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Business India

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August 7-20, 2023

RISE OF THE GIG ECONOMY

As a major source of employment now, it needs a social security net. Will Rajasthan's Gig Workers Act emerge as a model?

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Business India

The rise of gig workers is a global phenomenon. Part time and self-employed freelance workers are an age-old part of any society. But 'gig workers' as a new expression refers to computer or mobile intermediated supply of informal or independent workers. The gig workers began to draw attention with the rise of platform companies like Amazon, for delivery agents, or Uber for car drivers. During the pandemic, globally they became crucial for a wide range of services from delivery of groceries to parcels to even sample collections for medical tests!

Of course, gig workers don't have the advantages of regular salaries, along with the perks of paid leave, medical benefits, pensions or provident funds. Nor the social respectability of jobs. But in the cities, they do provide access to fairly regular daily incomes to those who wish to work. The well-known columnist Ajay Shah, has likened the gig economy to an urban employment guarantee scheme. He argues that since governments have not been able to design a MNREGA type scheme for urban areas, that objective is partly fulfilled by the gig economy.

To be sure various concerns have been raised, particularly about the treatment and fair payment of gig workers; and the near total lack of security, in terms of health, steadiness of income or retirement benefits. These concerns have been raised across the globe, particularly in the West, and in India too. And some courts have even deemed them to be full time employees, entitled to all the benefits of permanent employees. In any case globally, except for government employees, the nature of full-time jobs is changing. Lifetime employment in one company has changed rapidly. And even the perks and security offered by full time jobs have been, in many companies, reduced significantly. Also, most small companies, the world over, offer fewer of the benefits that large companies do. Moreover, a less talked about phenomenon is that even in India many of the largest companies are outsourcing jobs and even full departments to smaller staffing companies who not only pay much less but do not offer most of the benefits of the large companies.

We must accept that broadly, the system of large numbers of gig workers being knit into networks by platform companies (and not being treated as employees) is here to stay. In any case no country in the world offers guaranteed full-time employment to all working age people. And the gig workers are an important and integral part of our economy.

Estimates vary about the number of gig workers in India. This is an ever changing, but ever-growing number. And it is an urban affair, but is gradually spreading to Tier III and Tier IV towns too. The Niti Aayog recently estimated the number at 7.7 million individuals. This is a very small fraction of the total number of 131 million urban workers. But it is a dynamic force that has made a big contribution to our ease of city living. As a society we have to think more carefully about incorporating them into our business and social lives.

Ashok H. Advani

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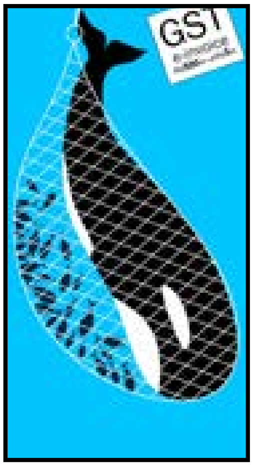
A softer approach

Mandatory GST e-invoicing needs hand-holding



The government has mandated e-invoicing for all GST taxpayers, whose aggregate annual turnover exceeds ₹5 crore, from 1 August. Over the years, this threshold for mandatory e-invoicing has been consistently brought down from initially covering only companies above ₹500 crore in annual turnover to ₹5 crore of annual turnover now. The drastic reduction in the threshold means that numerous small taxpayers from micro, small and medium-sized enterprises (MSMEs) will now have to generate e-invoices for all B2B transactions. This follows a similar move to make generation of e-invoice compulsory before transport of goods. E-invoicing offers numerous benefits, as it enables real-time validation and matching of invoices between buyers and sellers, reducing the chances of errors, duplication and tax evasion. However, there is a downside to it, particularly if a hard approach is taken towards its implementation.

By broad-basing e-invoicing, the government aims to combat tax evasion and facilitate real-time invoice matching between clients and vendors. The step, it is hoping, will ensure transparency and enhance compliance by modernising the tax collection system contributing to a broader GST base. As things stand today, GST revenues are growing with gross revenue collected in July 2023, touching ₹1,65,105 crore, which is 11 per cent higher than the GST revenues in the corresponding month last year. With a broader scope of businesses being encompassed by e-invoicing, including the MSMEs, the government hopes to attract more revenue.

The reduction in the compliance threshold, however, is accompanied by the government brandishing the big stick and the government must allay the fears associated with it. Non-generation of e-invoice by these businesses can result in a sweeping penalty of as much as 100 per cent of the tax due, penalties of up to ₹10,000 per missing invoice and ₹25,000 per incorrect invoice, delayed payments and GST holding. Naturally, small businesses are said to be fretting about the specific requirements to comply with the e-invoicing regulations.

Indeed, implementing e-invoicing for MSME businesses will come with its share of challenges. Overcoming these challenges first is essential for successful adoption and seamless integration into the business processes. Some of the challenges include lack of low-cost technological infrastructure, integration into existing accounting software, resistance to change, connectivity issues in Tiers II and III cities and limited awareness.

The government claims that implementation of lowering the threshold for e-invoicing has been done in a phased manner considering the readiness of businesses, particularly MSMEs. However, setting up costs will be a barrier for small businesses.

The present state of tech infrastructure could soon be a pain point for some MSMEs. The lowering of cap for issuance of e-invoice to ₹5 crore means that any assessee whose turnover exceeded this amount in any of the previous year from July 2017 to March 2023 will mandatorily have to issue invoice, credit notes and debit notes using the e-invoicing portal for all business-to-business transactions. Many small players do not have enough accounting as well as technological support. On the other side, buyers who procure goods or services from them are at risk of losing Input Tax Credit (ITC) if these suppliers do not issue correct e-invoices. Thus, the coming phase will be most critical for small (as a supplier) as well as larger taxpayers (as a buyer).

Due to the reduction in the turnover limit, all MSMEs under GST will have to ensure that they are geared up to issue e-invoices, employee training, system upgrade and tie-up with service providers or directly connected with the Goods & Services Tax Network (GSTN) portal for the same. Several state-level chambers of commerce and industry have expressed concerns over the practical implications of e-invoicing. Many small traders and businesses want the state tax departments to adopt a softer approach in guiding and supporting them through the transition. Thus, the government needs to do a bit of handholding till the transition becomes seamless. Successful implementation of e-invoicing requires adequate training, support, and collaboration between businesses, technology providers and relevant government agencies.

In the long run, e-invoicing can significantly benefit MSME businesses by streamlining operations, reducing costs, improving cash flow and fostering transparency. While the use of technology may initially involve a change in business processes of small vendors, in the long run, e-invoicing would simplify preparation of GSTR I and ensure seamless flow of ITC across all levels in the supply chain. That's why the government needs to step up and help businesses surmount this challenge. ◆

Developing a corporate market

Allowing global investors on IFSC exchanges is a welcome step

Regulators and the government have nurtured the long-standing dream of a vibrant corporate debt market for years. However, up to now, no real progress has been visible. The reasons for a vibrant corporate debt market are widely understood. A lot has been written and also well-articulated at various public forums by even top RBI officials. A debt market takes the load off the banks in facilitating long-term lending and lowering the risk of asset-liability mismatches. A vibrant market also lowers the overall cost of funds and allows bigger institutions like pension funds, insurance companies and mutual funds to have an opportunity to invest in favourable long-term assets.

The creation of a vibrant debt market is a result of its evolution in which banks have been the most prominent players. Most transactions have been off-market or over the counter. This is not a new phenomenon and has been a prevailing trend for years. This was highlighted even during the Banks Securities Scam in 1992. At the time, there was no transparency and genuine price discovery was absent. Even large corporates with active treasury divisions normally acquire bonds through their brokers and associate bank. In fact, banks which sell insurance products and mutual funds also arrange for corporate bonds for their HNI clients via advisory services. While corporates are technically supposed to be listed, the information given to the exchanges resembles a bulletin board. Trading is limited.

Finance Minister Nirmala Sitharaman, in the FY21-22 budget, announced two significant moves to bolster the financial landscape. Firstly, she introduced a permanent institutional framework aimed at enhancing secondary market liquidity across economic cycles. This was intended to boost confidence. Secondly, on 28 July, she took the laudable step of unveiling the Corporate Debt Market Development Fund (CDMDF). The Finance Minister also established an REPO clearing corporation.

REPO, akin to the old badla system in equity markets, providing quick liquidity for sellers who wanted to liquidate their securities. The REPO rate clearing house, known as AMC Repo Clearing Limited, will offer triparty repo and central counterparty services. This will widen and deepen the bond repo market, functioning similar to the RBI's repo services for the temporary liquidity needs of banks. Thus AMC repo house offers a means for banks to attain temporary liquidity for their securities.

The precise operational details of the fund will emerge as the rules and operational directives are finalised. Soon, we'll also learn whether the bond issuers will provide funds for the initiative and the associated fees for growing CDMDF.

The other, major problem in kick-starting a vibrant corporate market involves enhancing transparency and expanding market reach. Presently, nearly 98 per cent of corporate debt arises from private placement, while only a meagre 2 per cent stems from public issuance. Many times, corporate debts aren't priced accurately.

To address this, the government plans to enable direct listing of unlisted companies on International Financial Services Centres exchanges, with assistance from SEBI. The IFSC, situated in Gandhinagar's Gift City, hosts the India International Stock Exchange INX, a BSE subsidiary and the first exchange in IFSC. This initiative aims to improve price discovery by encouraging new issuers to use the exchange or go public, attracting global investors for better price discovery. It will also offer access to global capital for corporate bond issuers, lowering costs, and aiding start-ups in raising capital through quasi bonds.

However, retail investors' participation in corporate bonds listed on IFSC might be challenging. Unlike sophisticated investors, they may struggle to assess risk-reward ratios due to their limited expertise. The volatility in interest rates present in any economy can swiftly affect yields. Retail investors may prefer mutual funds for better exchange trading.

Moreover, equity markets, having been established earlier, tend to be favoured by retail investors. Although the government's initial steps are certainly the right ones, further efforts might be necessary as the market evolves. Nonetheless, these gradual changes are expected to yield non-proportional benefits to all stakeholders. ◆

Revisit the policies

The government should do away with short-term interventions

The last few quarters have been quite challenging for the domestic cotton textiles industry. The spiralling, as also fluctuating, raw cotton prices have eroded the competitiveness of the Indian cotton textile value chain in the global market. Our cotton textile exports declined by 23 per cent to $19.63 billion in 2022-23 from $25.55 billion in 2021-22, even as our cotton yarn exports fell sharply by 50 per cent to 663 million kg, which is India's lowest cotton yarn export in a decade.

It may be noted that India has been the world's largest cotton yarn producer as well as exporter and its share is nearly 25 per cent in the global cotton yarn market. The recent sharp drop in yarn exports has also led to a decline in sales volume and a contraction in the operating profitability margin for cotton yarn spinners in 2022-23.

Apart from the decline in global demand due to high inflation and recessionary pressures in developed economies and increased energy and supply chain costs, it was the big disparity between the domestic and international cotton prices that played a big role in adversely impacting our exports. The government's decision to continue with the 11 per cent import duty on cotton also added to the woes in a big way.

The imposition of import duty on cotton during the Union Budget 2021-22, which had the objective of protecting the livelihood of cotton farmers, saw cotton prices going through the roof, as the trade adopted the import parity pricing policy. Indian cotton price prevailed at ₹51,000 per candy during September 2021, escalated to about ₹1.10 lakh per candy by April 2022 and then declined to about ₹63,000 per candy in April 2023. Currently, the price is hovering at about ₹60,000 per candy, as against the international price of ₹53,000 per candy (83 cents/ lb).

Though the higher cotton price has supported the farmers to a small extent, it has hugely benefitted the traders at the cost of the entire textile value chain. In fact, since farmers are already protected by the MSP, the import duty on cotton does not give them much of an advantage. However, the distortions created in the process have adversely disrupted the cotton textile industry, which exports almost 65 per cent of the cotton produced in the country as value-added textile products. All this is happening at a time when India has a great opportunity to take considerable market share from China in the textiles & apparel business.

Hence, it is high time that the government exempted cotton from 11 per cent import duty and ensure raw material security, to protect the competitiveness of the industry. In fact, the government should do away with such knee-jerk interventions which, in a changed scenario, will only be counter-productive. We need a long-term policy framework which, on the one hand, should ensure the formation of a robust and competitive industry while, on the other, protecting the farmer's interest.

We have seen how the government's lopsided policy measures adversely impacted our textile sector in the past. It is the government's policy that forced the large production of our textiles from the organised (mills) sector to unorganised ones like power-looms and handlooms. Though it created jobs, it made our overall textiles value chain non-competitive and also choked the fresh flow of fresh capex. While many of our manufacturing sectors in the past have received foreign investment, our textiles & apparel sector has failed miserably on this front due to its inherent structural anomalies.

The technology upgradation fund (popularly known as TUF) also failed to generate desired results. The fund was designed in such a manner that it primarily helped flourish the already strongest link -- the spinning sector -- while the other segments like weaving, processing and garmenting (which are considered to be the weakest links and deserved more attention) hardly attracted much of investment and thus remained unattended. Today, we have an over-capacity situation in the spinning sector and the industry is under huge pressure. The recent events have further aggravated the condition. On the other hand, due to weaker links in the value chain, we have not been able to export high-margin products like fabrics and garments in a competitive while countries like Bangladesh, Vietnam have expanded their share significantly.

All in all, our textile & apparel industry, despite getting multiple opportunities in the past couple of decades, have not been successful in expanding their share in the global market. It is high time that the government should revisit the existing policies and strategies afresh and come up with a comprehensive policy framework, which can pave the way for a robust industry, going forward. Small and ad hoc policy interventions may not work in today's market. ◆

Monsoon Bliss in Madhya Pradesh

#MPMonsoonMagic

Madhya Pradesh, The Heart of Incredible India, has a huge potential for tourism during the monsoons.

Mandu

MP's multi-hued landscapes from lush forests, rolling hills to magnificent water bodies, come alive with vibrant greenery and gushing waterfalls during the monsoon months. The national parks and wildlife sanctuaries such as Kanha, Bandhavgarh, and Pench, offers an unforgettable experience for wildlife enthusiasts to witness the flora and fauna in their natural habitat. The historical sites and architectural marvels, such as Khajuraho temples, Gwalior Fort and Sanchi Stupa, are enhanced by the monsoon. The natural settings of Madhya Pradesh becomes even more picturesque, attracting nature lovers and adventure seekers alike. With its rich cultural heritage, sublime beauty, and salubrious weather, Madhya Pradesh offers a colourful kaleidoscope for tourists looking to explore the state during the monsoons.

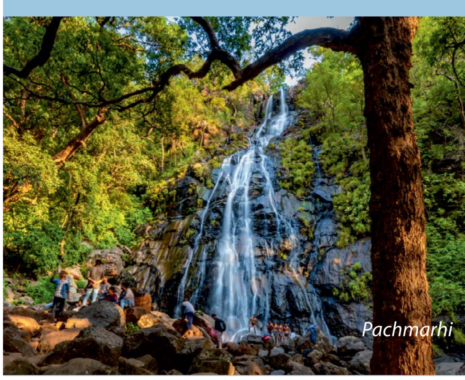
There is a lot to be served on the plate for the tourists. Pachmarhi, Mandu, and Amarkantak offers unique experiences and an enthralling natural beauty. While these places are popular throughout the year, they have a special charm during the monsoons. Let's explore the scope of tourism in each of these destinations during the rainy season:

Pachmarhi

Pachmarhi a hill station located in Madhya Pradesh is known as the "Queen of Satpura." It is nestled amidst lush green forests, cascading waterfalls, and picturesque valleys. During the monsoons, Pachmarhi transforms into a paradise with fresh greenery, misty mountains, and gushing waterfalls. The pleasant weather and rejuvenating ambience make it an ideal retreat for nature lovers and adventure enthusiasts. Visitors can enjoy trekking through the dense forests, explore the cave shelters, and tread through Rajat Prapat and Bee Falls during the monsoon season.

Nearest Railway Station – Pipariya 55 Kms

Nearest Airport – Bhopal 210 Kms



Pachmarhi

Mandu

Mandu, also known as City of Joy, is a historic city in the Malwa region of Madhya Pradesh. It is renowned for its magnificent medieval architecture and romantic legends. During the monsoons, Mandu becomes even more beautiful as the ancient palaces, mausoleums, and gardens get covered in lush greenery. The rain-washed landscapes and misty atmosphere create a romantic ambience, attracting tourists seeking solitude and tranquillity. Visitors can explore iconic attractions like Jahaz Mahal, Hindola Mahal, and Rani Roopmati Pavilion while enjoying the refreshing monsoon breeze and occasional drizzles.

Nearest Airport – Indore 96 Kms

Nearest Railway Station – Indore 99 Kms

Amarkantak

Amarkantak is a pilgrim town located in the eastern part of Madhya Pradesh, where the Vindhya and Satpura mountain ranges meet. It is considered a sacred place as it is the source of rivers like Narmada, Sone, and Johila. Monsoons bring life to Amarkantak with lush green forests, mist-covered peaks, and numerous waterfalls. The natural beauty of this place is at its peak during the rainy season. Visitors can go on nature walks, visit ancient temples, and enjoy the

Amarkantak

serenity of the surroundings. The waterfalls like Kapildhara and Durgdhara are especially mesmerizing during the monsoons, offering a beautiful sight and a refreshing experience.

Nearest Railway Station – Pendra Road 25 Kms

Several other destinations of the state offers a serene and rejuvenating experience. From exploring historical sites to savouring the cascading waterfalls and enjoying pleasant weather the state has a special buoyancy during the monsoons. . One such hidden gem is Chitrakoot, known for its resonating waterfalls and lush greenery that comes alive during the rainy season. Another destination that is worth a visit is Maheshwar, where the Narmada River flows majestically, surrounded by ancient temples and architectural marvels. For nature enthusiasts, Bargi Dam is a perfect retreat, with its vast reservoir that becomes a haven for migratory birds during the monsoons. Lastly, Orchha, with its magnificent palaces and cenotaphs, takes on a mystical charm as the raindrops gently cascade over its historical structures, making it an ideal monsoon getaway in Madhya Pradesh.

Good performance

The south India-based Canara Bank is now north-bound. The business of the bank has increased 9 per cent y-o-y to ₹2,08,014 crore at end June 2023, driven by a 13 per cent surge in advances to ₹8,87,671 crore, with the deposits too going up by 7 per cent

to ₹11,92,470 crore during the same period. The bank has posted a healthy 27.72 per cent growth in net interest income (NII), while the core fee income of the bank has also improved 4 per cent in Q1 2023-24. Net interest margins (NIMs) was 3.05 per cent, compared to 2.78 per cent reported in the corresponding period a year ago. The bank expects to maintain the margins at about 3 per cent. It has been consistently delivering improved asset quality, cost efficiency, other income and productivity during the past few quarters. According to a source within the bank, it is confident of improving its incremental disbursement with better credit monitoring. The source affirms that the bank's loan mix would be 55 per cent corporate and 45 per cent retail, going forward. It is looking at 14-15 per cent loan growth for the next year.

Growth strategy

Prince Pipes & Fittings Limited (PPFL) is engaged in the making of polymer piping solutions in four types of polymers – CPVC, UPVC, HDPE and PPR. With a network of more than 1,500 distributors and seven manufacturing units, PPFL is steadily increasing its pan-India distributor base, to ensure stronger customer proximity and respond faster to their needs. Recently, it has unveiled its new collection of luxury faucets and sanitary ware, which entails a complete portfolio of world-class faucets, which goes by the names of Aurum, Titanio, Platina, Tiara and Marquise. As per market estimates, the overall market size of faucets is estimated to be ₹9,000-10,000 crore and sanitary ware, ₹6,000-7,000 crore. To increase its presence in East India, the company plans to add 35,000 tonnes of pipes greenfield capacity in Bihar, at an estimated cost of ₹150 crore, while continuing to launch products in piping division like OneFit and WireFIT, as a part of the company's growth strategy.

Mega order bagged

Power Mech Projects, a Hyderabad-based construction engineering company, has obtained an order worth ₹30,438 crore from the Steel Authority of India. The mine development & operation (MDO) project, Tasra OCP, located in Jharia Coal Fields, Dhanbad, Jharkhand, is for the development and operation of Tasra Opencast Project in Jharkhand. The MDO contract will primarily comprise mine infrastructure development, removal of overburden and extraction of coking coal, crushing, transportation, setting up coal washery of 3.5 mtpa capacity, supply of steel grade coking coal to SAIL, carrying out R&R activities and other activities. The project has a total coal extraction reserve of 96.78 million tonnes, with an annual capacity of 4 mtpa. The concession period of the mine is 28 years, including two years of development period. The project has been awarded to a consortium of Power Mech Projects and PC Patel Infra, wherein former is the consortium leader with 74 per cent equity stake, while the latter will hold 26 per cent stake.

