferences are changing, and resonate with a younger generation that has very different priorities; the challenge also is to shape not only products and services, but business models to put India on the global stage.

"Being part of a successful multi-

Godrej Family Tree



Adi Godrej, **Chairman Emeritus**, GIL; Nadir Godrej, **Chairman, GIL**; Jamshyd N Godrej, **Chairman & Managing Director, Godrej & Boyce**; Tanya Dubash **(Executive Director & Chief Brand Officer, GIL)**; Nisaba Godrej **(Executive Chairperson, GCPL)**; Pirojsha Adi Godrej **(Executive Vice Chairperson, GIL)**; Nyrika Holkar **(Executive Director – Godrej & Boyce)** generational legacy instils a deep source of pride. Across generations, our family has always been mindful of this responsibility. It means upholding our reputation, guiding the organisation authentically, and always enriching the lives of all our stakeholders," says Godrej.

WHAT LIES AHEAD

With the Godrej family announcing an amicable division of business assets between different family members, GEG will now be controlled by Jamshyd Godrej, and his niece Nyrika Holkar, and their immediate families. The other branch will be known as Godrej Industries Group (GIG), and will have Nadir Godrej as chairperson and will be controlled by his older brother Adi Godrej, Nadir Godrej, and their immediate families. Pirojsha Godrej, son of Adi Godrej, will be executive vice chairperson of GIG and will succeed Nadir Godrej as chairperson in August 2026.

Ambareesh Baliga, an independent market analyst, was quoted in media reports, saying, "Compared to some of the other family separations, the split in the assets of Godrej was done in a very dignified manner with nothing discussed among the family members coming out in the public domain. Any family separation takes a decent amount of mindshare of the members. To that extent, the decisions have been reached and there is clarity on who controls what company in the Godrej fold. The focus will now turn back fully to the businesses they handle." The amicable nature of this division is also evident in the no-compete clause between the two branches of the family.

For employees within GEG, however, transitions to the next generation of the Godrej family are expected to be smooth and business-as-usual. "I have seen one transition in the past, and we would not call it a transition because we did not feel it. There was such a long and smooth overlap," says Shariyarr, who has worked at Godrej for 31 years. "It's a very professionally driven company. The Godrej family is not directly involved in the day-to-day operations and their role is more about creating an enabling environment. The fundamentals and value system remain the same, and have remained constant from one generation to another."

Motwani seconds this view and says that the Godrej family is certainly not involved in the daily details of the business units, and its involvement is largely to look at new and emerging lines of businesses, technology areas that might appear green-field today but hold promise in the future and can be invested in, and reviewing the business units. "The individual business unit heads are thoroughly empowered to handle the daily functioning of their units," he says.

He adds that three things stand out about the way in which the Godrej family, especially the GEG branch, approaches the businesses. "There is a lot of respect for individuals in this organisation, a lot of empowerment at the business unit leadership level, and the organisation cares about its employees and their families," he explains. "It has its own aspirations, areas of interest for future growth with existing and potentially new businesses, like any other business family would have. There is a tremendous amount of knowledge and expertise within the seniors and younger members of the family, especially in the fields of technology, design, engineering, and marketing. It is also very professional."

"As we look ahead, it is essential that our next-generation leaders embody our vision of pioneering progress and sustainable value," says Godrej. "With a heritage of 127 years, we are convinced that a pioneering spirit, innovation, and sustainability are crucial. By investing in passionate people and practising financial prudence, we are committed to building on our legacy for the next 127 years and beyond."

As Holkar prepares to take on the baton from her uncle Jamshyd, there is much more than revenues and balance sheets riding on her shoulders. As the world around us experiences rapid technological changes, geopolitical flux and environmental emergencies, Holkar has to hold on to the values that have stood the test of time, while charting a new, collaborative path that combines the best of legacy businesses and young startups. All while keeping the spirit of invention and nation-building alive and tinkering. F

Nyrika Holkar's lessons from startups

The fourth-generation leader of GEG lists the learnings that legacy companies can take from the new generation of startups

- **Fail fast** and **fail cheap**, that's a very **important** learning.

- Trying to create a **minimum viable product** and trying to put **everything into creating** that and then seeing how it can scale is also something **very important**.

- I think in a **startup atmosphere**, the **idea** that say in an **established setup**, you would have **defined roles** and **responsibilities...** but things may become a **little more blurry** if you take on **end-to-end responsibility**, be involved in many different things. Therefore, also from a **personal perspective**, it's **very interesting** to bring in **principles of agility**, **openness**, and the **concept** that **ideas** can come from anywhere. There doesn't need to be a **hierarchy for ideas**.

"I have grown and evolved since I started out... I am now more confident in myself and my abilities, and I have grown to be more patient."

ANANYA BIRLA

PHOTOGRAPHS: NEHA MITHBAWKAR FOR FORBES INDIA

One of Her Kind

Ananya Birla, eldest daughter of Kumar Mangalam Birla, is focussed on driving the consumer-facing businesses, as the group pivots from largely being a commodity-driven family-run business

By SALIL PANCHAL

Very rarely do two transitions happen at the same time. And when the timing for such a change appears to be right, it borders on serendipity.

In recent years, the Aditya Birla Group—whose interests range from commodities-based cement and metals manufacturing to financial services and telecom—has launched new-age consumer facing businesses which include dining, retail jewellery and paints.

Ananya Birla, the eldest daughter of group chairman and billionaire industrialist Kumar Mangalam Birla, is undergoing a pivot, too: From a pop music singer and entrepreneur to a business leader.

Contrary to several Indian business houses, which have struggled to deal with a normalised succession planning of family-run businesses, Birla—a fourth-generation business scion—appears to have got the prospect right by getting Ananya and her younger brother Aryaman to play a bigger role in the consumer-facing businesses.

Birla is the world's 90th richest and India's seventh, with a net worth of $22.6 billion, according to the 2024 *Forbes* Billionaires List.

Birla sees Ananya—who is on the boards of Hindalco, Grasim, Aditya Birla Fashion and Retail and Aditya Birla Management Corporation—playing a deeper role in the paints (Birla Opus) and B2B ecommerce businesses (Birla Pivot) under Grasim and in Hindalco's shift towards sustainable solutions and low-carbon future. She has played a key role, with the rest of the team, in framing of the digital solutions app for Aditya Birla Capital Digital. Aditya Birla Capital caters to 3.5 crore customers across its businesses which include lending, mutual funds and other financial products.

Ananya is also playing a deeper role in the group's Birla Estates and the Aditya Birla Global Trading, whose name Ananya rechristened from the earlier Swiss Singapore Overseas Enterprises and is now a commodity trading solutions firm.

"My role is still evolving; I have a good understanding of the macro level of everything going on in the group and the direction which the group is taking. That has helped me give my own inputs where I think the group is going and the steps which need to be taken," she tells *Forbes India*.

This would mean consolidation of artificial intelligence businesses and focusing more on consumer businesses. "This is a fantastic time to enter consumer businesses and we have the right to win there, with the trust factor that we have," she adds.

A PATH BEYOND COMMODITIES

Most of Aditya Birla Group's businesses have seen steady growth in recent years, particularly the commodities-driven cement

Ananya Birla's Increased Presence in the Aditya Birla Group

She is on the boards of **Hindalco, Grasim, Aditya Birla Fashion and Retail and Aditya Birla Management Corporation**

Has played a pivotal role in the creation of the Aditya Birla Capital Digital fintech app, servicing over 3.5 crore customers for all financial solutions

Is working closely with the teams of **Birla Estates and Aditya Birla Global Trading**

Entrepreneur At Heart

Founder and chairperson of Svatantra Microfin, India's second-largest non-bank MFI, with a consolidated AUM of around ₹17,000 crore

Founder of Ikai Asai, an artisinal-focussed design company

Founder of Ananya Birla Foundation, which advocates mental health and education issues

Leadership Lessons

INFOGRAPHICS: MUKESH SINGH

and metals businesses. UltraTech Cement, India's largest cement manufacturer, in July announced purchasing 32.7 percent of the promoters' stake in India Cements. UltraTech, which in April crossed the 150 million tonnes per annum (MTPA) capacity, is forecast to cross the 200 MTPA capacity in FY27, as expansions take shape, Birla said at its AGM this year.

Hindalco, on the back of higher average metal prices, has seen a 25 percent year-on-year increase in its Q1FY25 net profit, supported by favourable macros, operational efficiencies and lower input costs. The copper business achieved its highest quarterly Ebitda driven by high domestic sales and healthy by-product credits.

The group's financial services arm, Aditya Birla Capital, has seen a 26 percent growth in topline and a 15 percent growth on the bottomline year-on-year, in Q1FY25. Through its recently launched digital platform, the company hopes to add 30 million users over the next three years.

Aditya Birla Fashion and Retail (ABFRL), where Ananya is a director, has the Louis Philippe and Van Heusen brands in India while international brands include The Collective (housing over 100 of the world's fashion brands) in its portfolio. ABFRL has clocked ₹14,280 crore in revenues in FY24 through sales across 12 million square feet of retail space. Here also, Birla plans for an aggressive digital push through its TMRW platform, targeting about 30 innovative brands over the next three years.

Birla is aware that the pivot towards consumer-facing businesses was long awaited. While announcing the investment of ₹5,000 crore towards retail gold jewellery in July, he said that a fourth of the group's business in the next five years—or $25 billion in revenues—will come from consumer-facing businesses. Ananya's pivot and the role of her younger brother Aryaman in the group businesses appear well timed. Aryaman, a one-time cricketer, has now returned to the family-run business and works alongside Ananya in the paints, retail, fashion and real estate businesses. He also leads the dining/hospitality business of the group.

Ananya is candid about her conversations with her father on her role in the group. "I told my father that I did not want an official designation within the group because it constricts me and that is not what gives me happiness. I want to work hard and see that my work is having an impact within the group," she says.

Ananya, who studied economics and management at Oxford University, understands the responsibility which comes with being the fifth generation of the Birla family, which was founded by Baldeo Das Birla. The Birla family shifted their focus from speculative trading in commodities and opium under Baldeo Das Birla towards building factories and industries in cotton, jute, tea, cement and chemicals businesses under the leadership of his son Ghanshyam Das Birla, Kumar Birla's great grandfather.

The businesses further expanded into petrochemicals, telecommunications and textiles under Kumar Birla's father Aditya Birla, who was also instrumental in taking some of the businesses overseas into Southeast Asia.

SVATANTRA & NEW PROJECTS

"It is important for me to contribute to the legacy while also making sure that I stick to who I am. Otherwise there's no point in doing anything," Ananya says. Self-discovery came early to Ananya, when she turned entrepreneur at the age of 17, founding Svatantra Microfin in 2012, and started operations a year later.

Svatantra Microfin: A SNAPSHOT

AUM	₹14,313 cr
Active customers	41.2 lakh
Branches	1,906
Employees	18,498
Average size of loan	₹49,250

SOURCE Company, data as of June

Svatantra started business at a time when banks were—and still are—reluctant to expand operations deep into India's hinterland to provide loans and financial services to the unbanked. More than a decade on, Svatantra is now India's second-largest non-banking microfinance company, after listed leader CreditAccess Grameen that has an AUM (assets under management) of ₹26,304 crore serving nearly 50 lakh borrowers.

Svatantra has had a stellar few years, with a combined AUM of ₹17,000 crore, says Ananya. This March, private equity firms Advent International and Multiples signed an agreement to invest $230 million into Svatantra, making it the largest investment by private equity investors in the microfinance sector in India.

This was after Svatantra announced in 2023 that it will acquire microfinance company Chaitanya India Fin Credit from the Navi Group for ₹1,479 crore, owned by former Flipkart founder and Navi CEO Sachin Bansal.

Ananya has more on her mind for Svatantra. "We want to be completely responsible lenders, to fuel entrepreneurs that fuel the Indian economy," she says. The goal, she adds, is to get to that and secure the No 1 position in the microfinance space. "My aim is to go all in or not at all."

The path is going to be rough, because microfinance in India is starting to show signs of weakening, with concerns over rising bad loans. Commercial banks and small finance banks, also lenders to rural India, have, in the June-ended quarter, complained of this concern. The data also seems to indicate this: The portfolio at risk > 180 days (an amount of the loan portfolio which is due by over 180 days) has risen to 7.9 percent for the quarter ended March for the industry, compared to 7.4 percent in the quarter ended June 2023, according to MFIN India.

Ananya admits the industry has gone through tough times. "There are different reasons impacting businesses in different states. We have to focus on what we can control... we can't control market dynamics," she says.

She says she is working on at least three to four new consumer facing projects, but did not divulge more. Ananya wants to let her work speak for itself, as it has done in Svatantra's case. "I believe I have grown and evolved since I started out, however, at the core, I am still very much the same person. I am now more confident in myself and my abilities, and I have grown to be more patient," she says.

The Aditya Birla Group's recent ad campaign 'A force for good' could well fit into what Ananya is building for the family business and herself as an individual. F

The Virus Hunters

Over the last three decades, the Katkar family battled formidable odds to make Quick Heal India's largest consumer antivirus brand. The next-gen is now busy loading enterprising plans for the company

By RAJIV SINGH

February 18, 2016, Mumbai

Kailash Katkar was getting jittery. His palms were sweating, his tight grip around the handle of the hammer started to loosen, and his eyes stared blankly at the gong. Signs of nerves for the first-generation entrepreneur? Well, it seemed so. What started as a calculator and computer repair business in Pune in 1993 morphed into India's biggest consumer antivirus software company over the next decade. In March 2015, Quick Heal posted an operating revenue of ₹286.11 crore, a PAT (profit after tax) of ₹56.2 crore, and boasted 6.9 million active licenses across 80 countries. A year later, in 2016, a school dropout, who once worked for a stingy salary of ₹400 per month, was about to ring the bell at the stock exchange for a ₹250-crore IPO (initial public offering).

On the D-Day, though, Katkar appeared lost. On February 18, 2016, Quick Heal was getting listed and the founder looked anxious. "*Dost kaisey* problem create *karenge* (how can friends create problem)," he wondered. A son of the soil from

MEXY XAVIER

(From left) **Sanjay Katkar**, **Anupama Katkar**, **Kailash Katkar**, and **Sneha Katkar** of Quick Heal Technologies Limited

“In anger, hunger and passion, she (daughter) is my mirror image. All she needs to add is dollops of patience.”

KAILASH KATKAR,
MANAGING DIRECTOR,
QUICK HEAL

Rahimatpur, an obscure village near Satara in Maharashtra, diligently built his life, and business, around trust. Katkar started CAT Computer, a computer repair and service company, in 1993. Two years later, his younger brother Sanjay Katkar joined the business and started giving the hardware venture a software makeover.

From repairing computers, the brothers started hunting for viruses inside computers. The soaring level of trust and bonding between the siblings was mirrored in the camaraderie and trust with thousands of channel partners—offline retailers and distributors—of Quick Heal. In FY15, around 86.67 percent of the business was generated via partners. "I trusted them for decades. How could they do so?" muttered Katkar, as he was about to hit the gong. "They can't betray me," he rambled.

Interestingly, the warning signs, and symptoms of betrayal, were identified and flagged by Sequoia in the run-up to the IPO. "You are putting all your eggs in one basket," was the warning from the venture capital (VC) firm, alluding to the practice of offering high periods of credit to the channel partners: 60 to 90 days. "It's too risky," reckoned the VC firm, which reportedly bought a 10 percent stake in Quick

THEN & NOW

Started as a calculator and computer repair and service company—CAT Computer—in 1993

It is now the largest antivirus player in India

Heal for $12.8 million (around ₹60 crore) in August 2010. A few years later, when Quick Heal filed its DRHP (draft red herring prospectus), the risks were outlined in black and white. In FY14, the company made a one-time charge to its profit and loss account of ₹17.32 crore as an exceptional item for the provision created due to default by one of its distributors and fraud by an employee. "It negatively impacted our financial condition," the company mentioned in the draft IPO note, which also highlighted another red herring: Higher service tax liability, and tax proceedings.

Meanwhile, at the IPO listing ceremony, the 'risk' came back to haunt Katkar. One of the former partners filed a legal suit against the company, alleging that Quick Heal didn't disclose the share allotment made to his family and him. Though Katar was quick to rubbish the allegations, the upbeat IPO euphoria was sullied. Unfortunately, the bad omen coincided with a weak debut for the new kid on the listing block. Quick Heal plunged 20 percent over the issue price and the stock ended at ₹254 against the listing price of ₹321. A few days later, the stock tanked to ₹209, the lowest since its listing on the National Stock Exchange (NSE). The investor sentiments were subdued, and the company faced its first crisis post-listing.

Back in 1999, Quick Heal was staring at an existential crisis. The antivirus (software) part of the business was still in its early days, grappling with problems, and the bootstrapped venture of the Katkars was fast running out of money. "We were struggling to pay salaries," recalls Katkar. The younger one explains the problem. Though the software business had picked up, the uptick didn't reflect in the revenues. Reason? The money was stuck with retailers and distributors who were notorious

THE JOURNEY

1993 (First gen)
Kailash Katkar starts CAT Computer Services; a few years later, his brother joins the business

1996
The first three years, **protected early generations of PCs**

1998
Launches 'Quick Heal' Windows version
Till 2000, the focus was on securing PCs, network & emails

Quick Heal

2003
Starts its first branch in Nashik and **sets up a Technical Support Centre there in 2006**
Business caters to **individuals, businesses and government organisations**

INFOGRAPHICS: MUKESH SINGH

> **The name has 'quick', the product is 'quick' in impact, but the business needs a lot of patience. It takes time."**
>
> **SANJAY KATKAR,**
> JOINT MANAGING DIRECTOR, QUICK HEAL

for delaying payments. There was little that the siblings could do to instill punctuality and discipline among the channel partners. "There was no wiggle room," says Sanjay.

The reason was obvious. The big national distributors, offline retailers and electronics chains shunned Quick Heal. Nobody gave the homegrown hustler a chance against the might of multinational (MNC) biggies such as Symantec, Norton, Kaspersky and McAfee. "Nobody touched us," rues Sanjay. The elder brother, though, forged an ingenious plan. He reached out to his network of hardware dealers and retailers, persuaded them to dabble in the software business and sell antivirus, and rolled out extensive training to equip his recruits with the requisite know-how and firepower. "We created a new channel of distribution. That was the only way to survive," reckons Katkar.

Though distribution was fixed, there was another loose end: Capital. The venture capitalists (VCs) were missing in action, PEs (private equity players) too were not prolific, and the traditional form of lending—banks—didn't have the appetite to bet on a business that didn't have a physical product. "During the early years, we were dependent on Kailash's hardware (repair and maintenance) business to fund the venture," recalls Sanjay. But when the inflow from the hardware business petered out, the venture slipped into trouble.

The wear and tear started taking a toll. The disagreement between the brothers flared. A few blocks away from their nondescript shop in Pune, the siblings found an arena—a spacious, empty playground—to argue, quarrel and play the blame game. "Almost three to four times we decided to quit," recounts Katkar. There were times when there was an explicit agreement between the brothers to fold the business and start life from scratch. What this meant was Katkar would resume his hardware venture and Sanjay would find a job, and fund the repair and maintenance business.

Interestingly, nobody honoured the commitment. After every fight, the brothers would get consumed by their overwhelming love for each other and decide to give their fledgling venture one more chance. "*Thoda do mahiney aur rukte hai kya* (can we wait for another two months)" was how every disagreement ended. Every extension of two months meant 60 more days of operational expense. That's when Katkar's wife chipped in and started a bakery shop to help the family tide over the crisis. The gambit paid off. From ₹3,000 turnover per day during the initial days, the shop started churning out ₹30,000 to ₹35,000 per day in a few weeks. The Katkars dug their heels in, and Quick Heal got a new lease of life.

As one problem got buried,

> **My biggest learning is that there is no point in creating an amazing product that lies on the shelf."**
>
> **SNEHA KATKAR,**
> PRINCIPAL PRODUCT MANAGER, QUICK HEAL

2007
Rebrands 'CAT Computer Services to **Quick Heal Technologies**
Focuses on threat protection **for smartphones and tablets**

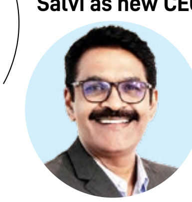
2011
Expands global footprints **across Japan, the US, Africa and UAE**

2014-16
Forays into enterprise segment with **SEQRITE**
Gets listed on **BSE and NSE**

SEQRITE
BSE NSE

2017
(Second gen)
Kailash Katkar's daughter **Sneha joins the business**

2023
Appoints **Vishal Salvi as new CEO**



more sprang up. The first revolved around hiring. Crippled by finances, the Katkars couldn't hire the best talent in town. Quick Heal became the choice for software engineers who couldn't find a job at campus placements. The handicap, however, turned out to be a blessing in disguise. Sanjay got employees who were not snooty, didn't feel entitled, and were open to being trained. But there was a small problem. After getting skilled, the employees would leave after a year or so, and the Katkars couldn't match their fat salaries. Attrition was a burning issue, and the brothers did their best to douse the fire.

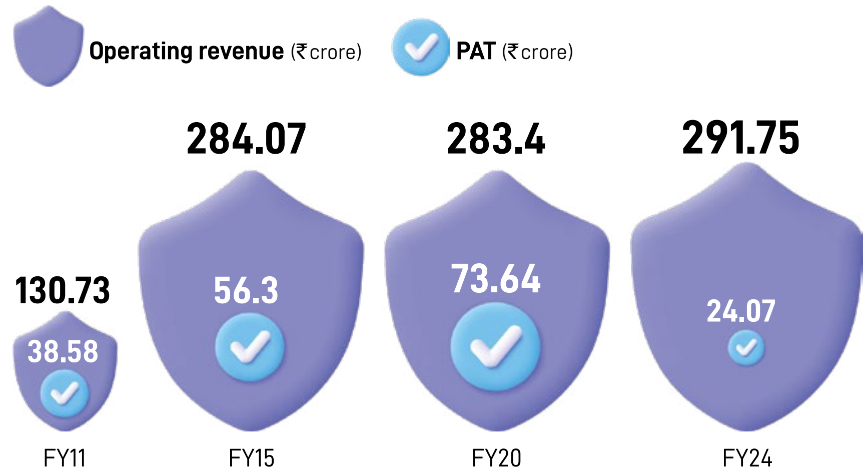
There was fire-fighting to be done on another front. Once in the market, Quick Heal had to take on the big boys of antivirus. The problem was taxing on multiple counts. First, it was a lop-sided fight. MNCs had pedigree, a longer operating history, a larger customer base, and extensive international operations. They also had a bigger sales team, expansive marketing budgets, and a larger research and product development team. Second, the advertising blitzkrieg by the bigger players gave them massive eyeballs and relegated Quick Heal beyond consumer consideration.

Third, the desi challenger brand had to contend with a bunch of equally spirited regional homegrown vendors who played price warriors. Fourth, Quick Heal started with a niche—home buyers and users of computers. As competition intensified, the rivals started offering free software or bundled it free with other products. Quick Heal had not diversified its user base and missed out on small and medium businesses, enterprise customers, educational institutions, government agencies and departments. A depleted armoury hurt.

The brothers decided to take the fight head-on. "The biggest question was 'us' versus 'them', and we tried to prove our differentiation," recalls Sanjay, who spearheaded the qualitative fight. The first big edge emerged out of the consumer insight that antivirus updates added to the woes of users who already grappled with patchy internet connectivity. The users had to restart the download every time the connectivity was restored. Quick Heal came up with a solution. "We 'resume' and don't 'restart'," proclaimed the first-generation entrepreneur, alluding to the tech superiority of his product that bypassed the vexing problem of starting from scratch. The brothers loaded their product with more features that were suited to Indian needs. "We offered support and services in regional languages," says Katkar.

The next turning point came in 2010. The business was established, cash flow issues were a thing of the past, and Quick Heal had emerged as the biggest consumer antivirus player in India. VC firm Sequoia Capital evinced an interest to invest in the venture. The siblings,

REPORT CARD



Q1FY25

₹70.3 crore
Net revenue increased **by 36.6% YoY**

₹4 crore
PAT increased **by 131.6% YoY**

₹43.9 crore
Consumer revenue jumped **by 60.2% YoY**

₹32.5 crore
Enterprise revenue increased **by 22.6% YoY**

DID YOU KNOW

Quick Heal has India's largest malware analysis lab: Seqrite Labs

UCWL: EXPAND REACH TO MEET INDIA'S GROWING INFRASTRUCTURE NEEDS

Udaipur Cement Works Limited (UCWL), founded in 1993, has evolved into a leading cement manufacturer, driven by innovation and sustainability, and is recognized for its high-quality "Platinum" cement brands.

The family's entry into the cement industry was driven by a vision of India's infrastructural growth, which transformed the company into a sustainable, technology-driven leader, doubling clinker production to meet rising demands.

As a family-owned business, UCWL is built on strong familial values. Prioritizing employee well-being, fostering supportive work environment through comprehensive wellness programs and open communication. The commitment extends beyond employees to the community, reflecting the belief in a shared family bond. These core principles drive the mission to build a sustainable and thriving organization.

Succession planning is a critical process for ensuring the long-term continuity and success of a family business like UCWL. It involves identifying and developing future leaders from within the family to eventually take over management and ownership of the company. Currently the board is headed by Smt Vinita Singhania as Chairperson. Shrivats Singhania as Director and CEO is part of the board at UCWL , a subsidiary of JK Lakshmi Cement and merger of the two has already been in process as decided by board in a meeting held on 31st July 2024.

Mr. Shrivats Singhania
Director & Chief Executive Officer

At UCWL a comprehensive process has been initiated that focuses on nurturing the next generation of leaders. This involves a meticulous evaluation of their capabilities, coupled with rigorous on-the-job training and exposure to diverse facets of the business. By fostering a culture of open dialogue, where the current leadership and potential successors can share their perspectives and aspirations, a smooth transition will be facilitated within a robust financial and legal framework.

Shrivats Singhania has had a diverse and dynamic professional background, with over a decade at the JK Group, where he has held key roles across marketing, manufacturing, and innovation. As Director & CEO since January 2023, he has led significant growth, with an 18% sales increase in FY 2023 and record-breaking Clinker Production. His commitment to sustainability is evident, with renewable energy use rising to 48% of total power consumption, reinforcing the UCWL leadership in green energy.