Bright prospects

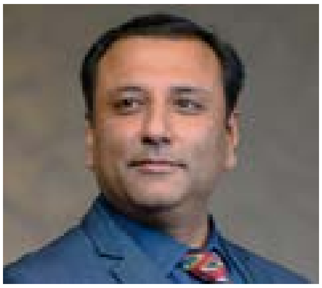
REITs have gained significant market as promising alternate real estate platforms during the last few years. And Embassy Office Parks REIT has leased 1.1 million sq ft of commercial space across 22 deals in the quarter ended 30 June 2023. Embassy REIT, which owns and operates a 45 million sq ft portfolio of nine infrastructure-like office parks and four citycentre office buildings in Bengaluru, Mumbai, Pune and the National Capital Region, has seen its net operating income rising by 9 per cent to ₹738 crore over the year. During the quarter, Meanwhile, Mindspace Business Parks REIT, sponsored by K Raheja Corp group, has leased 0.4 million sq ft of office space. The REIT, having a portfolio of 32.1 msf of leasable area across five integrated business parks and five quality independent office asset, saw its net operating income surge by 13.8 per cent to ₹457 crore. India's REIT market is poised for higher growth and has significant potential. The three listed office REITs cumulatively hold about 74.4 msf of office REIT stock, representing about 11 per cent of the total existing Grade A office stock. With the existing REIT penetration rate of less than 15 per cent, India has significant room to increase its REIT-able share going ahead.

Towards sustainability

Tata Steel has adopted various `industry first' initiatives in sustainability. Reiterating its commitment to a sustainable future, Tata Steel becomes the first Indian company to import cargo on bulk carrier that uses LNG as fuel instead of traditional low sulphur fuel oil. This ground-breaking vessel sets a new benchmark for sustainable shipping practices in India and marks a significant milestone in the country's maritime sector. Going forward, the steel major plans to import about 1 million tonnes of coking coal in 2023-24 from Australia in such LNG powered vessels. Earlier, in December 2021, the company had deployed the first bio-fuel-powered vessel, MV Frontier Sky, which was also the first to be used by an Indian steel manufacturer. Tata Steel is also the first steel producer in the world to join the Sea Cargo Charter, to align its chartering activities with responsible environmental behaviour, consistent with the policies and ambitions of International Maritime Organisation.

Airblack, India's fastest-growing and most preferred skilling academy, helps people upskill themselves and start their own businesses as micro-entrepreneurs through do-it-together (DIT) courses. In three years, Airblack's beauty academy has generated 15,000+ certified artists and trained over 35,000 women, of whom more than 75 per cent have already started their businesses either as freelancers, studio owners or earning influencers. The brainchild of **Videt Jaiswal** and **Vaibhav Raj Gupta**, the Gurugram-based company was launched in February 2019, with the intention of helping people earn their livelihood. Its mission is now to generate income for over 10 million people by 2028. Airblack's flagship live DIT courses help people learn and master skilled techniques, with the help of top industry experts, practitioners, and educators. These highly immersive 2-6 month-long courses are undertaken in small cohorts. "In June 2020, we launched our first vertical, Airblack Beauty Club, which focussed on courses in the beauty and wellness sector," informs says Jaiswal, co-founder & CEO, Airblack. "As of now, Airblack has become one of the largest beauty academies in India and has trained over 35,000 women in 300+ cities to launch their own small businesses from home". ◆

Nasher Miles, a new-age digital-first direct-to-consumer (D2C) luggage brand envisions to become India's largest and most trusted D2C luggage brand through its series of durable and stylish luggage products. Launched in 2017, the Mumbai-based Nasher Miles is a boot-strapped company, producing and marketing a variety of hard-side and soft-side luggage, backpacks and travel accessories, through its sustainable and profit making business model. In 2022, the brand introduced its second brand, Stony Brook, for the masses. While Nasher Miles has built a loyal customer base and presence in Tier I metros, Stony Brook, as a value brand, aimed to capture a significant portion of the D2C Tiers II and III markets for luggage and travel-related gear. "With its constant focus on aesthetics like a vast range of colours, cool designs, durability, and functionality, Nasher Miles has become the preferred choice for modern travellers across the country," says **Lokesh Daga**, co-founder, Nasher Miles. "We also aspire to launch a new brand, catering to kids' luggage. The company also wishes to focus on backpacks as a segment for the college-goers. We are looking to launch the brand on global e-commerce marketplaces, and focus on the corporate gifting channel," adds **Abhishek Daga**, co-founder, Nasher Miles. ◆



HeatCure, a pioneer in Japanese class coating solutions, has launched its operations in India. The primary function of this nano-technology-based coating is to block heat gain from glass doors, windows and facades. With its focus on providing superior heat management solutions, HeatCure's products offer protection against infra-red (IR) and ultraviolet (UV) rays, ensuring comfortable and energy-efficient indoor environments. "We are delighted to introduce HeatCure as an innovative glass coating solution to India," says **Sanjay Mendiratta**, founder & CEO, HeatCure. "With our Japanese nano-technology, we aim to revolutionise how buildings and establishments combat the adverse effects of sun's heat. HeatCure provides a sustainable solution for enhancing energy efficiency and indoor comfort by blocking the heat and allowing the light transmission. We offer the only green building-certified solution to a non-compliant glass facade, which acts as a roadblock for a structure to be green building-certified. We welcome glass processing units and glass industry dealers and distributors to partner us on this revolution towards keeping indoor temperatures regulated by blocking heat in summers and extreme cold in winters, while saving energy at the same time. Let's contribute towards a greener planet". HeatCure's entry into India comes at a critical time as the country faces scorching temperatures and escalating energy demands. ◆

Abdulla Husein Salman Mohamed Almarzooqi, Consul General for the UAE in Mumbai, has invited Indian businesses, government civil society and individuals for the 28th Conference of the Parties (**COP28**) on climate change, which is scheduled from 30 November to 12 December 2023 in Dubai. "The COP28 UAE Presidency believes that governments and the private sector must work closely together in order to address climate change. Through the Green Zone, the COP28 UAE Presidency offers the private sector the opportunity to showcase their contributions and solutions to the global climate challenge. Their innovative approaches, climate action technologies and entrepreneurship will constitute an important part of COP28. The Green Zone will also host technical conferences, panels and activations with a focus on existing and future solutions to climate change mitigation," remarked Almarzooqi at the official sideline event of COP28, which is part of the initiative of the UN Office for Disaster Risk Reduction (UNDRR). The event was jointly organised by the UAE Consulate General in Mumbai, All India Association of Industries (AIAI), WTC Mumbai and the Indian Chamber of International Business (ICIB). "Climate change is the greatest challenge of humanity in the 21st century and every citizen should participate in combating this challenge. Developing smart cities is a solution to combat climate change," said **Vijay Kalantri**, president, AIAI & chairman, WTC Mumbai, speaking on this occasion. ◆

Leading real estate developer **Puravankara Limited** has announced a strategic brand refresh. Under this transformational move, Puravankara's luxury homes will now be marketed under the name 'Purva'. The company has also unveiled a new vision statement: 'To create a sustainable world for people to live their dreams,' which underscores its commitment to ESG principles and its cherished customers. With an increased focus on sustainability, Puravankara aims to foster communities that empower its residents to live their lives to the fullest. Everything the brand does ensures that it always thinks about the customer, which explains Purva's tagline: 'Always about You'. This also emphasises its customer-first approach through the entire home-buying journey. "Customers have always been central to us at Puravankara," affirms **Ashish Puravankara**, MD, Puravankara Limited. "We've invested the past 48 years in keeping the customer at the centre of our universe. Our focus has been on delivery excellence and providing the best experiences to our customers. With this brand refresh, we are reinforcing our dedication to being an integral part of every homebuyer's journey – from selecting their dream home, through the construction journey to cherishing every moment of living in the Purva community." The rebranding of luxury homes under the name 'Purva' promises the customers a more engaging and personalised experience. ◆

Hendrickson has announced the launch of air and mechanical suspensions and axles for trailer applications in India. "Today, we are excited to introduce these innovative ride solutions for trailer applications in India, to serve and support the industry's evolving needs," comments **Matthew Joy**, president & CEO, Hendrickson. "Our tagline, 'The World Rides on Us' encapsulates our brand's spirit and reflects our 110 years of innovation." Adds **Richardo Martin**, vice-president, international operations: "Over the years, we have become a force to reckon with in the industry. Our entrepreneurial attitude fosters a culture of innovation, encouraging all our associates to discover, invent, and modernise. We work closely with fleets and truck and trailer manufacturers worldwide, collaborating on new product development. We are committed to serving the transportation industry with cost-effective ride solutions that enhance productivity and profitability". The Indian market currently witnesses an annual demand of about 40,000 trailers, with mechanical suspensions accounting for about 70 per cent of the market share. The migration to air suspensions has commenced and will gain momentum as the road infrastructure continues to grow and customer expectations demand the adoption of new technologies. ◆

Specific water consumption by the paper industry, especially the organised paper mills in the country, has come down significantly over the years. "The paper industry used to consume 200 cu m water to produce a tonne of paper," informed **Pawan Agarwal**, president, **Indian Paper Manufacturers' Association** (IPMA) at the eighth CII National Conference on Pulp & Paper, organised by CII-Triveni Water Institute, with the support of IPMA. "Now, the integrated mills have reduced the consumption level to about 40 cu m. And, there is a concerted effort to bring it down further. Today, several paper mills in the country have got the best available global technology in the field of wastewater treatment." Over the last decade and a half, the Indian paper industry has undergone momentous changes. Be it the creation of a robust and renewable raw material sourcing base, offering innovative, eco-friendly alternatives to single-use plastic, or incorporation of process technologies with a least environmental footprint, the industry has come a long way, added Agarwal. For procurement of wood, the key raw material, the industry has worked incessantly with over 500,000 marginal farmers over several years and has successfully brought 1.2 million hectares of largely degraded land under plantations. More trees are being grown than harvested for pulp-making. ◆

Automotive supplier Huf has inaugurated its new tech centre in Pune to offer workspace for more than 100 engineers developing cutting-edge hardware and software solutions for car manufacturers around the globe. "Since taking up our operations at **Huf India** in 2008, we have constantly expanded our business in this important region," says **Dirk Fischer**, COO, Huf during the opening ceremony. "With a new tech centre in India, we are taking another important step and leverage the excellent expertise of highly skilled developers in Pune. It will become our global centre of competence for the development of classic lock sets and door handles and also support hardware and software development within our global network," adds Fischer. "The Huf India Tech Centre perfectly complements our vertically integrated production facilities in Chakan, spanning from die-casting, molding, painting and assembly, including a testing and validation centre," informs Sandeep Chaudhary, regional head, Huf India. At this site, almost 500 employees are producing lock sets, door handles and brackets. Within the Huf network, Huf India is a front-runner in lean management, as well as sustainability, with a high amount of renewable energy and smart reduction of water consumption. ◆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A new trend emerges

Flex office spaces is the occupiers' top short-term real estate portfolio strategy

SANJAY BORADE

Real estate consulting firm CBRE's '2023 India Office Occupier Survey' findings highlight that the increasing use of flexible office space is emerging as the top short-term portfolio strategy, with 47 per cent of respondents indicating increased use of flexible office space over the next 12 months. The survey further pointed out that 56 per cent of the respondents intended to have more than 10 per cent of the total office portfolio as flexible spaces by 2025, indicating that flexible spaces will continue to be a key component of occupiers' portfolios.

In line with the drive for portfolio optimisation and improved efficiencies, about 37 per cent of the respondents indicated increasing consolidation to fewer locations. This trend reflects the growing emphasis on streamlining operations and maximising resource utilisation. The survey found that there is growing interest in Tier II cities due to skilled talent pools and improving infrastructure and 13 per cent of the respondents chose to relocate some functions to Tier II cities in Q1 2023, as compared to 8 per cent in December 2021.

India's attractiveness to global corporates would continue in the medium- to long-term. Occupiers' outlook in Q1 2023 towards long-term portfolio expansion remained positive, as 75 per cent of the respondents indicated that the size of their portfolios would increase over the next two years. This benchmark for expansion touched pre-Covid-19 levels, wherein 79 per cent of the respondents in 2019 had indicated portfolio expansion and only about 6 per cent had indicated contraction.

Return to office The survey suggested that occupiers are now more bullish towards expansion, as the percentage of respondents that expected a significant increase (>30 per cent) in portfolio size grew from 12 per cent in July 2022 to 28 per cent in Q1 2023. Favourable demographics, a high-skilled and cost-effective talent pool, robust technology and start-up ecosystems, availability of high-quality office spaces, attractive rentals and beneficial government policies are a few key long-term enablers of portfolio expansion by global corporates.

The survey points out that, as 'return to office' plans are ramped up in a hybrid environment, occupiers would strive to find the middle ground between supporting flexibility and ensuring predictable occupancies to utilise their space optimally. As a result, formulating hybrid working rules and policies that balance business goals with workforce needs would be at the top of occupiers' agendas.

To address the challenges faced by new hires in terms of onboarding, collaboration, cultural integration and visibility, occupiers are likely to assign them to a fixed physical office location. This approach was supported by 65 per cent of the respondents. Remote hiring is expected to focus on a combination of work-from-home (WFH) and satellite offices, enabling new employees to periodically visit the office to connect with colleagues and become acquainted with the company's practices and culture. This hybrid approach was favoured by 35 per cent of the respondents.

Enhancing the employee experience is a vital component of RTO planning, shaped by shared work experiences and relationships. Occupiers prioritise strategies, such as integrating employee well-being into workplace and workforce strategies (74 per cent respondents), granting greater flexibility through organisational policy changes (70 per cent), engaging all stakeholders to redefine office purposes and designs (60 per cent) and equipping people managers for managing hybrid teams through coaching and up-skilling (56 per cent).

"Over the past one year, we have witnessed a remarkable recovery in the Indian office sector, driven by pent-up demand and the swift implementation of return-to-office (RTO) plans by occupiers," informs Anshuman Magazine, chairman & CEO India, South-east Asia, the Middle East & Africa, CBRE. "Despite the challenges posed by macro-economic and geopolitical factors, the sector has shown resilience. Looking ahead to 2023, we anticipate these challenges to persist, necessitating adaptability and strategic foresight. In terms of office portfolios, our Q1 2023 survey reveals that occupiers will continue to expand into flexible office spaces. An impressive 87 per cent of respondents expect to either maintain or increase the percentage of flexible spaces in their portfolios over the next two years. We anticipate a significant occupier interest in allocating


SANJAY BORADE

over 10 per cent of their office portfolios to flexible spaces over the next two years."

"The increased focus on 'return-to-office' plans by occupiers, driven by factors such as work-from-home fatigue, attrition and moon-lighting, have resulted in a gradual upswing in office occupancies since the second half of 2022, majorly across sectors including BFSI, engineering & manufacturing, life sciences, e-commerce, media & marketing," says Ram Chandnani, managing director, advisory & transactions services, CBRE India. "Our latest survey findings point out that nearly one-third of the respondents reported a utilisation rate of more than 75 per cent".

The survey also highlights a change in occupiers' approach to bringing employees back to the office, which diverges from the trends seen in 2021 and 2022, despite the prevalence of hybrid working arrangements. In Q1 2023, the majority of respondents (96 per cent) preferred working in the office for at least three days per week, which aligned with the findings of the July 2022 survey (91 per cent).

However, there has been a significant rise in the inclination towards fully office-based strategies, as 40 per cent of respondents opted for this approach in Q1 2023, compared to just 18 per cent in July 2022. Occupiers are expected to limit hybrid working to a portion of their workforce, as revealed by 73 per cent of the respondents who indicated that less than half of their staff would be granted the option. Among the respondents, around 30 per cent stated that hybrid working would be available to 25-50 per cent of their employees. ◆

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Row over entitlements

States clash with Centre over OMSS

Goyal: the Centre and the states should focus more on making the PDS foolproof than on expanding the existing schemes

The national conference of food ministers of states and Union Territories on 2 July was meant to discuss the issue of the discontinuance of rice and wheat sales to states under the Open Market Sale Scheme (OMSS) in view of the Centre's restrictions. On the agenda were topics, such as an action plan for the procurement of coarse grains and a strengthened focus on food and nutritional security. However, it saw a sharp exchange between Piyush Goyal, Union minister for food & civil supplies, and K.H. Muniyappa, minister for food & civil supplies, state government of Karnataka, over the restrictions imposed on states to purchase food grains from the Food Corporation of India (FCI) through the OMSS.

Karnataka's recently-elected Congress government has launched the Anna Bhagya Yojana 2.0, offering 10 kg of food grains to every member of a BPL household and Antyodaya card holders every month, from 1 July. This is 5 kg over and above the existing schemes. It is one of the Congress's five poll guarantees. Apart from Karnataka, Tamil Nadu, Jharkhand and Rajasthan too have asked the Centre to provide food grains for their state welfare schemes from the buffer stock under the OMSS.

However, the Centre has turned down the appeals, with Goyal sounding caution on the El Niño factor in food grain production and procurement. On 13 June, the Centre discontinued the sale of rice and wheat from the buffer stock to state governments under the OMSS officially, due to inflationary pressure and concerns over monsoon. Goyal argued that the Centre and the states should focus more on making the Public Distribution System foolproof than on expanding the existing schemes.

Transferring cash

Its inability to procure food grains from FCI has forced it to provide cash instead of additional quantities of rice to BPL families, due to challenges in rice procurement. The process of transferring money to BPL cardholders as part of the scheme has begun on 10 July. The decision was taken following the Siddaramaiah government's unsuccessful efforts to acquire rice from several rice-producing states, including Andhra Pradesh, Telangana, Chhattisgarh and Punjab. These states had expressed their inability to meet Karnataka's monthly rice requirements of 29,000 tonnes.

Given the row in Karnataka, it was expected that there would be a solution. But the Centre was in no mood to oblige the states, which use the OMSS to cover a considerable portion of their food grain requirements. Goyal reiterated the Centre's position of taking care of the interests of those outside the scope of the National Food Security Act (NFSA).

Experts feel that, though it is indisputable that the Centre has to look after the non-NFSA category of beneficiaries, the states' plea too considers the needs of sections of the non-NFSA population, as those covered under the Act get their entitlements under the Centre's monthly allocation of food grains. Besides, if states are forced to tap the open market, rice and wheat prices are bound to go up. This will defeat the Centre's objective behind restrictions on quantity sold through OMSS, which is keeping prices under control. Finding a middle ground would have addressed everyone's concerns, at least partially.

The deadlock prompted the Congress to take potshots at the Centre. Jairam Ramesh, Congress general secretary and spokesman, said in a tweet that it was clear after the food ministers' meeting that the Union government was prioritising supply of rice for ethanol production (an aside at the launch of a sugar-ethanol portal during the conference) food security needs of the poor. "States like Karnataka are willing to pay the FCI ₹34 per kg for meeting their food security needs, but that door has been closed by a brazenly vindictive Modi government. FCI, however, will continue to sell rice at ₹20 per kg to ethanol producers," Ramesh said.

The controversy over the OMSS and the showdown at the food ministers' meeting have sent out the message to states that it would not be wise to rely on the Centre or its agencies when it comes to implementing state welfare schemes in the food sector. They must identify their own sources, and in a cost-effective manner. After the U-turn by the FCI in providing additional food grains for the Anna Bhagya 2.0 programme, Karnataka could not find an equivalent supplier, cost and availability being a key reason. But will the development force the states to introspect whether it is feasible to scale up the size of entitlements without the requisite back-up? Though Karnataka has found a way out, the episode brings into focus the fact that politics has now firmly entered the domain of food security. And, attempts to replicate schemes of the Union government, which have a bigger resource base, may not always be fruitful. ◆

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Lost objectives

Rice export ban fails to bring down prices

The government's blanket ban is expected to shrink India's rice exports

Exports of non-basmati white rice were banned to ensure adequate availability and allay price rises in the domestic market through a notification by the ministry of consumer affairs, food & public distribution on 20 July. This was preceded by the imposition of an export duty of 20 per cent on non-basmati white rice last September. Despite these supply-side interventions by the Union government, prices of rice are unlikely to ease immediately.

The domestic prices of rice continue to rise, as retail prices increased by 11.8 per cent in June, according to data from the ministry of statistics & programme implementation. That's the highest since 2015. Retail prices have held steady, as the all-India average was recorded at ₹40.96 per kg as of 31 July. This was 2 per cent higher than the rate that prevailed a month ago and 10.6 per cent higher than what was in vogue a year ago.

This the twin objectives of having sufficient stocks and bringing down prices appear to have been frittered away due to factors beyond the government's control. The ban, following other restrictions, sent the Asian market into a panic. There also concern about food inflation, especially across Asia.

India is responsible for about 40 per cent of the global rice trade. The banned items amount to about 15 per cent. The United Nations Food & Agriculture Organization (FAO) has informed that the rice price index has risen 2.8 per cent in July from a month ago to their highest level in nearly 12 years, as prices in key exporting countries jumped on strong demand and India curbed exports.

Global impact

Within Asia, the Philippines has been most impacted, while Singapore, Hong Kong and Malaysia, which also depend on imports to meet much of their rice needs, were also hit. (In contrast, Thailand gained because it is a net rice exporter.) Global food economists are now speculating that, if supply in India remains robust, the Modi government could lift or loosen the ban.

Back home, despite the imposition of duty, exports saw a rise from 3.37 million tonnes between September 2021 and March 2022 to 4.21 million tonnes between September 2022 and March 2023. This is because of a sharp increase in international prices due to the geo-political scenario, fears of El Nino and extreme climatic conditions in other rice-producing countries. Besides, there is no change in the export policy of parboiled rice and basmati rice, which form the bulk of rice exports. This will ensure that the farmers continue to get the benefit of remunerative prices in the international market.

Indeed, India's overall exports of rice have witnessed a spike despite previous government measures amid a decline in Central stocks and a rise in domestic prices. The government clearly views these as red lines from a domestic food security and inflation point of view but clearly there is not much it can do about it.

Despite the September curbs, rice inflation rose from about 9 per cent year on year then, to about 12 per cent in June; and daily data suggests a further rise in July, Nomura Holdings Inc informs in a note. Domestic inflation could still be impacted by higher global prices, if they spill over into the unrestricted categories, says Nomura. "We expect continued supply-side interventions," the note adds.

However, the prohibition on export of non-basmati white rice could lead to a lowering of prices for the consumers in the country. Non-basmati white rice constitutes about 25 per cent of the total rice exported from the country. The government's blanket ban is expected to reduce India's rice exports by 4-5 billion tonnes this fiscal – more than a fifth of what was exported last fiscal. That should improve domestic supplies and have a moderating effect on retail prices.

The total production of rice in 2022-23 is estimated to be a record 135.5 million tonnes – higher by 6.07 million tonnes over the previous fiscal, according to the third advance estimate of the ministry of agriculture & farmers' welfare in May. Currently, stocks of food grain in the Central pool are adequate to meet domestic demand, despite falling to a three-month low in July. The Centre's stock has touched 24.35 million tonnes, according to data from the Food Corporation of India. ◆

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Modi's UAE card

His fifth visit to the emirate

Modi with Al Nahyan: wooing the UAE

Narendra Modi's recent visit to Abu Dhabi was his fifth official visit to the UAE since he became PM in 2014. While this by itself is a remarkable milestone in foreign relations, it also marks one of the most transformational changes in India's engagement with any country in recent times. Vinay Kwatra, India's foreign secretary, recently highlighted this fact at a media briefing, when he mentioned that a significant transformation has taken place in India-UAE relations. Clearly, a central driver of this has been the personal chemistry between Modi and Sheikh Mohamed bin Zayed Al Nahyan, the UAE President. Political analysts have wondered if Modi's successful wooing of the UAE, given that it is home to a large Indian diaspora is aimed at helping his party, the BJP, politically in the coming Lok Sabha election.

The UAE was also the first country in the region with which India decided to elevate the ties to a comprehensive strategic partnership during Modi's visit in August 2015. This has been later followed by similar partnership agreements with Saudi Arabia and, most recently, with Egypt.

'Home away from home' is how Modi described the UAE, while addressing the Indian diaspora at Dubai during his visit to UAE in February 2018. Since his first visit, the growing relationship is particularly reflected in the strong economic exchanges, both on trade as well as investments, people-to-people ties and also convergence on a range of regional and international issues. Bilateral trade has grown to $85 billion in 2022-23, making the UAE India's third-largest trading partner.

The UAE is also India's second-largest export destination. Also, with large sums of FDI flows, it is the fourth-largest overall investor in India. The landmark agreement CEPA (Comprehensive Economic Partnership Agreement) signed on 18 February 2022, in a record time of 88 days has laid the foundation for the exponential increase in trade and economic partnership; and it is yet another example of mutual trust and the special bilateral relationship. CEPA aims to increase employment opportunities and bilateral trade in goods to $100 billion in five years and trade in services up to $15 billion.

Boosting local currencies

The RuPay card, a key initiative by India in digital payment system, was launched in Abu Dhabi on 24 August 2019, making the UAE one of the few countries to have such a tie-up with India. The recent agreements signed with the UAE to establish a framework for settlement of cross-border transactions in local currencies and to inter-link the payment and messaging systems of the two countries, are especially significant given the prominence of UAE in India's trade and capital flows.

Looking ahead, energy supplies will remain a key element of co-operation. In this, Indian Oil Corporation and GAIL have been in talks with the UAE's Abu Dhabi National Oil Co for a long-term liquefied natural gas (LNG) supply contract. If an agreement comes through, it will help India diversify LNG imports, which are at present built primarily on a long-term import contract with Qatar.

Diplomatically, the UAE's role and importance in the West Asian region makes it a key pillar of India's West Asia strategy. The UAE is a part of 'I2U2' grouping or the 'West Asian Quad' comprising India, UAE, Israel and the US, which held its first summit-level meeting on 14 July 2022, a clear recognition of the importance of the UAE in the region. The Abraham Accords of 2020, which resulted in the UAE joining Israel in a formal diplomatic alliance, is a clear indication that the emirate wants to take the lead and set the agenda for the region in the future.

Modi was invited as the keynote speaker at the World Government Summit in February 2018 in the UAE and in March 2018; also, India was the 'Guest of Honour' country at the Abu Dhabi Festival (ADF), which is the UAE's annual cultural festival. During his visit to the UAE in August 2019, Modi was awarded the prestigious 'Zayed Medal' for playing a 'pivotal role' in giving a 'big boost' to the bilateral strategic ties. India, too, on its part, recognises the UAE as a special partner. Crown Prince Sheikh Mohamed bin Zayed Al Nahyan was the chief guest at the Republic Day in Delhi in 2017. The UAE is one of few select countries that have been accorded a 'Special Invite' in India's G20 presidency this year. India is also collaborating closely with the UAE in the COP28 Summit on climate change being hosted by UAE in 2023.

Both countries have often gone beyond the normal to make this partnership special as well as strategic. The UAE is the only nation from the region, which has offered to store strategic oil reserves in India. When UAE hosted the OIC Summit in 2019, it invited external affairs minister late Sushma Swaraj despite protests from some nations, including Pakistan. The inauguration of the first Hindu temple in Dubai on 5 October 2022 is indeed a special gift to the Indian community by the UAE – and recognition of their role in building that nation. ◆

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Caught in the middle

India has to look to its own strengths, since the US is now beleaguered


BRIJ KHINDARIA

India, which is rapidly tightening relations with the US, may have to pause now, following former US President Donald Trump's trial on criminal charges of deliberately trying to block the peaceful transfer of presidential power after losing the November 2020 elections. Seen from afar, the charges to which Trump pleaded 'not guilty' seem flimsy and proving them beyond reasonable doubt to a jury may be next to impossible. That is because prosecutors will have to somehow delve into the recesses of Trump's mind to prove his intent to deceive by providing evidence beyond reasonable doubt on all charges.

The charges stem from the storming of US Parliament by Trump supporters on 6 January 2021 to stop it from confirming his defeat and installing Joe Biden as US president. Trump's opponents have described that as an insurrection striking at the foundations of US democracy.

Trump could face up to 50 years in jail, if convicted by a jury in a trial likely in 2024. His supporters, who could be half the American electorate, are outraged. They see this criminal indictment and several other cases against him as a brazen attempt by US Democrats and Biden's supporters to put him in jail to return Biden to power for a second term without having to fight an election.

Whatever happens, the US will be plunged for the next 15 months in unprecedented political infighting. Even if Trump is thwarted this time, a new Republican President elected in 2028 could wreak vengeance on those who broke Trump.

The problem for India is that the US may turn into an unreliable partner because of long-lasting political wars among its voters, even if the White House continues to favour India as an Asian bulwark against China. Delhi will have to tread carefully, because the current Biden administration, though a friend of India, has a weak foreign policy that is unable to manage rising instability in Europe, Africa, the Middle East, China and the Far East.

Biden seems to think that equipping Ukraine with ever more sophisticated weapons, ammunition and training will hurt Russia's Vladimir Putin so grievously as to force him to accept Kyiv's demands to vacate all Ukrainian territory including Crimea. Yet, current signs are that the war is settling into a long phase of attrition and could continue for years if not decades, placing unbearable financial burdens on its American and European backers.

At the same time, Niger, where the US is building a large base for drone warfare, has fallen to a military coup and is reported to be discussing armed support from the Wagner group of Russian mercenaries. ECOWAS, an economic alliance of West African countries, led by Nigeria, has imposed economic sanctions on Niger and threatened use of force to overturn the coup. Military dictators in neighbouring Mali and Burkina Faso, which have agreements with Wagner, have threatened to treat an invasion of Niger as a declaration of war against them. Military-ruled Guinea would also side with Niger.

The European Union, Britain and France have stopped all aid to Niger. The emerging scenario is one of war in West Africa at a time when many African countries, including Chad, Tanzania, Sudan, South Sudan, Ethiopia, Guinea, Mali, Burkina Faso and Niger, are infested with Islamic State and Al Qaeda warriors, who could take advantage of wars to possess entire countries. The Biden administration is at a loss of how to manage all of this. Its rivals, China and Russia, are actively meddling in the region against American interests.

Delhi will have to tread carefully, because the current Biden administration, though a friend of India, has a weak foreign policy that is unable to manage rising instability in Europe, Africa, the Middle East, China and the Far East

The Middle East is not on the edge of new wars but situation remains antagonistic to US interests in Syria, Iran, Libya and Afghanistan. Washington's influence over Saudi Arabia and the UAE is no longer as tight as it used to be. Turkey is also beyond Biden's influence, although it remains a vital member of NATO since it controls entrance and exit from the Black Sea where the Ukraine war is raging.

US relations with China are so bad that Beijing is avoiding serious discussion on any subject, although it remains polite. Tensions over Taiwan have become so acute that long-time US allies, Japan and South Korea, are upgrading their own military strength in case of a China-US war.

India is caught in the middle and may also have to look to its own strengths and resources since Biden is beleaguered from several directions. ◆

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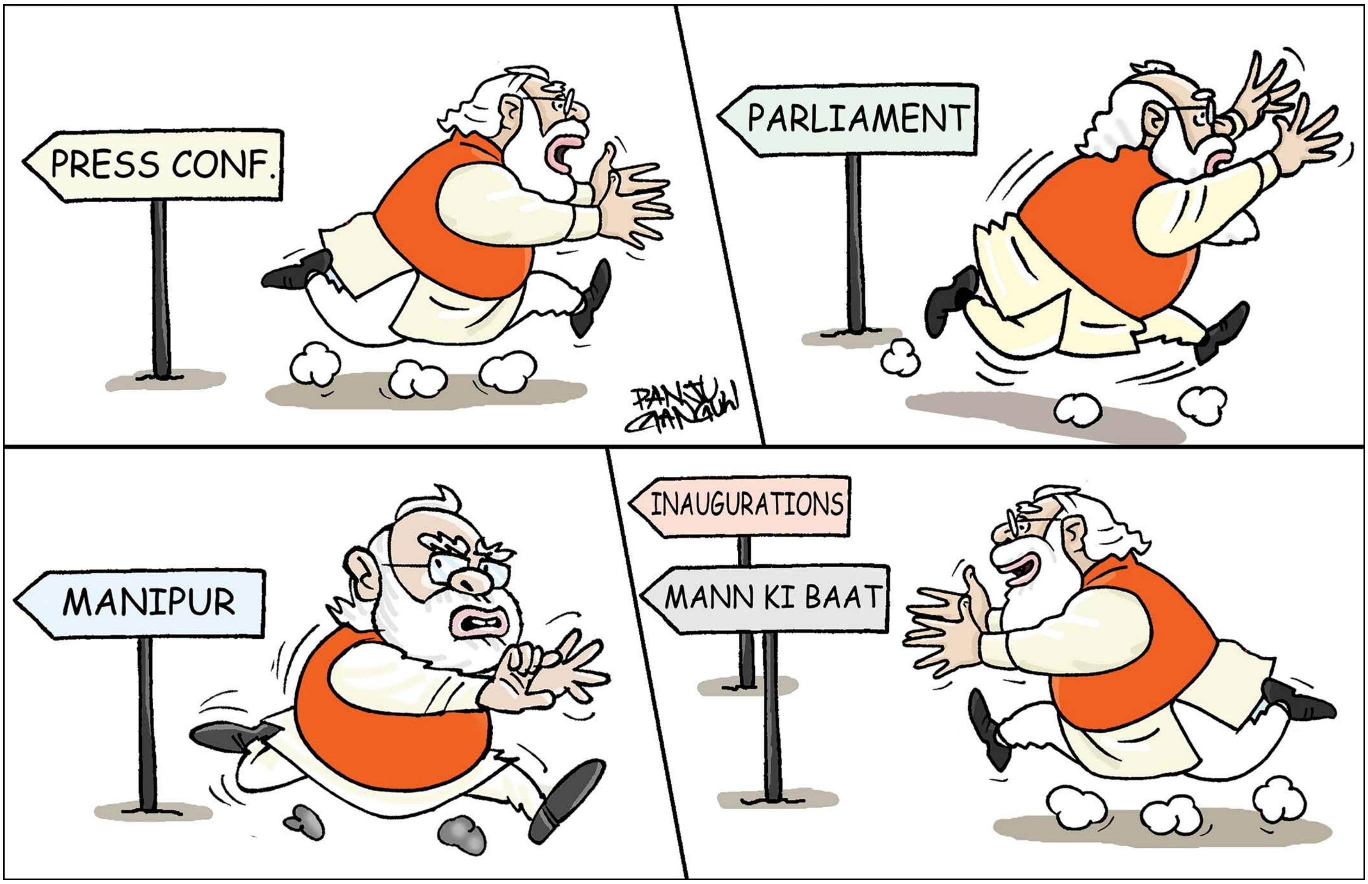

RAJIV BAJAJ
MD & CEO, Bajaj Auto.

RAVI JAIPURIA
Chairman, Varun Beverages

A virtue worth practising

Patience in marketing gives long-term returns

JAGDEEP KAPOOR

Most people in marketing are always in a rush. They are in a great hurry and do not have patience. Hence, they either land up losing opportunities or making a weak foundation, instead of a strong base. Further, things being done in a rush, they tend to make compromises, take short-cuts and reduce the quality of work or systems or strategies.

This does not mean that one should delay things or that there should be a slowdown. You need not drag things either. It only means that due time should be given to every strategy and system in marketing, as is needed and as it deserves. For that, the marketer needs to have patience.

Just as a child, when born, needs proper nurturing and care and love, to be brought up patiently, so does a brand. In Hindi, it is called parvarish. Pressure marketing does not give good strong results. As is said in the old adage, 'haste makes waste'; it leads to half-baked consequences. In stead, 'patience marketing' allows nurturing and caring for the brand, in all its aspects and elements.

Product/service development

When you develop a new product or service, through innovation and new ideas, it takes time to incubate, fine-tune and be able to move towards incorporating feedbacks and research results into the final products or services. This requires patience.

Some people are patient while constructing a factory and doing up an infrastructure, including office space; yet, they are in a rush when it comes to developing a new product or a new service. This imbalanced thinking could lead to under-development or wrong development of a potential product or service. 'Patience marketing' should be practised across all elements in a balanced manner.

Name and positioning

The brand name of a new product or service and its positioning is strategic to be able to have a successful brand launch. Creativity and strategic thought has to be given while naming a brand and defining its positioning. The needs of a consumer have to be kept in mind, so also should the attributes of the product and service and the relevance of the new product or service in the marketplace vis-a-vis competition. This requires patience.

If brand naming is done in a rush and without considerable thought, it could create problems like having to reverse and retract the name and coming out with a new name. This would actually cost a lot more money and time and effort. This is why patience marketing is recommended here.

Advertising and promotion

Communicating the benefits and the features of the new brand through creative inputs and media strategy requires thought and planning. To enter the mind and heart of the consumers and make it a memorable brand requires immense effort. This also requires patience.

Every element of advertising needs to be crafted in a proper, well-considered manner. This requires patience too – wherever it is applied, be it a layout, a design, colours, audios, videos, tunes, duration, or any other elements of creativity. Further, a proper media plan, keeping in mind the objectives and desired results in terms of reach, frequency and other parameters need to be thought through. A judicious use of the media mix, whether it be print, outdoor, audio, audio visual or digital, need to be planned out. All this requires patience marketing.

Sales and distribution

For a new brand to be launched or an existing brand to grow requires proper sales and distribution strategies and their efficient implementation. Availability is critical to success, whether online or offline. This too requires patience.

Making sure that the right sales team is selected, trained, re-trained and reviewed regularly requires patience. Plans of 'hire and fire' could backfire on the company. Sales people should be allowed to evolve and given inputs about product and service knowledge as well as systems and strategies. Similarly, channel partners, distributors, and retailers need to be trained patiently too.

All these make patience in marketing an important part of a brand's success journey. Think about this patiently! ◆

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RISE OF THE 'GIG' ECONOMY

As a major source of employment now, it needs a social security net. Will Rajasthan's Gig Workers Act emerge as a model?

Ashok Gehlot, the Congress chief minister of Rajasthan, is a man battling many odds. With assembly election looming large, he has to defend the state from political incursions by the rival Bharatiya Janata Party, led by Prime Minister Narendra Modi. He has to keep a wary eye on attempts by Sachin Pilot, his young rival in the party, to replace him. He has to also defend his record in office in the face of some recent signs of anti-incumbency.

Gehlot, however, hopes to overcome his troubles by pioneering a number of pro-people measures, backed by rights-based legislations ranging from the Right to Health Bill in 2022 to Rajasthan Minimum Guaranteed Income Bill, 2023 (upholding the right to work). He hopes that these interventions will help the Congress party in the upcoming Rajasthan polls. Presenting the state budget in February, the Rajasthan government had announced many schemes and freebies, including the announcement to give smartphones to 13.5 million women in the state, 100 units of free electricity, free healthcare, free gas cylinders to the poor and scooters to 30,000 meritorious girl students.

How these freebies will impact the state fisc in the long run is already a matter of debate. "The CM has been showering freebies left, right and centre to secure another term," said an Alwar-based businessman to *Business India*. "While he is giving free power to the poor, our factories are running under capacity due to power cuts."

However, there is no denying the path-breaking elements in some of Gehlot's agenda. The Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023 (or RGW Act), in addition to a promised allocation of ₹200 crore to the Gig Workers Security & Welfare Fund, are two measures that have drawn praise. This first-of-its-kind ground-breaking piece of legislation aims to establish a welfare board and a dedicated social security fund for platform-based gig workers in the state. The bill is a result of persistent campaign mounted by civil society pressure groups like MKSS (Mazdoor Kisan Shakti Sangathan), best known for its demand for the Right to Information Act (which grew out of the demand for minimum wages for workers) and workers' unions like IFAT (Indian Federation of App-based Transport Workers). But can Gehlot set an example for other states and the Union government to follow?

The term 'gig' is borrowed from the music world in the West, where performers book 'gigs' that are single or short-term engagements at various venues. Gehlot may or may not know the origins of the term, but his move has surely enthused the state government of Karnataka, now also run by

Gehlot: pro-people measures

the Congress, to announce a seed fund of ₹3,000 crore for comprehensive accidental and life insurance coverage under a Gig Workers Welfare Board, as was promised in their recent election manifesto.

Such schemes are not unfamiliar – platform workers in the transport sector in Thailand and Malaysia, for instance, benefit from health and accident insurance as well as social security that is financed by a deduction of 2 per cent for every ride. In the US, the National Labour Relations Board recently issued a ruling that makes it easier for Uber and Lyft drivers, construction workers, home health aides and even strippers to organise and join unions. So far, the existing labour law in the US extended the right to unionise only to workers with employee status, excluding independent contractors. The new ruling broadens the factors considered in the federal government's test for determining a worker's status as an independent contractor or an employee.

In India, the Modi government passed the Code on Social Security (one of the four labour codes), which also allowed for some social security for gig workers with much ado, but the scheme only remains on paper without proper implementation.

IS 'GIG' THE FUTURE?

- According to a NITI Aayog 2022 report on the gig economy, the gig workforce has the potential to increase to 2.35 crore by 2030.
- In 2023, gig or contractual hiring is expected to increase to 9 per cent, on an average, of the total workforce hiring, as compared to 8 per cent recorded in 2022. The key sectors contributing to gig-workforce hiring will be automotive, engineering & manufacturing, GIC, and IT.
- If we consider the number of gig force workers in terms of expertise reported by NITI Aayog, 31 per cent of the workers are in low-skilled work and 47 per cent in medium-skilled work, while 22 per cent are in high-skilled work.
- Start-ups play a huge role in the unprecedented rise of gig economy workers, such as food delivery personnel and cab drivers, who are essential to the ecosystem's operations.
- Participation in the gig economy is higher in developing countries (5-12 per cent) like India, compared to developed economies (1-4 per cent), affirms research by Boston Consulting Group. Most of the gig workers are employed in lower-income jobs such as deliveries, ridesharing, and wellness and care.

In the limelight

Suddenly, gig workers who were ignored by successive governments at the Centre and in the states are in the limelight. They are also being

We are witnessing a paradigm shift in the world of work, with gig employment becoming increasingly popular among employers due to its advantages including cost-effectiveness, scalability and access to specialised skills

Aditya Narayan Mishra
MD & CEO, CIEL

seen as a political vote bank, give their sheer numbers. Apart from the Congress regimes of Rajasthan and Karnataka, BJP leaders are also jumping into the fray. So, when around 50 stores of food delivery company Zomato's grocery unit BlinkIt (formerly Grofers) recently shut down in Delhi-NCR, as delivery workers stopped work as part of their demand for better wages, the BJP took up their cause. The workers were also protesting against a new structure introduced by Zomato for riders that compensates them based on their effort. "BlinkIt management must implement old payment immediately," said Kapil Mishra, a Delhi BJP leader. "Reduction from ₹25 per delivery to ₹10-15 is tantamount to cheating the employees".

Recently, emboldened gig workers and their representative unions from across the country organised a protest at Delhi's Jantar Mantar and formed a joint platform, called the National Co-ordination Committee on Gig Workers, to drive a united struggle. India's traditional labour laws do not cover the growing fleet of gig workers who don't have the benefits, which employees of companies get, like provident fund, minimum wage, pe-aid leave, health insurance and most of all job security.