UCWL is committed to being a cornerstone of India's infrastructure, by combining superior quality cement solutions with unwavering sustainability. The aim is to:

- **Accelerate Growth:** Expand reach to meet India's growing infrastructure needs.
- **Drive Innovation:** Leverage technology to enhance operations, product quality, and environmental performance.
- **Customer Focus:** Deliver exceptional value through innovative products and services.
- **Empower Talent:** Invest in the people to foster a high-performance culture.
- **Build a Sustainable Future:** Prioritize environmental stewardship, social impact, and good governance.

Today the cement industry is undergoing rapid transformation. Driven by digital technologies, with a growing emphasis on sustainability, we are witnessing a shift towards more efficient, eco-friendly operations.

"Today the cement industry is undergoing rapid transformation. Driven by digital technologies, with a growing emphasis on sustainability, we are witnessing a shift towards more efficient, eco-friendly operations."

UCWL, is leading this change through advanced analytics, optimizing production, reduction in carbon footprint, and delivering superior products. Its' multi-pronged strategy is to maintain its cement market leadership through sustainability, innovation, and diversification. The new state-of-the-art cement mill at Dabok has increased production capacity, with a doubled clinker capacity to 3 million tonnes annually. Key initiatives include a 15 MW solar power plant, waste heat recovery system, and superior PSD technology, reducing CO_2 by 34,000 tons annually and improving cement quality. The Company has expanded into premium products and strengthening the extensive distribution network across India.

Shrivats Singhania is carrying forward UCWL's rich history of delivering quality and trust. By, integrating modern technologies, sustainable practices, customer satisfaction and a culture of innovation UCWL continues to deliver exceptional value.

however, were least interested. They didn't need the dollars. Interestingly, the brothers never left the table and realised the need to have venture capital to expand, add more heft to their play, and take on their rivals aggressively. In August 2010, the VC firm invested, and as expected, the pace gathered steam. The family-run company was gradually making a transition to a family-led company. The task was tough. Katkar explains. "It took Sequoia over a week to make me realise the need to have a CFO (chief financial officer)," he smiles. "I thought finance and accounts were the same."

Another moment of truth came when the need for a CEO was felt. The brothers were nudged by the market, analysts and industry observers to rope in an outsider. A consulting company was hired to make a blueprint, and Vishal Salvi was appointed CEO in July 2023. A former Infosys biggie, Salvi had close to three decades of experience in information technology and cybersecurity. Over a year later, Katkar explains why the move came at the right time. "We wanted to shatter this perception of Quick Heal being a promoter-driven company," he confesses. What also sped the professionalisation drive was a humbling reality accepted by the brothers. "We had done this journey from 0 to 1. And I can [or can't?] do this 'start from scratch' again and again," he says, adding that the journey has to go beyond 1.

Outsiders, along with a new set of insiders, play a crucial role in the '1 to 10' journey. Katkar's daughter Sneha has been learning the ropes over the last few years. She started with the B2B side of the business, and now takes care of the consumer product portfolio. The next-gen, underlines Katkar, has the firepower, passion and vision to drive the company ahead. "She [Sneha] is more analytical in approach, and along with the professionals, is best equipped for a '1 to 10' journey," he says.

Sneha contends that she has inherited the best of genes from her family. "I have closely seen their journey, their highs and lows," she says, adding that Quick Heal has been diversifying to mitigate the headwinds in the consumer software market, and has invested disproportionately in the enterprise business over the last few years. "The results have started to show," she says.

Marketing analysts are impressed with the timely makeover of the company. "That (focus on enterprises) was the need of the hour," reckons Rajan Gahlot, assistant professor (department of commerce) at the University of Delhi. "The brand and the family needed to upgrade their play," he says, adding that beyond a point, family businesses have to graduate and take the next big leap in their journey. "From family-run it has to be family-led," he says. Gahlot, though, adds a word of caution. "It's tough for families to give up control. The Katkars must walk the talk and let the professionals manage the show," he adds.

Katkar underlines that there's no U-turn. "We trust the process, the business and the family," he says. F

IN NUMBERS

₹291.75 crore
Operating revenue in FY24

9 million
Customers served

35,000+
Dealer footprint across the country

76+
Global footprint across 76 countries

63%
Revenue came from the consumer segment in FY24; 37 percent from enterprise, which was 20% in FY21

72%
Promoter stake in the company till June 2024

"To begin with, the family ran the company, and later, the company became the family. For us, it's always company first."

ANUPAMA KATKAR,
CHIEF OF OPERATIONAL EXCELLENCE, QUICK HEAL

aries agro limited

ARIES AGRO: BUILDING A STELLAR TEAM OF DYNAMIC NEXT-GEN LEADERS

Professionally managing a high growth, family owned but publicly listed Indian multinational needs unique skill sets and passionate, committed leadership

130 proudly Made-in-India brands and 12 upcoming innovations in plant nutrition and Agri-Tech solutions showcased in India's commercial capital to 2,500 farmers and distributors from 26 states of India. This was how Aries Agro Limited celebrated its Emerald Jubilee – displaying a legacy of consistent growth by an Indian born agribusiness company, now serving over 11 million farmers in India and around the world.

"Our specialty crop nutrition products have set the benchmarks for sustainably improving farm productivity. Agromin, Chelamin, Plantomycin are our three flagship brands which have become ubiquitous in their respective product categories. With 150,000 MT of manufacturing capacity in India and 60,000 MT in the Middle East, we are Indian manufacturers of specialty and customized fertilizers who have made 'delivering world class' a habit." said Dr Rahul Mirchandani, Chairman & Managing Director, Aries Agro Limited.

Born in 1969, the Founders Dr T B Mirchandani and Mrs. Bala Mirchandani, embarked Aries Agro on the journey of producing sustainable, cost effective, customized, inert, agronomically safe Chelated micronutrients. The company was 100% family owned until it privately placed some of its equity with staff and dealers. Thereafter, the company did a blockbuster IPO in December 2007 and expanded its manufacturing base in India and the UAE. Product lines were expanded to include secondary nutrients and water soluble NPK fertilizers. Over 90,000 retailers are serviced by a team of 1,200 highly respected and well trained professionals. "We may have started our journey as a family owned business, but today we are publicly listed, have received accolades for good governance and are professionally managed by a team which

Dr. Rahul Mirchandani | Mr. Omkar Patil | Mr. Jayapradeep Subramanian | Mr. Kishor Sardesai

rewards merit at all levels. Our award winning incentive program rewards the teams with shares of revenue and profits, as co-owners and co-creators of Aries' business." added Dr. Mirchandani.

Beaming with immense pride at the fact that Aries Agro had attracted and retained the best talent, Dr.Mirchandani introduced us to three of his youngest and most dynamic team leads.

"I am a proud second generation in Aries. Following my father who has worked to build Aries for over four decades, I now have the privilege of leading one of the largest markets of Aries in Andhra Pradesh, Telangana, Orissa and Karnataka states. Moving from a career in IT to taking up the challenges of agribusiness was a steep learning curve. But now I realize that the tremendous respect that I have earned marketing Aries brands is an experience unlike any other." Said Mr Jayapradeep Subramanian, Deputy Director General – Marketing (South India). It is noteworthy that like Jayapradeep, there are several dozen staff whose second and third generations are working at Aries.

"I joined Aries fresh after my MBA, with dreams of working in a sector that truly made impact. Over the years, my hard work put me on a fast track and I now lead the All India business development efforts of Aries. Travelling to almost every conceivable part of India and learning from an outstanding team of Aries leaders has been exceptional. Above all, the freedom extended by the management helped me take pivotal decisions, conceptualize and execute unique marketing tactics by managing over 130 brands", said Mr Omkar Patil, Sr General Manager – Marketing. Omkar also executes Aries' MICE engagements and most recently led the team that managed Aries' Emerald Jubilee event – awarded as one of the most impactful MICE events in the country, leading to a record breaking order book for the company.

Mr Kishor Sardesai, Sr General Manager – International Business, said "I was given a blank sheet of paper. Aries had an ambition to take India's best brands global. Tasked with this tremendous responsibility, knowing fully well that the quality of Aries brands can compete with the best in the world, I started building overseas markets one step at a time. I was always reminded to have patience and persistence. Now I am proud that I have almost tripled our International business and we have a customer base spanning 13 countries from Brazil to New Zealand. There is nothing stopping me now in achieving my goal of taking Aries products to every continent and to all large agri economies."

While speaking to these stellar next-gen leaders of Aries, the common thread was their passion and pride for the company they call their own. Theirs was a commitment of shared ownership, of clear vision and values, while using their empowerment as Aries leaders to be the future face of the Aries family.

Straight Cut

Rajinder Gupta's inspiring global story that started in Ludhiana has three distinct strands: Gruelling hard work, a no-nonsense approach to building Trident, and an implicit trust in destiny. The next-gen too is cut from the same cloth

By RAJIV SINGH

Can dissatisfaction trigger growth? Can a sense of uneasiness nudge a person to explore options? Can being too self-critical lead to bigger goals? Can over-ambition fuel progress? Is success possible without planning? A physical meeting with Rajinder Gupta can take you on a metaphysical trip. "My story can be summed up only in one way," says the founder and chairman emeritus of the Trident Group, the second-largest exporter of home textile products from India, the world's largest producer of terry towels, the world's biggest wheat-straw-based paper manufacturer, and which counts Target, Walmart, Ikea, and Amazon among its overseas customers.

If a flurry of such global wins doesn't entice you to know more about the company from Punjab that was born as a fertiliser firm—Abhishek Industries—in the late 80s, here's another meaty nugget to grab your attention: 9x. The revenue of the diversified textiles, chemicals, and paper conglomerate has

"I have a simple philosophy: Take a hit, take a chance, and see where it takes you."

ABHISHEK GUPTA, CHIEF (STRATEGIC MARKETING), TRIDENT GROUP

(Left to right) Second-gen **Abhishek Gupta,** chief-strategic marketing, Trident Group, and **Neha Gupta Bector,** chairperson, myTrident, with their father **Rajinder Gupta,** chairman emeritus, Trident Group

MADHU KAPPARATH

> "When we started, we had no idea how the journey would unfold... nothing was planned."

RAJINDER GUPTA, FOUNDER AND CHAIRMAN EMERITUS, TRIDENT GROUP

TRIDENT GROUP IN NUMBERS

₹6,790.3 crore
Revenue in FY24

₹5,584.6 crore
Revenue from yarn and textile

₹9,94.3 crore
Ebitda in FY24

12
International home textile brands such as Macaron, Earth Lover, Trident NEC, Soft Comfort, ECRU Collective, Ever Eco, Jiva, Hotelier and Panache

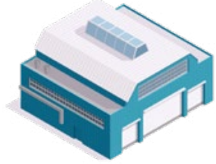
61%
Revenue comes from exports; has an overseas footprint across 11 countries

83%
Revenue comes from textiles (bed and bath linen) and yarn; In FY24, 57% was from bed and bath lines, 26% was from yarn

17%
Revenue comes from paper. In FY24, ₹ 1,145.9 crore came from paper and chemicals

15,647
Total employee and worker count

3
Manufacturing plants at Sanghera and Dahaula in Punjab, and Budhni in Madhya Pradesh



SOURCE Annual report 2023-24; data till FY24

> **"My father built the business, Abhishek is now the driving force, and then I come into the picture."**

NEHA GUPTA BECTOR, CHAIRPERSON, MYTRIDENT

pole-vaulted from ₹712.23 crore in FY05 to a staggering ₹6,790.3 crore in FY24, a 9x jump in 19 years. PAT (profit after tax), too, soared 9x from ₹42.6 crore to ₹389.6 crore during the same period.

Despite a list of lofty achievements, the founder doesn't sound pompous. The first-generation entrepreneur and self-made billionaire—ranked 1724 on the Forbes' Billionaires List in 2024—continues to narrate an unpretentious version of his story. "Everything that happened was perchance and by chance," says Gupta, popularly known as RG in the family, business, and trade circles. "Nothing was planned or aligned with any grand vision or mission. I just walked on the road laid out by the Almighty," he adds.

For RG, it has been a long walk on a bumpy road. "We began with a small dealership, then moved on to small-scale manufacturing, and then just kept evolving," he contends, adding that what helped him grow was a deep sense of dissatisfaction. "Maybe I was more ambitious than others or simply unhappy with whatever I was doing," he says. "Even now, I'm not entirely happy with what I'm doing," he says flashing an enigmatic smile.

I try to nudge the monk to talk about the hardships during his journey. From fertiliser to yarn, cotton, full-stack textile, chemicals, paper... was it a seamless

Trident has a yarn manufacturing facility in Dhaula, Punjab

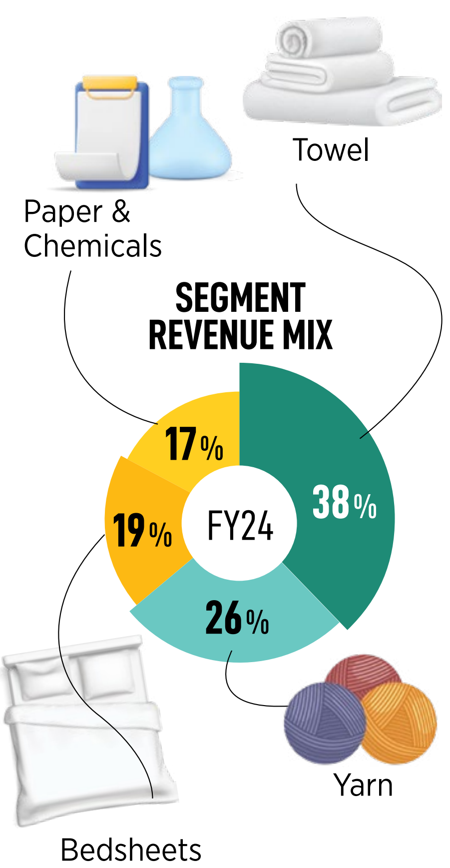
transition and metamorphosis? How challenging was it for the first-time entrepreneur from a humble background who reportedly was forced to drop out of school and work odd jobs to make ends meet? RG doesn't budge an inch. He stays in his detached zone. "Past is no longer relevant. When you're not planning for something, you would be happy with whatever you have," he says, adding that he encountered gusty headwinds, but he persisted. "What truly matters is one's conviction and never-say-die attitude," he says.

Tenacity played a big role in RG's success. Back in the 80s and 90s, for a rookie entrepreneur without a family business background, it was almost impossible to get institutional backing. "I went to one of the prestigious bankers for a loan. He declined," he recalls. The reasons for the rejection were cliched: No income tax returns, no collateral, and no formal employment track record. Other bankers too shied away. "But there was one who decided to take a bet on me," he says.

One turning point paved the way for another. In 1991, Punjab was under the governor's rule, the state was aggressively planning to promote industries, and RG was roped in for a joint venture to set up a spindle mill at Barnala. The entrepreneur acknowledges the role and support of the state government in trusting the vision of the rookie founder. "Back in the old days, when we had a public issue, the state government trusted me and invested 26 percent equity, and the banks contributed another 25 percent," he recounts, adding that it was one of the most successful public issues.

Destiny too played a part in shaping the rags-to-riches story of the son of the soil. "Imagine, I was an unknown entrepreneur, the banks underwrote the public issue, gave a bridge loan, and we repaid it," he says, reiterating the divine role in shaping his entrepreneurial innings. "Looking back, it's hard to imagine a state funding an entrepreneur who wasn't bringing in any money from personal sources," he says, adding that in 2011, Abhishek Industries was renamed Trident.

Kareena Kapoor is the brand ambassador of myTrident



Luck, interestingly, was fortified with heavy doses of pluck. In the formative years, Trident was fighting the Goliaths: Tata, Birla, DCM, and a bunch of strong regional players in textile who had the first-mover advantage, a dominant retail presence, and deep financial clout. "I don't want to sound haughty, but we managed to stay ahead of them," says RG. He puts things in perspective: When Trident entered the spinning industry, it was largely dominated by a few well-established families from northern India. "No one from an unknown background ever ventured into this space," he recounts. "We took on the challenge. We shattered the myth that only certain families could succeed in spinning," he says.

As the journey gathered steam, Trident forayed into chemicals and papers. RG reckons the diversification happened by chance. "Our entry into the paper industry was serendipitous," he says. The company had a sulfuric acid plant that produced a lot of steam. Somebody suggested the idea of setting up a small paper plant. "We didn't settle for small. We aimed bigger. And it paid off," says RG, adding that the Trident Group is the world's largest wheat-straw-based paper manufacturer. "Each decision, whether spinning, paper, or chemicals, was about going beyond our limits," he adds.

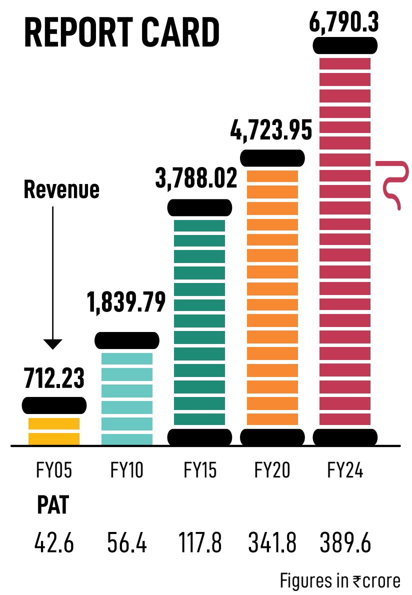
The next-gen—his son and daughter—is cut from the same cloth and has inherited the tenacity and stubbornness. “Joining the business was always the normal and natural thing to do,” says Abhishek Gupta. “I just went with the flow,” he says. Unfortunately, the flow was choppy for a heavily export-oriented company. In October 2008, a month after the Lehman crisis, Gupta joined Trident. “This was my first big crisis,” he recalls. The commodities nosedived, prices tanked, and the apprentice had to make sense of the chaos around the world and business. “That’s something we had to live with,” he says. To make matters worse, there was huge volatility in the forex market. “It was a painful lesson. But you learn fast, move on, and don’t repeat the mistakes,” says the chief of strategic marketing at the Trident Group.

Another quick learning was that the entrepreneur was all by himself. The second-gen entrepreneur had an inornate induction, shadowed his father for a while, then got mentored by a bunch of senior executives, and was finally thrown into the deep end. “Figure it out and find your way. You need to experience wins and losses,” was the advice from his father who gave ample freedom to the newcomer to explore options, make mistakes, and learn. Ask him what is most impressive about the patriarch, and the son finds it hard to think of one aspect. But what definitely is worth emulating is RG’s big-picture approach. “His ability to think big, to look at a lot of things at the same time, and to think more long-term is unmatchable,” he avers. “He is far ahead in these areas,” says the son, adding that similarities are harder to spot than the differences. “He’s a big-picture guy. I might be better at micro-detailing and those kinds of things,” he says. The modest son doesn’t want to take credit for growing exports at a furious pace: From ₹2,631,2 crore in FY20 to ₹4,092.3 crore in FY24. “It’s always a team. It’s not me,” he says.

The second in the second-gen too prefers to keep a low profile. “My father built everything, my brother is now the driving force, and I am third in the pecking order,” says Neha Gupta Bector, who is married into the Bector family, which has a sizeable presence in exports, a handsome share in the QSR business in India, and a growing footprint in biscuits, cookies, and bread under the brands Cremica and English Oven. Mrs Bectors Food is the contract manufacturer of biscuits such as Oreo and Chocobakes for Mondelez, and exports biscuits to over 69 countries. “I was part of the group ever since I was 17 or 18, and got married when I was 24,” says the second-gen who takes care of the B2C side of the business for Trident. After working with her husband in the bakery division of Mrs Bectors for a few years, Neha realised that her heart would still yearn for yarn.

What also helped her gravitate back to textiles was the pandemic. Post-Covid, the home furnishing market witnessed a massive

REPORT CARD



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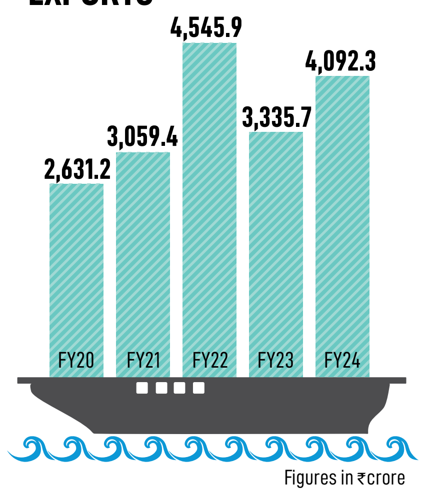


NAME & GAME

Rajinder Gupta started his entrepreneurial innings with a fertiliser company—Abhishek Industries—in 1990; **it was renamed Trident in 2011**

Trident—the flagship company of the Trident group—has four business segments: **Yarn, home textiles (bath and bed linen), paper, and chemicals**

Is the second-largest home textiles and yarn manufacturer in India

Is the second-largest exporter of home textile products from India

Earned 50-60% of its home textile revenue from its top five customers over the last three years ended FY23

Counts Target Global, Walmart, IKEA, and Amazon among its overseas customers

SOURCE Filings, annual report, CARE ratings

THE JOURNEY

1990-2000
(A commodity player)

Started as a yarn manufacturer in 1990 with 17k spindles

Forayed into terry towels in 1998-99

2000-2010
(Transition & diversification)

Became the **world's largest manufacturer of terry towels in 2003**

Entered into paper, chemical, and energy segments

Enhanced capacity expansion in yarn and terry towels

2000-2010
(Value addition & consolidation)

Became the largest manufacturer of **wheat straw-based paper** in India in 2012

Launched a state-of-the-art manufacturing facility at Budhni, Madhya Pradesh, in 2013

Horizontal diversification into segments such as bed linen

Strengthened presence in ecommerce and domestic market

Rolled out myTrident, a home furnishing brand, in 2014

The textile manufacturing facility in Budhni in Madhya Pradesh

upswing. Seven years ago, towels were rolled out in the domestic market by default. "Whenever there was a cut in the export order, the towels used to get sold in the domestic market," Gupta recalls. The response was encouraging. Soon, more items were added to the domestic cart: Bed sheets, bed covers, and pillows. The numbers, though, were still insignificant. Then came Covid, the demand exploded, and the tailwinds persisted. "Our online platforms are growing massively at about 40 percent," claims Neha, chairperson of myTrident, a home furnishing brand started in 2014. In towels, Trident is the biggest brand on Myntra, and, in bedsheets, is among the top three on Amazon.

However, it's quick commerce that has hit it out of the park. "In July, we sold about 15,000 sheets on Blinkit," says Neha, who came back to myTrident in 2021. Over the last few years, the share of the B2C division to the overall revenue of Trident has inched to a high single-digit. "It's still early days for us," she adds. Stints at Trident and Mrs Bectors have helped her incorporate the best of both organisations. She explains: Mrs Bectors is unrivalled in softer skills like relationship building, is great at making diversification moves, has massive sales operations, and is a master at execution.

"It's a more bottomline-oriented organisation," she adds. Trident, in contrast, has a performance-driven culture and is more about 'risk-taking'. "It's a more topline-oriented organisation," she says.

"Topline is in my blood, and the bottomline is something that I am learning," she says with a smile.

Apart from the topline obsession, there is another thing she has inherited: A philosophical bent of mind. Ask her about success and failure, and one can see shades of RG in the second-gen. "If I feel good about myself and have respect for myself, then I am successful," she says.

Now the challenge for the group is to diversify at a faster clip. A recent ratings report by CARE underlines the warning signs. "Trident is present in a cyclical, competitive, and fragmented industry," notes the report released in April. Any adverse changes in the global economic outlook and demand-supply scenario in the domestic market directly impact the demand of players such as Trident. The group is also exposed to foreign exchange fluctuation risk and volatility in the prices of raw materials.

RG, for his part, prefers to look at the big picture. "Challenges will always be there. One needs to convert setbacks into opportunities," he says. "One must try to succeed despite the odds," adds the seasoned entrepreneur. F

DID YOU KNOW?

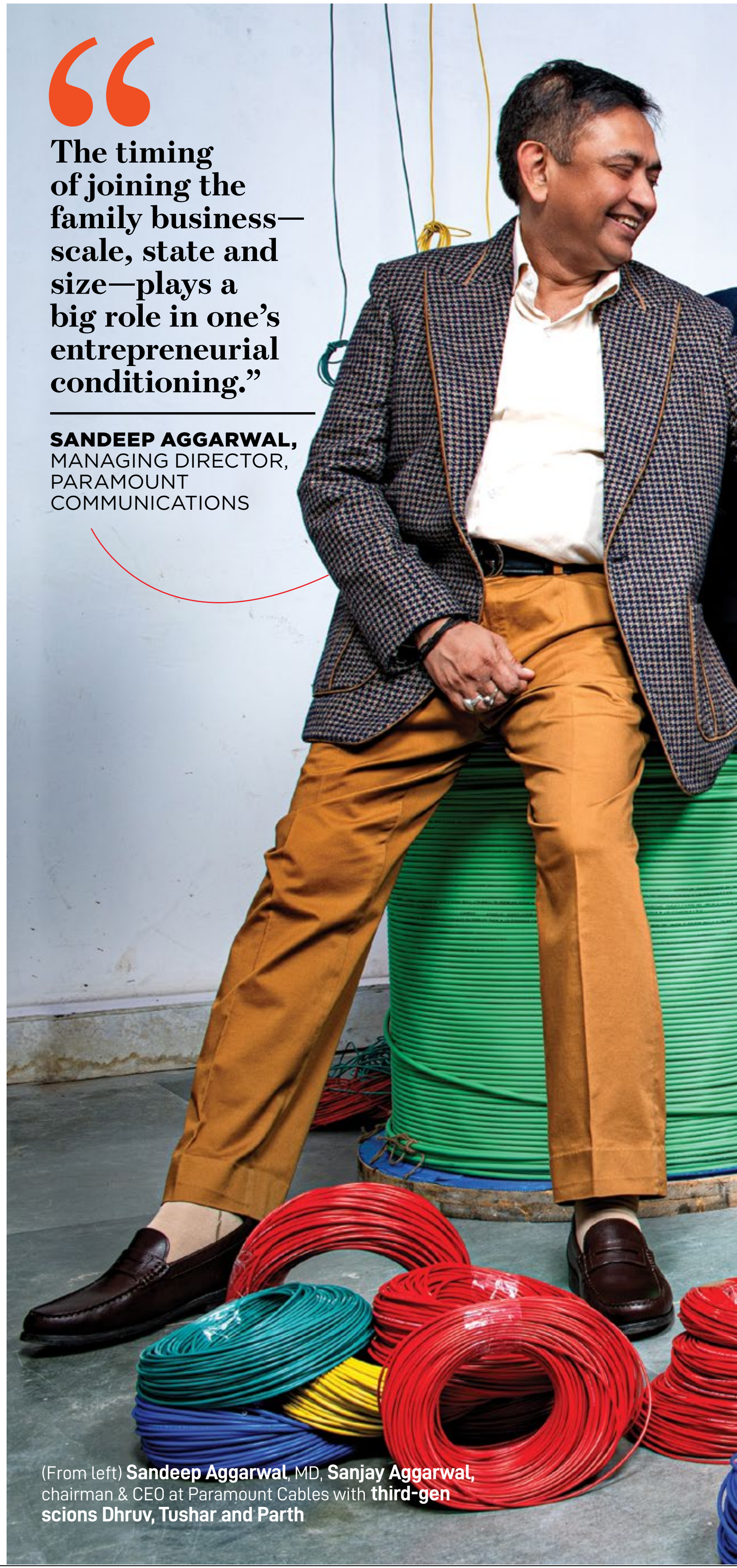
Trident Group is the world's largest wheat-straw-based paper manufacturer

Is the world's largest producer of terry towels

The Cable Guys

Once tripped by its high-voltage global ambitions and unforeseen hostile macro headwinds, Paramount Cables has found its mojo in the American market. The listed cable major is now rewiring its strategy

By RAJIV SINGH



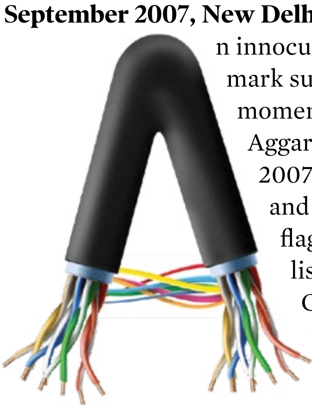
“The timing of joining the family business—scale, state and size—plays a big role in one’s entrepreneurial conditioning.”