Growing, and how

India's gig economy has been growing. The pandemic prompted multiple companies to adopt flexible work cultures like work from home (WFH) etc, with gig workers finding new opportunities in nearly every industry. If industry statistics are to be believed, India has over 15 million freelancers working on technology projects. According to ASSOCHAM, India's gig economy is growing at a CAGR of 17 per cent. Nearly 60 per cent of tech industry organisations are now investing in gig workers and 97 per cent of these companies want to keep gig workers at their current level or hire more gig workers.

According to a recent Boston Consulting Group report, the gig economy has the potential to service up to 90 million jobs in India's non-farm economy alone, transact over $250 billion in volume of work, and contribute an incremental 1.25 per cent to the GDP over the long term. Our gig economy workforce is also one of the largest contributors to the global gig workforce. This clearly shows the exploding importance of platform/ gig workers in the larger political economy of India as well as its electoral politics.

Prime Minister Narendra Modi must be aware that frustrated gig workers could coalesce into a new voting bloc and also influence the public mood, if more of them take to the streets to demand better treatment. "In one call, we can mobilise thousands of drivers and delivery boys to come out to the streets," warns Shaik Salauddin, president, Telangana Gig & Platform Workers Union. "If millions of people are ignored the way it is happening, then surely. it will reflect in the polls."

Gig employment

Employment in this segment is growing. The Niti Aayog expects 200 per cent growth in gig employment by 2030. The gig economy acts like a net for millions of unemployed youth (and elderly) to join this low-cost, low-investment labour market, in the hope of subsistence and 'flexi-work' offered by platforms like Ola, Uber, Swiggy, Zomato, Urban Company, Porter, Dunzo, BlinkIt and so on. These platforms call themselves 'tech aggregators'/ 'mediators'/ 'facilitators' and not employers and mis-classify these workers as 'partners' or 'mini-entrepreneurs' and not employees to evade all possible responsibility and accountability.

Primarily, it is high unemployment and jobless growth that is compelling more and more workers to join this intensely informal employment sector that they later seek an escape from. Young people are turning to platform-based gig work because of three reasons – stagnation of real wages and the rising cost of urban living; the missing comprehensive social security in our country; and lack of dignified, decent, and secure work in urban areas. These intersecting vulnerabilities have forced (mostly young) people to work longer hours and perform multiple gigs, to survive, as they seek better, more regular employment.

White collar too

Interestingly, the demand for gig workers in white-collar jobs has risen recently. According to a report conducted by the CIEL group, a talent solutions provider, 55 per cent of the organisation has hired gig workers for their work. Notably, in some cases, the proportion of gig workers has reached as high as 20 per cent of their total workforce, suggesting a huge share of gig workers within these organisations. "We are witnessing a paradigm shift in the world of work, with gig employment becoming increasingly popular among employers due to its advantages including cost-effectiveness, scalability and access to specialised skills," says Aditya Narayan Mishra, MD & CEO, CIEL.

Not just organisations hiring gig workers, even individuals prefer to pursue gig work. The CIEL, which surveyed more than 400 organisations pan-India across sectors and 1,200+ white collar gig workers, mentioned that 38 per cent of gig workers choose such jobs due to 'flexibility' in working on different projects. "The allure of diverse assignments allows gig workers to continuously expand their skill set, gain valuable experience across various industries, and pursue their passion for diverse work opportunities," says a CIEL report.

Growth drivers

There are other growth drivers effecting the gig economy as well. Over the last decade, the widespread use smartphones and the availability of high-speed internet has made it easier for workers and businesses to connect through though online platforms, facilitating the rise of the gig economy. The economic liberalisation policies followed by successive governments have facilitated this. At top levels, the gig economy is particularly attractive for educated workers who are looking for flexible work arrangements that allow them to balance

PROS AND CONS

FOR

- The gig economy has many benefits for both the employee and employer. An employer has access to a wide range of talent that he can hire. If the talent proves to be less than acceptable, there is no contract to keep the employee on or issues of letting them go. When it becomes difficult to attract full-time workers, employers can hire from the gig economy.
- In addition, hiring gig workers can be more affordable as companies don't have to pay for health insurance or other benefits. For employees, the gig economy's benefits include having the option to do multiple jobs, work from anywhere depending on the specific job, freedom, and flexibility in their daily routine.
- It makes the people from tech-savvy and Internet-friendly thus aiding digital literacy. People who don't use technological services such as the Internet may be left behind by the benefits of the gig economy. Cities tend to have the most highly developed services and are the most entrenched in the gig economy.

AGAINST

- While not all employers are inclined to hire contracted employees, the gig economy trend can make it harder for full-time employees to develop in their careers since temporary employees are often cheaper to hire and more flexible in their availability. Workers who prefer a traditional career path and the stability and security that come with it are being crowded out in some industries.
- Some workers find the flexibility of working gigs actually disrupting the work-life, sleep patterns and activities of daily life. Flexibility in a gig economy often means that workers have to make themselves available any time gigs come up, regardless of their other needs, and must always be on the hunt for the next gig.
- The security of a steady job with regular pay, benefits – including provident fund – and a daily routine that has characterised work for generations becomes a thing of the past.

Legislation like RGW Act, if implemented well, will be the first step in giving a dignified identity and recognition to a 'gig worker'

Akriti Bhatia
Founder, PAIGAM

The Rajastha n Act is clearly well-intentioned and creates an enabling statutory framework for gig worker welfare, but unless implemented on the basis of sound economic reasoning, can end up in failure or worse

Nitin Pai
Co-founder, Takshashila Institution

their personal and professional lives -- but this is a minuscule minority. Then there is the demographic factor and unemployment. Besides, the rapid growth of e-commerce has led to a significant increase in demand for delivery and logistics services, which has in turn led to the growth of the gig economy in these sectors.

While the gig economy is growing rapidly in India, like the unorganised sector, it has become a major source of employment for a significant portion of the population. This indirectly helps the Modi government and acts as a safety valve, as jobs in the organised sector are hard to come by and Prime Minister Narendra Modi's promise to create 20 million jobs a year remains elusive.

Addressing the challenges facing the unorganised sector will be crucial for ensuring the well-being and livelihoods of these workers. The government's efforts to improve the situation in the unorganised sector, such as the National Policy for Informal Sector Workers and plans for a national floor level minimum wage are a step in the right direction but clearly more needs to be done in improving the lives of workers, if we are to compete with China.

Challenges ahead

The challenges confronting the gig workforce in India basically emanate from two areas which need to be urgently addressed:

Adequate protection: Although gig workers get minimum wages, they need certain legal protection, policies, and opportunities like other employees protected under labour laws. This can safeguard the rights of gig workers and help curb labour disputes.

Health benefits and leaves: Gig economy platforms can provide health insurance benefits to their workers to ensure their well-being and safety. These include coverage for medical costs, hospitalisation, preventive care services such as regular health check-ups and vaccinations, as well as paid leaves for workers.

Of course, there are other factors in the gig economy, which can be addressed at a later stage, like the mode of employment arrangements, payment arrangements, costs, fairs, incentives, penalties and entry into and exit from this labour market, which are not wholly determined by the worker. The workers are often expected to obey and comply with rules and conditions often seen in formal job markets – such as wearing uniforms, carrying documents, and so on, and also adhering to the terms and targets set by these companies. However, the fruits of formal employment do not accrue to them, such as decent work, fixed working hours and social security benefits. In fact, in cases of accidents or even violence at work as reported by some of these workers, instead of offering compensation or support, many of these companies have reportedly gone ahead and deleted the databases of the aggrieved workers.

Historic act

It is in this context that the RGW Act 2023 is being hailed as a historic legislation with offerings like registration of all gig workers (and issuing unique IDs to each), registration of aggregators and primary employers; proposed monetary cess (less than 2 per cent and more than 1 per cent) levied on each platform-based transaction/duty to be contributed to the social security fund for the workers; provision of social security benefits to these workers (including accident and health insurance, maternity, gratuity, pension, EPF, ESIC, scholarships in consonance with existing schemes as prescribed); grievance redressal mechanism for the workers, regular consultations with trade unions working with platform workers, provisions for heavy penalties (up to ₹50 lakh) on non-complying aggregators and employers, among others. Moreover, the proposed welfare board is to comprise state officials, representatives of workers, aggregators and civil society, with at least one-third of the nominated members to be women.

Some of the issues being raised by unions around the Act are that no portion of the contributions to the fund should be deducted from the workers' earnings, as they are already heavily distressed; and also, the formation

In one call, we can mobilise thousands of drivers and delivery boys to come out to the streets

Shaik Salauddin
President, Telangana Gig & Platform Workers Union

of the board and rules should be done before the model code of conduct, so that elections and the results do not stall or delay the implementation process. Other issues, such as the need for provisions on basic minimum earnings, as also capping of commission rates and deductions by companies, capping of maximum working hours, stopping illegal and arbitrary deactivation of workers' IDs, data transparency, provisions for fuel and other inflation-adjusted fares and allowances in the RGW Act and Motor Vehicles Aggregator Rules 2023 etc, should be considered.

Dignified identity

Akriti Bhatia, founder, PAIGAM (People's Association in Grassroots Action and Movements), feels that such legislation, if implemented well, will be the first step in giving a dignified identity and recognition to a 'gig worker', who can claim her/ his rights from the state, can hold the platform accountable, will have a representation in decision-making, and is not merely reduced to an 'Ola driver' or a 'Swiggy delivery boy'.

Nitin Pai, co-founder, Takshashila Institution, a public policy research organisation, adds that the Rajasthan Act is clearly well-intentioned and creates an enabling statutory framework for gig worker welfare, but unless implemented on the basis of sound economic reasoning, can end up in failure or worse. The Act does well to focus on creating an inclusive governance structure and raising finances to support welfare objectives. However, Pai feels that it is silent on the actual social security system architecture, the nuts and bolts of how the programme will work, and leaves the proposal's design and implementation to the bureaucracy.

Single fund

It is not that the legislation has not been criticised. The single biggest weakness is that it centralises welfare contributions into a single fund, administered by a government-appointed welfare board. Instead of empowering the individual worker, the Act empowers government officials and other members, who will comprise the board. This is a bad formula: unscrupulous officials will misspend it, while scrupulous ones will under-spend in the fear of mis-spending. How else does one explain that 44 per cent (₹38,000 crore) of a similar fund for the welfare of building and construction workers sitting unused in governmental coffers? As experts point out, a centralised fund for gig worker welfare is a 19th century solution for a 21st century problem.

Social sector experts feel that a far better way would have been to channel money directly into individual gig worker welfare accounts. There is already a technology and financial infrastructure – in the form of Aadhaar and UPI – to make targeted welfare payments. Rajasthan should use this instead of duplicating efforts of creating new unique IDs and payment channels. The welfare board should create individual accounts for the monthly transfer of funds into them. In addition to investing the capital under its management for long-term returns, this fund should be used to purchase group insurance -- life, term, health and accident -- for its members. Also, it could help mitigate the effects of gig income volatility by enabling discounted micro-overdraft loans, using the Open Credit Enablement Network that has already been rolled out.

More criticism

There has also been criticism of the idea of extracting a 2 per cent cess from aggregators to finance the social security infrastructure. Social security is society's obligation and cannot be transferred to private firms. It should rightfully be financed by the state's exchequer, from the taxes that individuals and corporations already pay. It is desirable to get aggregators, employers and consumers to contribute too, but this must be through moral obligations, not tax liabilities. The government could offer matching grants to encourage voluntary contributions.

Unfortunately, a climate of distrust between the BJP-run Union government and non-BJP state governments frustrates genuine co-operative federalism, when it is most required. The gig economy is national and works across state boundaries. A person delivering a parcel in Jaipur might be a seasonal migrant from Odisha, using an app owned by a Karnataka-based aggregator, picking up goods shipped by a Delhi-based seller, riding a vehicle rented from a Telangana-based company. Rajasthan wants all aggregators to submit all transactions to its welfare board. Other states might follow suit. A gargantuan amount of data would wastefully, expensively and insecurely flow around government databases.

As the gig economy multiplies, India needs a national, multi-contributor social security system that takes advantage of the pervasive digital public infrastructure that already exists. It is possible to create a system where *pradhanmantri* (PM) and *mukhyamantri* (CM) *yojanas* can add up to benefit the gig worker. Rajasthan's move, it is felt, should not be seen as a Congress monopoly. It should galvanise the Union and state governments to put a new social security system in place now. ◆

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Bayer's collectivisation call

Unveiling Bayer's transformative journey in India's agricultural landscape

Narain with farmers: discussing solutions

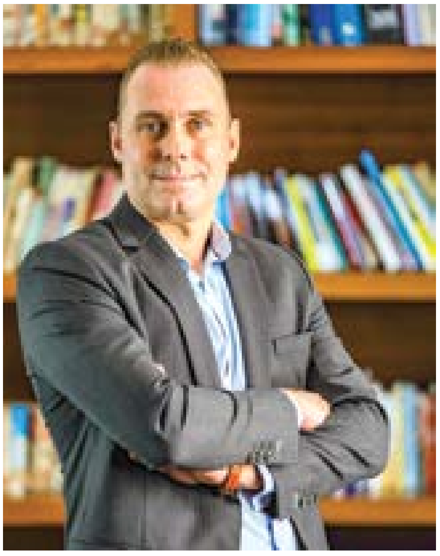
For those who keep a close tab on the world of business, it's no secret that MNCs rooted in the US or Europe show a clear preference for Singapore when establishing their Asian or APAC headquarters. This trend gained prominence after 1960 when the Asian market was identified as a high-growth zone for the future. Singapore, with its business-friendly provisions, become a magnet with a strong gravitational pull. The same holds true for Bayer AG, a German business conglomerate with a commanding global presence in crop science, pharmaceuticals and consumer care. For its APAC operations, Bayer, which has a history spanning over 150 years, also uses Singapore as a vital global hub.

But Bayer AG has unintentionally now also developed another Singapore connect. And it is within Indian boundaries – where the company has just completed 125 years. The India version of Singapore (spelt Shingapur) is a small village about 45 kms from Pune in Purandar, Maharashtra. The village, along with other rural settlements in its neighbourhood, however, is nestled in the middle of an extremely fertile zone in agronomic terms. The world is realising that with its strength in fig production (a rare GI produce which is highly perishable in nature), the location is a goldmine and has the potential of becoming a major supplier of this specific produce to the world. Strengthening this assumption is the local FPO (Farmer Producer Organisation) called Purandar Highlands which has been in the news in recent times for commencing exports of figs to Europe. The first consignment was sent last year and the order book confirms that from this year onward volumes are slated to increase.

Changing the equation

The FPO has over 300 farmer members from Shingapur and other surrounding villages and the number is now growing as the export linkage is drawing more farmers to this crop. And for this change in fortune, the office bearers and members of Purandar Highlands are grateful for Bayer's intervention. "The GI tag was awarded to figs produced here in 2014. But in terms of a decisive push, nothing had happened. It's only when the Bayer team intervened and helped at different stages of the value chain, including soil testing, supply of superior inputs, training local farmers in best practices and finally in linkage with the buyer in the overseas market, that the equation changed for us," says Rohan Ursal, the young CMD of Purandar Highlands.

From the perspective of Bayer's operational presence in India, what's unfolding in Shingapur (located over 200 kms away from its Thane headquarters) isn't an isolated case. Instead, it serves as a successful microcosm of what the company intends to accomplish across the country. Bayer believes that India has now developed the



Wiebusch: engaging with smallholders is a crucial area

potential to significantly impact the global agriculture sector. In fact, the company is engaged in numerous similar projects throughout the country. Reaching out to small-scale farmers, guiding them along the operational value chain, collaborating with partners who contribute other aspects of best farming practices, and connecting farmers with the ultimate buyers of their produce are the main components of Bayer CropScience's strategy in India. These actions aim to bolster its modestly-paced growth momentum. "Today, the farmers' requirements are evolving drastically. They no longer want us to simply sell their products and depart. They want to learn about agronomy and wish to discuss about solutions for market connections and financing. These represent substantial shifts," explains D Narain, President of South Asia and Global Head of Smallholder Farming for Bayer. Narain, who had previously spent extended periods with ITC and Monsanto, is widely recognised as an agricultural sector veteran within industry circles.

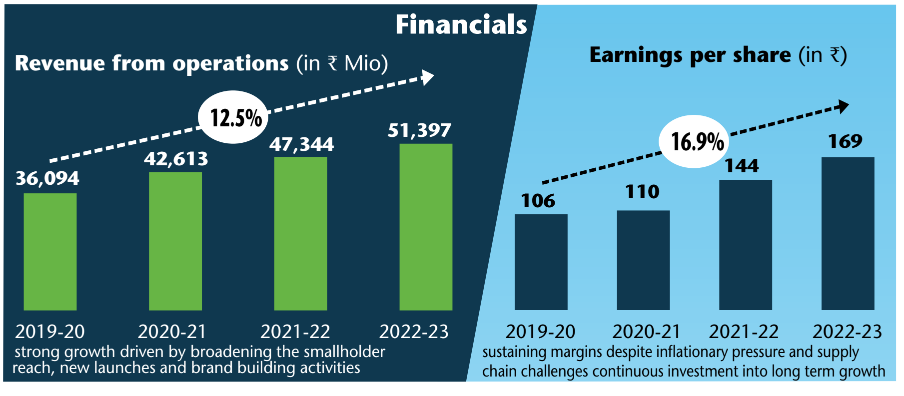
125 and going strong

If one was to use a simple socio-economic term to sum up Bayer's strategic basis for its crop science division one might call it another 'bottom up' instance. However, any market pundit will say that adopting a bottom-up approach in a geographically vast and culturally diverse country like India is no easy feat, especially for a multinational corporation. Nevertheless, Bayer's confidence in making significant connections from seemingly small beginnings stems from its presence in India for over a century, granting it a deep understanding of the local market's complexities. "This legacy of 126-plus years is a substantial testimony to our journey in the country. The foundation is always built upon product technology and innovation across various businesses. People and talent are our other assets. The company's present reputation is a result of our conduct over this entire period," Narain emphasises. It is not difficult to extrapolate what the company's senior South Asian executive is trying to say – Bayer is firmly established and adept at swiftly adapting to changes within the local ecosystem.

Here is a quick look at Bayer's journey in India since it set foot in the country in 1895. Globally, the company, established in Germany in 1863 as a dyestuff manufacturing firm, saw its ties with India developing in the 1890s. It established a small supply line for delivering benzidine dyestuff to the Indian branches of English and German export houses as volume increased. In 1896, the company established its fully owned subsidiary in India, which was a first for Asia. In its early years in India, Bayer primarily focused on supplying pharmaceutical products, which remained its mainstay for a considerable time. Post-Independence, Bayer's first significant move into the field of crop science occurred when it established a small formulation plant for pesticides and a dedicated agrochemical unit. Since then, the group has followed a steady growth trajectory, adapting to emerging opportunities in India such as the green revolution and post-reform changes in the Indian market, as well as pursuing strategic and tactical moves globally (*See chart*: – Bayer's 125-year journey).

Britsch: agro-chemicals contributed 81 per cent

Globally, Bayer, which reported an earning of 50.73-billion euro last year and now prefers to identify as a life science business conglomerate, comprises three distinct divisions: CropScience (25.16 billion euro), pharma (19.25 billion euro), and consumer health (6.08 billion euro). While the first two divisions serve as the pillars of the group, the healthcare division represents a relatively recent addition. In India, all three business divisions are present, supported by seven manufacturing sites (including a global site) and four breeding and R&D sites. The company operates a range of Centres of Excellence that cater to a global audience in areas such as procurement, engineering and technology, data science, information technology for human resources, and finance support. Among its facilities, the Vapi plant in Gujarat, operational since



Supporting pillars

While the CropScience division currently dominates Bayer AG's presence in India, overlooking its pharma-centric verticals as minor aspects could prove to be a mistake. Bayer's global business was restructured in 2015, leading to the creation of a dedicated consumer health division. When combined, the two units – dealing in prescription drugs (Bayer Pharmaceuticals) and over-the-counter offerings (Bayer Consumer Health) – comprise nearly half of its total business.

In India, the dedicated consumer health division was established in 2021, yet the original pharma division still commands a considerable presence. "Bayer initially began more as a health-focused entity, gradually building its entire chemical business," emphasises Manoj Saxena, Country Division Head for South Asia at the Pharmaceuticals division of Bayer and Managing Director of Bayer Zydus Pharma. In India, the Pharmaceutical Division operates as Bayer Zydus Pharma, a joint venture between Bayer and Zydus Cadila, in which Bayer holds a 75 per cent stake. This venture covers key therapeutic areas, including Diabetes, Cardiology, Women's Health, Oncology, and Ophthalmology. Additionally, the division encompasses the Radiology business, involving devices and contrast agents. "Our extensive portfolio comprises over 60 SKUs. In women's health, we focus on categories like endometriosis, PCOD, heavy menstrual bleeding, and contraception. In diabetes, we primarily emphasise diabetes management and chronic kidney disease. In cardiology, we deal with 3-4 segments – stroke prevention, CAD/PAD, VTE – and also products in the worsening heart failure space," he elaborates.