SANDEEP AGGARWAL, MANAGING DIRECTOR, PARAMOUNT COMMUNICATIONS

(From left) **Sandeep Aggarwal**, MD, **Sanjay Aggarwal,** chairman & CEO at Paramount Cables with **third-gen scions Dhruv, Tushar and Parth**

AMIT VERMA

September 2007, New Delhi



An innocuous exclamation mark summed up the historic moment: No way! Sanjay Aggarwal takes us back to 2007. It was September 3 and Paramount Cables—the flagship cable brand of the listed entity Paramount Communications—was set to make an electrifying move, and announcement. “The date is indelibly etched in my memory,” recalls the second-generation entrepreneur, who joined the family business of cables and wires after graduating from Shri Ram College of Commerce in 1983. “Did I think of doing anything except joining the family business? No way! The entire family is wired to be a part of the business,” underlines Aggarwal, who had a gingerly beginning in the venture that

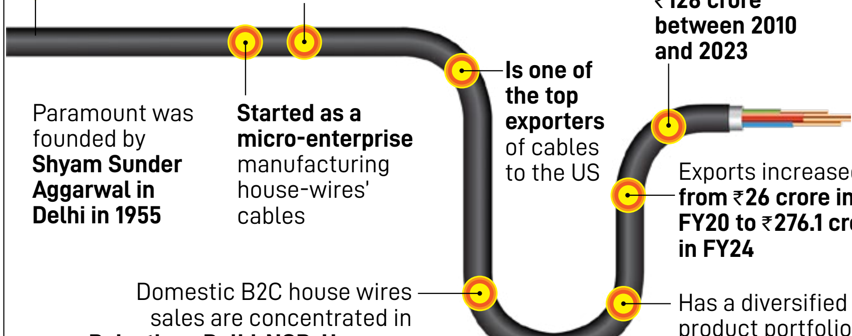
> “Wires and cables run in our blood. We are all wired together.”

SANJAY AGGARWAL, CHAIRMAN AND CEO, PARAMOUNT COMMUNICATIONS

> “The third-gen has a higher risk-taking appetite because we are coming from a position of comfort.”

DHRUV AGGARWAL, PRESIDENT (STRATEGY), PARAMOUNT COMMUNICATIONS

NAME & GAME



was still unpretentious.

Meanwhile, in 1955, a first-generation entrepreneur was busy building the family's motherboard from scratch. Aggarwal's grandfather, Shyam Sunder Aggarwal, started Paramount as a consumer brand for house wires, plodded on for years to take the fledgling venture to a modest scale, and finally embraced a B2B way of building the brand by the 70s. Reason? The patriarch was singed by a sea of copycats and fake brands that flooded the market, played price warriors, and threatened to elbow Paramount out of the consumer market. Consequently, Paramount gravitated to institutional businesses to insulate the brand. Though a B2C venture donned a B2B avatar, the business meandered, and Paramount had to contend with a tiny scale.

Many moons later, in 1983, nothing much changed. When the young Aggarwal took his entrepreneurial plunge, Paramount had a puny revenue of ₹1 crore. Business, however, metamorphosed over the next two decades. Paramount galloped at a furious pace and closed FY07 at an operating revenue of ₹313.33 crore and a PAT (profit after tax) of ₹37.59 crore. The young blood in the family—Aggarwal's brother Sandeep had joined the business since 1986—had made Paramount a formidable name in telecom, power and railway cable. The brothers now dared to dream of a global play.

Back in Delhi, on September 3, 2007, the siblings unfolded their audacious gambit. Paramount bought AEI Cables—the world's oldest cable manufacturing company in the UK—reportedly for ₹260 crore. The news triggered a unanimous reaction from friends, foes and industry observers: No way! A major supplier of cables to defence, rail, power and mining sectors, AEI Cables had a turnover of around ₹533 crore. The company with a net asset size of around $53 million was being sold at a 50 percent discount. "No way," cried baffled analysts in the UK. Back home, in India, there was wide consternation. And rightly so. In one go, the AEI acquisition had pole-vaulted Paramount

THE JOURNEY

1955
Started a brand for house wires and cables

1976
Launched PVC telecom cables for the Department of Telecom

1983
Second-gen enters the business; Sanjay Aggarwal, son of Shyam Sunder Aggarwal, joins the venture; turnover was ₹1 crore

1985
Became the first cable manufacturer to develop Axle Counter cables for telecom and railways

1986
Sanjay's brother Sandeep joins the business

2007
Bought AEI Cables, the world's oldest cable manufacturing company in the UK

2008
First brand to roll out lead-free wires in India

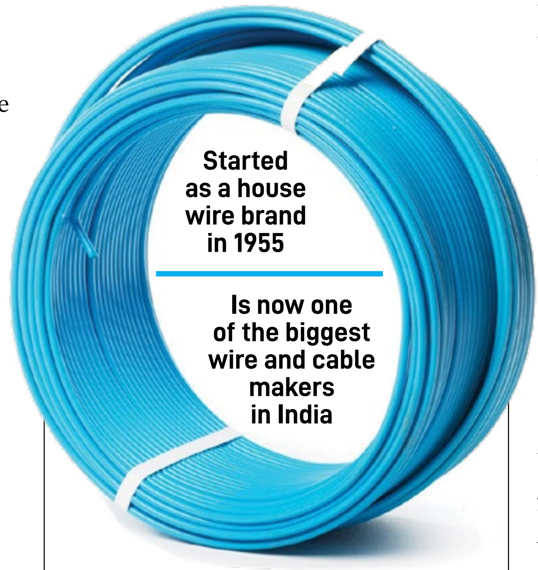
INFOGRAPHICS: MUKESH SINGH

Communications as the largest listed Indian company in the cable industry with an annual turnover of over ₹1,100 crore. “No way,” screamed sceptics, who admired the chutzpah of the Aggarwal brothers, but stayed cynical in their verdict.

The siblings, for their part, were elated with their bold play. And they had reasons to feel jubilant. First, the desi hustlers were getting access to the product development and technical knowhow of AEI Cables in the defence sector, which was tipped to be a sunrise industry in India and globally. Second, the buyout was set to beef up Paramount’s product portfolio for infrastructure segments such as railways, mining, power and defence.

AEI indeed came as an electrifying opportunity. It was set to widen and deepen Paramount’s play in markets such as the Middle East, Far East and Africa where the company already had a presence. “AEI was a great bet, there were tremendous synergies, and we were confident that it would open floodgates for us on the export front,” confesses Aggarwal. Sandeep, too, sounded buoyant. “We thought we would get to sell cables at first-world prices,” he recalls, adding that back in the 90s and noughties (2000-2009),

THEN & NOW



Indian products were not warmly embraced by foreign countries. “AEI was set to change the game and perception for us,” he adds.

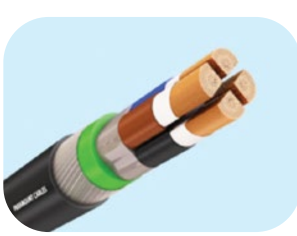
AEI was indeed a meaty bet. But did the enormity of the purchase make the brothers anxious? AEI had a headcount of over 320, a 25-acre factory, and in terms of revenue, it was almost the same size—if not a tad bigger—than Paramount. Were the new buyers not overwhelmed by the amplitude of the acquisition? The upsides, it seems, were too enormous to even think of the flip side. “We didn’t have any nerves,” confesses Aggarwal, who adds another big positive of pocketing the Durham-based iconic company that was founded in 1837: A qualitative edge over rivals.

AEI upgraded the new owner’s image in the domestic market. Paramount rolled out lead-free wires in India, the first in the country to do so. The brothers tom-tommed the heritage of the new brand in their maiden television campaign. “British technology *wale Paramount Cables ke saath lead nahin,* health-free *milta hai*, (backed by British technology, Paramount Cables gives you free health and not free lead),” the tagline read. The cables became the talk of the town.

Six months after the buyout, Paramount’s turnover jumped from ₹313.33 crore to ₹437.81 crore in March 2008. Though power and railway cables constituted 72 percent of the gross turnover, the company made rapid inroads in the B2C market. The brothers painted a bigger outlook for the next fiscal on the back of rising exports: From ₹8.26 crore in FY07 to ₹43.17 crore in FY08. “The company can now target a wide export market through AEI Cables,” the company outlined in its 2007-08 annual report. The address ended on an optimistic and triumphant note. “The year 2007-08 was historic for Indian businessmen as there were record takeovers of

2010
Approached banks for restructuring of debt under the Corporate Debt Restructuring programme

Third gen—Dhruv and Tushar Aggarwal—join the business



2012
Started manufacturing fire-survival cables

2015
Another member of the third-gen, Parth Aggarwal, joins the business

2016
Rolled out solar cables

2019
Undertook submarine cable repairing project

2023
Exports accounted for 50 percent of revenues

2024
Crossed the ₹1,000-crore revenue mark; last debt installment of ₹190 crore is due this November

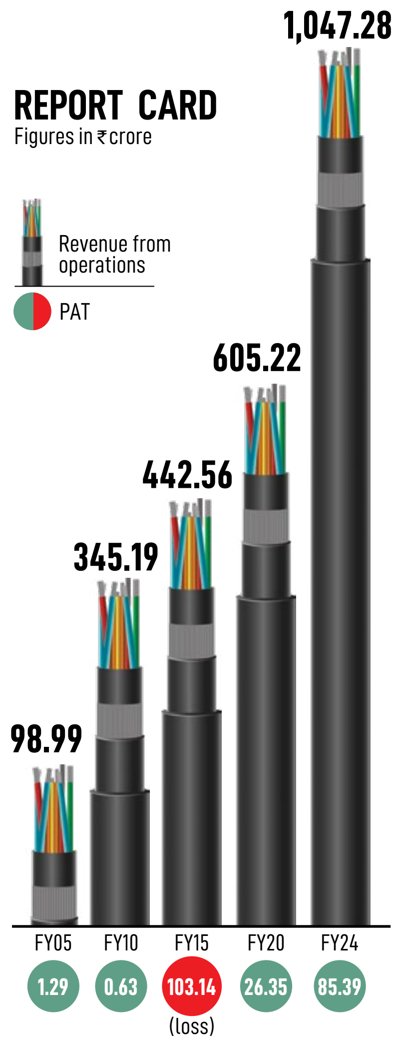
iconic international companies by Indian corporates across the globe," underlined the note to shareholders.

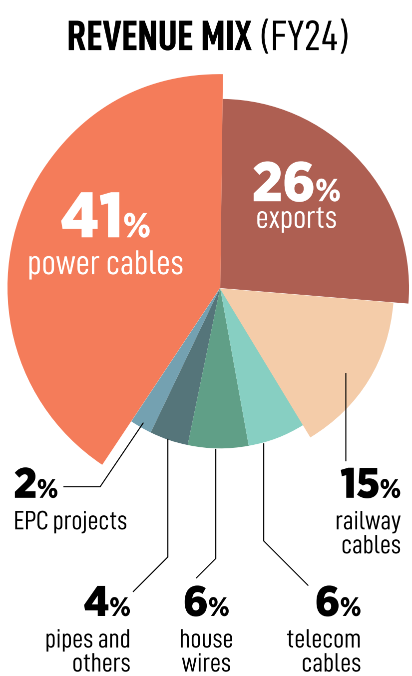
2007 and 2008 were indeed years of big, bold buyouts. Take, for instance, Kumar Mangalam Birla-controlled Hindalco, which bought Atlanta-based Novelis for $6 billion in 2007. Interestingly, Novelis was almost four times bigger than its new Indian owner. The same year, Essar bought Canada's Algoma Steel. A year ago, Tatas bought Corus in October 2006. One-and-a-half years later, the Indian salt-to-steel conglomerate bought Jaguar Land Rover in March 2008. So, Indians were shopping overseas, and Paramount too joined the party by acquiring AEI in September 2007.

A year later, in September 2008, the party crashed. The world was rocked by the collapse of Lehman Brothers, companies across the globe scrambled for cover, and Paramount found itself strangled with cables. "It was a double whammy for us," recounts Sanjay. The company was spread across two geographies—India and the UK—and both regions grappled with a unique set of problems triggered by the global financial crisis of 2008.

Let's start with the UK. Aggarwal explains what 'disappeared' and what 'remained'. The demand for the biggest cable brand suddenly vanished, AEI was besieged with massive stock inventory, and dues from traders and retailers ballooned. "We were buried under a huge outstanding," he recounts. Back in India, the business came under severe stress on another front. Globally, the commodities market, and prices, crashed. Copper dipped from $9,800 a tonne to $2,800, aluminium eroded more than 50 percent, and buyers faded away.

Meanwhile, back in the UK, the dynamics of the market changed. The house-wire business was hit by a huge influx of sub-standard





imports. Metals crashed, plastics melted, payments got stuck, and Paramount was staring at an existential crisis. "No way! This just can't be true," was how the brothers reacted to the chaos around them. The financials of the company went south. While the revenue increased a tad to ₹457.94 crore in FY09, the company slipped into a loss: ₹29.36 crore. There was no respite in the next fiscal. The operating revenue slipped to ₹345.19 crore in FY10.

There was a problem on another front as well. Debt repayment—the company had reportedly raised a debt of ₹100 crore to buy AEI—became challenging. Soon, the group was sucked into a whirlwind of a financial crisis. Over a year later, towards the end of 2010, the company opted for CDR (corporate debt restructuring) with a bank. The next few years were traumatic. "We became untouchable for banks," recalls Aggarwal.

The financial turmoil coincided with the induction of the third generation into the family business. In 2010, Dhruv and his cousin Tushar joined the venture. The next-gen couldn't leave the seniors, family and the business in turmoil. "It was trial by fire for us," recalls Dhruv, who did his engineering in the US. The world was crashing, Paramount was staring at an uncertain future, and the family business didn't have anything to offer to the next-gen in terms of cushion, comfort or money. Along with Tushar, who graduated in international business from the UK, Dhruv started to explore all possible options to salvage the business and the family pride.

Over the next four years, things stabilised a bit. By March 2014, Paramount's global dream ended in a nightmare. "We exited AEI at zero value," rues Aggarwal. What, however, hurt the most was the damage perpetrated

RAMBHAJO'S: A CENTURY OF TRUST, TRADITION, AND TIMELESS JEWELRY CRAFTSMANSHIP

In an ever-evolving world where trends often eclipse tradition, Rambhajo's has steadfastly upheld the principles of quality, craftsmanship, and trust for over a century. This Jaipur-based bridal jewelry specialist is not just a name but a legacy—a beacon of enduring values and exquisite artistry that spans generations.

A Vision Rooted in Relationships

The journey of Rambhajo's began in 1921, founded by the visionary Kishan Das Gilara, who harbored a clear mission: to provide premium Kundan, Meena, Polki, and Jadau ornaments to a discerning clientele in Jaipur. His foresight extended beyond mere business transactions; he recognized that the essence of success lay in cultivating lasting relationships over chasing short-term gains. This ethos drove him to prioritize quality, ensuring that every piece of jewelry crafted by Rambhajo's was an embodiment of excellence. This unwavering commitment to superior craftsmanship garnered the trust of clients, a trust that has been passed down through generations and continues to be the cornerstone of Rambhajo's today.

Celebrating 100 Years of Legacy

As Rambhajo's marks its 100th anniversary, it celebrates not just its longevity but also a legacy that has been as rich and colorful as the jewelry it creates. From its humble beginnings in Jaipur, Rambhajo's has grown into one of the largest wholesalers of Kundan, Meena, Polki, and Jadau ornaments, earning a reputation that extends far beyond India's borders. The business, now managed by the fourth generation—brothers Abhishek, Prateek, Nitin, and Vipul Gilara—remains deeply committed to the values and traditions established by their forefathers.

As Rambhajo's marks its 100th anniversary, it celebrates not just its longevity but also a legacy that has been as rich and colorful as the jewelry it creates. From its humble beginnings in Jaipur, Rambhajo's has grown into one of the largest wholesalers of Kundan, Meena, Polki, and Jadau ornaments, earning a reputation that extends far beyond India's borders.

A Commitment to Tradition and Excellence

In an industry where trends often dictate the market, Rambhajo's remains dedicated to preserving and honoring India's ancient jewelry-making traditions. The company specializes in traditional forms of jewelry, particularly Kundan, Meena, Polki, and Jadau, which are deeply intertwined with India's cultural heritage. These timeless styles resonate with brides who seek to embody the elegance and regality of bygone eras on their wedding day.

"Our focus is on keeping our traditions alive," say the directors. "Rather than drawing inspiration from contemporary designs, we delve into our rich history to recreate jewelry that echoes the past. Brides want to feel like princesses and queens, and we are dedicated to providing them with the royal-looking ornaments they desire. The process of recreating these traditional pieces is meticulous and requires extensive research, but it is a labor of love that aligns with our belief in the enduring value of our cultural heritage."

Looking Ahead: A Legacy Continued

As Rambhajo's looks toward the future, it does so with the same principles that have guided it for 100 years. The company's dedication to quality, its emphasis on building lasting relationships, and its commitment to tradition remain the driving forces behind its success. Even as the world changes, Rambhajo's continues to stand as a testament to the enduring power of legacy and the irreplaceable value of staying true to one's roots.

For a century, Rambhajo's has been more than just a jewelry brand; it has been a guardian of tradition, a creator of value, and a symbol of trust. As the company continues to grow and evolve, it does so with the same commitment to excellence that has defined its journey thus far—a journey that promises to continue creating value for decades to come.

by a series of crises after 2008. Look at the numbers. In FY09, Paramount had an operating revenue of ₹457.94 crore. Five years later, in FY14, the company had a revenue of ₹408.92 crore.

The pain continued. In terms of finances, Paramount hit a new low in FY16: Revenue crashed to ₹306.2 crore, and loss jumped to ₹122.82 crore. The business needed cash to grow, the group was still servicing its debts, and there were no ways to raise money. Something had to be done to end the vicious circle. The family started selling its silver. From farmhouses to offices to insurance policies to greenfield projects and provident funds, everything was sold to generate cash. "That was the only way to survive after 2011," recalls Aggarwal, who credits the tenacity and bonding of the family members in tiding through the crisis. "Things could have gone horribly wrong, but we stayed together. We had each other's backs," he says, adding that the promoters kept infusing money.

Fast forward to August 2024. The company crossed ₹1,000 crore in revenue in FY24, continued with its sharp focus on exports to the US—which accounted for 50 percent of revenue in FY23—and posted stellar numbers for the first quarter of FY25. The board has approved raising funds through equity shares or other securities by issuing a qualified institutional placement for ₹400 crore.

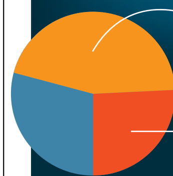
The market has started taking note of the rebound in performance. "Paramount Communications will continue to report steady revenue growth, driven by constant capacity addition and continued de-bottlenecking and modernisation capex at existing plants, as well as healthy demand prospects," underlines credit rating ICRA in its recent note in April. The DSCR (debt service coverage ratio) is expected to moderate in FY24 and FY25 due to sizeable debt repayments. "The company has sufficient liquidity post equity infusion to comfortably meet debt obligations in FY25," ICRA points out. "DSCR is expected to be comfortable from FY26 onwards," it maintains.

Interestingly, the turnaround in fortune was triggered by changing global dynamics. Parth, the third from the third-gen of Aggarwals, joined the business in 2015, and started rewiring the export strategy with help from family members. The young blood reinforced the need to take risks and tap the US market. Frequent trips to the States helped in assessing the risk-opportunity dynamics. America was looking to find a replacement for China, and Paramount saw an opportunity in its quality products. "We are a B2C player in the US, and the consumers vouch for our quality," says Aggarwal, who is impressed with the next-gen's role. "They have passion, hunger and determination," he says.

Tushar, the youngest from the third-gen, tells us what has kept the family and business together. "Trust, transparency, love and confidence in each other... these are the secret sauces," the 31-year-old signs off.

PARAMOUNT IN NUMBERS

₹1,047.28 cr
Operating revenue in FY24



41%
Revenue comes from power cables

26%
Revenue from exports

2 Manufacturing plants—in Rajasthan and Haryana

49.31%
Shareholding of the promoter and promoter group in the company

DID YOU KNOW

In 2007, Paramount bought AEI Cables, the world's oldest cable manufacturing company in the UK

In FY23, Paramount got 50 percent of its revenues from the US

A manufacturing unit of Paramount

FROM AN IDEA TO A MULTI-MILLION-DOLLAR INDUSTRY: HOW KUNAL MOKTAN AND HASHIM KHAN CHANGED INDIA'S REAL ESTATE INVESTMENT LANDSCAPE

Kunal Moktan
Co-Founder, Property Share

Hashim Khan
Co-Founder, Property Share

At the corner of one of the busier parts of Koramangala, Bengaluru, an office that hardly had enough space for two desks was the incubation of what would soon come to change the conventional real estate investment landscape in India. The year was 2015, the humble starting point for Property Share, India's first and largest technology-driven commercial real estate investment platform.

The Spark of an Idea

Kunal Moktan and Hashim Khan, both IIM Ahmedabad graduates from the class of 2007, had made names for themselves in their respective fields before their paths converged again. Kunal at Blackstone, the world's largest alternative investment manager, where he worked on multi-million-dollar real estate investments and Hashim at Alshaya, a major conglomerate in the Middle East, where he was head of technology.

The two met over a weekend in Bangalore back in 2015 and reflected on the lack of access to investment in prime real estate for the individual investor. *"As one of the founding members of Blackstone Real Estate Fund in India, I had helped invest and manage c.$1 billion into Indian commercial real estate, primarily for pension funds and endowments,"* Kunal recalled, *"and I realized there was no equivalent investment opportunity for the average Indian investor who wanted to invest in rent yielding commercial real estate."*

It was this realization that sparked the idea for Property Share - a technology platform that would allow individual, slightly sophisticated investors to directly own high-quality rent-yielding commercial real estate in micro-markets of their choosing but at a fraction of the asset value. With their combined tech and investment experience, the duo set out to transform this idea into reality by building India's first fractional ownership platform for real estate.

The Early Days: Challenges and Triumphs

The initial days were not without challenges. The 1-bedroom office space in Koramangala was modest, and the team was small - Kunal, Hashim, and an intern. They faced the monumental task of developing a user-friendly platform from scratch while also trying to attract potential investors with limited resources and a tight budget.

"We started by listing small residential properties. The minimum investment was set at ₹5 lakh, which was still a significant amount for most people," Kunal recalls their strategy was to present a detailed, transparent investment case for each property, similar to the ones Kunal had made to Blackstone's Investment Committee over the years.

However, convincing investors was far from easy. *"We struggled to build a* *user base. Our marketing budget was very limited and it was tough to get people to believe in us when our office looked like a startup from the 90s,"* Hashim admitted with a chuckle. *"Like all new startups, we started with getting friends and family to invest and built some word of mouth."* At times, they had to invest their own capital to complete the funding of some of their assets. Their first breakthrough came when an article in The Economic Times highlighted their unique business model, which helped them cross the 1,000 registered user mark on the platform.

Building Momentum

As the platform began to gain traction, Property Share started scaling up quickly. Over the next 12 months, it added 2,000+ registered users and had funded almost Rs. 20 cr. worth of properties through the platform. This was around the time they received interest from Singapore based venture investor BEENEXT who liked what the two were building.

"We were never really keen on outside capital and would much rather have built it grounds up albeit slower. We want to build a business that lasts centuries and not decades.", Kunal reflected. It is perhaps the reason why Property Share has never actively spent time on fund raising, preferring instead to keep their head down and focus on building the business.

They eventually decided to raise a small $700k pre-Series A round from BEENEXT and Pravega Ventures which allowed them to move to a larger office, expand their team, and focus on improving their platform's features.

"Securing that first round of funding was a pivotal moment for us. It validated our vision and gave us the resources to pursue larger deals," Hashim recalled. With the new capital, Property Share began to focus on larger size commercial properties and attract a more diverse group of investors through digital marketing. With this, their user base grew from a few thousands to around 20,000.

In 2019, they reached another milestone with a Series A funding round led by Lightspeed Venture Partners, a prominent U.S. based venture capital firm. This $4 million investment enabled them to move to a bigger office and grow their team size which was still small at 20-25 people. Despite the fundraise Hashim and Kunal still owned more than 75% of the company. With capital and scale came larger deal sizes – the platform's first $10 million property funded in just 17 days in January 2020, followed by a $15 million property that was funded in 15 days in August, of that year in the midst of the COVID-19 pandemic.

managing investors' capital necessitated the highest levels of prudence. Thus, in spite of clear regulations not being in place, Property Share decided to regulate itself using SEBI's existing Investment Advisory (IA) and Portfolio Management Services (PMS) licenses to facilitate the investment process. Something that is still unique to Property Share in this entire industry.