While Saxena refrains from disclosing exact financial figures, he emphasises that the Indian business ranks among the top tier of Bayer's pharma operations in emerging countries. In the Indian market, Bayer Pharma is estimated to hold an impressive market share of 20 per cent in oral contraceptives, which rises to around 40 per cent in Tier 1 markets. Moreover, the Indian unit's strategic significance extends to its role as a global clinical trials hub. "Currently, 17 clinical trials are ongoing in the country, with some in advanced stages – primarily phase 4 trials. Our trials for chronic kidney disease are also in phase 4," he adds.

While expanding the innovation profile appears to be the pharma division's key directive from group management, the recently established Consumer Health division is expected to bring added value from the rapidly growing healthcare-oriented over-the-counter businesses in the country. "In India, Crop Science and Pharma have had a longstanding presence, but Consumer Health was absent. We had out-licensed some of our brands to a third party in India. However, to fulfil our mission of 'health for all and hunger for none' it was crucial for us to introduce a self-care division in India as well," says Sandeep Verma, Country Head for Bayer's Consumer Health Division in India. The division already boasts a collection of

Saxena: impressive market share

well-established brands and products in categories such as analgesics, nutrition, allergy, and dermatology. These include brands like Saridon, Supradyn, Becozym, Benadon, Alaspan, Canestan, and Bayer's Tonic. With these offerings, the company claims to have reached approximately 60 million Indian households

Verma states that the consumer health division boasts several leading brands within its portfolio spanning 4-5 categories. These include Saridon,

1992, stands out as the largest synthetic pyrethroids production facility globally. Covering 85 acres, the Bayer Vapi site houses 13 manufacturing plants for 11 active ingredients and 11 intermediates. Another significant manufacturing site in Gujarat, located in Himatnagar and operational since 1991, specialises in the production of folidol dust formulations, suspension concentrates (SC), water-dispersible granules (WG), and oil dispersion (OD). Presently, the Himatnagar site is a major exporter of WG products to various global regions. Additionally, Bayer's unit in the Union Territory of Dadra and Nagar Haveli, operational since 1996, focuses on manufacturing key herbicides for the company.

To cater to its large scale agri-support businesses, the company draws its strength from a host of advanced R&D centres. It operates an expansive 117-acre Mega Breeding Station (MBS) at Kallinayakanahalli in Chikaballapur district, near Bangalore, known for

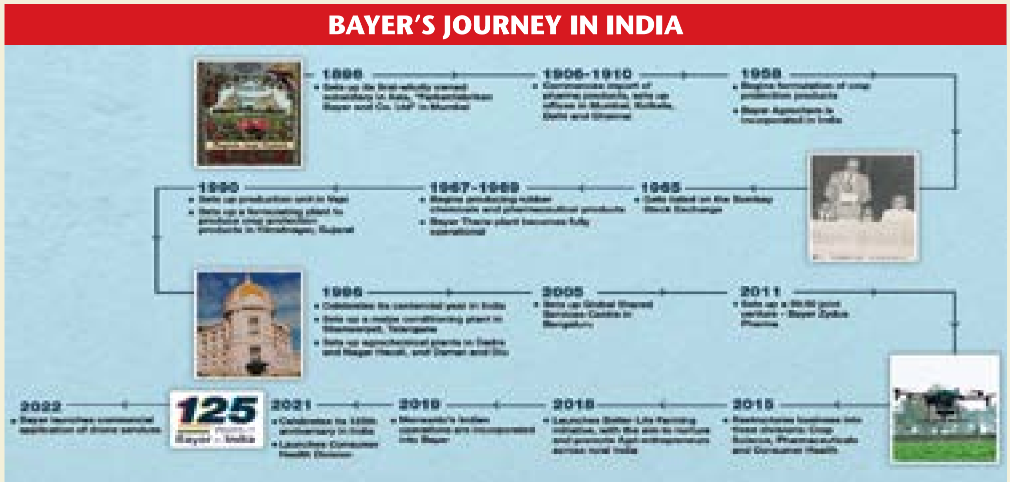
Bayer has a host of world class R&D centres

research in hybrid seeds, especially corn and vegetables. It has a dedicated Maize Breeding Centre located at Batheda Ki Sarai, Daroli, Udaipur. In 2013, the company set up another Multi-Crop Breeding Station (MCBS) in Chandippa near Hyderabad, which supports breeding and trait development (B&TD) activities for rice and cotton.

The driving force

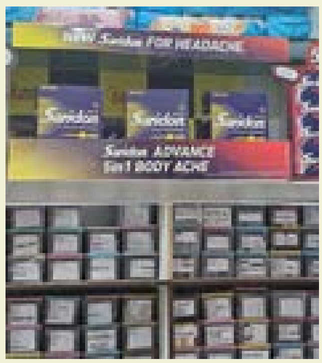
Globally it is cropscience which leads the revenue stream and in India, the positioning of this unit is vital and is clearly the fulcrum of its presence. Its crop science division, which at the end of FY23 had reported an earning of over ₹5,100 crore, has been on a roll, giving the division a certain reputation among market leaders in a country where the agriculture and food businesses have grown phenomenally in the recent decade. The


Verma: aiming to reach 100 million households



a market leader in pain management; Supradyn, offering vitamin and mineral supplements; Canesten, catering to the skincare or medicated skincare segment; and Alaspan, targeting the anti-allergy category. "Currently, we have ten brands present in India, and some of them are region-specific, such as Saridon, with its largest market being India," he explains. Globally, Bayer Consumer Health maintains a diverse portfolio of approximately 150 brands, including the highly popular OTC offering, Aspirin.

Both the pharma and consumer health divisions have formed various local partnerships. About 50 per cent of the sales for Bayer Zydus Pharma and the entirety of Consumer Health's sales are derived from products manufactured locally through third-party entities. Verma emphasises that with efficient production and distribution partnerships in place, the unit is poised to expand its Indian portfolio significantly in the years ahead, backed by an ambitious plan. "Our goal is to penetrate as many consumer households as possible.


Saridon: market leader in pain management

We aim to reach 100 million households in India as soon as we can," he reveals. When probed about the timeline, he projects the end of 2026 as the target period for achieving this milestone. "The domestic consumer health market is currently valued at around ₹35,000 crore. If you include Ayurveda offerings within the same category, it becomes a ₹50,000 crore annual market, likely to grow at 10-11 per cent in the near to medium term. This presents a substantial opportunity for all players," he adds.

company's cropscience division today has quite an expansive portfolio which includes crop protection and corn seeds, digital solutions and initiatives like drone services and direct seeded rice. These divisions are covered by the enlisted entity Bayer CropScience. Outside of the enlisted divisions' purview, there are divisions like MPL (Monsanto Holdings Pvt Ltd) that specialises in vegetable seeds and BayerBio Science known for Arize Hybrid Rice Seeds and conducting a sustainable rice carbon program. If one adds the earnings from these divisions (counted as part of the group's global revenue of its agri-centric vertical), the total revenue of the crop science division would be much higher. The two other verticals – pharma and health care – are not enlisted and the company top brass does not disclose their earnings though a market analyst estimates the cumulative earning of the group comfortably exceeds $1 billion, and is probably somewhere in the vicinity of $1.2 billion. But they play a strong supporting role, especially the pharma division, which was the initial touchpoint for the group in India (*see box*: Supporting verticals).

The centrality of the agri-support business is evident from the fact that India ranks in the top five markets for Bayer's global crop science business. "India in crop science is among the top five markets globally, and it has shown significant business growth. We have strengthened our position, both in terms of top-line and profitability, managing the business holistically with new innovations," says Narain. Bayer CropScience's primary markets include the US, followed by Brazil, Argentina, Canada, and India.

The Indian cropscience division boasts an extensive portfolio of 272 brands encompassing 479 SKUs across crop protection, hybrid rice, corn, and vegetable seed categories. The company proudly asserts its ecosystem connects with 24 million farmers. Agro-chemical products claim the dominant share. "During the year, domestic agro-chemicals contributed 81 per cent, and domestic corn seeds accounted for 13 per cent of total sales," commented Simon Britsch, Chief Financial Officer for Bayer South Asia, during the last investor call. The sales were driven by agro-chemical product categories like Vayego, Laudis, and Council Activ, while horticulture, paddy, and corn seeds observed a modest uptick.

Market observers believe that Bayer's global acquisition of Monsanto in 2018

Farmers at Purandar Highlands: making a difference

had implications for its Indian unit, enhancing its seed portfolio. "It has certainly bolstered Bayer CropScience's seed offering, despite lacking supportive regulatory provisions for Genetically Modified seeds, which had been Monsanto's forte. If the regulatory landscape changes, the company stands to benefit significantly," notes Ram Kaundinya, Director General of the Federation of Seed Industry of India (FSII). Interestingly, some global analysts have questioned the merits of the deal (amounting to a staggering $63 billion, making it one of the most expensive corporate buyouts) due to reported challenges in integrating Bayer across various geographies. However, Narain asserts that the Indian scenario is distinct. "This is the best combination we could have hoped for, leveraging our strength in crop protection alongside Monsanto's expertise in seeds and biotechnology. This fusion has resulted in substantial portfolio synergies and brought the industry's finest talent together."

Growing in partnership

The past five years have clearly witnessed a more modest growth uptick in the crop science division's business. The revenue has increased from approximately ₹3,600 crore to over ₹5100 crore (see graphic: Revenue from Operations). During this period, there has been a strategic focus on expanding the reach to smallholders and involving them in a mutually beneficial equation. "On average, Indian farmers own about two acres or two hectares of land. Engaging with smallholders has always been a crucial area for the company's operations, as agriculture business in India inherently involves them. Historically, we might have primarily targeted more affluent farmers," explains Simon Wiebusch, Chief Operating Officer for the Crop Science Division of Bayer in India, Bangladesh & Sri Lanka. He highlights that collectivisation, mechanisation, digitalisation, and sustainability constitute the four key strategic pillars for the division's future growth.

The Purandar Highlands case serves as a prime example of how Bayer's small-farm-centric approach is beginning to make a difference, particularly with selected partners in rural areas. The well-known FPO, Purandar Highlands, is now considering diversification into the production of branded packaged juice and has established a basic production plant nearby. Engaging with FPOs has become a strategic initiative for Bayer. According to its latest annual report, the company has established connections with over 3,000 FPOs across the country and is directly supporting 50 of them. "Interacting with farmers has become more accessible due to this type of collective effort. This trend is expected to gain even more traction in the near future," adds Wiebusch.

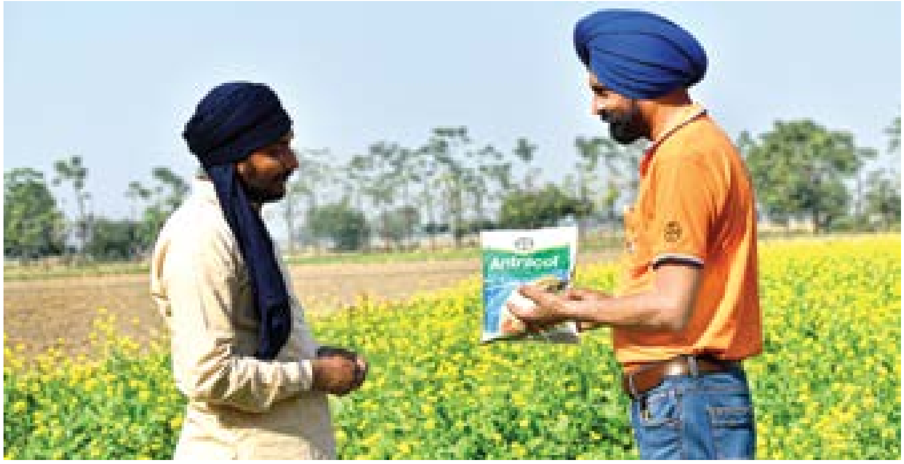
It's not only partnerships with farmers that are driving Bayer's commitment to expanding its reach in rural areas. The company is also collaborating with other players in the value chain through its Better Life Farming (BLF) program, a venture that has emerged from a collaboration involving the International Finance Corporation (IFC), Bayer, and Netafim. While slated to become a global initiative in the coming years, BLF's origins lie in India. Local agricultural entrepreneurs are encouraged to establish outlets, which also serve as venues for training sessions.

These entrepreneurs are provided with quality inputs to sell to the local community. An assigned group of agronomists, drawn from local 'kisan kendras' or nearby agricultural institutions, educate and train local farmers. Subsequently, the local BLF members assist in the final sales of produce where required. Within this initiative, BLFs operating in eastern Uttar Pradesh are facilitating the sale of local fruits and vegetables to platforms such as Big Basket. Presently, the company is engaged with approximately 1,550 such centres across the country. Amit Maheshwari, Head of Business Development at Netafim India, underscores the program's significance, stating: "This program is quite transformative as it provides us with the opportunity to explore new frontiers. For instance, we are specialists in micro-irrigation. Previously, we primarily reached out to large-scale farmers who were availing the benefits of government subsidy schemes for adopting micro-irrigation. However, under this program, we are now engaging with small farm holders. We will soon have 2,000 centres, where we plan to introduce more high-quality offerings. After India, the next step for this program is expected to be in Bangladesh."

Bayer CropScience has also kick-started a dedicated app for the farming community – FarmRise – that uses satellite imagery for real-time information on crop health, weather forecast, pest and disease outbreaks. The platform is available in multiple languages. Plus, it also operates local level programmes like Bayer Gram and Sahbhagi to prepare a better-informed breed of local entrepreneurs well versed in digital tools.

Future scenario

Market experts emphasise that the agility displayed by top-tier agricultural input companies in recent years, aimed at establishing stronger connections with small farmers, is a result of a critical shift that many might overlook. This transformation has been unfolding within Indian agriculture in recent times. Over the past decade, the country has quietly witnessed a horticulture revolution, leading to a scenario where India now produces more vegetables and fruits than food grains. The surge in horticulture has consequently led to an increased demand for insecticides, pesticides, and advanced seed varieties. "Engaging with small farmers has become a common objective for major agri-input companies. Bayer, Syngenta, BASF, Rallis, UPL, Corteva, and others are actively seeking to tap into this segment to expand their businesses," highlights Kaundinya. Siraj Chaudhary, Former Chairman of Cargill India, notes: "FPOs have emerged primarily around the fruits and vegetables segment, drawing significant interest due to the promising agri-business prospects. Farmers require more support from input firms in the face of heightened risks from pests and insects."



A Bayer executive advising a farmer

There are, however, stakeholders who believe that the path from FPOs to the future of agribusiness might not be as straightforward as it seems. Some are of the opinion that the most important factor for larger corporations engaging with small farmers through FPOs is establishing effective forward linkages. Without securing ultimate buyers for their produce, this approach might falter, leaving these corporations merely as input suppliers. Moreover, the journey for FPOs in India is far from easy. Very few have achieved success thus far. Anil Ghanwat, a prominent farmer leader from Maharashtra, observes: "Similar to cooperatives, local-level power dynamics present a significant obstacle."

Narain, in his response, doesn't dismiss the theory that the maturity of the FPO ecosystem might still be in the future. It is his contention that substantial structural changes come with their own set of challenges, which require consistent efforts to address, including enhancing local capabilities. He underlines the broader perspective that the company has adopted: "Over the next two decades, India needs to almost double or triple horticulture production to meet demand, not just for exports but also for the domestic market. This presents a massive growth opportunity, positioning India globally as the largest horticulture market," he asserts, recalling a recent statement by Rodrigo Santos, President (Global) of the CropScience division, where he projected that India could lead global agriculture in the coming decades. Simon Wiebusch adds that the Indian unit will further consolidate efforts in nutritional and sustainable agriculture. "Beyond food security, India's new challenge lies in achieving nutritional security and wider adoption of sustainable agricultural practices. While we are just a small part of the system, we do contribute supportive solutions." As an illustration, while rice remains a major crop in India, analysts note that its heavy water consumption puts immense pressure on water resources. In response, Bayer CropScience has introduced Direct Seeded Rice (DSR), which promises a 30 per cent reduction in water consumption compared to traditional methods. "As a company, we are acutely aware of the need to promote water-efficient cropping patterns in the light of the growing water crisis. DSR could be just the starting point," adds Rachna Panda, head of the Sustainability Division.

While the top brass remains tight-lipped about disclosing any specific financial milestones for the near-to-medium term, a recent report from a prominent brokerage firm suggests the potential addition of ₹1,000 crore to the current revenue of the crop-science division within the next 2 years, boosting its total topline to over ₹6,000 crore. In parallel, a significant transformation is unfolding within the agro-chemical marketplace, with India emerging as a global production powerhouse and experiencing a substantial surge in exports in recent years. Does this suggest that Bayer CropScience is poised to expand this avenue from India in the future? "With our listed entity, our primary focus remains on serving the domestic market. While we do engage in some exports, they are more of an opportunistic nature," explains CFO Simon Britsch, who was previously associated with Bayer's China and Vietnam divisions. Bayer CropScience seems to be eyeing enhanced opportunities within the Indian landscape, where substantial value creation is currently unfolding within its stronghold segment. ◆

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Partners in wealth creation

The homegrown private equity fund from the house of Motilal Oswal has a knack of spotting future winners from small towns and cities across India and partnering in their growth story

Tulsyan: dreaming big

Vishal Tulsyan, 48, co-founder and MD, Motilal Oswal Alternate Investment Advisors Private Ltd, (MOAlt) shares a common passion with millions of Indians – he is a great fan of Bollywood. Like the millions of Bollywood fans, Tulsyan is a great fan of the iconic superstar Amitabh Bachchan. His admiration is so profound that he has dedicated an entire wall in his house to posters and pictures of the superstar. One of Amitabh's famous dialogues has really inspired him. *"Lakho ki deal karne nikla, jab me phuti kodi bhi nai!* (I've come to make deals of lakhs, without having even two coins in my pocket.)

He has always dreamt big. Back in his school days in Kolkata, Tulsyan once dreamt of becoming a cricketer playing for the national team. If he'd seriously followed this passion during his time at St. Xavier's College Kolkata, where he graduated, he might have even made it to the state cricket team. But then, India might not have gained such a visionary in the financial market! A real sports lover, he kept playing tennis, indoors and outdoors, even after he did really well in his chartered accountancy exams. Coming from a Marwari business family, Tulsyan moved to Mumbai in the late 1990s. After working at SBI Capital Markets and Rabo Group as the CFO, he realised he wanted to build something of his own from scratch. "I wanted to start something right from the beginning," Tulsyan admits, and his family felt the same way.

Sharing the vision

In 2005, just as the big stock market boom began, Tulsyan began proposing the idea of starting a private equity fund to Motilal Oswal and his team. Back in the mid-2000s, not many people knew about private equity, and only a few private equity firms were working in India. Even now, after 15 years, even though there are more than 2,800 private equity firms in India, very few of them are homegrown. Among the top 10 respected ones, apart from Motilal Oswal PE, are names like Kotak, Chrys Capital, ICICI Ventures, True North-India Value Fund, IDFC PE, CX Partners, Premji Investment, Kedara Capital, and JM Financial PE.

Motilal Oswal and Raamdeo Agrawal, founders of Motilal Oswal Financial Services Ltd (MOFSL) one of the respected full service brokerage houses, concurred with Tulsyan's presentation. All three shared the vision that India has a great future with tremendous opportunities for wealth creation. The result was that Motilal Oswal Private Equity was formed as a 100 per cent subsidiary of MOFSL in 2006, with Raamdeo Agrawal as the chairman. MOFSL came in as the sponsor of the fund. As an anchor investor they have invested around 10 per cent of the total AUM which is roughly ₹140 crore.

Even during their brokering heyday, Motilal Oswal and Raamdeo Agrawal chose to focus on Tier-II and Tier-III towns and cities. Tulsyan, in a bid to differentiate MOFSL from other private equity firms, decided to take a close look at the midmarket segment. His rationale was: "In urban areas, the banking sector as well as NBFCs are quite advanced but there are not many avenues for medium-sized units to grow in smaller cities and towns. While debt is available, getting risk capital like equity is difficult – not only equity but also good partners who can grow the business." Tulsyan says that he considered Motilal Oswal as it was already focussing on mid-corporates and had built a name with HNIs. Raamdeo Agrawal's research skills in spotting promising companies was also fairly known by then, and he had several followers.

Since its inception, the focus was on providing growth capital to these entities in distant cities as well as partnering with them to scale up profitably. Henry Kravis of the famous buyout firm of KKR on his first visit to India pointed out: "Any fool with money, can invest in a business. What is important is what he does with the business thereafter."

Tulsyan says that finding one or two gems from a particular place not only changed the fortunes of the company but was also instrumental in changing the entire landscape of that place. Giving examples, he says AU Finance, founded by CA Sanjay Agarwal in Jaipur, was a small NBFC lending money to three-wheelers and used vehicles in rural Rajasthan. While Sanjay hardly had any money of his own, his do-or-die attitude saw him create a niche for his company. The partnership with Motilal Oswal Private Equity started in 2007 with a small amount of ₹20 crore when the profit of AU was just ₹2.5 crore. Agrawal, much later on said: "I believe investment decisions are driven by intent, not by mandate letters or agreements." With MOAlt's help and Sanjay Agarwal's passion, AU Finance morphed into a bank in 2015. MOAlt put money both in AU Finance NBFC through Fund 1 and AU Finance Small Bank in Fund 3. The latter is now a listed company with a market cap of over ₹48,000 crore. It provided Motilal

Kedia: employees too invest in the funds

Soni: scaling the business

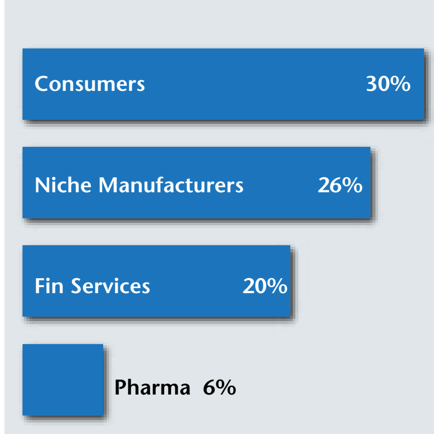
Oswal Alternates a 253 per cent return.