While this choice of self-regulation came with a host of compliance requirements like KYC checks, PMLA checks and marketing restrictions, it

> We met Kunal and Hashim early on - PS was only focussed on small residential units at that stage - we loved their long term vision of building a liquid market for fractional real estate shares though. Allowing retail investors to build wealth and cash flows through shares in fully occupied real estate assets across India and the world. We proceeded to lead their seed round and support in several follow-on rounds.", recalls Dirk Van Quaquebeke, who is a Partner at BEENEXT.

Forging Ahead with a Revolutionary Platform

While growth was exhilarating, it was not without its hurdles. As the platform grew, so did the number of competitors. New entrants began to take inspiration from Property Share's established model, thereby expediting the creation of a new industry for fractional ownership of CRE.

"We were pioneers in this space, and that meant we were the first to face the challenges of building a new asset class from scratch," Kunal explained. *"We had to continuously innovate and stay ahead of the curve which also meant our model was widely mirrored by other platforms who had little or no experience in technology or real estate investing."*

Another significant challenge was navigating the regulatory landscape as the concept was new. However, Kunal and Hashim were extremely clear from the very start that

proved to be the right choice as investors appreciated the benefits of the same.

"We took a conservative approach to regulation, ensuring that we followed all guidelines meticulously," Hashim said. "Our goal was to not just grow our business but to also ensure the firm was on a solid legal footing."

Through the Covid period, they continued funding properties through their tech platform, reaching about ₹800 crores of assets under management when West Bridge Capital, a much larger investor, also came in and invested ₹347 crores in Property Share in June 2022 through a Series B funding route. This was by far the largest round of funding raised by any company in the space underscoring Property Share's dominance and leadership in the segment.

"The Westridge funding was critical as the industry was heading towards regulation and we wanted to ensure we were well capitalised to meet the regulator's strict capital requirements. It also gave us enough dry powder to fuel our next wave of growth", says Kunal.

Sky is the Limit

The last property that they funded was an astonishing Rs 370 crores in value – an office building on ORR, Bangalore leased to a US-based Indian technology company, a big leap from the Rs. 60 lakh residential properties that the platform used to struggle with in the tiny office in Koramangala. In 2022, the platform expanded into the UK market, offering investors access to Class A warehousing assets at high cash-on-cash yields. The platform now owns 3 warehousing assets, of which they recently exited one to global PE fund ICG at a 25.4% IRR. In July, the platform received approval from the Financial Conduct Authority to launch the platform to UK investors.

Today, Property Share manages assets worth approximately ₹1,500 crores with investments spanning 15+ properties. It has become the largest FOP platform in the country in terms of properties funded, active investor base, as well as external capital raised. The platform serves 300,000 users in more than 20 countries across five continents. Cutting edge technology built by Hashim and team, most of it in-house, has meant that the team strength remains remarkably small at less than 70 people, one of the lowest in a Series B funded start-up.

"Looking back, it's incredible to see how far we've come," Kunal said. "From a small office in Koramangala to a global platform with a significant market presence, it's been a remarkable journey. We are very excited to see the next phase of our growth where we aim to touch US$ 1 billion in AUM."

"We've built something that didn't exist before, and we've navigated the challenges to create a successful and sustainable business. The sky is the limit for what's next." says Hashim.

Regulations and the road ahead

As the industry grew, it attracted the attention of the securities market regulator, SEBI who notified the Small and Medium REIT regulations in March 2024 effectively bringing all fractional ownership platforms under a single regulated structure. All FOP platforms have been given 6 months to apply for the SM REIT license. Platforms will now need to adhere to strict capital and marketing requirements including a minimum net worth of Rs. 20 crores, a 5-15% investment into every property, a 6 member board with 3 independent directors, a mandatory listing of units of each asset on the stock exchange, appointment of merchant bankers and a host of compliances and reporting standards that come with all listed and regulated products.

> We were struck by PropShare's highly differentiated product that put commercial real estate assets, detailed diligence data and liquidity options within reach of retail investors. Kunal and Hashim brought RE investing and technology expertise, which was quite unique at the time", said San Francisco based Vaibhav Agrawal who led the investment at Lightspeed.

"We were very happy to see the new SM REIT regulations – it gave us clarity on the way forward while at the same time ensuring the industry was on a level playing field in terms of reporting, compliance and marketing. With the SM REIT regulations, SEBI ensured that platforms adhered to strict guidelines on reporting, incentives and related party transactions while opening the door to a much larger audience", says Kunal.

On Aug 5th, 2024 Property Share became the first fractional ownership platform to receive the new SM REIT license from SEBI under the name of Property Share Investment Trust (PSIT), paving the way for the next wave of growth for the platform.

"With the recent notification on SM REITs, the fractional model of owning commercial real estate will now be fully regulated by SEBI. SM REITs have been created as a subclass within the REIT framework, providing access to individual investors to rent yielding real estate like office buildings, retail malls, hotels, hospitals etc. that are valued between Rs. 50 and 500 crores. Similar to REITs, SM REIT units will also be traded on the stock exchange. The minimum ticket size has been reduced to Rs. 10 lac which will make it accessible to an even larger audience.

"This is a very proud and significant milestone for Property Share that set the foundations for this regulation more than 9 years ago from that tiny office in Koramangala", Hashim reflected.

Kunal and Hashim's journey with Property Share is a testament to how vision, perseverance, integrity and innovation can cultivate a new industry and asset class. From their initial struggles to their recent triumphs, their story is one of transforming an abstract idea into a revolutionary platform that has truly democratized real estate investment in India. In the quiet heart of Bengaluru city, where it all began, the seeds of change sown by two determined visionaries continue to grow, shaping the future of real estate investment for generations to come.

Nuts & Bolts

In 1890, Naga Srinivas Kacham's ancestors started bulk trading in commodities, spices, nuts and dry fruits. Now the sixth-gen entrepreneur from Hyderabad has upgraded the family business by rolling out a consumer-brand play under Padmaja

By RAJIV SINGH

VIKAS CHANDRA PURETI FOR FORBES INDIA

Takkaiah and Company, Delicious, Swastik, Srilola, Haradin, Nufasal & McKinsey... an intriguing element binds all of them together. To decode the mysterious ingredient, let's go back to 1890 when Kacham Nagamouli Gupta founded Takkaiah and Company in Hyderabad. The first-generation entrepreneur started bulk trading in commodities, spices and dry fruits. Over the next few decades, the family ballooned, subsequent generations joined the venture, and Takkaiah and Company added to its clout. The story remained the same post-Independence.

Decades later, the sixth generation spiced up the business of nuts. The trading family diversified from its B2B roots, and rolled out two B2C brands—Delicious and Swastik—across the modern trade in Hyderabad in 2005. The

> “The success mantra that I inherited from my father is ‘think big to become big’.”
>
> **NAGA SRINIVAS KACHAM,**
> MANAGING DIRECTOR,
> PADMAJA HERBS & FOODS

(Top row from left) **Padmaja Kacham**, director at Padmaja Herbs and Foods, **Naga Srinivas Kacham**, managing director at Takkaiah & Padmaja Herbs and Foods, **Ganesh Kacham**, executive director at Takkaiah; (Bottom row from left) **Shadbinda Kacham** (son of Naga Srinivas Kacham), and **Ramesh Gupta Kacham**, director at Takkaiah

THE JOURNEY

First generation
Kacham Nagamouli Gupta founded **Takkaiah and Company** in **1890** Takkaiah and Company started by bulk trading in commodities, spices and dry fruits

Second generation
Bhoomaiah Gupta joined in 1905

Third generation
Lingaiah Gupta joined in 1918

Fourth generation
Gouraiah Gupta joined in 1930

Fifth generation
Ramesh Gupta joined in 1957

Sixth generation
Naga Srinivas Kacham and **Ganesh Kacham** joined in 1989
Naga Srinivas started **Padmaja Herbs** and **Foods** in 2019

traditional business of commodities was getting a makeover. Seeds, millets, exotic nuts, dry fruits and dehydrated dried fruits were added to the portfolio to cater to a niche urban population that preferred supermarkets and malls for daily needs. However, the impact was limited as both brands were available only at supermarkets.

Then came the audacious gambit in 2019. Naga Srinivas Kacham, the sixth-gen from the family, launched Swastik, Srilola and Haradin. Kacham was playing a differentiated game in quality, quantity and reach. Sample this. Though all three brands sell nuts, dry fruits, spices, seeds and herbs, Kacham innovated the business strategy. Srilola was targeted at general stores, meant for the masses, packet size varied from 5 gm to 1 kg, and was pocket-friendly: ₹5 for five grams and ₹750 for a kilo. Haradin, on the other hand, had a premium positioning, wooed a discerning audience with deep pockets, was marketed via social media, and the cost ranged between ₹325 and ₹5,000.

Kacham explains why Haradin is a meaty bet for the founder. The brand, he underlines, has a differentiated offering. Take, for instance, turmeric. Haradin offers Lakadong turmeric, a special variety from Jaintia Hills of Meghalaya. If regular turmeric contains 1 percent of curcumin, the Lakadong version has over 7.5 percent. "For this brand, we are targeting high-networth individuals through Facebook and other social media platforms," he says. Nufasal, meanwhile, was meant for a different audience: HORECA (hotels, restaurants and cafes).

Kacham's gameplan was simple. First, the family business had been growing at a snail's pace. It survived for generations, but the plane was stranded on the runway for decades. It was time for takeoff. Second, the only way to expand reach and gain mass was to enter the B2C market. Delicious and Swastik showed the way. Now the family had to target mass, class and institutional buyers. And the only way to achieve that was to roll out a new set of brands, frame a new marketing and advertising strategy, and amplify the brands beyond the City of Charminar.

Now, McKinsey enters and completes the story. Remember Takkaiah and Company, Delicious, Swastik, Srilola, Haradin, Nufasal, and McKinsey? Here is the missing part. In a study released in August, the global consulting company outlined five differentiators of outperforming family-owned businesses (FOB): Core operational distinctiveness, the effectiveness of the transition to the next generations, the level of diversification of the portfolio, talent, capabilities and culture, and robustness of the governance arrangements. To be billed as an outperforming business, a family has to tick all the boxes. Kacham's family might not fall into this bucket, but it possesses the first

NAME & GAME

For **Padmaja**, **dry fruits** contribute **60 percent** of the revenue; **spices account** for the rest

Within **dry fruits**, **80 percent** of sales comes from **cashew nuts**, **almonds**, **pistachios**, **raisins** and **figs**

Within **spices**, **80 percent** of sales comes from **cumin**, **mustard**, **coriander**, **caraway**, **sesame**, **cardamom**, **clove** and **cinnamon**

In **FY14**, **Takkaiah and Company** had a **revenue** of **₹5 crore**

In **FY24**, **revenues** have **jumped** close to **4x** to **₹19.16 crore**

INFOGRAPHICS: PRADEEP BELHE

three qualities and a bright chance to be tagged as an outperforming family business in the future.

Outperforming family businesses not only last for generations, but they also adapt, diversify and grow. Srilola, Haradin and Nufasal are what Kacham needed to grow the business at a fast clip. From ₹5.64 lakh in FY20, the revenue has jumped to ₹14.43 crore in FY24. "We have set a processing capacity of 150 metric tonnes every day, which translates to 54,000 metric tonnes per annum," says the sixth-gen founder, who started Padmaja Herbs and Foods in 2019, and rolled out the three new brands.

Despite a generational transition, the foundations of the business remained intact. "Dedication, passion and resilience are needed to grow any business," says Kacham, adding that the subsequent generation does its bit on two fronts. First, it adds to the core and diversifies. Second, it fans out. Padmaja Herbs and Foods has an offline retail presence across Telangana and Andhra Pradesh. Third, it adds technology and processes to keep the business updated.

For Kacham, making a transition to B2C was not easy. The biggest challenge was generating capital for Padmaja. The family had never taken loans. The business always generated cash and it was ploughed back into the venture. So, debt was an alien concept. For setting up a processing plant with world-class infrastructure, Kacham needed big money. While the family stonewalled a request to raise money under the parent company, it allowed the sixth-gen to start another company, roll out new brands, and raise a bank loan. Kacham registered the company in December 2013, and it became operational in 2019.

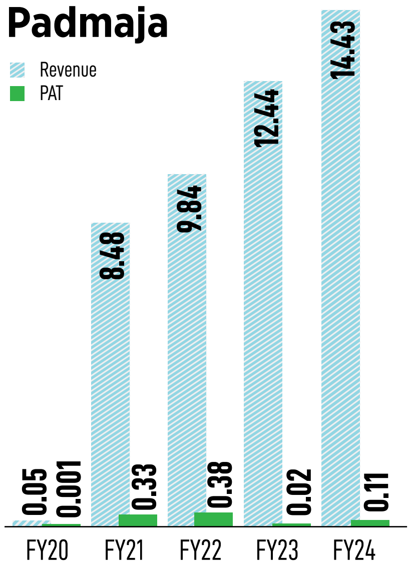
Back in the late 80s and early 90s, Kacham had another problem to contend with. The bulk trading business had inherent limitations: The transactions were in kilos, which curtailed the reach and hampered growth. Kacham spotted an opportunity, started smaller packs of 10 grams, and reached out to kiranas. "I started selling asafoetida in small packs in 1989," he recalls, adding that once he booked an order for 110 kilos from the Secunderabad market. The family was shocked because it was not a bulk order. Kacham had to deliver 110 kilos in small packs of 10 gram. A brand was created—Swastik—and hing (asafoetida) became the talk of the town.

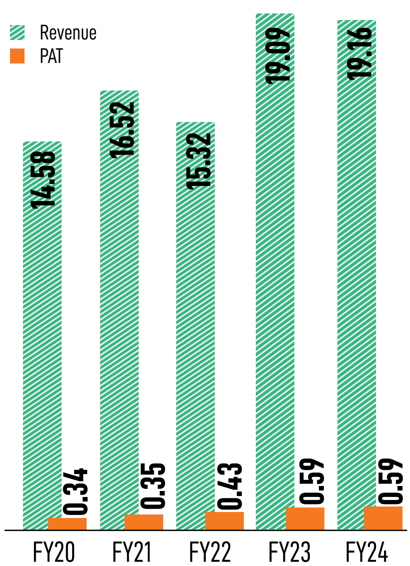
Cut to August. Kacham is ready to press on the gas pedal. A well-oiled retail footprint is in place, state-of-the-art manufacturing operational, and the sixth gen is hungry for growth. "Now is the time to dream big and achieve big," he says.

The challenges for the sixth gen, however, remain. The biggest is marketing, branding and taking on a clutch of new players. Over the last few years, the commodity business of nuts, dry fruits, millets and seeds has been getting a branding makeover. The pace has gathered steam, low-entry barriers have made it easy for smaller and regional players to enter into the fray, and the hefty margin of the business has enticed big and organised retail players. "The sixth gen has the first-mover advantage and a family legacy. But they need to step up the game," reckons Ashita Aggarwal, professor of marketing at SP Jain Institute of Management and Research. "The family has stability and resilience. It needs to add pace."

Kacham, meanwhile, is aiming big. "I know this might sound over-ambitious, but I am aiming for a ₹1,000-crore turnover over the next few years," he contends. The target might be realistic for a family that has survived six generations. All that Kacham needs is to replace survival instinct with growth instinct. F

REPORT CARD





Did you know?

The factory in Hyderabad has a capacity of processing 150 metric tonnes per day

Wedges & Fries

The Karamchandanis started with trading in potatoes and now own a company that is the largest exporter of frozen potato products and French fries from India. They supply fries to the likes of Burger King and KFC

By **RAJIV SINGH**

Ahmedabad, 2010

Haresh Karamchandani wore a smug smile. The third-generation entrepreneur, who joined the family business in 1999, was convinced that he had discovered the best way to slice a humble potato. “Higher the risk, higher the reward,” he told himself as he geared to take the boldest bet of his life and derive the most out of the ubiquitous vegetable. Towards the start of November, which marks the beginning of the potato season, the eldest in the third gen mustered the courage to discuss his ambitious plans with his family, which has been trading in potatoes since 1962. Back then, Asandas Karamchandani started trading in potatoes and onions from Mehsana, Gujarat. Over six decades later, in November 2020, his grandson was talking French. “Let’s make French fries,” he said flashing a broad grin.

The proposal was not risky. It was hazardous.

The young Karamchandani wanted his family to diversify from trading in potatoes to processing frozen potato products. Aware that the topic would be a hot potato, he did his homework, explained that the risk-reward math was heavily loaded in favour of the new venture, and dished out wedges of reasons to buttress his case. First, the potato trading business was always hedged with limitations. And the biggest one was its curtailed scale. For decades, the family failed to expand the trading business to a meaningful proportion and sizeable impact. Now, HyFun—

The Karamchandanis of HyFun Foods: (from left) **Haresh**, MD & group CEO; **Jayraj**, director, **Dhiraj**, promoter; **Kishanchand**, director, **Kamlesh**, executive director

MEXY XAVIER

> "My journey has been shaped by the combined legacy of hard work from my grandfather, passion from my father and teamwork from my uncle."

HARESH KARAMCHANDANI,
CEO & MD, HYFUN FOODS

THE JOURNEY

1962
(First gen)

Asandas Karamchandani started by trading in potatoes and onions

Rolled out Asandas and Sons in Mehsana, North Gujarat

1976
(Second gen)

Karamchandani's elder son **Jayraj Asandas** joined the trading business when he was 18

1985

Karamchandani's younger son **Kishanchand Asandas** joined the family venture

1999-2008
(Third gen)

Haresh J Karamchandani, the eldest in the third gen, joined the business. His younger brother **Dhiraj** followed suit in 2002. Six years later, his cousin **Kamlesh** joined in 2008

the new entity for the processed frozen potato venture—was an opportunity to scale aggressively.

Second, plain vanilla trading was nothing but a commodity business. Though there was money and volume, it lacked differentiation. There were thousands of such traders across the country. The same profession, the same outcome. Third, Karamchandani wanted to add value. He wanted to upgrade the family business. While the first generation builds and the second generation adds, the subsequent generation needs to multiply. The only way to multiply, he underlined, was to enter the familiar territory of potatoes and produce something distinct that could be sold across the country and outside India. Till 2011, India used to import French fries. "There is a big opportunity to flip the equation," he urged, underlining the natural advantages that the family had in getting into the business of frozen potato products: Location, geography and the know-how in potato cultivation. The bet indeed looked rewarding.

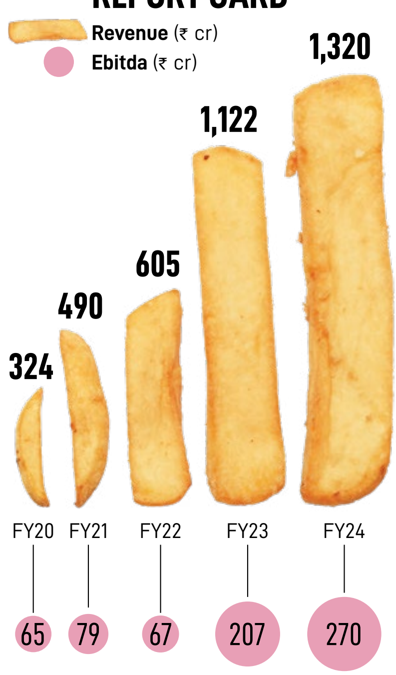
The family, however, was more worried about the risk. For decades, it only knew, and mastered, one thing: Trading in potatoes. Now, the next gen was nudging it towards manufacturing, which was an alien territory. The absence of technical know-how notwithstanding, there were other red flags as well. First, the frozen potato segment had a Goliath in McCain. The Canadian player had built a robust manufacturing, distribution and

THEN & NOW

Started as Asandas and Sons, **a trading business in potatoes and onions, in 1962**

HyFun Foods, started in 2015, is now the **biggest exporter and one of the top producers of frozen potato products**

REPORT CARD



retail footprint in institutional businesses and consumer space. "How can a rookie take on the giant?" was the logical question hurled at the maverick entrepreneur.

Second, the family had spotted a bunch of rotten potatoes. At least five players had tried their luck in the frozen potato space by setting up plants across Punjab, Coimbatore, Agra and Jabalpur. All had failed. Karamchandani offered a logical explanation. "All sprung up at the wrong locations. That's why they couldn't source potatoes of the best quality," he underlined. "We have positives in our favour," he maintained and won the family's backing. "We are taking a calculated risk," he underlined.

A year later, in 2011, the 'calculated risk' exploded. Karamchandani explains what went wrong. Among the major suppliers of frozen potato processing equipment globally, the young entrepreneur zeroed in on a vendor in the Netherlands. He completed a detailed due diligence, made an advance payment of ₹2.25 crore, and started building a factory for the tools, which were scheduled to be delivered within a year. Six months later, the company went bankrupt. Karamchandani was devastated.

What was most damaging, though, was a dent in the confidence expressed by the family for the yet-to-be-born venture. "It was the family money," recalls Karamchandani. "It was a huge setback," he adds. The misfortune opened a can of worms. From being

INFOGRAPHICS: MUKESH SINGH

2010

Haresh Karamchandani sensed an opportunity in potato processing; started forward integration of his traditional agri-trading business

Realised that North Gujarat could emerge as a hub for the cultivation of the variety used in French fries

Laid the foundation of HyFun Foods

2015

HyFun Foods starts manufacturing frozen potato products

Kamlesh joins HyFun Foods as sales director

2024

HyFun Foods exports to over 40 countries

In India, the brand has a strong presence in the HoReCa and QSR sectors

Has recently ventured into the B2C business under HyFun brand

construed as 'bad omen' to being told that it's a 'divine message' to shun the new plan, the embattled entrepreneur found himself on a sticky wicket. Well, it seemed like Karamchandani would end up a few fries short of a 'happy meal'.

The debacle also blighted the morale of the hustler. Karamchandani joined the family business in 1999, and six years later dawned a realisation that he was the odd sack in the family. "My grandfather never wanted me to join the trading business," he recounts. His father too encouraged the young lad to lead an independent life. "Quite early in life, I was sent to a boarding school in Mount Abu in Rajasthan," he says. His college years were also spent away from the family and the business in Ahmedabad. In 2005, Karamchandani started exploring different options. From flirting with the idea of rolling out a multiplex theatre chain in Gandhinagar to trifling with the idea of starting something in tourism to lunging for a Maruti dealership, multiple courses of action were examined. None materialised.

A few years later, the frozen potato business emerged as the best bet in 2010. But a year later, the bankruptcy news came as a massive setback for the entrepreneur. Karamchandani, though, didn't give up. He remained in touch with the Dutch government and the Indian embassy, and finally, there was respite. A new entity took over the bankrupt company, the commitment was honoured, and the equipment landed in Gujarat after a delay of close to two years.

A delayed start punctuated the production plan, which now commenced in 2015. And this triggered the second big problem. "We planned to start manufacturing in July, but it kicked off in the first week of December," recalls Karamchandani, adding that he got his timing wrong. Reason? Potato is harvested in February and March, and is sowed until December, a month when the industry stops production because of the rough quality of the crop. "Imagine, we started production in December and launched the product in the market," he says, adding that the quality took a hit. "It was a blunder," he confesses.

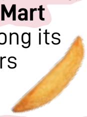
There was quick learning but there was one more stumbling block. Karamchandani started scouting for export opportunities towards the fag end of 2016 and bagged his first order from Thailand. "The first export consignment was a big disaster for us," he recalls. Around 50 percent of the shipped orders were rejected by the supermarket chain. This time, though, the fault lay with the importer. Karamchandani explains. There were a bunch of technical product specifications which were not communicated by the importer. "He (the importer) was a rice trader and didn't have any knowledge about frozen potato products," he points out.

Fast forward to August 2024. HyFun has taken pole position in the production of frozen potato products in India. "We are the biggest exporter of frozen French fries," claims Karamchandani, chief executive officer and managing director of HyFun Foods. The company, he underlines, has grown at a brisk pace. Take, for instance, revenue, which has leapfrogged from ₹324 crore in FY20 to ₹1,320 crore in FY24. Ebitda

HYFUN: NAME & GAME

Other ready-to-cook frozen snacks include **pizzas, hash browns, aloo tikki, burger patties, aloo vada, hara bhara kebabs, spring rolls**

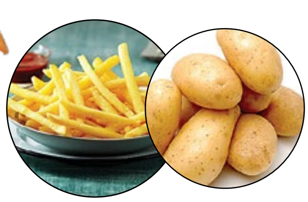
Counts **Burger King, KFC Mother Dairy, ITC, Godrej, and Wal-Mart** India among its customers



Has a retail footprint of over 300 distributors across India to cater to hotels, restaurants and canteens

Around 70 percent of sales are through exports to over 40 countries and regions such as Thailand, Malaysia, Philippines, Indonesia, Japan, Korea, Taiwan, the US, the Middle East and Europe

Has five potato processing plants in the Mehsana district of Gujarat with **an annual capacity of 2.5 lakh tonnes**

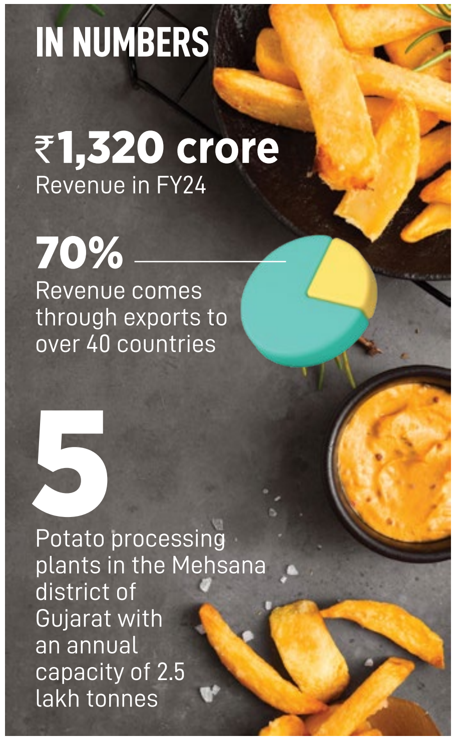


Is setting up three more plants in Mehsana for **potato flakes, French fries and potato specialty products** (earnings before interest, taxes, depreciation, and amortisation) during the same period has jumped from ₹65 crore to ₹270 crore.

Exports, interestingly, have fuelled growth. While around 70 percent of sales are through exports to over 40 countries and regions such as Thailand, Malaysia, Philippines, Indonesia, Japan, Korea, Taiwan, the US, the Middle East and Europe, in India, it counts Burger King, Burger Singh, KFC, Mother Dairy, ITC, Godrej and Walmart India among its long list of customers. The family too has joined the young turk in his audacious journey. In 2015, Karamchandani's younger brother joined HyFun Foods as sales director. "He has been instrumental in driving exports," says Karamchandani.