Success story of AU Finance

Normally, investments are not rolled over from one fund to another. The rationale is that there are enough opportunities to grow in the midmarket segment. AU was an exception. The point is not about AU Small Finance Bank but how the success of AU Finance has spurred a host of NBFCs from Jaipur. There are currently around 75 NBFCs in Jaipur, including Kogta Financial, EssKay Fincorp and SK Finance.

AU Finance Group was one of the multi-baggers. Others include Dixon Tech, which has given 150x returns, Minda Industries 75x, GR Infra 22x. Some of the leading investments made

Investment across sectors



from the 4 equity funds are classified in the table below. Across funds, most investments can be classified across 4 verticals: consumer, manufacturing and industrials, banking and finance, and life sciences. Across all the private equity funds based on the investments, consumer sector investments are the highest, with niche manufacturing coming at 26 per cent. Investment in financial services accounts for 20 per cent, while pharma and life sciences account for 15 per cent, with the balance 6 per cent of investments in services.

The other differentiator is that unlike foreign funds which created wealth for overseas partners, Motilal Oswal PE as it was called earlier, wanted to tap the numerous HNIs in India. There are enough HNIs in India, and it makes sense to tap this pool of capital. Tulsyan says: "We thought it was better to give opportunities to Indians to share in the wealth creation process. In China, nearly 50 per cent of the funds invested in private equity is domestic money. In India, it is but a small fraction." He adds that they were not averse to taking global money.

Over the last 16 years, MO Alternates has raised ₹8,300 crore through 5 private equity growth capital funds, with the last one fetching ₹4,500 crore in record time. It has invested in roughly 43 companies till date. Besides providing growth capital, MO Alternate

Mehta: We are a stable partner

Bagla: excited to partner with Asian Footwear

Mantri: decision-making for deals is collective

Investment also has real estate funds with a total AUM of ₹7,500 crore. A new real estate fund is in the process of being launched. The first equity fund yielded an internal rate of return of 26.8 per cent across the total of 9 exits from the fund. Exits, like most private equity funds, are through IPOs. From the first fund, Parag Milk Foods, Dixon Technologies India, AU Financiers, IMP Powers and Time Technoplast, amongst others.

A team of well-qualified leaders are leading investments across these four verticals. Private Equity has its own research team different from the MOFSL research team. What is noteworthy is almost all team leaders are chartered accountants with a few drawn from the Big 4. Real estate has two heads while private equity has 4. Besides these four, there is a CFO and a COO on the leadership side. The teams are empowered to monitor investments and sit on the directors' boards of the investee companies. Tulsyan does not sit on any of the investee companies and allows his team to interact with the boards.

To give confidence to the investors, the employees also invest in the funds. There is no compulsion. "Employees are investing because they want to invest," explains Bharat Kedia, COO. Kedia, who had done his CA and CS from Ranchi and Jamshedpur, says: "It also gives a sense of confidence to the investors in the market." Kedia had earlier served with Coca-Cola in Eastern Europe and Parag Milk Foods is on the board of some of MOA investee companies like Dairy Classic.

Dhanuka: no affinity to a particular geography

Kedia says that there is a review meeting held every Thursday and a structured meeting held every Friday with team members making presentations. An investment meeting is held once a month where senior members like Raamdeo Agrawal also attend.

Ground rules

Chandrakant Soni, Chief Business Officer, is largely in charge of strategising, execution, and scaling the business. He is also responsible for raising funds. Having been in the mutual fund industry like Birlas and others, Soni's last engagement was at MOFSL mutual fund. He says that: "The last fund of equity, which was closed at ₹4,500 crore, was done in record time, in a matter of a few months. In February-March 2021 during the Covid period, we raised ₹650 crore just before the second wave of Covid began. We had internally pruned our target to ₹800 crore. We did the first close at ₹2,850 crore in May-June and ultimately closed it at ₹4,500 crore in March 2022, with strong HNI inflows and institutions coming in." Nearly 90 per cent of the real estate funds are invested by HNI and family offices. Institutions like IFC, SBI, HDFC, and Max Group are among the institutional investors. Soni points out that in real estate funds, the raise is guided more by cycles and the amount of dry powder available. Normally, work on raising funds starts when nearly 50 per cent of the funds are invested. Many investors are regular ones.

There are certain ground rules followed for investment in equity. MOAlt follows the QGLP principles. 'Q' stands for quality of managing and quality of business. As a thumb rule, they invest in companies where the business model is evolved and the business has a competitive advantage. Growth requires the businesses to have a 20 per cent compounded growth rate both in top line and bottom lines. 'L' stands for longevity, implying that the business has a competitive edge and is hard to replace. 'P' stands for price. Even if all criteria are in place, the focus should be on reasonable valuation, which provides a margin of safety.

Like other private equity funds, MOAlt is involved in regular engagement, and senior members reach out to all investors at least once a year. One-on-One meetings are held. The company's AGM also provides a good opportunity for investors to interact with the management. Periodic newsletters are also used as a medium of

Details of sectoral investments – names of sectors and portfolio companies

Sector	Fund I	Fund II	Fund III	Fund IV
Consumer/Services	• Mrs Bector Foods • Parag Milk Foods	• Ganesh Grains • Dairy Classic • Kurlon • Updater Services	• N Rangarao & Sons (Cycle) • Happilo • Kushals	• Simpolo Vitrified • Asian Footwear • Join Ventures (IGP) • PAN Healthcare
Financial Services	• AU Financiers	• IKF Finance • Shubham Housing • Indian Energy Exchange • Intec Capital	• MAS Financial Services • AuSmall Finance Bank • Kreditbee • Fincare Small Finance Bank	• Kreditbee
Life Sciences		• Arinna Lifesciences	• Molbio Diagnostics • Symbiotec Pharma	• Pathkind
Manufacturing/ Industrials	• Minda Industries • Dixon Technologies • Power Mech Electromech • GR Infraprojects • Time Technoplast • IMP Powers	• Magicrete • Glass Wall	• Happy Forgings • VVDN Technologies	• VVDN Technologies

informing investors. This is one of the reasons that many investors remain loyal and invest in subsequent funds floated by MOAlt.

"Companies look to MOAlt for more than just their capital needs. Equity is a base compound; investee companies look to us for providing strategic value," says Vineet Mehta, MD in charge of the BFSI vertical, adding that "We are a stable partner, staying for 7-9 years with the company on average". A CA who graduated from NM College in Mumbai, Mehta joined the firm 4 years ago. Prior to joining Motilal Oswal, Mehta was at Kotak Investment Bank and had executed around 40 deals. Like all MDs at MOAlt, Mehta is in charge of deal sourcing, execution, monitoring, raising funds, and handling exits from the portfolio.

Deal sourcing is done through their in-house team as well as following the leads given by Motilal Oswal's franchisees and a network of consultants. Several practising CAs also reach out to MOAlt for their clients as well as provide leads to good companies in need of capital. The internet is also a great platform that facilitates direct searches. The MOFSL network also provides some promising leads. Having a full-service financial servicing outfit allows a lot of synergies to be shared. During exits, Motilal Oswal Investment Bank is generally one of the lead bankers. Its NBFC can also be sourced for meeting the funding needs of clients if required. If nothing else, it provides comfort to the client, even if all operations are done at arm's length.

Rathi: We are in control of cash flows

Breeding entrepreneurs

Over the last few years, there have been several engineering and management graduates who prefer to start their own businesses rather than work in multinationals. The Make in India initiative has also bred entrepreneurs of a different kind. In many areas that were hitherto seen as the domain of MNCs, several Indian companies are trying to build their niche market. In sports shoes and footwear, there were a handful of established brands with many not fearing to enter. Given the rising aspiration of Indians for branded sports and footwear, MOAlt recently invested ₹225 crore in a midsize company, Asian Footwear. Built by a first-generation founder couple, Rajinder Jindal and Kiran Jindal, the company is now led by second-generation IIT Delhi graduate Aayush. Prakash Bagla, MD, and head of the manufacturing vertical, comments: "We were excited to partner with them and create a leading footwear brand for both the domestic and overseas markets. Emerging companies such as Asian, with a focus on the global market, are expected to reduce India's dependence on imports and help achieve India's dream of Atma Nirbhar Bharat." Bagla, who has been with the firm since early days, has made several good investments across funds in this vertical. A CA from Kolkata, Bagla had worked with Aditya Vikram Birla group's private company Essel Mining. He also played a key role in the exit of the group's overseas plantations.

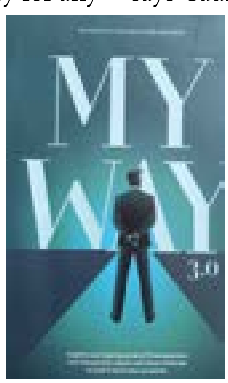
Rohit Mantri, MD, heading the Life Sciences space, is fond of talking about his investee companies. A CA who worked with PwC and KPMG, handling their investment banking and IPO segment, Mantri loves to talk about Molbio Diagnostics, a Goa-based company that has now joined the unicorn club. He says: "We invested in this company just a few months ago." Known for its Truenat technology, a battery-operated


The MOPE team

real-time PCR platform, the company was used to test TB cases across the country and became popular during the Covid period. Its RTPCR tests were instrumental in early identification and allowed early treatment of the dreaded disease. The company's Truenat technology can be used for diagnosing as many as 40 infectious diseases, including Covid-19, TB, Hepatitis, HIV, dengue, and malaria.

Explaining the process of deal-making, Mantri says: "Decision-making for deals is collective. It is not an individual's decision. At least two people have to concur in making a decision. This would then go to the investment committee, and if found suitable, the MDs would meet the promoters once or even twice or thrice until they are convinced." He adds: "We are not a flamboyant private equity company. We are happy not to make money, but even happier not to lose money."

"We do not have any affinity for any particular geography," comments Vijay Dhanuka, MD, and head of the consumer segment, the other member of the quartet. "We do not invest in certain sectors like telecom or IT or real estate which are also consumer-facing." Some of the investments, however, are based in Karnataka. Happilo International is one of the health food brands, having branded dry fruits. Kushal Jewellers is also based in Bengaluru, as is Dairy Classic, an ice-cream manufacturer. Cycle Agarbattis, a brand of N Rangarao & Sons, is also based out of the same city. Dhanuka, however, points out that brands like Asian Footwear, which is a Delhi-based brand, Pan Healthcare, better known for its adult diapers, and Liberty, a brand based in Rajkot, are also part of their portfolio.



Real estate

Real estate, though not as glamorous as equity investments, has been providing a steady stream of opportunities for investment. It also allows HNIs to diversify their portfolio from equity exposure to other asset classes. Risk is limited by proper due diligence at the initial stage. "We take care in choosing partners and avoid key realtors and those with political linkages. We are in control of cash flows. We provide flexible capital and look at revenue sharing," says Saurabh Rathi, MD, and co-head of the real estate vertical. An engineer from BITS, Pilani, Rathi had done his management from Jamnalal Bajaj Institute, Mumbai. "We focus on developers from the land acquisition stage itself and partner with them. When everyone was lending post-approval, we were looking at funding the pre-approval of the project," says Anand Lakhotia, MD, and co-head, property. Real Estate has a 25-member team, of which 12-15 are in the investment team. Lakhotia is in charge of deal sourcing, investment, exits, and fundraising. MOAlt is now gearing up for the launch of the new real estate fund. They are planning to raise ₹2,000 crore, which will be the largest amount they will have raised so far.

MOAlt as a private equity fund differs from other funds in that it embraces transparency. It comes out with a book giving details about the promoters of the investee company and lists their trials and tribulations. The latest book 'My Way 3.0' details some of the leading investee companies, including AU Small Finance Bank, Cycle Agarbattis, Happilo, Kreditbee, Molbio Diagnostics, among others. While the book lists success stories, it also serves as an inspiration to other promoters. "If he can do it, why can't I?" is a question that would be raised in every promoter's mind.

Tulsyan's personal philosophy is simple. Do things that are right, and success will never elude you. Impossible is not a word in his lexicon, just like one of his favourite Bollywood characters. With age and experience in his favour, the Tulsyan-led MOAlt has a lot of work ahead. While he and the team realise that the path ahead is not smooth, sticking to the path will undoubtedly pay off for the institution as well as the investors backing him. ◆

DAKSESH PARIKH
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Seek a suite of skills

Committees should have talent that delivers more

Board committees play a vital role in enhancing the effectiveness of corporate governance. They are sub-groups of the board of directors that focus on specific areas of responsibility. Board committees are critical for better governance due to several reasons.

These committees consist of directors with specialised knowledge and experience in specific areas. By forming committees such as audit, finance, risk, compensation and governance, boards can tap into the expertise of committee members who possess in-depth understanding and skills in these respective fields. This specialised expertise ensures that critical decisions are made with a high level of competence.

The committees allow for a more concentrated board oversight. By delegating the responsibilities to committees, the board can delve deeper into complex issues and allocate sufficient time and resources to address them comprehensively. Board committees serve as a mechanism to streamline decision-making processes this way. Committees thoroughly examine issues within their purview, conduct research, gather relevant information and provide recommendations to the full board.

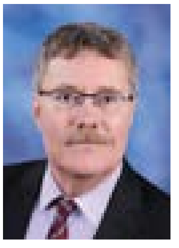
Committees also play a crucial role in risk management and ensuring compliance with regulatory requirements: Audit committees oversee financial reporting processes, internal controls and risk management practices; compliance committees monitor adherence to legal and regulatory obligations.

Over the past few months, we've looked into board committees, their expanding roles, setting their mandates, structure and meeting practices. Clearly, you need good talent for getting the best output from these committees. So, how do you go about the membership of your board committees? What best practices are emerging for seeking, training and allotting talent to meet targeted board committee needs?

Committee assignment needs a re-work to meet new board-work demands. But this should come at the end of a strategic review of current needs. Examine the board's charter and mission statement; make a searching talent matrix exercise of your present board skills; and, finally, identify mismatches between what the board now has versus what it needs (and will need) to do its work at the committee level. While this is a best practice approach for the board overall, shifting it away from the full board to a committee-focussed mindset pays the biggest talent dividends.

Finding these needed committee talents is the next step. The 'who-knows-who' recruiting ritual is outmoded. Don't hesitate to approach head hunters and professional or diversity groups, who often develop rosters of good board prospects. This raises a coming quandary in committee talent assignment -- should you target specific skills for each committee and keep them there, or rotate members? Though the board talent demands are now intense, you must realise that directors will likely serve more than one committee anyway. And, pigeon-holing a single 'finance' or 'tech' director can be dangerous. Better to seek members who combine a suite of several skills.

Dr M. MUNEER



RALPH WARD

M. Muneer is MD, CustomerLab and co-founder, Medici Institute, a non-profit organisation. Ralph Ward is a global authority on boards; both of them drive board alignment for corporations. Contact: Muneer@mediciinstitute.org

While most of the global boards do a weak job of new director-orientation, they offer even less, when it comes to fitting new members out for committee roles. A Deloitte survey from last year found that only 45 per cent of boards offer on-boarding prep for new committee members and, even for that, committee on-boarding typically occurs as part of overall new director on-boarding. This means that bespoke committee training is often an afterthought to an already informal process.

Committee orientation is, by definition, specialised. The best supported is audit committee on-boarding, due to its technical nature. Some consulting companies like KPMG have produced comprehensive guides for orienting audit novices, with a good info pack checklist, including financial statements and earnings releases; the past year of committee meeting packs; reports and letters from the outside auditor. For the compensation committee, we suggest an intro pack that must include the committee's charter and calendar, outside consultant contract templates, pay programme details (peer groups, design and key policies), etc. Governance/ nominating committees are less uniform in their mandates, but a welcome pack should offer the committee charter and calendar, agendas with enclosures and minutes of the past year's meetings, job descriptions for board and chair roles, and so on.

But committee orientation should be more than dropping a brick of paper on the new member. A best practice for on-boarding is to assign the novice a 'board buddy' to serve as mentor but, with the growing importance of committees, expand this approach. We suggest an overall board mentor, but also a specific wingman with experience on the main committee you're targeting this prospect. Take prep for this beyond just 'talk with Mishraji... he'll fill you in'. Work out a plan of briefings, introductions and evaluation on the process for both the mentor and mentee. ◆

Growing with innovations

Cosmo First is ramping up its portfolio of speciality films to expand its market share

Cosmo First Ltd (formerly Cosmo Films Ltd) has undergone a significant transformation in recent years. As a leading manufacturer of packaging films, the ₹3,000-crore company has added significant value to its film portfolio by shifting its focus to speciality films (its share of these films currently stands at around 65 per cent as against 25 per cent around 4-5 years ago) – predominantly commodity films. It has also diversified into two new areas of business: specialty chemicals and pet care. Following the inclusion of these two businesses in the last couple of years, in July last year, the Delhi-headquartered company also decided to rebrand itself as Cosmo First Ltd.

"The strategic decision to rebrand comes considering the company's business activities have expanded beyond films into specialty chemicals (masterbatches, coatings, and textile chemicals) and D2C Pet care. The rebranding reiterates the value of Cosmo and strengthens its focus to create a better life for the people, the world and the community we live in, built on trust, empathy and compassion. Cosmo First Ltd stands for a four-decade-young Indian business conglomerate that thrives on innovation to unlock value in diverse sunrise sectors such as polymer, speciality chemicals and D2C pet care," says Ashok Jaipuria, 69, Chairman and Managing Director, Cosmo First Ltd.

"We are consciously trying to create a more robust portfolio of businesses which are not only scalable but will also fetch much better margins. Moreover, the diversity will provide us the much-needed hedging mechanism to face any market challenges effectively. We have already seen the results recently when many of our peers struggled due to global and domestic headwinds; we have kept ourselves moving with some minor blips," says Pankaj Poddar, Group CEO of Cosmo First Ltd which in the next 3-4 years, is aiming for a topline of around ₹5,000 crore where 15-20 per cent of its revenue will come from newer businesses.

Jaipuria: leading from the front

With around 200,000 tonnes per annum of BOPP (biaxially-oriented polypropylene) capacity, the company has a comprehensive portfolio of BOPP films for different applications including flexible packaging, lamination, labelling, and industrial usage. The BOPP Films range includes speciality films such as high barrier films, velvet thermal lamination films, and direct thermal printable films.

Cosmo exports its products and solutions to over 80 countries across the globe. Exporting almost 50 per cent of its production, the company also has multiple patents across India and globally and is known as one of the global leaders in speciality films. It aims to increase its share of specialty films to 80 per cent in the next 2 years. Cosmo is a pioneer of the BOPP film industry in India and is also the largest BOPP film exporter from India and the world's largest manufacturer of thermal lamination films. Backed by a strong R&D base, the company, over the years, has forayed into a wide range of specialty films ranging from technical films, rigid packaging and synthetic paper businesses.

The company has emerged as the most preferred global brand offering value-added BOPP films. Cosmo's customers include the world's largest flexible packaging and label face stock producers such as Amcor, Constantia, Huhtamaki, UPM, Coveris, Aditya Fexipack and Avery Dennison, as well as brands such as PepsiCo, Coca-Cola, Unilever, ITC, P&G, Britannia, Parle, CP, Reckitt Benckiser, Nestle and Mars.

Capacity expansion

Cosmo is building up its speciality film portfolio in a big way. It has planned close to 75 per cent capacity addition in its flexible packaging business in phases, starting from FY2023. While it has commercialised a line of specialised BOPET (biaxially-oriented polyethylene terephthalate) last year (capacity: 30,000 tonnes), its new CPP (cast polypropylene) and BOPP lines are expected to get commissioned within next two years in phases. Both the lines will be the world's largest production capacity lines with lower costs of production.

The company has launched several new specialty films including shrink for packaging and non-packaging applications. A few other specialty films from non-packaging applications are also in the pipeline and should hit the market in the coming quarters.

Having commercialised its specialised BOPET line in September 2022, the company is in the process of launching several new specialty products including heat control film, security film and PET-G film. This will partially substitute imports as well. Heat control film is scheduled to be in the market in the second half of the current financial year. The film will go through various certification processes and simultaneously the company will create the distribution network of dealers and in the first year, the company will focus primarily on the Tier 1 cities. All these would further strengthen the company's position in its specialty films business and help it maintain the lead over the industry going forward.

As far as flexible packaging growth projects are concerned, work on new BOPP and CPP lines is progressing according to plan. Both lines (BOPP: 67,000 tonnes, capex: ₹350 crore & CPP: 25,000 tonnes, capex: ₹140 crore) are the world's largest production capacity lines and will increase the company's existing capacity by almost 50 per cent in a phased manner in the next 2 years. With high-speed large width lines, they will rationalise the cost of production by 3-5 per cent, depending on the product. So, CPP line and BOPP lines will not only increase the capacity significantly but will also promote sustainability as they will offer mono-layered structures which are easy to re-cycle.

"While our new businesses are currently at a nascent stage, we are ramping up our speciality film capacity. We will increase our overall film capacity by around 50 per cent by FY26 at a capex of around ₹500 crore and with this our revenue from the film business will be up by around 50 per cent by FY27. The company has launched many new specialty films including shrink for packaging and non-packaging applications. Several other speciality films for non-packaging applications are in the pipeline and should hit the market in the coming quarters. All these will further strengthen the company's position in the speciality film business," adds Poddar who leads the company's diverse business units,

With a career spanning over 26 years, he is a turnaround specialist and quick decision-maker possessing strengths in commercials, analytics, negotiation,

Poddar: a turnaround specialist

team engagement & strategy building, which were mirrored in his leadership at Cosmo First. His journey with the company began in 2011 as the CFO, managing its financial operations in India and overseas. Later, he went on to become the President - India Operations and eventually the CEO in 2013, successfully leading multiple verticals for the company. He was elevated to Group CEO in October 2021.

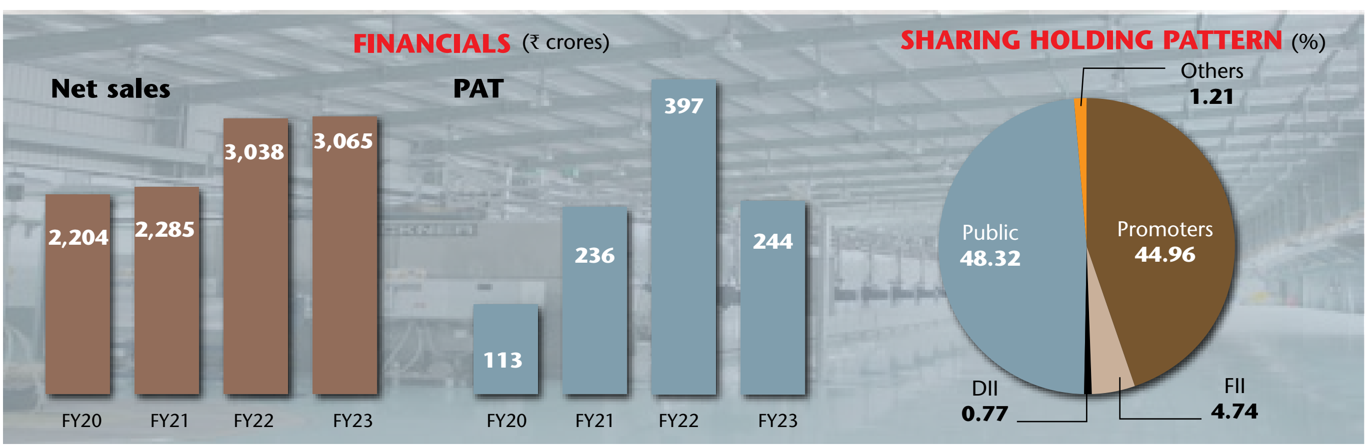
Opportunities in adversities

Having grown at CAGR of over 13.3 per cent during FY18-FY22 (where speciality film sales recorded a CAGR of 18 per cent over 3 years), Cosmo First saw its consolidated revenue growing marginally to ₹3,063 crore in FY2023 from ₹3,038 crore in FY2022. The PAT during the period was down to ₹244 crore from ₹397 crore.

Experts are of the view that during FY2023, the BOPP and BOPET industry faced excess supply due to the bunching of new production lines resulting in declining contribution margins each quarter during FY23 and impacting the entire industry. Despite this Cosmo continued to outperform and post double-digit EBITDA primarily due to its 62 per cent speciality film sales during FY23. While the near-term BOPP & BOPET outlook remains challenging, the company's focus on speciality films for BOPP and BOPET should keep it at the forefront.

During FY2023, the company's subsidiary which dealt in Specialty Chemicals (which started its operation in 2021 with a masterbatch line) did an overall sale of ₹159 crore, which is 75 per cent higher compared to the previous year. Cosmos reached almost 75 per cent capacity utilisation on its master batch line. Masterbatch is a concentrated mixture of pigments and additives used for imparting specific desired properties and colouring in plastic. Besides, the complementary adhesives business for packaging segment is set to grow in the current financial year. The company is expecting to end the current year with a topline of over ₹200 crore and is aiming at ₹500 crore in the next 3-4 years.

In speciality chemicals, the company has three verticals: masterbatch, coating chemicals and adhesive. While masterbatch (capacity: 10,000 tonnes) and coating chemicals (5,000 tonnes) went operational last year, adhesive (capacity: 2,500 tonnes) is expected to commence commercial production in the current



Cosmo is a pioneer in the BOPP film industry in India

fiscal year. In each of these segments, it plans to cater to to address current problem areas in the industry or produce a significantly better product compared to that currently available.

In order to explore the fast-growing ₹5,000-crore domestic pet care market, Cosmo First launched its D2C pet care vertical under the brand Zigly in September 2021. In a short space of time, the business has made good progress. Besides online sales, the company has 15 experience centres as of March 2023 and is looking at increasing this to 100 of them in the near future. It also offers services such as pet grooming, veterinary care and behaviour training. The current monthly GMV for Zigly is close to₹2 crore, and Cosmos is targeting 10 times this amount in the next couple of years. In FY23, GMV for the Zigly division stood at ₹13 crore, which was 9 times more than the previous year. The company is looking to cross ₹50 crore during the current year and around ₹100 crore by next year. The ₹5,000-crore domestic pet care industry is growing at a CAGR of 25 per cent.

"The company's strategic diversification into emerging sectors such as speciality chemicals and pet care has been growing as envisioned. Both segments are expanding and contributing to its long-term potential for value creation. To fuel the growth in speciality chemicals, the company is going to launch adhesive during the current year for its existing B2C customer base. In the pet care segment, future plans include increasing the experience centres to 100+ in a couple of years besides promoting an online business," says Jaipuria.

A visionary entrepreneur, Jaipuria founded Cosmo First in October 1976 and set up the first BoPP production plant of 800 tonnes at Aurangabad, Maharashtra in 1981. In fact, he introduced BoPP films to the Indian market through the launch of Cosmo Films (as it was then known). Today, the company has emerged as a leading name, providing pioneering niche solutions (value-added BoPP films) in packaging, lamination, industrial and labelling applications. The offering includes a range of BoPP films, CPP films and BOPET films.

Innovative solutions

Backed by a workforce of over 1,100, the company has four manufacturing units in Aurangabad, Maharashtra (two facilities), Vadodara and South Korea. Apart from its BoPP capacity of 196,000 tonnes per annum (9 lines), it has capacities for specialised BOPET (30,000 tonnes); CPP (10,000 tonnes); thermal films (40,000 tonnes); coated specialised films (20,000 tonnes); metalized films (22,000 tonnes) and CSP (7,0000 tonnes). CSP or Cosmo Synthetic Paper is a direct replacement for pulp-based paper wherever durability is desired. It is a co-extruded, white opaque polypropylene-based synthetic film that looks like regular paper.

In the last fiscal year, Cosmo started commercial production of its specialised BOPET Line which is the world's largest line for shrink labels and heat control films. During the year, it incurred a total capital expenditure of around ₹380 crore as compared to ₹285 crore in FY22.

The company has recently entered into an agreement to source renewable power on a group captive basis. Accordingly, about 40 per cent of power requirements for the company's largest plant will be from renewable sources. In the near future, it will be targeting close to 50 per cent of its power requirement from renewable sources.

With innovation at its core, the company invests heavily in R&D to come up with high-value specialised products and thus stay ahead of the curve. It currently has eight registered patents with three in the pipeline and another eight are being applied, Cosmo First's Innovation Centre is a state-of-the-art facility that boasts world-class laboratories, serving as a vital asset to the company's operations. The centre is equipped with cutting-edge equipment and manned

Innovative Product Launches

- Direct Thermal Printable Film: Film specially designed for niche applications like information labelling (airport baggage tags), inventory tracking, frozen food labelling & parking ticket applications.
- High Scratch Resistant Metalized Film: Specially designed for pressure sensitive label stock applications, the film delivers spectacular print performance across a wide variety of printing processes like flexography, silkscreen, foiling etc.
- 100% Opaque Synthetic Paper: Non-tearable, co-extruded, white opaque and both sides matte coated film for dangler application
- High Tear Resistant Synthetic Paper (CSP): Originally designed for high tear resistant tag applications. Also offers moisture, oil and chemical resistance just like standard synthetic paper.
- Enhanced Barrier Metalized BOPP Film: Suited for packaging of biscuits, snacks, bakery products, chocolates and personal care products like shampoo sachets etc.
- White Cast Polypropylene (CPP) Film: To address the issue of slippage of layers over each other as having high Coefficient of Friction (COF).

by a team of 30-odd highly qualified professionals dedicated to sustainable and economically viable science.

The analytical lab at Cosmo First's facility is at the forefront of material characterisation, thanks to its array of modern equipment. The lab is well-equipped to perform microscopic analysis, which allows researchers to understand the finer details of the material's chemical and physical properties. In addition, the lab boasts of advanced thermogravimetric analysis (TGA) equipment, which enables scientists to investigate the material's thermal stability and degradation characteristics.

"We take great pride in being one of the few packaging companies globally with such a robust R&D set-up. Our R&D endeavours have resulted in the creation of several new products, which have significantly contributed to our growth and success. Our focus on innovation and R&D has enabled us to stay ahead of the curve and maintain our position as an industry leader. With our modern facilities and world-class research team, we are continuously pushing the boundaries of what is possible in our industry," avers the Cosmo First chief.

Backed by its R&D efforts, Cosmo First has a strong focus on sustainability and invests heavily in promoting innovative practices to come up with products and solutions that are environment-friendly. The company has been partnering with some of the best global brands to offer structure rationalisation. It is engaged in creating mono-layer, mono-material structures, which are easily recyclable. The company has designed heat-resistant BoPP films replacing BOPET; it is mainly used in the print layer, giving a last push to the creation of mono-material structures. Both BoPP and CPP films offer better yield, hence enable reduced consumption of plastics. It promotes UV stabilised synthetic paper that can be used to replace PVC in outdoor promotional applications for a shorter duration. Besides, the company offers a suitable substitute for aluminium foil in the form of its ultra-high barrier films.

"Cosmo First has a strong focus on sustainability. We work closely with large global brands to design and manufacture products that are not only eco-friendly but sustainable in the longer run. The vision of Cosmo First is that the company aspires to be recognised among the most innovative businesses, developing high-growth businesses that are sustainable, scalable and profitable," says Poddar.

Cosmo is the world's largest manufacturer of thermal lamination films

Sustainable packaging

Cosmo First has carved a distinct niche for itself in the packaging market where it competes with names like Jindal Poly Films, Uflex, Polyplex and others. The packaging industry has evolved significantly in the past few years, something induced by the pandemic. Through the different phases of the pandemic new trends have emerged and have been adopted by various companies in the packaging industry. From smart packaging to sustainable and safe packaging with innovation and an artistic touch, packaging trends have gained a lot of prominence in the food, pharmaceutical, beverage, cosmetic and other FMCG industries. The large FMCG players globally have announced moving to sustainable packaging in a phased manner and this is where Cosmo First with its innovative solutions plays a major role.

The global packaging market, valued at $1,002 billion in 2021, is expected to reach $1,275 billion by 2027, registering a CAGR of 4 per cent. The global flexible packaging market which stood at $125 billion in 2021, is expected to reach $164 billion by 2027, growing at a CAGR of 4.5 per cent. As against this, the Indian packaging industry, which is one of the largest globally, is expected to register a CAGR of 27 per cent during 2022-2027, while the flexible packaging market in India is set to grow at a CAGR of about 11 per cent during 2021-2025.

End-user industries like pharmaceutical, food processing and personal care are expanding with huge investments from large multinational corporations. This has resulted in developing cheaper and sustainable packaging solutions which are fuelling the expansion in the packaging sector. Additionally, factors like increase in the working population that require instant food solutions with higher shelf-life have forced packaging companies to come up with innovative and durable packaging solutions.

With all these developments in place, Cosmo First has positioned itself quite strongly in the market. A pioneer of BoPP firms in India and currently one of the largest manufacturers of BoPP films for flexible packaging, the company has stayed ahead of the curve and moved from making commodity films to innovation-led specialty films. Today, speciality products and solutions account for almost 60 per cent of its portfolio, up from around 25 per cent around 3-4 years ago. In fact, it is aiming to enlarge the share of specialty films to 80 per cent in the next couple of years. Moreover, the company is also ramping up its capacity in a big way. The combination of scaling up and diversification into specialised firms will help it build a robust portfolio which will facilitate its next growth phase. Moreover, going forward consumer-facing newer businesses will provide the total business further scale and diversification. ◆

ARBIND GUPTA
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Runway to India - Status: Busy

2023 is slated to see the fastest recovery since 2019 for many international airlines, yet multiple challenges remain. So what is making India a significant market for recovery for international airlines? A perspective on how they are upping their India operations in a changed global scenario

Azmi: Confident about the Indian market

MALAYSIA AIRLINES

Looking to expand India footprint

With several usual summer haunts for well-heeled Indians out of bounds still – whether due to prohibitive air ticket prices or slow visa process, several other destinations have seen a fast uptick in outbound travel out of India. One of which is Malaysia, and the country's flag carrier, Malaysia Airlines, which is tapping into this demand by refocussing on Indian operations.

India remains one of the key markets for us, especially since we reinstated flights to the country at the end of March 2022 after a two-year closure, says Ahmad Luqman Mohd Azmi, CEO, airlines, Malaysia Aviation group. "We are confident about the Indian market becoming a top international destination and are closely monitoring the market to expand opportunities based on the demands."

For the Indian market, Malaysia Airlines operates 55 weekly flights from India, with the reinstatement of three new flights from Bengaluru, beginning April. MAS operates flights from six major cities – Delhi, Bengaluru, Mumbai, Chennai, Hyderabad and Kochi. "We are looking to increase these frequencies and aim to return to pre-pandemic levels at 60 weekly flights by the end of this year," says Azmi. He points out that Malaysia Airlines is experiencing a higher-than-anticipated surge in demand in the Indian market, prompting the airline to boost frequencies and switch to larger aircraft for select flights and routes. "We have been deploying our fleet and network expansion opportunistically during peak periods to service high demand/ capacity sectors and continue to closely monitor the level of capacity coming into the market as all airlines rush to ramp up operations. We firmly believe that the Indian market will emerge as a premier international destination, and we are carefully observing market trends to explore further possibilities based on demand."

As for further increasing the number of flights, given the high potential, the airline says it is continuously reviewing opportunities in the Indian market and will gradually add new routes, increase frequencies, or upgrade aircraft to meet the increased travel demand. "We are also exploring routes to cities like Tiruchirappalli, Thiruvananthapuram and Pondicherry," Azmi adds.

The airline, however, has considerable competition from others,

MAG: LONG-TERM FOCUS

As an airline subsidiary under Malaysia Aviation Group (MAG), we are focussed on implementing our Long-Term Business Plan 2.0, which charts our course to 2025; to transform MAG from a pure-play aviation business to becoming Asia's leading travel and aviation services group. MAG carried 9.92 billion passengers for 2021-22, compared to 1.75 billion in the previous year. The passenger load factor in 2022 improved significantly, reaching 75 per cent, as against 46 per cent in 2021. These figures indicate an enhanced utilisation of the capacity, demonstrating an upward trend in passenger demand and an increased efficiency in flight operations, post pandemic Covid-19. As a member of the oneworld alliance, Malaysia Airlines connects to more than 900 destinations in over 170 territories.

mainly LCCs (low-cost carriers) such as IndiGo and AirAsia Berhad, which also offer direct flights from various Indian cities.

India on the radar

The airline is exploring various partnerships in India. "Our recent partnership with Acumen Overseas for air travel management is another initiative in strengthening our customer base across the Indian network," points out Azmi. The collaboration will further bolster our presence and enhance services for the Indian market, by leveraging on their experience and capabilities. Our travel trade partners play a very critical role, and we work in close tandem with them by deploying curated campaigns and product offerings to stimulate and cater to the growing demands in local markets. This mainly includes joint consumer promotions with local travel agents to attract the leisure consumers, roadshows with tourism boards, corporate travel programmes through MHBiz Pro and MHBiz Plus, and other fare programmes to aid 'win-win' propositions for the airline."

Malaysia has for a while enjoyed the reputation of being a destination wedding market, and the airline is working with state tourism boards to position Malaysia as a top-of-mind wedding destination. To attract the youth, the airline is also promoting MHexplorer, a student travel and lifestyle programme for students that will facilitate their academic journey away from home and enjoy various discounts including travel fares.

Malaysia Airlines has established strategic partnerships and alliances with various airlines around the world, including Indian carriers. Currently, Malaysia Airlines has an interline partnership with Air India and Vistara, which allows passengers to travel on connecting flights operated by both airlines. Malaysia Airlines is also exploring opportunities for code-share partnerships with Indian carriers. ◆

EGYPTAIR

Launching new flights to Delhi

EgyptAir, the national carrier of Egypt, commenced flights on the Delhi-Cairo route. It has been flying on the Cairo Mumbai route for years. The Cairo-Delhi route will be served by operating four weekly flights with state-of-the-art A320neo – the airline's newly acquired aircraft that offers two cabin service with 16 seats in Business Class and 126 seats in Economy Class.

"India is an important nation and market for us," says Mohamed Moussa, chairman & CEO, EgyptAir. "We are delighted to start flights from Cairo to Delhi. This will further strengthen relations between Egypt and India and stimulate tourism, travel, and business between the two countries".

The airline, which is a member of Star Alliance, has code-shares in place on its Mumbai route with Air India, also a member of the same alliance. "Our goal is to connect Delhi to our network, beyond Cairo as well to Europe, "North America and Africa," says Amr Ali, country manager, North and Eastern India, EgyptAir, possibly eyeing India's lucrative transit market. The airline is offering promotional inaugural fare on the Delhi Cairo route.

Currently, there are no plans to further expand the number of destinations. "The first goal is to have daily flights to Delhi," says Ali. The Air Services Agreement (ASA) permits 14 flights a week between the two countries. Ali reveals that the Mumbai flights have 65-70 per cent occupancy, on an average. The friendly India-Egypt relationship at the political level has strengthened further in recent years. ◆

Egyptair's Amr Ali, Country Manager North and Eastern India and Captain Mohamed Moussa Chairman and CEO, Egyptair speak at an event to mark the airline's first flight to Delhi

Romu: Today, Finnair looks different, even from just one year ago

FINNAIR

"The demand from India is exceptional"

Here's a bit of aviation history you might just have overlooked. Finnair, founded in 1923, is completing 100 years in November this year, making it one of the oldest airlines in operation. "It's quite an achievement – there aren't many of us in the market," says Sakari Romu, GM India, Finnair. "We are proud of our Nordic roots."

Finnair's storied operations are often overshadowed by more widely known European carriers, but pre-Covid, it was the second largest European airline operating in India, after Lufthansa. It operates from Helsinki to Delhi and Mumbai, though the longer route due to closure of the Russian airspace means an addition of about three hours to the routes. "For a long time, Finnair was a Nordic airline serving domestic and some European routes," observes Romu. "From the 1980s and especially the 1990s, we changed from being just a European carrier to an Asian European carrier. What made the biggest difference was that we were able to optimise the location of Helsinki in an optimal way. Its location helps us serve all our destinations within 24 hours. We can fly to our destinations in a single aircraft."

Finnair is offering improved services onboard its India routes. The new travel class will cover all Finnair Airbus A350 and A330 and will come with a unique new Business Class, Premium Economy and refreshed Economy Class.

The airline is looking to get back to its pre-Covid levels, though closing of the Russian airspace is affecting the airline even harder than Covid. "We couldn't have any operations during Covid," Romu explains. "On Asian routes, we were the second largest airline after Lufthansa. For a country with just five million people and no home market, we were successful and suddenly, you know, one year ago, that was taken away from us".

Today, Finnair looks different even from a year ago: Sakari Romu, GM India, Finnair

"Today, Finnair looks different, even from just one year ago. Of course, under the conditions, we have had to rethink our strategy, our network and almost everything," points out Romu. "It's also a financial challenge, and what I have done is to put in more efforts to destinations other than Asia, meaning more destinations, more flying to US, the Middle-East and also building up Asia again. We have reopened many destinations in Asia. In Japan, we used to have five destinations and now we have reopened Tokyo and Osaka." China used to be a huge destination for the airline, but now plans are still uncertain in Asia's largest aviation market. Incidentally, Finnair has dealt with its neighbour's closed airspace

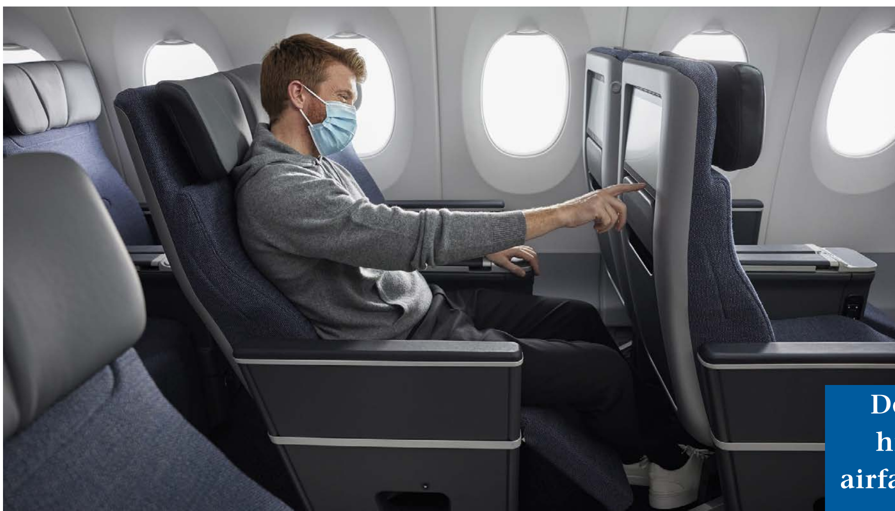
Finnair's A350 Refreshed Business Class

What's new on-board

Covid was an opportunity for a rethink and an upgrade for various airlines, and Finnair too has made significant changes. The launch of the new Premium Economy cabin comes as a part of Finnair's significant €200 million investment in all long-haul aircraft to enhance the customer experience.