The transformation of the traditional family business gets a thumbs-up from the patriarch. "I am incredibly proud of my son Haresh for his visionary leadership in building HyFun Foods into a global brand," says Jayraj Karamchandani, director of HyFun Foods. Ask him how he looks at the restless young breed of the next gen driving the family businesses and the seasoned founder maintains that one must keep the context in mind before passing a judgement. "The landscape today is drastically different from when I started," says the second-generation entrepreneur who joined the family business in 1976. "Back then I was just 18," he says, adding that entrepreneurs now benefit from instant access to information and a global network of opportunities, enabling them to dream big and grow fast. "This has given today's generation a broader vision," he adds.

Despite changes in the business environment over the last decades, a few things remain constant for every generation.



The senior Karamchandani explains. "While the tools and resources have advanced, the essence of what it takes to succeed has not changed," he maintains. Hard work, perseverance and dedication are still the foundation for success. "It's this continuity of values that ensures progress across generations," he adds.

Industry observers underline the undiminishing role of family-owned businesses (FOBs). "In India, FOBs contribute more than 75 percent of national GDP, one of the highest percentages in the world," pointed out the latest study by McKinsey in August. The number is likely to rise to 80 to 85 percent by 2047, contends the note titled 'Five differentiators of outperforming family-owned businesses in India'. Between 2017 and 2022, FOBs reported around 2.3 percent higher revenue growth than businesses not owned by families. "Between 2012 and 2022, FOBs' returns to shareholders were twice as high as those of non-FOBs," says the McKinsey study by Avinash Goyal, Chaitali Mukherjee, Rohit Tanwar and Vardhan Patankar. "If FOBs are to continue to power growth—both their own and that of the wider economy—it is imperative for them now to be bold," the study added.

The next gen in family businesses, point out marketing experts and analysts, are taking bold steps by shunning a blinkered approach. "Haresh Karamchandani could have added to the traditional business but he opted to diversify," says Ashita Aggarwal, professor of marketing at SP Jain Institute of Management and Research. While charting a new path is courageous, entering an unknown territory—frozen French fries and potato products—and taking on the big guys like McCain need a lot of character and chutzpah. Though he started with exports—a low-hanging fruit to boost the top line and bottom line—the audacity to roll out the brand in the domestic consumer market shows the entrepreneur's long-term vision.

Karamchandani, for his part, is bullish on transforming HyFun as a full-stack frozen food brand. "We are going beyond potatoes," he says, adding that the Indian consumers need variety. He shares a long list of products in his armoury: Frozen pizzas, gravies, samosas, paratha, momos and spring rolls. But is he not spreading HyFun too wide by taking it into multiple categories within frozen foods? Karamchandani says with a smile: "Higher the risk, higher the reward." F masha art

FROM LEGACY TO LUXURY: HOW MASHA ART IS SHAPING INDIAN ART AS A VALUABLE INVESTMENT OPTION

Art, an eternal custodian of human sentiment and cultural identity, transcends the mere visual to become a profound conduit for storytelling and emotional depth. Masha Art, guided by the astute leadership of Founder and Managing Director Samarth Mathur, stands at the intersection of artistic excellence and a profound tribute to India's intricate heritage. This enterprise deftly intertwines these elements, emerging as a paragon of India's burgeoning art market.

Samarth Mathur's odyssey to the forefront of India's art industry is a narrative of both passion and precision. Under Mathur's aegis, Masha Art has been propelled into an avant-garde institution, positioning Indian art within the echelons of luxury. It curates experiences that integrate art into the essence of opulent living, thereby augmenting its value as both a cultural emblem and an asset.

Masha Art's diverse collection, a resplendent trove of over 2,000 meticulously curated works, features modern and contemporary artworks and sculptures by renowned masters, seasoned artists, and emerging talents from India and beyond. This curated ensemble elegantly traverses the legacies of revered masters like M.F. Husain, S.H. Raza, Manjit Bawa, and Ram Kumar alongside pioneering contemporary talents such as Ramesh Gorjala, Swaraj Das, Sanjay Chakraborty, and the fashion visionary Tarun Tahiliani. Each piece offers a unique narrative for every art enthusiast, capturing the essence of India's artistic evolution. With an unerring eye for both aesthetic majesty and historical significance, Masha Art caters to a wide clientele—from erudite connoisseurs to esteemed investors who view art as an enduring investment in cultural wealth. Bolstered by strategic alliances with influential figures and luxury brands, the organization rises as a paramount force in the art realm.

Since its inception in 2018, Masha Art emerges as a vanguard in luxury art investment, dedicated to making art accessible to all connoisseurs. The brand excels in bespoke client relationships and exclusive experiences. Its unique selling proposition lies in providing tailored services that reflect its brand identity, including a custom buyback program, personalized curations, and both at-home and virtual showcases for its discerning clientele.

Masha Art's influence reverberates through India's most esteemed venues, with its flagship gallery at the Taj Mahal Hotel in New Delhi showcasing exquisite collections. These works also grace the hallowed halls of The Lodhi, the luxurious precincts of The Camellias by DLF in Gurugram, as well as the exclusive corridors of DLF Emporio and The Chanakya in New Delhi. These venues are sanctuaries where art is venerated and where the confluence of cultural and financial prestige is celebrated within a context of grandeur. Extending beyond the capital, Masha Art's presence at the W Hotel in Goa exemplifies its commitment to showcasing Indian art in distinguished environments, with further prestigious ventures anticipated on the horizon.

Standing as a trailblazer in the art domain, Masha Art seamlessly integrates technology with creativity, garnering immense popularity across social media. Through its avant-garde use of projection mapping, Masha Art breathes life into each masterpiece, transforming them into dynamic visual symphonies. This innovative approach honors the unique vision of each artist, revealing their works from new perspectives and uncovering intricate details previously unimagined.

A particularly noteworthy innovation of Masha Art is its pioneering integration of art into high-end environments, as evidenced by its display collaboration with DLF Emporio. Here, the exhibition of luxury artworks by Indian masters such as M.F. Husain and S.H. Raza transcends traditional display methodologies, transforming the venue into a contemplative space where the viewer engages in an intimate dialogue with the artwork. This approach positions art as a central pillar of the investment landscape, marrying cultural reverence with financial acumen.

Ascending under Samarth Mathur's formidable leadership, Masha Art continues to emerge as a beacon of India's artistic zenith, blending cultural elegance with economic potential. It fosters a dynamic community of art enthusiasts and investors, offering them insights into art's financial benefits on the international stage. In a volatile market, art stands as a resilient asset class. Through its holistic approach, Masha immortalizes Indian culture, ensuring that the legacy of India's master artists continues to inspire, resonate, and flourish.

Ascending under Samarth Mathur's formidable leadership, Masha Art continues to emerge as a beacon of India's artistic zenith, blending cultural elegance with economic potential. It fosters a dynamic community of art enthusiasts and investors, offering them insights into art's financial benefits on the international stage.

Green Goals

Rahul Munjal, the third-generation entrepreneur from one of India's top business families, says profit with purpose can be a viable pursuit

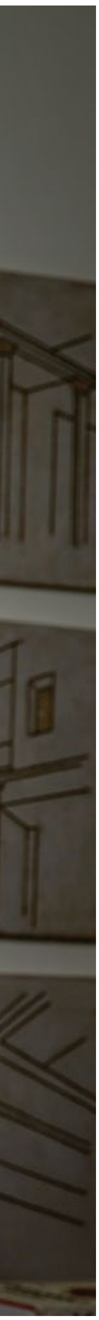
By **HARICHANDAN ARAKALI**

MADHU KAPPARATH

"I've always been passionate about profit for purpose. This is a value that we got from our grandfather."

RAHUL MUNJAL,
CHAIRMAN & MANAGING DIRECTOR, HERO FUTURE ENERGIES

By the time this issue of *Forbes India* hits stands, Rahul Munjal will be presiding over the inauguration of a small green hydrogen plant at an aluminium smelting factory. Munjal, chairman and managing director of Hero Future Energies (HFE), declined to add specifics prior to the opening of the plant, but it's the latest example of how the renewable energy business he's built is expanding and pursuing the founder's decarbonisation agenda.



Commercial and industrial projects, C&I as the sector is called, currently a nascent operation at HFE, represent a big opportunity for the company to expand into, Munjal tells *Forbes India*. This involves setting up renewable energy operations for large factories in sectors such as cement manufacturing or iron and steel. And green hydrogen is widely seen as a promising source of energy for such factories.

The one that HFE is opening shortly is a pilot plant, at a factory in South India, Munjal says. It will demonstrate that the technology works. The plan is to use industrial-grade electrolysers on site to generate hydrogen, which is then blended with PNG (piped natural gas) and LNG (liquified natural gas) as fuel to produce heat for a smelter, he says. "That's how you will end up decarbonising the process to some extent. Obviously, it still uses PNG and LNG, but it's at least a start in the right direction," he adds.

Munjal, 48, who started HFE in 2012, foraying into wind turbines-based power generation with a small 20 MW project, has since expanded into solar, hybrid and now green hydrogen. Overall, the Delhi-based company has about 1.9 GW of capacity today. Most of it is in India,


The wind solar hybrid project at Manvi, Karnataka, run by HFE

where HFE operates wind, solar and hybrid facilities in states, including Rajasthan, Maharashtra, Madhya Pradesh, Karnataka, Tamil Nadu, Andhra Pradesh and Telangana.

The company is also actively pursuing overseas opportunities, including in Vietnam, Britain and Ukraine. HFE also has contracts in Bangladesh, where the company's operations will step up once the current political turmoil there is resolved. Over the next three years or so, Munjal is working to get to nearly 5 GW overall capacity.

In the C&I sector, "driven by the need for businesses to reduce operational costs and meet sustainability goals, the market has seen a surge in renewable energy adoption", Srivatsan Iyer, HFE's US-based global CEO, told *PowerLine*, an industry magazine, in July. Decreasing cost of solar panels and advances in battery storage coupled with government incentives and greater awareness around climate change among corporate customers have all contributed to the acceleration in adoption of renewables, he added.

On the tech front, Iyer expects HFE to invest more in areas, including long-duration energy storage—storage systems that can hold and supply power for more than 10 hours, which helps to buttress intermittent renewables, making the grid more resilient, and, therefore, reducing dependence on fossil fuel-based power. Green hydrogen is another area of investment for the company.

HFE's revenues in FY23 were ₹1,539 crore versus ₹1,430 for the previous year. Losses for the year ended March 31, 2023, were ₹325 crore versus ₹576 crore for FY22, according to a rating upgrade note by Crisil. In the March note, Crisil, a credit rating provider, upgraded its rating of HFE from A/Stable to A+/Stable, citing the strength and continued backing of the Hero Group as an important reason. Crisil also noted that there was a 3 percent improvement in the performance of HFE's renewables portfolio in FY23 versus FY22.

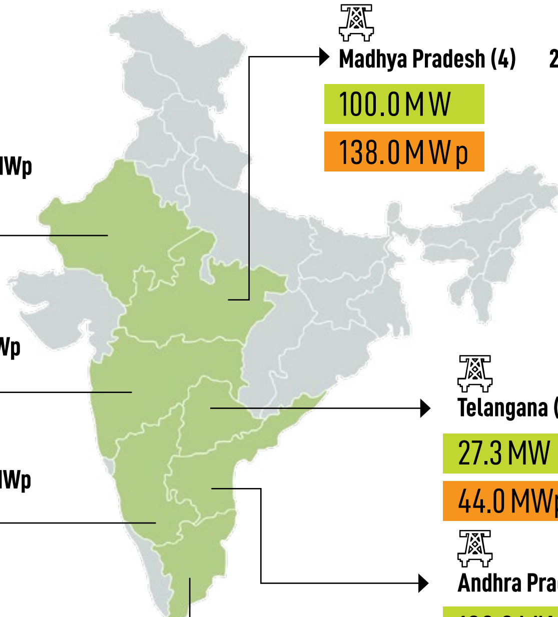
The Hero Group, founded by the Munjal family, is one of the world's biggest makers of motorcycles and scooters. The group's flagship is the $11.9 billion Hero MotoCorp. HFE, part of the group, will likely only grow in significance, playing its role in India's transition to clean energy over the next two to three decades.

HFE's major shareholders today are the Munjal family, US-based global investment company Kohlberg Kravis Roberts & Co (KKR) and International Finance Corporation. It has raised $725 million in equity funding so far, including a $450 million Series D round in September 2022, with participation from KKR and Hero Group, according to Tracxn, a provider of private markets intelligence.

Mint reported in February that the company is preparing for an initial

HFE HAS AN ESTABLISHED PRESENCE ACROSS INDIA...

Capacity (MWp)	Wind	Solar	Total	% Wind	% Solar
Operational	583^	1,177	1,760	33.0%	67.0%



Madhya Pradesh (4) 238 MWp
100.0 MW
138.0 MWp

Rajasthan (7) 587 MWp
137.5 MW
450.0 MWp

Maharashtra (2) 81 MWp
81.5 MW

Karnataka (8) 539 MWp
100.0MW
488.0MWp

Tamil Nadu (1) 17 MWp
16.8 MW

Telangana (2) 73 MWp
27.3 MW
44.0 MWp

Andhra Pradesh (2) 177 MWp
120.0 MW
57.0 MWp

Wind – Installed | Solar – Installed | Utilities | C&I

SOURCE Hero Future Energies

Note: Numbers in parentheses denote number of projects in the respective states; *SECI – Solar Energy Corporation of India; ^Solar assets are represented in terms of DC capacity

Operational Portfolio

- 1.76 GW operational portfolio in India spread across 7 states
- 43% of the operational capacity is contracted by SECI*
- Long-term offtake agreements with local DISCOMs and SECI
- Attractive offtake tariffs with Group Captive customers (e.g., Hero Group companies)
- O&M services provided by reputable contractors
- Top quality panels, turbines and electrical components
- Diversified pool of renowned local and global vendors

Under-construction Projects

- Secured a hybrid power (with storage) tender for 120MW contracted capacity Hybrid Project with Battery storage of SECI in April 23

public offering (IPO), and also seeking $200 million pre-IPO investments. Munjal declined to comment.

HFE is beginning to make a mark in decarbonising grids, he says. "We've done our bit as a renewables company to be able to say decarbonising the grid is here and it can be done." The next big opportunity is to decarbonise the C&I sector. "And after that, probably focus on decarbonising the transportation sector," he says.

That he comes from a respected business family "brings huge advantages", he says. For example, the family's credibility on the back of what they have achieved helps to explain plans and convince important stakeholders, he says. The flip side is also that "it's a great responsibility" to do the right thing.

"I've always been passionate about profit for purpose. This is a value that we got from our grandfather Brijmohan Munjal," he says. The late Brijmohan Lall Munjal was born in 1923 at Kamalia, in Punjab of present-day Pakistan. At 20, he came to Amritsar with his three brothers. After several years working at the Indian Ordnance Factory, he and his brothers started a bicycle parts business in 1954, which became Hero Cycles in 1956. Over the next two decades, the company became the biggest bicycle maker in India and, by 1986, in the world.

Munjal started a scooters and moped business in 1984, and then struck a deal with Japan's Honda to start Hero Honda and make motorcycles in Haryana. That company is today Hero MotoCorp, which by 2023 had sold more than 200 million two wheelers. Brijmohan Munjal died in 2015.

Rahul Munjal's father Raman Kant Munjal, who had helped Brijmohan build Hero Honda died suddenly in 1991. Pawan Munjal, Rahul's uncle, is the current chairman and CEO of Hero MotoCorp. "Brijmohan was extremely passionate about giving back to the world," Rahul Munjal says. "I realised you could also do business where you could do profit for purpose or you could be in impact business... being third generation, it's almost a moral duty for us to do something where we can give back to the community. At the same time, it should definitely be a business." F

INFOGRAPHICS: MUKESH SINGH

Bank Deposits: Feeling the Pinch

The window for banks to continue to hike deposit rates—to attract customers when returns from other asset classes is higher—is starting to shut, with easing of interest rates looming. New-age small financial banks appear to have taken the lead

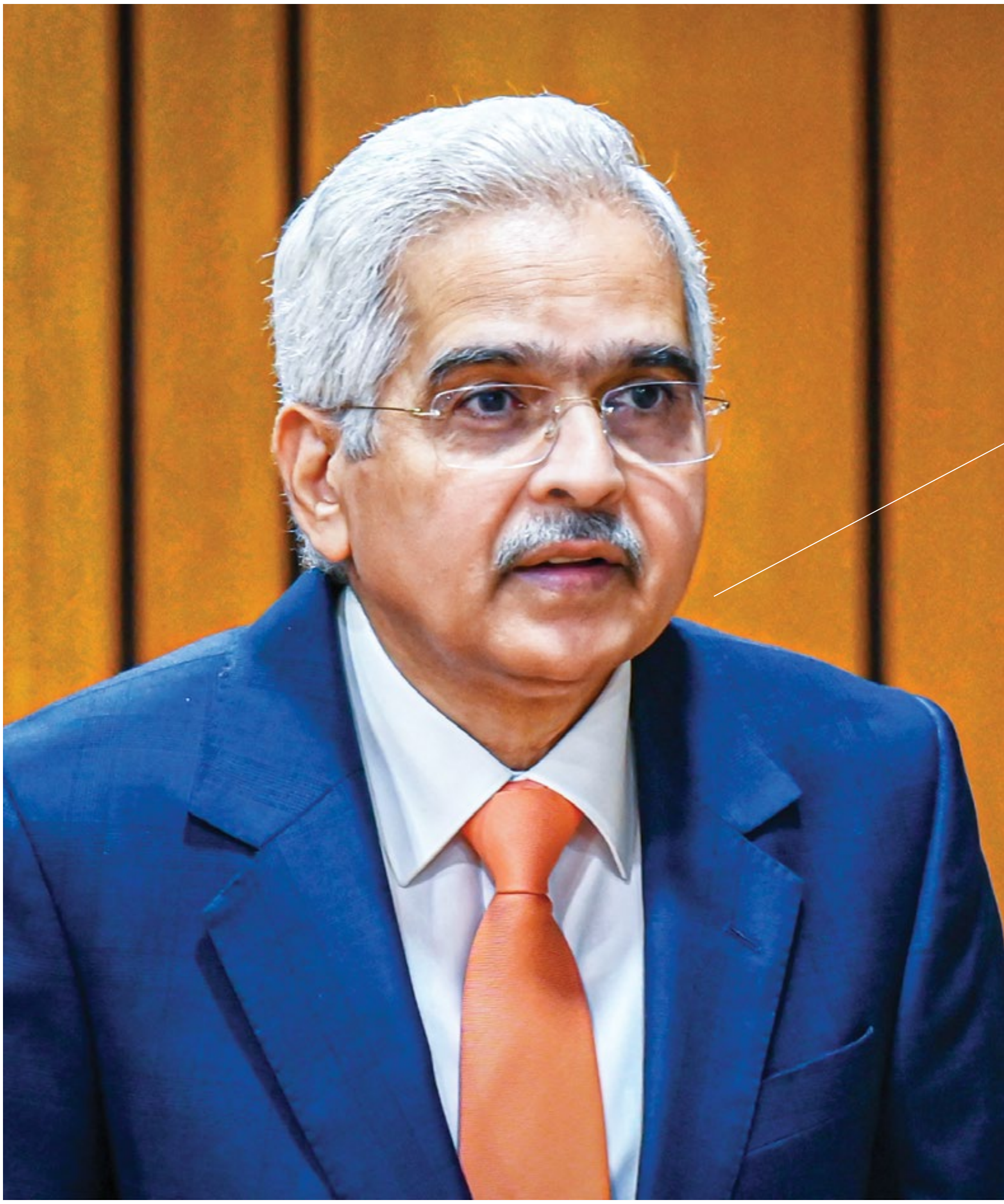
By SALIL PANCHAL

Finance Minister Nirmala Sitharaman and Reserve Bank of India (RBI) Governor Shaktikanta Das have laid out a tough assignment for banks—to bulk up bank deposits. The financial health of banks appears to be in order, with aggressive lending both in the form of secured and unsecured, as corporates and individuals seek more capital to meet their business or personal needs. For most banks, credit growth, in terms of advances, has continued to outpace the growth in deposits in recent quarters, which has become a matter of concern for Das.

Sitharaman, during a meeting with bankers in August, called them on to focus on smaller deposits that may come in "trickles" but are the "bread and butter" of the banking system, according to media reports.

In his latest speech, Das expressed the need for banks to "focus more on mobilisation of household financial savings through innovative products and service offerings and by leveraging fully on their vast branch network". Equities, real estate, gold and alternatives have offered better returns to individuals. And banks have been facing challenges to lend, as loan growth continues to trail bank deposits (see chart).

Credit growth of all commercial banks expanded by 13.7 percent as of July 26, from a year earlier,



PUNIT PARANJPE / AFP

outpacing deposits which rose by 10.6 percent in the same period.

The RBI has, in recent months, explained its zero-tolerance policy towards compliance and regulatory lapses to heads of banks. The regulator wants banks to have clarity about income recognition, bad loans and making provision for the same, particularly since banks have been lending aggressively in recent years.

"The divergence between bank deposits and bank credit growth may create liquidity management issue which a bank has to deal with," Das told reporters at a meeting after announcing the policy decision to keep interest rates unchanged at 6.5 percent. The central bank last hiked rates in February 2023.

> **"The divergence between bank deposits and bank credit growth may create liquidity management issue which a bank has to deal with."**
>
> **SHAKTIKANTA DAS**
> GOVERNOR, RESERVE BANK OF INDIA

HOW REAL ARE THE FEARS?

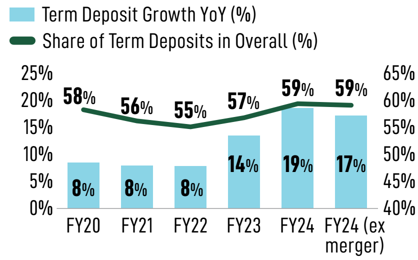
Theoretically, experts say, banks could face liquidity concerns if the credit-to-deposit divergence widens. But this does not appear to be happening within most of India's banks. "The problem would be if a bank is raising short-term deposits to back an asset with a longer tenure maturity, and the deposit is not renewed. Then the bank needs funds to pay those deposits," says a banking analyst with a private research house, declining to be named. But India's large- and mid-sized banks do not face this concern.

So while an asset-liability mismatch may not happen, the one problem which banks face will be an impact on margins and profitability. They will have to borrow at a higher cost which might impact profitability in the coming quarters.

"Household deposits form 61 percent of total deposits and growth picked up to 12 percent after two soft years. This may reflect reallocation of savings to capital markets and consumption growth. Within household deposits, share of savings deposits fell to a seven-year low of 41 percent with money moving to term deposits, hence may be peaking," Jefferies India analysts Prakhar Sharma and Vinayak Agarwal said in a July 1 note to clients. This reflects the fact that household savings are moving away from bank deposits towards assets which have generated better returns.

"Within deposits, term deposits grew fastest at 19 percent, taking share from savings (up just 6 percent). Savings deposit growth for PSU and private sector banks has converged that is a potential risk for private sector banks, from ability to mobilise low cost deposits," the Jefferies analysts said.

Term deposit growth leading, but shift may be peaking



SOURCE RBI, Jefferies

For investors who rode the Indian equities journey late, passive and exchange traded funds (ETFs) have been among the most popular in the last few years. Those with a higher risk-taking ability have ventured into F&O (Future and Options) trade, where the regulator Securities and Exchange Board of India (Sebi) has already clamped down, due to massive intraday losses which traders have suffered in the past two years.

Data compiled by *Forbes India* shows that while the top four banks in India (State Bank of India [SBI], HDFC Bank, ICICI Bank and Axis Bank) by asset size have seen a rise in deposits and advances (see graphs), the pace of growth has been higher for advances over the past one year.

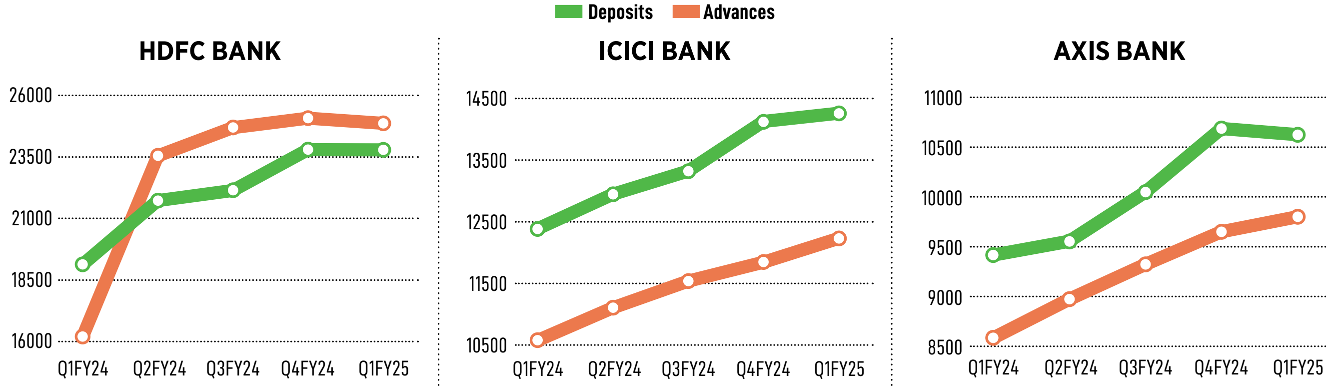
For SBI, credit growth has risen by around 15.9 percent while total deposits for the standalone bank have risen by around 8 percent in the one year from June-ended 2023 quarter to June-ended 2024 quarter. For Axis Bank, credit growth (14 percent) outpaced deposit growth (12 percent) in the same period. ICICI Bank has also seen loans edging out deposits in the same period.

NEW, INNOVATIVE PRODUCTS

Investors tap bank deposits when they find good interest rates or a safety net for their savings. "To garner additional deposits, banks will need to offer higher interest rates to make deposits attractive, with a longer lock in and pass on interest rate on the disbursements,"

INFOGRAPHICS: MUKESH SINGH

Bank deposits/credit: The Trend (₹ bln)



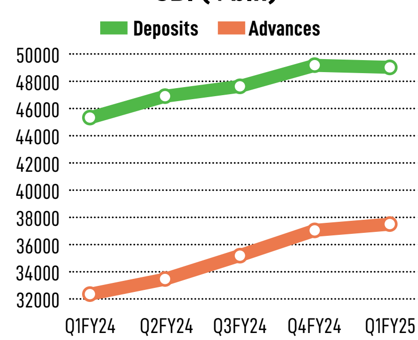
SOURCE Banks' investor presentations

says Bhavik Hathi, managing director of Alvarez & Marsal's global transaction advisory group.

"The second option is what banks have been doing for some time which is issuing loans against fixed deposits. They may consider offering a higher limit, in some cases even higher than the underlying deposit in select cases to meet requirements for credit," Hathi tells *Forbes India*.

Nitin Aggarwal, head-BFSI (institutional equities) at Motilal

SBI (₹ bln)



SOURCE Bank's investor presentation

Unity Small Finance Bank, the youngest bank in India, is offering a deposit rate of 9 percent for a fixed deposit of ₹3 crore in the select timeframe of 1,001 days

Oswal Financial Services, says the play will have to be on deposit rates and the mobilisation efforts of each bank. PSU banks have not been mobilising deposits at a faster pace because they have ample liquidity. "Banks have to put in more effort by offering attractive deposit rates," he says. But Aggarwal does not see a battle to hike deposit rates from here. "The pressure to raise deposits will continue for at least two quarters," he tells *Forbes India*.

The credit-deposit ratio for India's banking system was 78.1 percent for FY24, and analysts say it should be ideally down by another 1 percent to around 77 percent. In 2023, Standard & Poor's (S&P) had said the credit-deposit ratio of Indian banks may come under pressure due to continued lag of deposit growth compared to the pace of credit expansion.

Unity Small Finance Bank is offering the possibly the highest deposit rate (of 9 percent) for a fixed deposit of <₹3 crore in the select timeframe of 1,001 days. This is the youngest bank in India, founded from an amalgamation of PMC Bank with the founding partners Centrum Financial Services and BharatPe, in 2021-22. Its managing director and CEO Inderjit Camotra admits Unity SFB is offering high deposit rates to "attract a good cohort of senior citizens, working women and small business houses" at the first go, to bank with them.

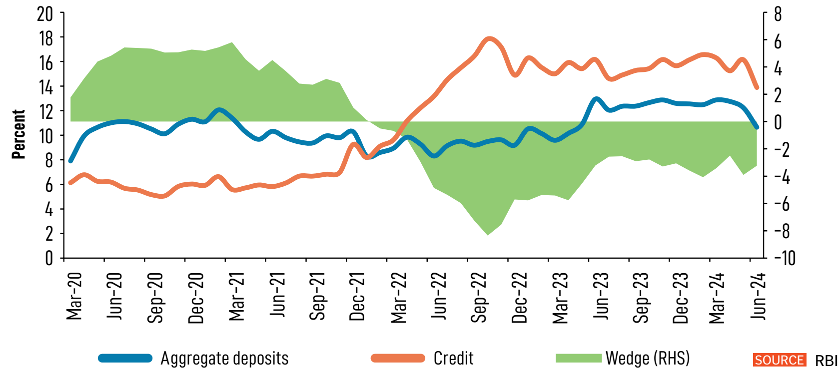
Camotra says the bank is "happy to share the interest spread (of high single digits) with the depositors". " Being a retail bank, it lends to micro, small and medium enterprises, SMEs and micro-finance groups, where the interest returns are anywhere between 12 percent and 21 percent. "We manage our book well and keep costs down," he tells *Forbes India*.

Unity SFB, which services 1.7 million customers, has a net NPA of 0.6 percent, on total advances of ₹8,500 crore and deposits of ₹8,100 crore as of July. Deposits have grown 17.7 percent, and advances marginally slower, for the bank in the July-September quarter.

One of the savings deposits products, popular with working women, is the pearl account where wellness and health-related benefits, flexibility of lower average monthly balance, a dedicated relationship manager, doorstep banking, and several discounts and offers make it a slightly differentiated product.

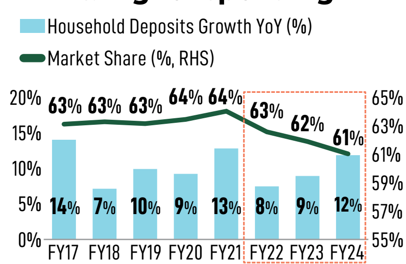
In 2024, Bajaj Finance launched the innovative digital FD product, with rates up to 8.4 percent per annum for general citizens and 8.65 percent per annum for senior citizens. The digital FD offers 8.4 percent interest on a deposit from ₹15,000 up to ₹5 crore, parked with Bajaj Finance for a 42-month tenure. The NBFC offers systematic deposit plans, where investments can be made at one-time or a monthly basis. Bajaj Finance says it has over five lakh customers in its digital FD scheme,

SCBs' Aggregate Deposits and Credit Growth—Wedge (%)



SOURCE RBI

Share of household deposits falling, reflecting reallocation of savings to capital markets & higher spending



SOURCE RBI, Jefferies

with ₹50,000 crore booked.

Oswal's Aggarwal says small finance banks have no option but to offer attractive deposit rates to draw more customers. "They have high yielding segments, like MFIs," he says.

DEPOSIT RATES COULD WEAKEN

The RBI and the Monetary Policy Committee has largely indicated that the battle to fight still high food inflation remains its priority. In that scenario, though the central bank may not cut interest rates in a rush, the countdown has begun towards this move. Signals from the US Federal Reserve suggest that it may announce a rate cut soon, after nearly four-and-a-half years.

Once interest rates start to decline—possibly by the year end in India—banks are unlikely to keep increasing deposit rates. At best, for banks which could have tight liquidity concerns, it could be between 5 and 15 basis points, analysts say.

Fixed deposits with a long-term maturity could face a smaller cut in rates while those with a short- to medium-term maturity could see a sharper cut in rates.

India's largest private sector bank, HDFC Bank, has the highest credit-deposit ratio among banks, of 104 percent. The merger with HDFC had led to the higher ratio, due to lower deposits. This could mean a marginal slowing in credit growth for a short period.

The challenge for both public and private sector banks is to find stickiness from customers towards fixed deposits. There are going to be no quick-fix solutions. Banks, particularly the new-age banks, will have a little more flexibility to keep deposit rates high for some more quarters, before an inevitable tapering off could happen. F

"We are offering high deposit rates to attract a good cohort of senior citizens, working women and small business houses."

INDERJIT CAMOTRA
MD & CEO, UNITY SMALL FINANCE BANK

In Focus

Counterstrike in The Skies

IndiGo is taking the fight to Air India by offering business class tickets and a frequent flyer programme even before the latter's turnaround

By MANU BALACHANDRAN

IndiGo is attempting to reinvent luxury travel, a realm it hasn't dabbled in so far, as it unveils its version of the business class

INDRANIL MUKHERJEE / AFP

It's most certainly a pre-emptive strike, a sort of make-or-break moment for India's largest airline.

But if there's a silver lining, it's that nobody knows Indian skies better than IndiGo, having proven that in the past 18 years. From its launch in 2006 into a market that was dominated by the likes of Jet Airways and Air Deccan to now cornering over 60 percent of the Indian market, IndiGo's low-cost proposition has become something of a norm and even a case study on surviving the brutal Indian skies, all while raking in profits.

That's why all eyes are now on how the Gurugram-headquartered airline is attempting to reinvent luxury travel, a realm it hasn't dabbled in so far, as it unveils its version of the business class. For nearly two decades, the airline had offered only economy seats, with paid-for meals and charging for services such as seat selection, without access to lounges.

Now, besides the business class, the airline is also launching a frequent flyer programme, a loyalty programme that helps to redeem points for flights or other rewards, making it the only low-cost carrier in India to offer it apart from Air India Express.

Considering it flies six out of every 10 passengers in the country, and ferries as many as 10 crore passengers annually, the frequent flier proposition has already raised eyebrows.

"With India's soaring economy and the evolving aspirations of the Indian society, it's time for us to redefine air travel once again and provide our evolving customers more benefits as they travel the world on us," Pieter Elbers, CEO of IndiGo, said in a statement.

IndiGo will launch business class tickets on a total of 12 routes, starting with Delhi-Mumbai at ₹18,000 one way. The company will then expand its services to other metros, including Bengaluru, Chennai, Kolkata and Hyderabad.

That means, from its fleet of over 220 narrow-body aircraft, primarily the Airbus A321, about 40 aircraft will be fitted with the dual-class cabin. Already, the airline has begun offering in-flight entertainment on a mobile app, a serious departure from its no-frills business model. "IndiGo's plans mark a clear shift in strategy from a pure-play low-cost carrier (LCC) towards a full-service or a value-based offering," says Satyendra Pandey, managing partner of aviation advisory AT-TV. "The transition adds complexity and cost to the airline, but IndiGo's internal assessment is that the benefits are significant."

AT-TV estimates that the frequent flyer programme coupled with the business class offering will provide between three percent and eight percent bump in revenues in the next 12-18 months. "This is based on the IndiGo network and market share coupled with competitor weakness," adds Pandey. "As costs will only see a marginal increase, overall, this is an accretive step."

Still, it doesn't take away from the fact that IndiGo's move is something of a counterstrike against Air India, its closest rival in India's duopolistic airline market, that has been in the midst of a $75 billion makeover. Air India is ramping up on its international and domestic offerings with a slew of changes that include revamped cabins and in-flight experience, new aircraft and crew, alongside adding new routes. "IndiGo's moves look like a pre-emptive strike as the Air India group is gaining momentum," says Shukor Yusof, founder and CEO of Singapore-based Endau Analytics, an aviation consultancy firm. "It's a way to try to divert business from the competitor."

From a market share of 26.7 percent in the domestic market between October and December 2023, Air India group's market share has grown to 29.1 percent in the quarter between April and June this year. On the international routes, from a market share of 23.56 percent during the October-December quarter in 2023, the Air India group has grown its share to 24.79 percent during the January-March quarter; IndiGo has seen that number decline from 18.22 percent to 16.86 percent. The Directorate General of Civil Aviation (DGCA) is yet to release data for the April to June quarter.

"Air India's recent expansion likely played a role in prompting IndiGo's decision to launch a business class service, as IndiGo seeks to defend its market share," says Alok Anand, chairman and CEO of Acumen Aviation, an aircraft asset management and leasing company.

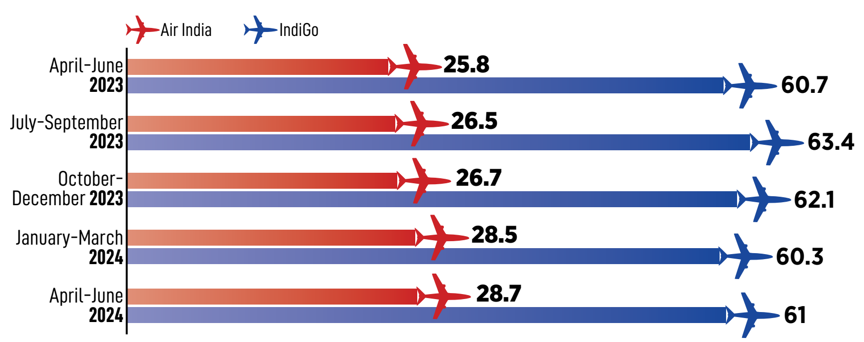
"Although IndiGo is widely regarded as the dominant airline in India, Air India is now positioning itself to challenge this status. The profitability of international ticket sales tends to be higher than domestic ones, and international travellers are generally more inclined to pay for premium services. This market shift may have influenced IndiGo's strategy to offer a more upscale product."

WHAT'S COMING?

Starting November, IndiGo will offer IndiGoStretch, its version of business class that features a coupe-style, two-seat wide bay, with specially curated meals from the luxury hotel chain, Oberoi. The seats will have a pitch of 38 inches and a width of 21.3 inches in addition to an adjustable headrest, electronic device holder and power outlets. Its business class proposition also includes benefits such as nil convenience fee, beverages and advance seat selection at no additional charge along with priority check-in. The fares start at ₹18,018.

By the end of the year, IndiGo will have as many as 40 Airbus A321s fitted with the new configuration, which will have four rows of seats with two on each side against the current configuration of three. "The rationale behind going for a business class and a frequent flyer programme is two-pronged," says Vinamra Longani, head

Air India: Slowly Capturing Domestic Market (%)



SOURCE DGCA

INFOGRAPHICS: MUKESH SINGH

of business for Asia & Middle East at Amsterdam-headquartered aviation consultancy firm SGI Aviation. "One, the move shores up more revenue from its full-service codeshare partners, and IndiGo has quite a lot of them. The second is that, as it starts its A350 service, it helps feed business travellers into that from all over the country."

IndiGo's codeshare partners include Turkish Airlines, Qantas, Qatar Airways, American Airlines, British Airways, Air France-KLM, Japan Airlines and Virgin Atlantic. A codeshare agreement is a pact to issue and accept tickets for flights that are operated by the partner airline. Through the partners, IndiGo currently operates to as many as 80 destinations across the world.

The airline has also ordered 30 Airbus A350-900, a wide-bodied aircraft that will help it go big on its long-haul operations. The airline currently has an outstanding order book of almost 1,000 aircraft comprising a mix of A320NEO, A321NEO, A321XLR aircraft, and Airbus A350.

The recent proposals—while they might add to the top line—are also expected to incur significant costs. For years, IndiGo has perfected the art of keeping a tight leash on its financials, having traditionally operated only one kind of aircraft, and through its famed sale and lease back programme. It's only a few years ago that it began adding the much smaller ATR aircraft to its fleet to undertake regional operations. "This move will demand significant investment in cabin layout, seats, crew training and catering, to name a few," says Anand of Acumen Aviation. "If the execution is right, as has been the case with IndiGo in the past too, it can surely result in better revenues and profitability."

There will also be a culture clash at the airline that it now needs to figure out. "Unlike other airlines, IndiGo has treated all its passengers equally since there was only economy class in their aircraft," adds Longani. "As it turns

IndiGo crew members demonstrate facilities in business-class seats—which will be introduced from mid-November on a handful of domestic routes—at a company event in New Delhi

PRIYANSHU SINGH / REUTERS

into a hybrid airline from a low cost, and competes with Air India/Vistara for business class passengers, it must alter the organisation's DNA, ensuring expectations of these customers are met. Operationally and from a product perspective, too, that means enhancing their offering to match that of its rivals, unless the IndiGo business class product is priced lower than that of its direct competitors."

There is also the conundrum most airlines have struggled to deal with, especially when it comes to the business class proposition. Such travellers usually fly in the mornings or evenings, which means aircraft often struggle with empty business class seats during the rest of the day. "Having premium cabins is one thing, but getting revenue out of them is a different ball game altogether," says an industry expert on conditions of anonymity. "There was no need for IndiGo to go for this... it could have continued growing on its merit. Perhaps, Rakesh Gangwal's decision to step back has steered the airline into new frontiers."

IndiGo was founded by Rakesh Bhatia of InterGlobe Enterprises and Rakesh Gangwal, an aviation veteran, in 2006. Over the last few years, the duo has had a public fallout with Gangwal stepping away from the board, and Bhatia assuming greater control of the airline. Gangwal has since sold some of his stake in the airline.

"I agree that IndiGo's new offering is more akin to an enhanced premium economy rather than a full-fledged business class, given the seat configuration and the absence of hot meals," adds Anand. "While this category might appeal to domestic travellers seeking a higher level of comfort, international passengers might still prefer the full business class experiences offered by airlines like Air India, Emirates, and others, which include luxuries like flat beds and gourmet meals. This preference might shift if IndiGo further upgrades its product for international markets."

Already, the airline has revamped its website and app as a prelude to make seamless booking, something Air India completed last year. Air India had also launched an upgraded version of its loyalty programme that would see customers earn points based on their spending while also ensuring that the points did not expire if the passenger flies with Air India once every two years. IndiGo, too, is launching a new loyalty programme that ensures the accumulation of points on every flight based on their spend in addition to free redemption and tier upgrades.

"Indians are price-sensitive and those who can afford business or premium class won't settle for halves," adds Yusof. "IndiGo will always be seen as a low-cost carrier, like AirAsia in Malaysia. I don't see the need to alter its business model."

WHAT'S AIR INDIA DOING?

Air India is currently in the middle of a merger involving Vistara, which will see the airline evolve into India's online full-service airline, with a fleet of nearly 200 aircraft. Air India Express, the low-cost arm of the airline, has a fleet of over 80 aircraft. The Tata group-owned Air India is now expecting delivery of 470 aircraft that it had ordered from both Airbus and Boeing.

The merger between Air India and Vistara could emerge as a game changer, with the merged entity now capable of offering a proposition that could shake up the domestic market, especially with its large fleet size and full-service option. Besides Vistara and Air India, no other airline in India, the world's fastest-growing aviation market, offers a full-service option. Since its acquisition in 2021 by the Tatas, Air India has put in place a five-year transformation plan, called Vihaan.ai, that has already seen the airline focus heavily on timely performance, staff behaviour, and a young fleet.

"The Air India of today is not the Air India of yesterday and the Air India of today is certainly not the Air India of tomorrow," Campbell Wilson, CEO of Air India, had told *Forbes India* last year. Already, Air India Express and AirAsia India had merged last year to create a single entity, Air India Express, which flies to 47 destinations and has 10 hubs.

The idea is to use the low-cost arm to feed into the international options and connect smaller cities to the international route. Air India has been frequently adding to its foreign network, especially in North America and Europe, and its recent order of more than 70 wide-bodied aircraft, including Airbus A350 and Boeing 787 and 777, are aimed at enhancing its international operations.

"In addition to Air India upping the ante on the full-service front, its low-cost arm, Air India Express, is growing exponentially too, and will have a fleet of close to 100 aircraft by the end of this year," adds Longani. "While Express plays in the same space as IndiGo, it provides hot meals and has ovens on board. Despite its size and market dominance, IndiGo may be impacted. So, in many ways, the current move is IndiGo's way of saying to the Air India group, if you come after mine, I will come after yours."

Despite the million little steps, a turnaround at Air India is still a work in progress, especially since the airline has seen its share of troubles that include pilots at Vistara going on strike ahead of its merger and continuing complaints about flying experience that range from non-functioning in-flight entertainment systems to broken seats. Last year, the airline was in the eye of a storm for mishandling an issue when a passenger reportedly urinated on another passenger in-flight, while this year, it drew flak after inordinate delays in rescuing passengers stranded in Russia following an emergency landing.

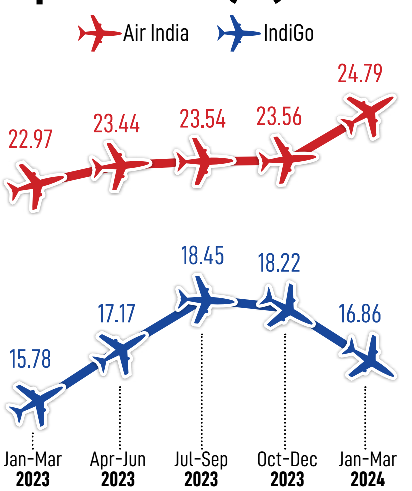
IndiGo, too, has seen some dip in its service quality, with on-time performances taking a hit in recent times. In June, IndiGo's on-time performance at the four metros was only the fourth best after Akasa, Vistara and Air India Express. "That's a result of the growing codeshare agreements," says an industry expert. "You have to wait for incoming international passengers, and all that that affects operational efficiency."

Still, IndiGo seems best poised in India's aviation market for now. "IndiGo is likely to maintain its leading position in the Indian aviation market for at least another decade, as competitors like Air India and others will need time to catch up," says Anand of Acumen. "The aviation industry is currently facing unique challenges, such as supply chain issues and technology-driven manufacturing delays, which hinder the acquisition of new aircraft. This situation benefits established players like IndiGo. By introducing new offerings like its recent business class service, IndiGo demonstrates a commitment to innovation and responsiveness to market demands."

"Structurally, IndiGo is in a very competitive position and over the next few years, if it is able to maintain its cost advantage while adding products that drive revenue, it should bode well for the airline," adds Pandey of AT-TV.

For now, all eyes are on November, when IndiGo's new product offering goes live. It had once disrupted India's aviation sector for good. Can it repeat the same in changed circumstances? Only time, and perhaps its value proposition, can tell.

Air India:Growing International Operations (%)



SOURCE DGCA

Where Credit is Due

While taking the early-mover advantage in private credit, Edelweiss Alternatives has been providing adequate returns in various product lines for investors

By SALIL PANCHAL & SAMAR SRIVASTAVA

At a time when some of the Edelweiss group companies had come under scrutiny of the regulator, Edelweiss Alternative Asset Advisors, one of its fastest growing businesses—with assets under management of $6.8 billion (₹57,120 crore)—has outpaced growth in retail lending and mutual funds businesses in recent years.

The multi-strategy private alternatives business, headed by Edelweiss group's vice chairman Venkatchalam Ramaswamy, contributed over 8 percent to the consolidated revenue from operations of Edelweiss's financial services businesses (excluding insurance premium) in FY24, and has emerged as a powerful varied investment tool for onshore and offshore clients.

There is little opportunity for corporates below AA ratings level to raise debt, publicly, considering that banks are not interested in dealing with them. "We look at the A to BBB, which is an untapped market. We have the expertise even when we go to below A rated companies. We have been buying debt of companies close to liquidation value and selling at replacement value at good return or making outsized returns when we sell at enterprise value," Ramaswamy says.

Over the past five years, the alternatives business has grown by 35 percent in India, according to PMS bazaar data. Geographically, private capital AUM in North America is at 24 percent while it is just 4 percent in Asia. "The headroom for growth is enormous in Asia," says Ramaswamy, "for the ultra-rich who are looking to get wealthier beyond the traditional investments."

About a third of the Alternatives' business AUM is currently from clients in India (and Asia), a third is from North America; the balance from Europe, Middle East and Africa.

Ramaswamy's optimism also stems from the fact that corporate sponsors will want to start new companies and need capital for providing exit to private equity investors. Similarly, the growing opportunities for creating new infrastructure is leading to construction companies selling their existing operating assets and the increased interest in global organisations creating GCCs in India is leading to higher demand for quality commercial office assets.

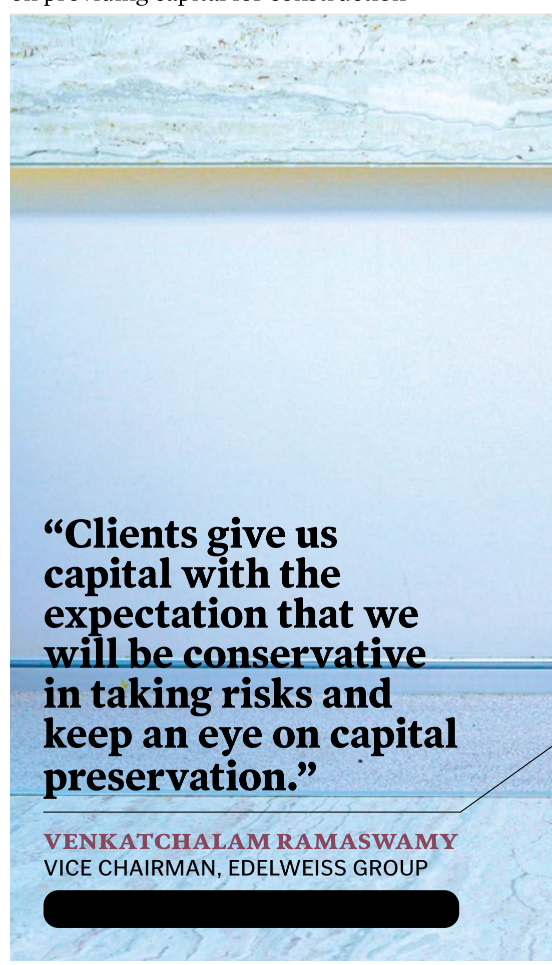
The alternatives space is not too crowded, but it has companies which are starting to find their niche strengths. Both Edelweiss Alternative Asset Advisors and Kotak Alternate Asset Managers have a track record in private credit, real assets and building domestic teams. Other players such as Kedaara Capital and ChrysCapital have a strong track record in raising private equity.

THE EARLY-MOVER ADVANTAGE

Edelweiss has taken advantage of being one of the early movers in the alternatives space. "A decade ago, we saw huge potential and pioneered the private credit business in India offering flexible financing solutions to clients which were not available with commercial banks, that were increasingly getting focussed on retail lending," Ramaswamy says.

Edelweiss's real estate vertical—as part of the alternatives business—found a market gap, which it has exploited well. India has a range of corporates who are building assets but few who manage them. Edelweiss owns and operates assets similar to what Brookfield does.

Edelweiss provides structured credit to residential real estate projects within the top six cities in India against a collateral of project and receivables. This strategy focuses on providing capital for construction



"Clients give us capital with the expectation that we will be conservative in taking risks and keep an eye on capital preservation."

VENKATCHALAM RAMASWAMY
VICE CHAIRMAN, EDELWEISS GROUP

and completion of mid-income and affordable homes. It reflects in the fact that their operational team is 10x the size of the investment team (200 compared to 20). Their strategy focuses on providing capital for construction and completion of mid-income and affordable homes.

"Over the past six years, we have built a portfolio valued at approximately $2.7 billion across highways, energy transition and commercial offices," says Subahoo Chordia, president and head of real asset funds at Edelweiss Alternatives.

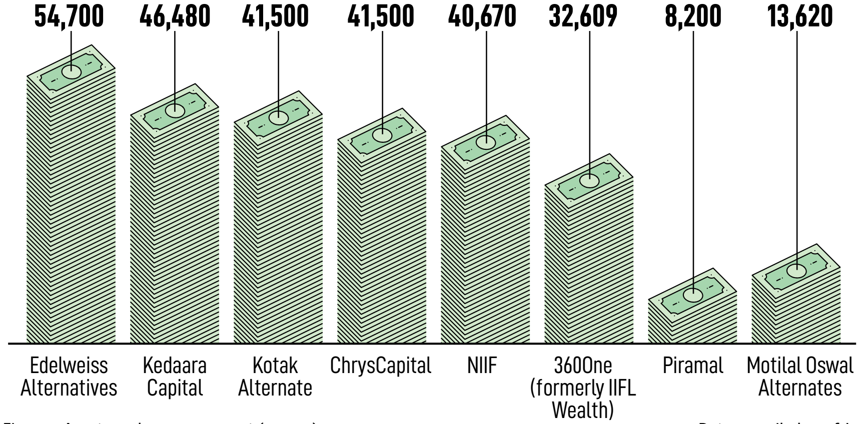
In this period, Edelweiss has developed in-house data analytics tools, including high-end central control and monitoring centre, which it believes is the differentiator to peers leading to superior asset management: Reflected in better grid availability, increased generation and Platinum LEED-certified office refurbishments.

Private credit is one of the fastest growing verticals in Edelweiss Alternatives, which banks and non-banking financial companies are unable to provide to corporates who need it, while offering the attraction of superior returns.

"Private credit in 2012 was largely collateral-based funding—loan against property or loan against securities—and the market size was closer to $500-600 million per annum of deals. Today across core credit, performing credit, real estate credit and special situations, we see annual deals of $5-7 billion which is more than 10x growth in the market size," says Amit Agarwal, head and president, private credit at Edelweiss Alternatives.

A business which has seen a pick-up in the last decade in a major way is Special Situations, reflected in the fact that Edelweiss Alternatives has made 54 investments, 25 exits and realising $2.2 billion from portfolio companies through three special solution funds in 2011, 2018 and 2022.

Key Alternatives Players in India



Figures: Assets under management (₹ crore)
Data compiled as of June
SOURCE Company investor presentations and websites

INFOGRAPHIC: MUKESH SINGH

BAJIRAO PAWAR FOR FORBES INDIA

TURNING BUSINESSES AROUND

Special solutions is a strategy that Edelweiss utilises to invest into asset-heavy companies with potential to create value, by helping a turnaround in business and management. "In India, such financing carries heavy covenants and is usually secured lending, thereby having very limited downside risk," Ramaswamy says.

Kolkata-based debt-laden Kesoram Industries—now acquired by Aditya Birla group's cement giant UltraTech Cement—was, in 2020, struggling to pay back banks the principal amount of loans taken. The pandemic, a year later, only worsened the financials for the BK Birla group firm, whose main businesses were cement, textiles, rayon and chemicals. The company raised around ₹2,100 crore through a consortium of Edelweiss Alternatives (Special Situations II fund), Goldman Sachs India AIF, a Cerberus Capital managed fund and ECL Finance. The funds helped the company pay back banks through a one-time settlement and infuse working capital. Kesoram has now finalised the plan to pay back the debt to the consortium, which according to Agarwal, will mean "reasonably good exit" to its fund.

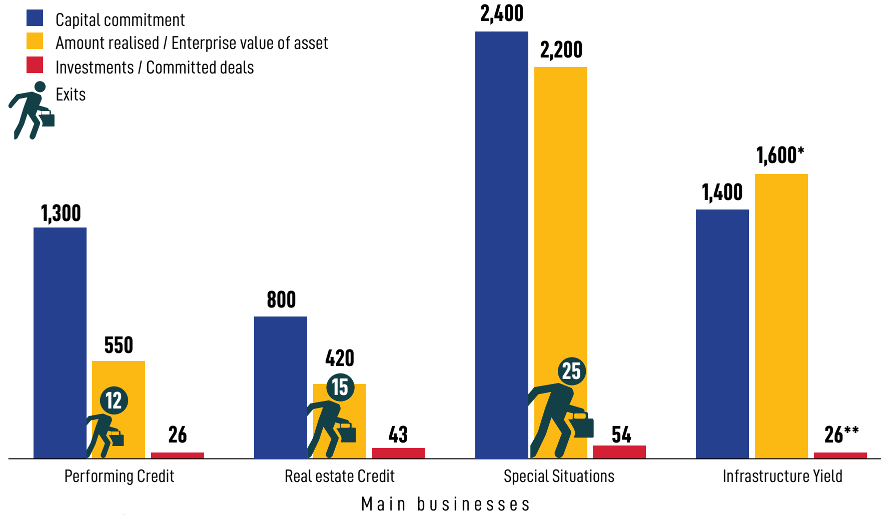
In another case earlier, Edelweiss Alternatives, along with Goldman Sachs, invested into the debt-impacted BILT Graphic, a subsidiary of Ballarpur Industries, owned by the Avantha Group. They bought debt from the banks and ring-fenced the business, providing them with working capital and did cash flow monitoring. BILT's debt came down from around ₹8,000 crore to around ₹4,500 in FY23. It has led to record Ebitda levels of ₹1,641 crore in FY23 and margins improving.

Edelweiss Alternatives is strong on sustainability and, in 2023, launched its first $500 million climate fund, which is investing in viable and growing climate mitigation, climate adoption, green and EV infrastructure businesses in themes of decarbonisation, digitisation and circular economy.

NEW SOLUTIONS AND PRODUCTS

Edelweiss's focus on the 3Cs—counterparty, collateral and cash flows—has held the fund house in good stead over the last decade.

Edelweiss Alternatives Advisory—A Snapshot



Amounts are in $ million
Data: As of July
For Infrastructure Yield: * Enterprise value of asset ** Committed deals

SOURCE Edelweiss Alternatives Advisory

"We believe partnering with right borrowers is key in India, and being a local player here allows us significant edge in market reference checks as well as due diligence of collateral being offered," says Agarwal.

As with other private credit players, Edelweiss Alternatives will be well placed in this space in the coming years. "We believe that, as India moves from a $4 trillion to $8 trillion economy, the requirement of credit will be significant and private credit will play an important role in the same," Agarwal adds.

In the quest to build size and introduce new products, Edelweiss Alternatives is currently missing in the private equity space. "There will be more products here in next three to five years. It will depend on perception of opportunity and capability. We have to find our own secret sauce," Agarwal says.

India, as a country, is however, still a negligible part of allocations of global institutions in alternatives assets.

Ramaswamy has a simple but clear message for his young team, whose average age is just 36. "Take the job—and not yourself seriously. Culturally—and using a cricket analogy—it does not help, especially in credit and real assets investment strategies, for investment folks to only look to bat aggressively, aiming to hit fours and sixes."

"Clients give us capital with the expectation that we will be conservative in taking risks and always keep an eye on capital preservation. The chance of losing money rises when one takes undue risks (trying to hit a six)," Ramaswamy says.

Strengths

3Cs (Effective counterparty, collateral and cash flows

Effective **risk management** and **good governance** standards

Tenured and **experienced team**

Capital preservation

Delivering robust **risk-adjusted returns**

INFOGRAPHIC: MUKESH SINGH

SOURCE Company

INSPIRATIONAL ICONS

Dr. Manimekalai Mohan
Founder, SSVM Institutions

Mr Pranjal Jha
AeroVillage

Sachidanand H Upadhyay
MD, Lords Mark Industries Ltd

Dr. K. S. Venkateshappa
Sapthagiri NPS University

Devidas Varier
MD, Arya Vaidya Pharmacy Ltd

MAJESTIC MENTORSHIP: THE MAGNIFICENT JOURNEY OF DR. MANIMEKALAI MOHAN

Dr. Manimekalai Mohan, the distinguished founder of SSVM Institutions in Coimbatore, stands as a paragon of visionary leadership in the educational realm. Over the span of 26 years, her steadfast commitment and relentless pursuit of excellence have left an indelible mark on the academic landscape, embodying a transformative spirit that inspires.


Dr. Manimekalai Mohan, Founder, SSVM Institutions

Dr. Manimekalai's academic credentials are nothing short of illustrious. Armed with a postgraduate degree in Psychology and Rehabilitation Science, she deftly navigates the intricacies of educational analytics. Her scholarly prowess is further augmented by honorary doctorates from prestigious institutions such as America West University and the University of South America. As a Member of the General Council at NCERT, an esteemed autonomous body under the Ministry of Education, Government of India, her influence and contributions resonate on a global scale.

Dr. Manimekalai exemplifies a myriad of multifaceted skills, including consummate communication, strategic management, and collaborative leadership. She orchestrates teams with unparalleled adeptness, creating an environment ripe with innovation. Her creativity and resourcefulness manifest in the conceptualization of educational prototypes meticulously tailored to diverse needs, resonating deeply with both parents and students. Her commitment to inclusive education is poignantly demonstrated through Athma Seva, a charitable organization, established in 1998, dedicated to empowering differently-abled children with vocational skills and unwavering support.

> *Dr. Manimekalai Mohan's Illustrious journey and the remarkable success of SSVM Institutions serve as enduring reflections of her pioneering oversight of educational innovation and unyielding quest for excellence.*

From its humble inception in 1998 as a modest play school with just 25 children, the SSVM Group has burgeoned into an impressive network of 15 schools. The rich tapestry of curricula spans CBSE, Matriculation, NIOS, JEE & NEET Coaching, Cambridge and the International Baccalaureate. Powered by the proactive leadership of Dr. Manimekalai Mohan, SSVM has transformed into a bastion of learning renowned for its dedication to educational excellence.

The forward-thinking leader's extraordinary proclivity for innovation and diversification is exemplified by the launch of Rah Early Years, a pioneering preschool catering to children aged six months to six years. Furthermore, the introduction of Rah Continuum, a K-12 school, and Rah Continuum International Primary Campus in Coimbatore, has significantly enriched the educational landscape, providing students with a platform of opportunities to excel.

The SSVM KIDS CASA chain of schools in Coimbatore, Tirupur, and Mettupalayam epitomizes Dr. Manimegalai Mohan's resolute devotion to nurturing holistic development among young learners. These institutions, catering to children aged three to six years, cultivate a supportive and enriching environment, ensuring a seamless and comprehensive educational journey for students during their formative years.

Dr. Manimekalai Mohan's unparalleled contributions to education have garnered an array of prestigious accolades. She has been honoured with the Nelson Mandela Leadership Award from the University of Oxford in 2024, the Global Edu Visionary Award 2023 from the Global School Leaders' Consortium, and the title of Most Influential Educator of the Year 2023 by Education Today. She has also received the Outstanding Leadership in Education accolade from Education 2.0 in Dubai, and the Global Lifetime Achievement in Education at the Global Education Conclave in Dubai.

Dr. Manimekalai Mohan's illustrious journey and the remarkable success of SSVM Institutions serve as enduring reflections of her pioneering oversight of educational innovation and unyielding quest for excellence. Her groundbreaking initiatives have profoundly impacted the lives of countless students, establishing a benchmark of distinction for educational institutions worldwide. With her resolute dedication, SSVM Institutions continue to empower future leaders, crafting an environment that nurtures and enriches the potential of every student.

AEROVILLAGE PANHELI

AeroVillage : India's first and only fly in resort where guests can fly in directly from Mumbai or Pune

AeroVillage is a unique experiential boutique resort, perched high above the treetops at an elevation of 1200 feet with its own private airstrip located inside the property. It is India's first and only fly in resort where guests can fly in directly from Mumbai or Pune in private aircrafts arranged by the property. Spread over more than 600 acres the property also has a 9-hole golf course, a perennial river and 2 other rivulets flowing through the jungle, a state-of-the-art cricket and football ground, mini theatre, open jeep ride through private forest, clubhouse, aviation entertainment zone specially ideated by Pranjal Jha and family.

Mr Pranjal Jha is an Engineer by training, a Flyer - Entrepreneur by vocation, but a footballer at heart. Moreover, he has always been a dreamer, and would always joke about how he wanted access to the best food and hospitality for life, so that he would have to work no more. Thanks to his parents, he has been travelling since he was a 4-month-old baby and has also lived in various parts of the country & the world which exposed him to various cultures and experiences.

AeroVillage is an extension of the private life enjoyed by Mr Pranjal Jha. He feels that everyone should experience the joy of private flying at least once! Mr Jha grew up in a joint family kind of set up and is fond of saying that "Hospitality runs in the blood of every Indian irrespective of the background."

Until his trip to Scandinavia in early 2017, Pranjal, like most of us was under the impression that private flying is something which is accessible only to the elite industrialists, celebs and hot shots. That mindset was gone for a toss when his host in Denmark flew him to a small airport near Copenhagen just for lunch. Startled and impressed by the generosity shown by him, Mr. Jha couldn't help but ask why the man decided to take him for such an expensive lunch! To which the man said, the cost for this was almost the same as driving in a SUV to an outstation location.

Once he was back to India, he had only one thing on his mind- to bring this lifestyle to those who loved to fly but didn't know they could actually

Mr Pranjal Jha

Mr Pranjal Jha feels that everyone should experience the joy of private flying at least once! Mr Jha grew up in a joint family kind of set up and is fond of saying that "Hospitality runs in the blood of every Indian irrespective of the background.

afford it! He got a flying license immediately and simultaneously started working on the idea of AeroVillage. He moved away from the happening city life & big social circle in order to focus on creating what we can see today. He says that, "the most exciting outputs come from the most boring inputs."

The resort also offers some mind-boggling signature culinary experiences like having Breakfast or High Tea on the flowing riverside. The property organises moonlit dinner on the airstrip and also at the golf course.

AeroVillage intends to create a one of its kind aviation-based township with branded residences and resorts which will not only have Net Zero sustainability but also create an ecosystem which gives back to nature.

SACHIDANAND UPADHYAY: A VISIONARY LEADER DEDICATED TO BUILDING A BETTER TOMORROW

At Lord's Mark Industries Limited, led by Sachidanand Upadhyay, we are committed to fostering positive change within the industries we operate in and actively contributing to the advancement of society as a whole. A dynamic and rapidly growing conglomerate with business units in Solar, Diagnostics and MedTech sectors, the group strives to drive innovation, quality and excellence in everything they do.

Sachidanand H Upadhyay, Managing Director, Lords Mark Industries Ltd.

Sachidanand H Upadhyay is the key promoter of Lords Mark Industries Ltd. A technocrat with a keen vision for growth, he leads the group from the front. Born on December 3, 1977, his educational foundation was laid at Vidya Mandir School in Dahisar. However his entrepreneurial aspirations were ignited by the likes of Shri. Ratan Tata.

Commencing his professional journey with M/s Ion Exchange (I) Ltd, Upadhyay garnered extensive experience through pivotal roles in renowned corporations such as Nutrients Confectionery, Hindustan Lever Ltd. and Blue Dart, before he ventured out on his own in 1998 with Lords Mark Industries. Leveraging his expertise in the paper industry to find a firm footing in the business firmament, he has since then diversified into Solar/LED industry, Healthcare, Automotive and Pharmaceutical sectors.

With a legacy spanning 25 years, the group has now established itself as a prominent player in the market. As part of their growth strategy, they have expanded their presence with subsidiaries in upcoming and growing sectors of the Indian market like EV, insurance, defence, biotech and MedTech. They are also actively exploring opportunities for expansion into the global market.

Under Upadhyay's leadership, Lords Mark Industries has grown exponentially in the past decade. Realizing the importance of technology and the need to keep abreast with the evolving needs of the consumers, he has developed an ecosystem that is always tuned in to the environment. This thinking is the core of the DNA of the group. Keeping value creation at the heart of every decision, the company has prudently spread itself across four business units including paper, renewable energy, healthcare, and diagnostic and EV infrastructure technologies. In the future, it plans a big foray into the Automotive, Insurance and Organic space. Its vision is to deliver value to all stakeholders and partners by creating sustainable businesses and becoming a globally recognized brand in conglomerate industries.

With a strong commitment to customer satisfaction, innovation, and social responsibility, Upadhyay is an excellent example of a leader who has worked continuously in the direction of fulfilling the company's vision of delivering value to each stakeholder and partner by creating sustainable businesses.

Under Upadhyay, Lord's and its subsidiaries have made a mark in Electric Vehicle, Genome Testing, Vitamin Industry and Healthcare. Growth through diversification has become the norm for them, emerging as the cornerstone of their success.

The Lords Group has been engaged by the Government of India for its Smart City projects to provide solar lighting systems. The company has tied up with the world's largest electronics conglomerate Philips, to provide solar lighting in Bihar, installing the smart solar street light system based on RMS (Remote Monitoring System).

Lord's has also joined hands with the Government of India in "SAUBHAGYA" to provide lights to every home in a village – UPNEDA-UP, APDCL-Assam.

Sachidanand Upadhyay certainly is lighting up a bright future for the country.

A SHARED LEGACY: DR. K. S. VENKATESHAPPA AT THE HELM OF SAPTHAGIRI NPS UNIVERSITY

Dr. K. S. Venkateshappa

Located in Bengaluru, Sapthagiri NPS University is a pre-eminent centre for higher education. The university houses the Sapthagiri College of Engineering and the Sapthagiri Institute of Medical Sciences & Research Centre. Over the past 23 years, SNPSU has positioned itself as a flag bearer in delivering globally acclaimed education outcomes through its modern infrastructure, top-tier faculty, and vibrant campus culture. The institution offers a wide range of academic programs, from undergraduate to postgraduate, in sync with industry demands and employability potential.

The major programs in the engineering school include Computer Science Engineering, Artificial Intelligence & Data Science, and Electronics & Communication Engineering. SNPSU is recognised by the University Grants Commission (UGC) and offers various other courses in business, medicine, and computer applications.

SAPTHAGIRI UNIVERSITY

Standing with the Best-In-Class

Sapthagiri NPS University's defining trait is its unyielding commitment to providing best-in-class infrastructure. The university has dedicated advanced research labs, modern lecture halls, and a prestigious library with e-resources. The seamless integration of technology into classroom activities elevates the learning experience, and extracurricular activities complement academic learning, ensuring a holistic learning environment.

SNPSU's commitment to its students extends beyond campus life. The university assists all students in realising gainful employment opportunities with comprehensive placement services, including resume building, interview prep, and job placement guidance. Moreover, the financial aid program at SNPSU provides scholarships and financial aid to deserving students to ensure financial hurdles do not become an impediment to education and learning.

Leading the Charge

Dr. K. S. Venkateshappa, the Chief Administrative Officer (CAO) of Sapthagiri NPS University (SNPSU), stands as a beacon of educational leadership. With multiple accolades that include a B.A. in History, Economics, and Sociology, an M.A. in Economics, and a Ph.D. in Economics from Bangalore University, Dr. Venkateshappa has had a chequered career in academic excellence. His wide-ranging experience in teaching, research, and academic administration has established him as a foundational pillar of the university's success. Under his leadership, SNPSU has risen as an institution of eminence and acclaim, renowned for its steadfast adherence to quality education.

Dr. Venkateshappa's efforts towards elevating higher education to new heights at SNPSU have been immense. He led the instrumentalisation of the Internal Quality Assurance Cell (IQAC), which has played a critical role in enhancing the education quality at SNPSU. His contributions to curriculum design have taken SNPSU's course offerings on par with international standards. Additionally, he has steered valuable academic processes such as Continuous Comprehensive Evaluation (CCE), Internal Assessment Exams (IAE), and Term End Examinations (TEE), all of which have contributed to the university's rigorous academic environment.

Dr. Venkateshappa's research work including papers on "Tax Reforms and Fiscal Management in India" and "Generation and Management of Financial Resources for Education," has also been widely publicised in academic communities.

Road Ahead

Dr. Venkateshappa's vision for Sapthagiri NPS University is deeply transformative. He foresees SNPSU's role as a culture builder in society, and a breeding ground for innovation in science, technology, medicine, management, and legal education. He aims to foster a student-centric learning environment with an emphasis on interdisciplinary knowledge, real-life problem-solving, stewardship, and interpersonal skills. He is working with a single-minded determination to nurture next-gen thought leaders in health sciences, providing world-class facilities, and fostering an unmatched educational experience for all students.

His mission resonates with the National Education Policy 2020, which aims to engender an academic environment that is in sync with the demands of the 21st century. By pivoting from a teacher-centric to a learner-centric approach, Dr. Venkateshappa aims to foster innovation and learning, ensuring that SNPSU remains at the frontiers of excellence in higher education.

Sapthagiri NPS University is an institution dedicated not just to higher education, but also a breeding ground for cutting-edge innovation and intellectual fervour. Under the able stewardship of Dr. K. S. Venkateshappa, the institution is well-positioned to continue its transformative journey, effecting positive change in society. With a commitment to delivering quality education, cutting-edge research, and holistic student development, SNPSU is preparing a fertile ground for next-gen leaders to thrive and effect positive change in the world.

Transforming Ayurvedic Healthcare on a Global Scale. Devidas Varier, MD, The Arya Vaidya Pharmacy (Coimbatore) Ltd

Devidas Varier, MD,
The Arya Vaidya Pharmacy (Coimbatore) Ltd

Founded in 1943, The Arya Vaidya Pharmacy (Coimbatore) Ltd. (AVP) has long been a pillar in the field of Ayurvedic healthcare, embodying over 120 years of rich tradition. This legacy is upheld and reimagined by Shri Devidas Varier, the current Managing Director, whose leadership has propelled AVP into a global force for Ayurveda. Varier's tenure has been marked by transformative innovation and expansion, ensuring that Ayurveda remains relevant and accessible in today's fast-changing world. His leadership is a harmonious blend of tradition and modernity, guided by a deep respect for the ancient principles of Ayurveda and a commitment to integrating them with cutting-edge science and business strategies.

Family Heritage and Leadership

Devidas Varier's connection to Ayurveda runs deep, having been born into a family that has been at the forefront of Ayurvedic practice for generations. His grandfather, Arya Vaidyan P.V. Rama Varier, was a pioneering figure in the field, and this heritage has profoundly shaped Devidas Varier's journey. Since joining AVP in 1993, Varier has committed himself to understanding the delicate balance between preserving the integrity of traditional Ayurvedic practices and integrating them with modern advancements in healthcare. Under his guidance, AVP has expanded from its original role as a trusted Ayurvedic pharmacy into a diversified global entity that includes hospitals, educational institutes, clinics, and an extensive franchise network.

Varier's visionary leadership has been instrumental in steering AVP's rapid international expansion. A pivotal moment in this journey was the establishment of AVP Baltics in 2015, marking the company's first major foothold outside India. This expansion reflected not just a desire to enter new markets but a profound commitment to sharing the wisdom of Ayurveda with a broader audience. Through his efforts, Ayurveda has become more accessible to people of different cultural backgrounds, and AVP has established itself as a trusted ambassador of Ayurvedic healthcare in new regions.

One of Devidas Varier's most significant contributions to both AVP and the global Ayurvedic community has been his ability to bridge the gap between tradition and modernity. His strategic foresight has led to key partnerships that have enhanced AVP's manufacturing capabilities, ensuring that their products meet the highest international standards. Under his direction, AVP's state-of-the-art manufacturing facility in Kerala has earned GMP certification, further reinforcing the company's commitment to quality and authenticity in Ayurvedic formulations.

Advancing Ayurvedic Research and Education

In addition to expanding the company's reach and manufacturing capabilities, Varier has been a passionate advocate for Ayurvedic research and education. He has played a central role in advancing scientific understanding of Ayurveda through collaborations with prestigious institutions such as the National Institutes of Health (NIH) in the USA. One of the notable projects he has championed is the AMRA (Project on Rheumatoid Arthritis) phase-2 trial, which has garnered international recognition for its potential to validate Ayurvedic treatments in the context of modern medicine. Moreover, Varier's involvement in diabetes research in Latvia has further underscored his commitment to advancing Ayurveda's role in global healthcare. He has played a critical role in projects like the AMRA(Project on Rheumatoid Arthritis) phase-2 collaboration with the National Institutes of Health (NHI) in the USA, where he continued the vision of his mentor, Padmasri Krishna Kumar Ji.

Commitment to Sustainability and Herbal Cultivation

A critical component of Devidas Varier's vision for the future of Ayurveda lies in sustainability. Recognising the growing importance of environmental stewardship in healthcare, Varier has spearheaded programs aimed at ensuring the sustainable cultivation of medicinal herbs. These efforts are crucial for the continued efficacy of Ayurvedic treatments, as they help preserve the natural resources essential to the industry. By focusing on backward integration for cultivation, Varier is ensuring that the Ayurvedic industry can remain self-reliant and sustainable in the long term. His initiatives in this area have set a new standard for sustainability in Ayurvedic practices, positioning AVP as a leader in this critical area.

What distinguishes Devidas Varier's leadership is his ability to seamlessly blend tradition and innovation. He remains deeply committed to preserving the rich heritage of Ayurveda while embracing the advancements necessary to propel AVP into the future. For Varier, the work is not merely about business success; it is about making a lasting impact on global health and wellness. By promoting a holistic approach to healthcare that incorporates the timeless wisdom of Ayurveda, he is contributing to a global movement toward more balanced, natural, and sustainable methods of healthcare.

As AVP continues to expand its influence under Devidas Varier's leadership, the company's contributions to global healthcare are expected to grow even further. Varier's strategic acumen, deep commitment to Ayurveda, and innovative approach to business have made him an inspirational figure in the world of holistic healthcare. His work is helping to elevate Ayurveda to new heights, establishing it as a respected and effective system of medicine in the global healthcare landscape. Through his efforts, Ayurveda is not only thriving but is also being recognised as a powerful force in the pursuit of health and wellness worldwide.

Unlocking Growth

From a refreshed brand portfolio to focusing on an asset-light business model, here's how hospitality major IHCL is reshaping its future

By **NAINI THAKER**

Puneet Chhatwal is beaming with pride—and he has every reason to. "As one of the largest hospitality players...", as I begin my question, Chhatwal interrupts: "We aren't one of the largest, we are the largest Indian hospitality player." The last fiscal delivered the best financial metrics for the company, marking eight consecutive quarters of record performance. IHCL clocked in an all-time-high consolidated revenue of ₹6,952 crore, a 17 percent increase compared to FY23; Ebitda stood at ₹2,340 crore, a 20 percent increase, and profit after tax (PAT) touched ₹1,259 crore, a 26 percent increase. Chhatwal adds, "I don't like to sound arrogant, but I think the time has come where we have to say we are 'not one of the', but 'the largest' and the benchmark in the sector in India." The underlying strength of the company's balance sheet was highlighted by the free cash flow of ₹1,162 crore.

> **"I don't know of another Indian consumer brand that has a footprint and brand recognition at a global scale. We need to keep increasing this and stay relevant."**
>
> **PUNEET CHHATWAL**
> CEO, TAJ HOTELS RESORTS AND PALACES

IHCL has a market capitalisation of ₹87,306 crore (as on August 20). Currently, the company has a portfolio of 326 hotels, including 102 under development, across four continents,

Puneet Chhatwal, CEO, Taj Hotels Resorts and Palaces

BAJIRAO PAWAR FOR FORBES INDIA

13 countries and in over 130 locations.

With an announcement of almost one property a week, IHCL is rapidly expanding. Why now? Chhatwal laughs, "I have some impatient colleagues sitting around me, who start every morning saying '*dil maange* more'. But on a serious note, yes, we are making up for lost time."

The sector was hit terribly by the Covid-19 pandemic, and the subsequent lockdown. "There was almost no way to make any revenue... the sector saw its worst in the last 100 years," explains Chhatwal. But as it happens during every crisis, something changed. Since then, IHCL has experienced a robust recovery and is now performing better than it did pre-pandemic.

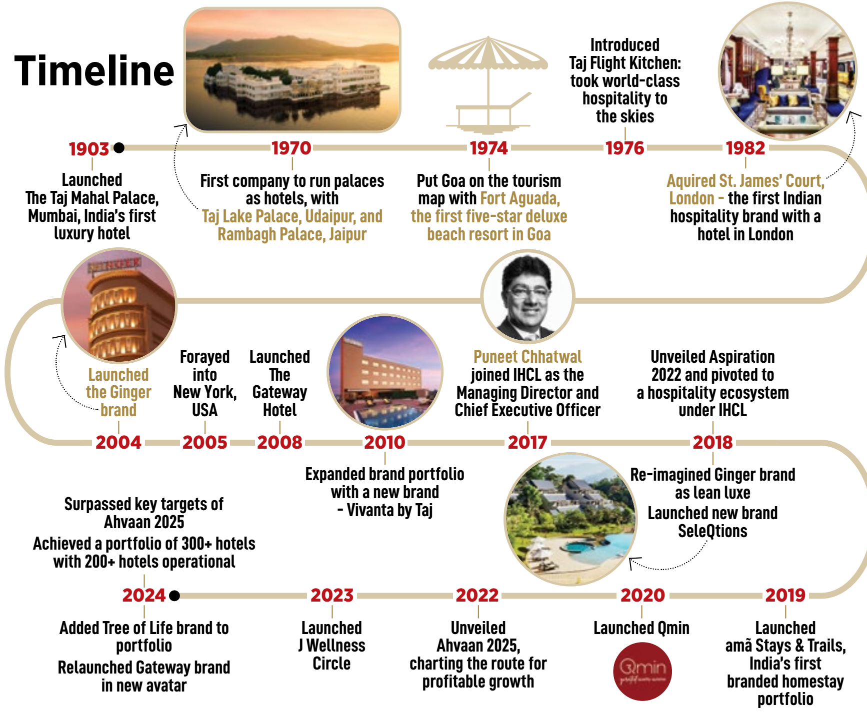
It's not only IHCL but also other Indian hospitality companies that have recognised how international players have entered segments where they could have expanded as well. "As an industry also, we are fairly under-penetrated compared to markets such as Dubai or Singapore," he adds.

STRATEGIC REINVENTION

One of Chhatwal's first major strategic moves was to strike the right balance between asset-heavy and asset-light models. "We worked through finding the sweet spot between properties we own and lease versus third-party assets that we manage," he remarks. This comprehensive asset management has helped the business immensely. Currently, the ratio is around 60:40, the majority being asset-owned properties. "With strict control on cost—a learning from the pandemic phase—we have been able to grow our margins... from 13 to 15 percent traditionally to over 33 percent. This is almost a 2.5x increase," reveals Chhatwal. "Moving towards asset-light models has worked very well for IHCL, and many other hospitality players too," explains Nikhil Agrawal, equity analyst, Kotak AMC.

Going forward, while the ratio might change, IHCL has no intention of selling its owned assets. "Some of our iconic properties are like crown jewels, not just of our company, but of the nation," he says.

Timeline



IHCL, which was traditionally known for its iconic Taj Hotels properties, also decided to change its brandscape and diversify. For instance, it relaunched two older brands—Ginger and Vivanta. "Looking at all our brands, based on price, category, customer profile—Taj is still very relevant, but for about 50 million Indians. Whereas a majority of play will be around Gateway, Vivanta, Ginger and the others." Currently, IHCL is looking at occupancy rates of about 70 percent.

New brands were added, including a homestay portfolio amã Stays, online gourmet food delivery service Qmin, private membership club, The Chambers, among others. "The new businesses that we have added are doing over 35 percent in margins," claims Chhatwal. "The company has definitely outperformed the industry. We are now seeing that with a lot of the non-core revenue coming in, their revenue dependence on the core business is coming down," remarks Agrawal.

In February, IHCL announced a strategic alliance with the Tree of Life

Enterprise-wise revenue breakup

Traditional business		New and re-imagined businesses				
Taj	Vivanta SeleQtions	Ginger	TajSATS	Qmin	amã	Tree of Life
₹9,364 cr	₹1,951 cr	₹486 cr	₹900 cr	₹101 cr GMV	₹35 cr GMV	
110 hotels	96 hotels	91 hotels	8 operational kitchens	45 outlets	200 properties	14 hotels

Data as on April 30, 2024 SOURCE Annual report

INFOGRAPHICS: MUKESH SINGH

Resorts & Hotels, which gave it access to 14 resorts. Additionally, IHCL introduced multiple F&B brands such as Seven Rivers Brewing Company, Southern Spice, Bombay Brasserie and Thai Pavillion, among others.

"IHCL is looking at diversification on all fronts. For a conventional hotel business, increasing ARR and occupancy beyond a point is not easy. So, by focussing on various businesses, including homestays and villas, going the B2B way for Qmin, expanding TajSATS with the number of new airports coming up etc, is taking care of growth. Also, it is important to note, that these are also your future growth businesses," says Prashant Biyani, vice president (Institutional Equity Research), Elara Capital.

GROWTH ENABLERS

In terms of infrastructure, India has been seeing a lot of upgrades that Chhatwal believes will further fuel the demand for the F&B and tourism sector. For instance, rapidly growing four-lane highways, a large influx of aircraft and airports, high-speed trains such as Vande Bharat and more.

"The way we have expanded our brandscape, we touch our consumers at all price points. Also, more recently, the current generation," states Chhatwal, "prefers to 'live in the now', which means they are more keen to have work-life balance... take more holidays and spend on themselves." This new trend has created a drive-in demand for both international and domestic destinations.

Additionally, spiritual tourism in India holds untapped potential that is yet to be fully explored. "We have only seen what happens when people start going to Ayodhya, but there are a number of temples all over India and many more spiritual destinations that can be explored. With some tailwinds, such destinations could propel the sector to an entirely new level," explains Chhatwal.

The company expanded its international footprint with signings in Frankfurt, Dhaka, Bhutan and Nepal. "Outside the Indian subcontinent, we only want to grow the Taj brand selectively. Honestly, I don't know of another consumer brand from India, which has a footprint and brand recognition at a global scale. We need to keep increasing this footprint and stay relevant by adding strategic dots on the map," notes Chhatwal.

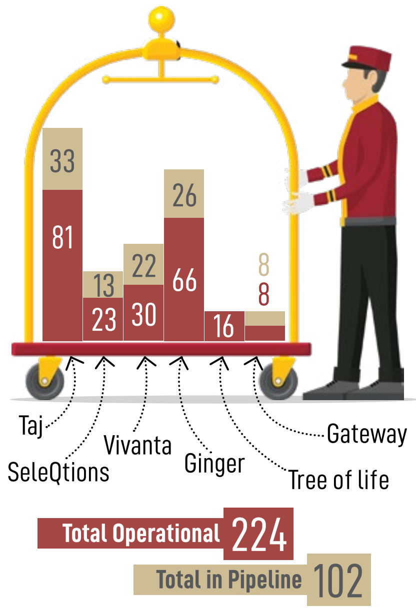
In July 2024, IHCL announced the signing of a luxury hotel and boutique resort in the Kingdom of Bahrain, both under its iconic Taj brand. This is a significant milestone, making IHCL the first Indian hospitality company to establish its presence in Bahrain. With a portfolio of seven hotels, including four under development in the Middle East, this new signing further solidifies IHCL's presence in the region.

IHCL is looking to add one more brand to its portfolio, and will soon be running 10 brands. However, Chhatwal emphasises that the company will only introduce new brands if there is genuine demand, rather than launching them merely for the sake of growth. However, he believes brands such as Ginger and amã Stays can be scaled up a lot more and a lot faster. "There should be at least 500 Ginger-branded properties in India," he states.

The managing director and CEO, who took charge of a company with a rich legacy in 2017, admits, "It has been an exhilarating journey." Industry analysts credit IHCL's success to the fact that the company has been evolving constantly based on consumer demands.

So far, "I think whatever ball we hit, it either went for a four or a six." It seems that Chhatwal has found the winning formula—the right balance of brand, product portfolio, business model, keeping growth at the core—"diversification of the topline". F

Hotel Portfolio



SOURCE Company

Turnaround Star

Market Cap: ₹87,306 crore
(as on August 20)

	FY24	FY23	FY22	FY21	FY20
Revenue from operations*	6,952	5,949	3,211	1,740	4,596
EBITDA *	2,340	1,943	560	-197	1,100
Profit after tax*	1,259	1,003	-248	-720	354
EBITDA Margin (%)	33.7	32.7	17	-11	24

*in ₹ crore

SOURCE Company Financials

> **"For a conventional hotel business, increasing ARR and occupancy beyond a point is not easy. Focusing on various businesses is taking care of growth."**
>
> PRASHANT BIYANI
> VICE PRESIDENT (INSTITUTIONAL EQUITY RESEARCH), ELARA CAPITAL

'JURASSIC PARK WAS AN EYE-OPENER FOR ME'

*Entrepreneur-producer **Namit Malhotra**, who has made a mark in Hollywood with projects such as Oppenheimer, speaks about the importance of technology and visual effects, and why he believes Indians have the talent and filmmaking prowess to match the West*

By **KUNAL PURANDARE**

NEHA MITHBAWKAR FOR FORBES INDIA

Namit Malhotra, chairman and CEO of visual effects company DNEG

Namit Malhotra was deeply enamoured by filmmaking as a youngster. Born into a film family—his grandfather [MN Malhotra] was a cinematographer while his father [Naresh] produced blockbusters like the Amitabh Bachchan-starrer *Shahenshah*—in Mumbai, he was initially inclined towards direction until he saw *Jurassic Park* (1993) and was blown away by the creativity and vision of Hollywood. "*Jurassic Park* became a big eye-opener for me... it got me excited about what the world of filmmaking or storytelling could be if one leveraged technology," he says.

In 1995, with three friends with whose help he learnt computer graphics, and an Apple Mac, he set up a garage startup, Video Workshop, an editing studio that worked on popular television shows such as *Boogie Woogie* and *Colgate Top 10*, and ad films and music videos. Two years later, he founded visual and special effects company Prime Focus. The success of the independent media services company eventually saw him cross over to the West and work on acclaimed films such as *Avatar*, *Star Wars* and *Harry Potter*, among others. In 2014, Prime Focus acquired Double Negative or DNEG, a British visual effects company, of which Malhotra is currently chairman and CEO.

The 48-year-old recently tasted success with projects such as Christopher Nolans's Oscar-winning *Oppenheimer*, *The Garfield Movie* and *Dune*: *Part Two*. He's also been closely associated with the Hindi film industry as producer of *Brahmastra: Part One – Shiva* and the upcoming Ranbir Kapoor-led *Ramayana*. In an interview with *Forbes India*, the entrepreneur speaks about the future of storytelling, the role of VFX and animation, and the difference between working in Hollywood and Bollywood. Excerpts:

Q How did you get into visual effects?
I wasn't necessarily in love with computers as a youngster. As a teenager, when I told my father I wanted to make movies, he encouraged me to think about computer graphics... how filmmaking and technology could come together. After giving that a shot, I found it to be a lot more interesting. That's how I got started. And then I brought over three guys who taught me computer graphics, and we set up a little garage startup.

Q What were your initial projects?
Even though I say computer graphics... we started as a post-production studio, and started doing TV shows, designing title sequences and music videos. Those were early days of satellite television and some of these became popular TV shows—*Boogie Woogie* and *Colgate Top 10*, for instance.

Q What was the turning point in your career?
There have been a few. We started in 1995 and in two years, we had 15 TV shows running on air every week, which was unprecedented. We had grown from one editing studio to seven. And then, in 1997, when I was 21, we formed Prime Focus and decided to take a deep plunge into the advertising industry.

Q What was the idea behind Prime Focus?
The prime focus of the company was people. That is how we coined the name Prime Focus, because we said we don't have the money, we don't have the big technology investments, we don't have great facilities, we don't even have that much experience... we are nothing but a group of young and enthusiastic kids who've found this sweet spot and want to do cool stuff. That's how we started. And I was taking a pretty substantial financial risk. We were buying computers or investing in a computer that was twice the revenue of the company in the last couple of years. If something would have failed, that would have been the end of everything for us. That was a massive turning point. A big risk that we took at the same time was to move from being a television studio to commercials. We had all the forces against us—from experience and quality to investment and locations... we were fighting from all sides, and that became a big game changer for us.

Q Nearly three decades later, have you achieved what you set out to do with Prime Focus?
There were no grandiose plans of being a garage startup and being the biggest in the world. We would sit and I would set what I would call achievable targets. I would say, 'Okay, in the next five years, we've got to be at the top of this particular piece', and then we would just rally together and get there. So it's been a journey... and 30 years later, to grow from that little, insignificant garage startup to being the biggest integrated services facility in the world is a massive transformation. Coming out of India... it's been an incredibly proud moment for me personally. But that has happened organically.

"WHEN I TOLD MY FATHER I WANTED TO MAKE MOVIES, HE ENCOURAGED ME TO THINK ABOUT COMPUTER GRAPHICS... HOW FILMMAKING AND TECHNOLOGY CAME TOGETHER."

Q You've worked on blockbusters like *Star Wars*, *Harry Potter* and *Dune*. What was your experience of crossing over?
This started to happen in the early 2000s when the big IT companies from India had already made a transition from India to the West. And I would think to myself, 'We're in the film business where we knew how to make movies before we knew how to use computers'... and for whatever reason, Hollywood has never trusted India or Indians to do that in the many decades that we've existed. So I took that upon myself and said, if they can do it in the IT industry, I'll do it in the film business or in the entertainment services side.

And that got my ideas flowing. In 2006-07, we bought studios in the UK, followed by the US. And while it looks great today, the journey was incredibly hard because we walked straight into the financial recession in 2007-08. That hurt the companies that I had bought because they were not necessarily the biggest or the best names. They didn't necessarily have the financial success or creative résumé that one would like. So it was much harder and much more complicated than I had imagined. The culture, the style of working... everything was extremely different to what we were used to. And with an unprecedented financial recession, it was quite a task, and I was lacking experience as an entrepreneur as well.

Q Purely from a working style perspective, is there any difference between Hollywood and Bollywood?

I think there's a fair amount of difference. The Indian film industry is different in the sense that it's much more entrepreneurial. Filmmakers, producers raise their own money, put up their own cash, they take the risk, they hire people and they do the whole thing. It's an individual-led mindset, whereas Hollywood has become 90 to 95 percent studio-led—more organised and structured. The biggest studios make the biggest of movies, and everybody works for the studios in some capacity or the other.

Q Among your recent successes is *Oppenheimer*. What was your challenge of working on visual effects for that film and how satisfying was winning the Oscar?

Christopher Nolan [director of *Oppenheimer*] is one of my favourite filmmakers of all time. I see him as a very evolved and unbelievable thinker in how he tells his stories. And *Oppenheimer* became another testament to his talent. We had won for *Inception*, *Interstellar* and *Tenet* for best visual effects... but this was the first Oscar for Christopher Nolan [for Best Picture and Best Director]. So I was incredibly enthused about him winning an Oscar because I believe he deserves all that and more.

He has a specific style of filmmaking, where he loves to do everything in camera. For *Oppenheimer*, the team had to come up with running certain types of simulations and visualisation that would have to be created in such a form, in physical and digital form, that had to work within the vision that he had... some of it was rendered digitally to flow in, creating how the bomb comes together, and how the visuals of that would be shown without causing unnecessary destruction. Bringing that to life was something for which we had to really work hard, to not blow things up, but create what the energy particles could look like, and how it illuminates, how it all comes together, and that, I think, was interesting and challenging in a film that actually did not need much visual effects to start with.

Q You work a lot on animation too. What all do you keep in mind when you produce a film like *Garfield*, for instance?

In animation, you actually make an entire film. Unlike visual effects, where you add to what's being made, in animation, you're making the film because every piece of image that you see is created by us. It's all about bringing the characters to life, bringing in the look, and at the same time, the performances become incredibly important. So, it's much more holistic in terms of what we do.

Q You are working on big projects in India too, like the *Ramayana*. What is your impression about the content that we are churning out here?

I feel we are 20 years late in finally getting there... but I'm glad that we are getting there. There's no question that we have all the talent and the filmmaking prowess to do anything and everything the world does. And I'm seeing so much more excitement in filmmakers today to bring certain stories to life. That has never been the case. It's a great step forward for our industry... because we have so much depth in history, in our characters, in mythology, in so many aspects of storytelling that, with the use of technology, Indian filmmakers will be able to deliver experiences like any other film or filmmaker in the world. And that is incredibly exciting to be a part of and to bring some of it to life.

> "IN INDIA, IT'S AN INDIVIDUAL-LED MINDSET, WHEREAS HOLLYWOOD HAS BECOME 90 TO 95 PERCENT STUDIO-LED—MORE ORGANISED AND STRUCTURED."

Q Do you still have directorial aspirations?

Not really... because I've, over the years, started to appreciate the level of commitment and detail a filmmaker has to apply. And with everything that I do and all the things that I have to manage, I don't see myself being able to disassociate or remove myself from everything. So, while direction was certainly something I was excited by earlier, I think now I could be the best producer in the world... and that's what is driving me forward. F

INSIDE DISNEY'S BLOCKBUSTERS

With Inside Out 2 *and* Deadpool & Wolverine, *Disney Entertainment has given back-to-back billion-dollar hits in the recent past*

By **KATHAKALI CHANDA**

Deadpool & Wolverine, a superhero flick featuring Ryan Reynolds and Hugh Jackman (right) has crossed $1 billion in collections globally

MARVEL / DISNEY

At 10 am every Monday, Alan Bergman, co-chairman of Disney Entertainment, gets together with the heads of his filmmaking studios to take stock of the week gone by. "We discuss how the box office is performing, how the titles are doing, what are the problem areas," says Bergman, who leads globally acclaimed studios like Pixar, Marvel, Lucasfilm and 20th Century Studios. If box office numbers are anything to go by, the meeting on the morning of August 12 would have been one of joy and celebration.

The weekend before, *Deadpool & Wolverine*, a superhero flick starring Ryan Reynolds and Hugh Jackman, had crossed $1 billion in collections globally, while Pixar's *Inside Out 2*, with collections of $1.5 billion globally had become the highest-grossing animated movie ever. In two months, The Walt Disney Company's portfolio of seven studios had delivered back-to-back billion-dollar movies.

"It is really inspiring to sit around that table with this group of people. [CEO] Bob Iger made some strategic purchases which have been fantastic for us," says Bergman, at a panel with journalists during the D23, Disney's grand fan expo, at Anaheim, California. The gathering also included the creative heads of Disney's studios—Disney, Walt Disney Animation Studios, Pixar, Marvel, Lucasfilm, Searchlight and 20th Century Fox.

Pixar, in fact, was one of Disney's first acquisitions, in 2006, in an all-stock transaction valued at $7.4 billion. The company, which made *Toy Story*, the first full-length computer animated feature film, in 1994, has since delivered popular films like *Elemental* and *Ratatouille*. But Pete Docter, its chief creative officer, says "it's a bit of a mystery" why *Inside Out 2*, a story that personifies the emotions of teenager Riley Andersen, has been such a stupendous success.

"I think people really liked the first one, and then [for this one] we hit something with anxiety. There's definitely anxiety in the world, and it's kind of sad we played on that. But we tried to explain it and give people tools to be able to talk about it in an entertaining way, with laughs," says the Oscar-winning director of *Monsters Inc*, *Up* and *Inside Out*. Pixar is already working on a spinoff, a streaming series called Dream Production, based on a studio where Riley's dreams are made every night "on time and on budget".

Disney's other billion-dollar achievement is the result of a $71.3 billion acquisition that Iger made in 2019, of 20th Century Fox, that brought in two studios (20th Century Fox and Searchlight), TV networks like FX and National Geographic, and popular franchises like *The Simpsons*, *Avatar*, *Star Wars* and *Deadpool*. "This acquisition has given us back hundreds and hundreds of Marvel characters, and we've only gotten started with *Deadpool & Wolverine*," says Kevin Feige, president, Marvel Studios.

The Marvel Cinematic Universe (MCU) has already crossed $30 billion at the global box office and, with over 700 characters, has secured a fanbase cutting across demographics. "One of the biggest Marvel hits on Disney Plus is the preschool show *Spiderman and His Amazing Friends*. And in theatres right now, the number one movie is the very R rated *Deadpool & Wolverine*. It shows Marvel fans understand where in the life cycle they fit in—from pre-school to adults. And that allows us to tell all sorts of stories," adds Feige, who is one of the few film producers to have been honoured with a star on the Hollywood Walk of Fame.

Iger's acquisitions have also meant that the six films to have ever grossed $2 billion and above have all emerged from the directors and franchises that currently inhabit the Disney portfolio—of these, three belong to 20th Century Studios (director James Cameron's *Titanic* and the two *Avatar* films), two to Marvel (*Avengers: Endgame* and *Avengers: Infinity War*) and one to LucasFilm (*Star Wars: The Force Awakens*). At the Disney Entertainment Showcase in August, where the company revealed its content slate for the next two years, the third installment of the *Avatar* franchise, *Avatar: Fire And Ash*, was announced.

What makes a billion-dollar film? Or does a successful film lead to an equally successful sequel? "It very rarely works that way... to sit down and go, 'okay, how are we gonna make something even bigger? That rarely leads to success," says Feige. "I do think, though, that we are very lucky here that we exceed expectations year after year to the point where, within yourself or the company or the public or the press, it becomes expected that everything will break records."

He adds: "When, last year, we had some disappointments for the first time, it told us to not take successes for granted. The two very big celebrations recently for *Inside Out 2* and *Deadpool & Wolverine* just felt great and reminded everybody that this doesn't happen all the time and we should celebrate it." Marvel hit a rough patch in 2023 with box office flops *Ant-Man and the Wasp: Quantumania* and *The Marvels*—the latter has been the lowest-grossing Marvel movie of all time.

Often, say filmmakers, it's not till after the film is released that they get a whiff of which way the box office is going to go. "If we, as filmmakers, start to

At $1.5 billion in collections globally, *Inside Out 2* is the highest grossing animated movie ever

MARVEL / DISNEY

"WHEN, LAST YEAR, WE HAD SOME DISAPPOINTMENTS, IT TOLD US TO NOT TAKE SUCCESSES FOR GRANTED."

think from outside in, you can never make a great story that way. I don't think any of us understood with *Frozen* or even *Moana* what we had," says Jennifer Lee, chief creative officer of Walt Disney Animation Studios, and the writer and director of the Oscar-winning *Frozen*. "Disney Animation hadn't done many sequels, or really one in all the years we've done features. And then we saw an opportunity with *Frozen*," adds Lee. With $1.28 billion, *Frozen II* became the highest-grossing animation film before being overtaken by *Inside Out 2 only* recently. The third movie in the series is set to be released around Thanksgiving 2027.

Acclaimed composer and lyricist Stephen Sondenheim, known for award-winning movies like *Sweeney Todd: The Demon Barber of Fleet Street*, and *West Side Story*, had once said musical comedies weren't written, they were rewritten. It's a leitmotif for a filmmaker too, says Docter of Pixar.

"The iterative process allows you to make mistakes, which is key, especially when you're taking risks. You need the ability to make something and have it fall flat on space, and then try again and fall again," says the bespectacled filmmaker. "I remember Joe Ranft [the late animator and screenwriter who had worked on *Toy Story*] who would say it's called showbiz for a reason.

(From second left) Alan Bergman, co-chairman of Disney Entertainment, Pete Docter, chief creative officer of Pixar, Jennifer Lee, chief creative officer of Walt Disney Animation Studios, Kevin Feige, president of Marvel and Kathleen Kennedy, president, Lucasfilm

It's part show, part biz. I'm really conscious of the fact that we're not making these movies for us. We're making them for the audience. The process of iterative storytelling is, in part, to expose the part that's going to be the most raw nerve, the most connective with everybody."

Actor Jon Favreau, whose new directorial project with Disney, *The Mandalorian and Grogu*, goes into production this year, perhaps has the last word on filmmaking. "Jon loves to cook, and every creative discussion with him ends up in food analogies," says Kathleen Kennedy, president of Lucasfilm and eight-time Oscar-nominated producer. "He says you can make the same thing in different ways and it can taste different depending on the ingredients you use. It's the same for our creative process—we're always looking for those new ingredients and those new ideas."

Take *Moana* and *Zootopia*, story pegs as different as chalk and cheese, but both hits delivered by Walt Disney Animation Studios, and both awaiting sequels in 2024 and 2025, respectively. Says Kennedy: "You try to take risks, you try to move outside of your comfort zone, and you hope that that's going to connect with people, and when it does, it's the most thrilling thing ever." F

(THE AUTHOR WAS AT THE D3 EXPO IN ANAHEIM, CALIFORNIA, ON THE INVITATION OF DISNEY)

THE WALT DISNEY COMPANY

Must-See Landmarks

Top five global attractions that one must visit in 2024, according to TripAdvisor

Epic monuments, breathtaking views and stunning natural wonders are just some of the reasons to explore this big, wide world. Tripadvisor's list of the world's top attractions reveals must-see landmarks in destinations ranging from New York City to the Cayman Islands. The Travellers' Choice Awards Best of the Best title is given to those with a high number of excellent reviews from the Tripadvisor community over a period of 12 months. Here are the top five attractions to check out in 2024:

1 Empire State Building, New York City

New York City's iconic building, the Empire State Building, is at the top of the list. It houses seven restaurants and two observation decks from which visitors can take in stunning views of the Big Apple

2 Eiffel Tower, Paris

No world's best attraction list would be complete without the Eiffel Tower in France. This monument is rich with history and a feast for design aficionados. The tower has spectacular views of Paris, which visitors can experience from three platforms

3 Anne Frank House, Amsterdam

The Anne Frank House offers a glimpse into how Jewish families in Amsterdam were impacted by the Nazi occupation during World War II. Visitors can take an audio tour while exploring Anne's rooms while she was in hiding

4 Basilica de la Sagrada Familia, Barcelona

The Basilica de la Sagrada Familia in Barcelona is an architectural wonder. Learn more about its stunning features and the artworks it houses inside through a guided tour. Visitors can also learn about its rich history and how it was crafted

5 Cayman Crystal Caves, Cayman Islands

The Cayman Islands may be ideal for enjoying lazy beach days, but there is much more to explore. An exciting nature tourist attraction is the Cayman Crystal Caves, where visitors can take in the breathtaking limestone formations and greenery. Guides explain how these fascinating caves came to be millions of years ago

PHOTOGRAPHS: SHUTTERSTOCK; EIFFEL TOWER: GETTY IMAGES

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