Business Class sees a spacious new Collins Aerospace AirLounge seat, which takes its inspiration from lounge furniture. The seat ambiance is designed to allow customers to make their own 'nest'. Also new personally-customised and in-seat lighting designed in partnership with Jetlite takes inspiration from Nordic nature, complete with the northern lights as the cabin is dimmed for sleep. There are ample stowage features within the seat – for personal and electronic items, pillows and blankets. There is now USB A, USB C and PC power charging connectivity and wireless mobile charging options available along with internet connectivity for long-haul flights. The Iittala Kuulas dining collection is designed by Harri Koskinen and inspired by the contemporary home environment. It is also lighter to support aircraft weight and CO_2 reduction targets. Then, there are renewed meal and beverage offerings, including an up to six-course meal in modern bistro-style and another lighter meal. The Finnish fashion house, Marimekko has created unique pillows and a duvet, with Maija Isola's iconic designs in soothing dark colours.

The new Premium Economy seats are also designed for more space and comfort. Along with 50 per cent more space than Economy Class, the seat is optimised for enhanced comfort and ergonomics, featuring memory foam cushions, a deep 8`` recline, waterfall leg rest and six-way headrest. There is dedicated stowage for laptops and small personal items, while a large and sturdy single leaf meal tray is for work and dining, along with individual reading lights. There's a redesigned in-flight entertainment system with 13`` wide screens to make time onboard fly with blockbuster movies and top TV shows. Marimekko has created unique pillows and woven blankets. ◆



Finnair A350 New Premium Economy Class

earlier. In 1983, Finnair became the first airline to operate a Europe-Japan flight over the North Pole!

Priority India

Romu points out that, compared to 2019, we are back at about 75 per cent of operation level. "We have also been able to wet lease some of our capacity. Overall, globally, we are at about 85 per cent level. So, we are pretty close already."

However, there have been changes, even as the airline, like many others, is bringing back its planes from the Covid induced storage. But new realities mean new changes. "As we are now burning more fuel – due to flying longer, the cost structure has changed. This is in addition to higher fuel prices.

He, however, does admit that the yields are much higher than before Covid. The change is remarkable, he adds. "I think that there are two reasons for that – one is that the demand is high. People were asked to stay home for two-three years and they are keen to travel. Another point is that our recovery is on 80 per cent level, which is on the high end. However, we are still lacking the capacity compared to the time before the war. Of course, one reason for that could be the ticket costs, which are higher than they used to be.

Despite higher costs though, the occupancy level for the airline on its India routes is high. "The load factors are higher than they used to be. There are some differences between the two routes. The demand from India is exceptional." However, there are still no plans to introduce more Indian destinations.

Despite higher airfares, the occupancy level for the airline on its India routes is high

A big change, Romu notes, is the number of people flying to Finland as their final destination. "We are seeing even from India, the highest growth for Finland as a single destination. Even 10 years ago, we were much more, a non-stop airline to somewhere in Europe. People were travelling from Japan to Paris or Barcelona or wherever. Now, we also are getting recognised as a one-stop flight to the US.

Romu also cites the return of Air India flying directly to Scandinavian destinations such as Copenhagen and Stockholm as a good sign. "It gives us many new opportunities. Finland itself has, for the past year, positioned itself as seeking skilled migrants to live in the country, and is fast getting recognised as a tech hub. No wonder, more and more passengers are choosing Finland as their final destination rather than transiting through. Of course, Finnair is set up to cater to both at their hub airport in Helsinki". ◆

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Propelling India's Blue Economy

Ahead of the Global Maritime Summit 2023 – a maritime event to be inaugurated by Prime Minister Narendra Modi in New Delhi in October, Union Minister of State for Tourism and Ports, Shipping and Waterways of India, Shripad Naik shares his views with Hemang Palan on India's 'Blue Economy' and its potential, and the strategy of his Ministry to boost the growth of the Indian maritime sector

How will the Global Maritime Summit 2023 bolster the growth of India's 'Blue Economy'?

India, with its vast coastline of over 7,500 km, holds a crucial position as one of the largest maritime countries in the world. Our maritime sector plays a pivotal role in the nation's economy, with approximately 95 per cent of foreign trade and 70 per cent of its value taking place through seaways. The forthcoming Global Maritime India Summit 2023 is set to be a pivotal moment in propelling India's 'Blue Economy' to even greater heights. This summit has the potential to be a transformative event for India's 'Blue Economy'.

What makes this summit particularly promising is its emphasis on sustainable and green technologies. As the world focuses on climate change goals, the Indian maritime sector is already showing a 1,300 per cent increase in renewable energy utilisation by the major ports. At the summit, we will showcase our commitment to decarbonisation and renewable energy, positioning India as a leader in environmentally-friendly maritime practices.

By promoting Public-Private Partnerships (PPP) in the Indian maritime sector, we have witnessed a remarkable 150 per cent increase in the value of operationalised PPP projects in the last 9 years. The forthcoming summit aims to foster global and regional partnerships, and attract investments and technology from international players. It will further boost the industry's growth and development. The summit will also shine a spotlight on crucial aspects such as cruise tourism leadership in the Asia Pacific region, global leadership in ship recycling, ship building, and ship repairs. These areas present tremendous opportunities for growth, job creation, and the elevation of India's position on the global maritime stage. To encourage dialogue and cooperation amongst key industry leaders, this summit will also host a Global CEO's Forum. Additionally, it will recognise partners who have made outstanding contributions to India's development as a leading maritime centre through a 'Maritime Excellence Achievers' ceremony.

Global Maritime India Summit 2023 will be inaugurated by the Prime Minister of India, alongside globally renowned industry players. This indicates the high level of importance and attention the summit is garnering both domestically and internationally. The summit is going to showcase India's commitment to sustainable practices, innovation and global collaboration in the maritime sector.

What is the strategy of your Ministry to increase the global share of Indian seafarers and also promote the merchant navy as a career option amongst Indian students?

Going forward, our emphasis will be to motivate the young students of India (boys and girls). Students will be made aware of the career opportunities in the merchant navy and will be encouraged to become highly skilled seafarers through scholarship support and employment assistance after the successful completion of their approved and certified courses from reputed maritime colleges and institutions of India. Examinations in Indian maritime colleges and institutes will be conducted as per the protocols that are internationally recognised with the help of computerisation since most Indian seafarers tend to serve ocean-going foreign vessels. We will ensure proper training and standardisation to all maritime training institutes in the country. Training methodology in the Indian maritime training institutes using world-class simulators will be encouraged. Also, we will make sure that all matters and regulatory protocols pertaining to the registration and certification of Indian seafarers become seamless and technology-based.

Moreover, our focus will be on transparency in recruitment and placement services of Indian seafarers so that such a process remains non-exploitative and streamlined. That will ensure all qualified Indian seafarers the best employment opportunities across the globe. Eventually, it will also inspire the young population of India to become skilled seafarers. And, we will ensure that proper emoluments are paid to Indian seafarers. We will strive hard to safeguard the rights and welfare of Indian seafarers as per global conventions.

The prime focus of the Indian government is to increase the global share of Indian seafarers from 12 per cent currently to 20 per cent in the years to come. In 2023, about 2,58,352 Indian seafarers serve the merchant navy fleet world-wide.

How do you intend to popularise the seafaring profession amongst girls in India?

The global share of women seafarers of Indian nationality has increased in the past 9 years fortunately. In 2014, around 255 women seafarers of Indian nationality served in the merchant navy fleet. This figure has increased to about 3,000 by 2023. However, it is a very small figure – about 0.5 per cent of the global seafaring population. We are keen to launch a 'Sagar Main Sammaan' awareness campaign to boost the morale of Indian seafarers, and also help the maritime stakeholders of India to increase the global share of Indian seafarers in the years to come. This campaign will also provide an equitable playing field for facilitating employment opportunities to Indian women in the seafaring profession and ensure gender parity in the maritime sector.

The lack of active participation by Indian women in the seafaring profession is mainly due to limited knowledge of such an illustrious career opportunity in the merchant navy, the lack of proper incentivisation from shipping lines and also, cultural bias. To address this issue, an awareness campaign planned by the Indian government will publicise the success stories of women seafarers and spread information about opportunities in the merchant navy especially amongst female students of India. In addition to this, I am of the view that the ship onboard gender sensitisation should be encouraged, and on boarding, buddy programs should be launched.

What's your Ministry's plan to develop 'Lighthouse Tourism' in India? Also, when will the construction of the National Maritime Heritage Complex be completed?

Prime Minister Narendra Modi has already announced that India will be working towards the promotion of 'Lighthouse Tourism'. With an objective to disseminate awareness on the maritime significance of lighthouses, to conserve such heritage structures and thus to offer a unique lighthouse-based tourism in India, our Ministry has decided to develop tourism facilities at 75 lighthouses across the country's coastline. Tourism facilities have already been developed at 21 lighthouses. The average footfall of tourists at these lighthouses is currently 1.1 lakh per month. Tourism facilities at Dwarka, Veraval and Gopnath Lighthouses have been developed and were inaugurated in July 2023.

In 2014, around 255 women seafarers of Indian nationality served in the merchant navy fleet. This figure has increased to about 3,000 by 2023

The construction of phase 1A of the National Maritime Heritage Complex project commenced in March 2022 and the EPC contract was awarded to Ms Tata Projects Ltd. Well-known architect Hafiz Contractor is the Principal Project Consultant for this project. Construction of this project is now in full swing and phase 1A is scheduled to be completed by March 2024.

Kindly share your Ministry's vision to develop inland waterways and coastal shipping in the country

Union Finance Minister Nirmala Sitharaman in her Budget speech of FY2023 had announced that coastal shipping will be promoted as an energy efficient and lower cost mode of transport, both for passengers and freight, through PPP mode with 'Viability Gap Funding'. In compliance with this announcement, our Ministry is working towards the inclusion of coastal shipping (including inland waterways) in the list of eligible sectors (Annexure 3) within the current 'Guidelines for Financial Support to Public Private Partnerships in Infrastructure'. In this regard, our Ministry has carried out several rounds of discussions with stakeholders including DEA and Niti Aayog. Based on our discussions, a detailed proposal is being formulated for the consideration of the 'Department of Economic Affairs and Empowered committee'.

Initiatives undertaken to promote coastal shipping include; prioritised berthing of coastal vessels, relaxation of cabotage rules, GST reduction on bunker fuel from 18 per cent to 5 per cent, incentivising the creation of coastal berths, reducing port tariffs for coastal cargo and green channel clearance of coastal cargo, etc. Our initiatives to promote inland waterways in the country include; fairway development, development of community jetties, digital solutions for ease of doing business, commencement of Ro-Ro/Ro-Pax services, etc.

How is the PPP model in the port sector of India being promoted by your Ministry?

Our Ministry has planned to target over 85 per cent of the cargo at the earliest to be handled by the PPP port players which is presently at nearly 56.5 per cent. To achieve this target, the Ministry has already identified a list of more than 80 projects of the value of around ₹42,500 crore till FY2024-25. Out of these, 13 projects of the value of more than ₹10,500 crore have so far been awarded. We take immense pride in stating the fact that Navi Mumbai-based Jawaharlal Nehru Port Authority has become a port being fully operated by private investors on PPP mode. ◆

An elevated experience

The elevated taxiway at Delhi airport should reduce taxiing time, while tackling pollution

ARTISTIC IMPRESSION - ECT CS BRIDGE

Frequent flyers at Delhi airport feel, sometimes, that the taxiing time is longer than the flight! Or, that the flight takes inordinately long to land, often circling overhead. Well, as part of its phase three of airport expansion, an elevated taxiway, the first of its kind in India, has been inaugurated.

"With Eastern Cross Taxiway (ECT), the Delhi Airport has become India's first airport to have an elevated taxiway in the country, which will not only enhance passenger experience but also make Delhi Airport future-ready," says I. Prabhakara Rao, deputy MD, GMR group. Indira Gandhi International Airport (IGIA) is operated by the Delhi International Airport Ltd (DIAL), a consortium led by GMR Airports Infrastructure Ltd.

The Delhi airport, India's largest airport, handles more than 1,500 aircraft movements every day. And, now that Civil Aviation Minister Jyotiraditya Scindia has inaugurated dual elevated Eastern Cross Taxiways and the fourth runway at the Delhi airport, the airport has four runways – RW 09/27, RW 11R/29L, RW 11L/29R and RW 10/28. The new taxiways are 2.1 km long, less than half the length of the longest two runways, which are 4.4 km each.

The taxiways, which connect the Northern and Southern airfields of the airport, can handle big aircraft including A-380 and B-777. The ECTs are designed to reduce taxiing distances for aircraft, reduce aircraft emissions and save natural resources, such as ATF, and enhance operational efficiency.

In 2022, Delhi's IGA was the world's ninth busiest airport by passenger traffic, according to Airports Council International (ACI) figures). The airport handled almost 59.5 million passengers and experts say the airport is already operating at capacity. According to DIAL, Delhi airport bettered its ranking from 13th in 2021 and 17th in 2019.

Less carbon footprint

Rao points out that the reduced distance that planes will have to travel will reduce fuel consumption, thereby reducing annual CO^2 emissions by 55,000 tonnes per annum. He also points out that this is a significant step towards making Delhi airport reach 'Net Zero' emission by 2030.

It is estimated that about 350 kg of fuel will be saved every time an aircraft taxies through ECT from RWY 29R to Terminal 1 and vice-versa. This translates into a reduction of nearly 1,114 kg of CO^2 emissions for each aircraft taxiing along this route. Additionally, DIAL is also following an environment-friendly approach in the construction of ECT by using 9,715 tonnes of fly ash, a waste product of coal-fired power plants, in the filling material.

The ECT has been constructed as part of Package 3 of Phase 3A

Elevated runways

While elevated runways have been there for a while – the first one came up in 1949 over the Van Wyck Expressway at Idlewild-Kennedy Airport, New York – they make for spectacular visual experiences. Planes passing over traffic command attention wherever they are, despite a number of airports now having elevated taxiways. As airports have needed to cater to an increasing number of passengers, they have expanded over existing infrastructure, often roads. Of course, they are impressive feats of engineering in themselves and it was no surprise that busy airports have resorted to building them. LAX and Heathrow followed in 1953. Not to be outdone, Orly topped them within five years with the road tunnel not just under the taxiway, but also the main apron and the terminal building! Denver's Stapleton Airport became

CREDIT: UZRUDD97

the first to have a runway over an interstate highway, the I-70 in 1962, while the Toronto Pearson Airport built an island in the middle of the apron over the road tunnel. The world's busiest airport at the time, Chicago's O'Hare, followed in 1966, while Sydney's Mascot opened the year after (the

Elevated runway: Quick check

ARTISTIC IMPRESSION - ECT CS BRIDGE

• The new taxiways are 2.1 km long and 202 m wide elevated dual-lane taxiway connecting the Northern and Southern airfields of IGI Airport, reducing taxi distance for aircraft by 7 km, according to the airport operator.

• The purpose of the ECT is to reduce taxiing distances for aircraft, reduce aircraft emissions and save natural resources such as ATF, and enhance operational efficiency.

• The taxiway is expected to optimise taxiing routes and aircraft operations, resulting in a reduction of about 55,000 tonnes of CO^2 per annum.

• The 2.1-km-long dual-lane elevated Code F taxiways are capable of handling large aircraft and wide-body jets such as A380, B777, and B747-8.

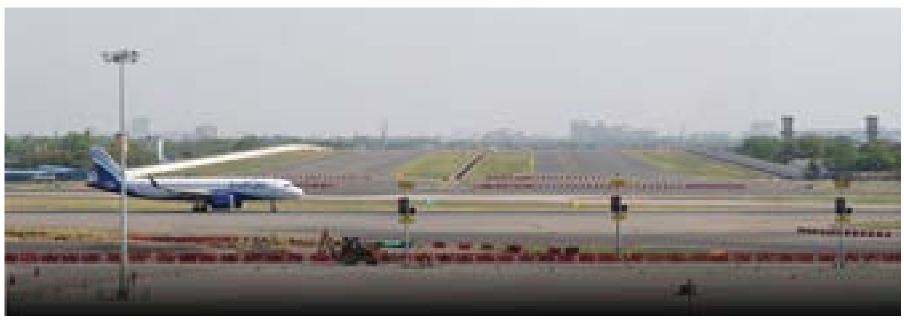
• The Eastern Cross Taxiway will have two 44m wide lanes with a gap of 47m between them to allow safe and simultaneous passage of two big aircraft.

• The taxiway central spine structure is a massive monolithic structure comprising 590 girders – each weighing 90 tonnes – capable of maintaining structural integrity even in the case of an explosion of TNT/ RDX.

• The ECT central spine structure comprises 156 piers. It is supported by 590 girders, each weighing nearly 90 tonnes. The structure is designed to withstand explosions of TNT/ RDX. The structure designs are made in conformity to Seismic Zone IV and designs are vetted by IIT Mumbai.

• The bridges are designed to carry the weight of the heaviest aircraft, such as the Airbus A380/B777/B747s. Each of its two lanes would be 44 m wide with a gap of 47 m between them to allow safe simultaneous passage of two big aircraft. It will also have carriageways on both ends to allow emergency vehicles such as fire tenders and tow tractors to move.

Expansion Works. EPC Contractor L&T was awarded the contract for the entire Phase 3A Expansion Works, under which, besides the fourth runway, a bigger and integrated Terminal 1, a newly expanded T1 apron for



aircraft parking, several new taxiways, and landside developments alongside a host of technological enhancements are in the offing. T1 is expected to launch in December this year, with the capacity doubling to 40 million passengers annually.

With purportedly the largest airport in the future coming up just 67 km away at Jewar, Delhi airport is looking to be ready to take on this future challenge. ◆

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first outside North America and Europe). Dallas/ Forth Airport opened in 1974 with four taxiways at once, while Singapore's Changi and Hong Kong's erstwhile Kai Tak airports opening elevated taxiways in 1981 and 1982 respectively. Delhi, and India have joined the bandwagon!

Return of the NPAs?

The present attempt to solve the NPA problem is half-hearted, to say the least

VISSWAS PAANSE

Last fortnight, Union Finance Minister Nirmala Sitharaman ordered the public-sector banks (PSBs) and financial institutions to adopt humanitarian approach, while dealing with NPAs. Rightly so, but the finance ministry has no vision for dealing with the burning issues of Indian economy, particularly non-performing assets (NPAs) and the recoveries of bad loans. Without suggesting an alternate solution to the bad loans, mere humanitarian realisations for the time being is not a correct solution. There needs to be a comprehensive thinking to solve these problems.

The government of India, under the positive guidance of the prime minister, should look into these problems in a constructive manner. Recovery through revival should be the guiding force and several measures can be taken in this direction to get long-term and perhaps permanent solutions. The government should scrap IBC, SARFAESI & RDDBFI Acts. Also, it should bring an improvisation in the IBC Act, putting total emphasis on revival of NPA-affected units.

Recovery will automatically happen, as healthy and profit-making entrepreneurs will take the responsibilities of sick units or NPAs. However, the government should change the existing Income Tax Act and pass on the tax exemption or extra benefits to healthy units. In fact, it is the need of the hour for the government. Uptill now, the government had remained business-friendly and it should move further with such modifications.

At the same time, it should encourage the banks to fund revival cases through monitoring agencies like IBBI. The banks and other financial institutions should provide the funds for longer term (about 25 years or more) to bring down BEPs. Likewise, equity funding should be explored on a rational basis with right to change the management in the interest of survival and growth of MSMEs..

The finance ministry should welcome suggestions from the trade bodies, after having them scrutinised by expert committee. Such expert committees should have representation from various sectors, particularly MSMEs. Though the FM is asking banks to adopt a humanitarian approach, the PSU banks are acting arbitrarily and putting borrowers into hardships. (As an NPA Consultant, I had the occasion to witness a classic case of a 70 year-old cancer patient being thrown out of his home mercilessly by the lender (bank) at about 7.30 pm, despite the mortgaged property being under custodia legis. Now, we plan to appeal before the High Court of Mumbai.)

However, the present approach of the law-makers has created doubts all around whether justice can be sought in such cases. Whether the possession will be restored or not is a real question, apart from compensation. It is observed that most of the OTS proposals get stalled due to the adamant and non-co-operative behaviour of the bankers, who impose their own settlement terms upon the borrowers. They are not willing to accept the OTS offer with a minimum upfront payment of 5 per cent, as against 25 per cent; nor are they willing to grant time requested for, which ultimately affect further recoveries.

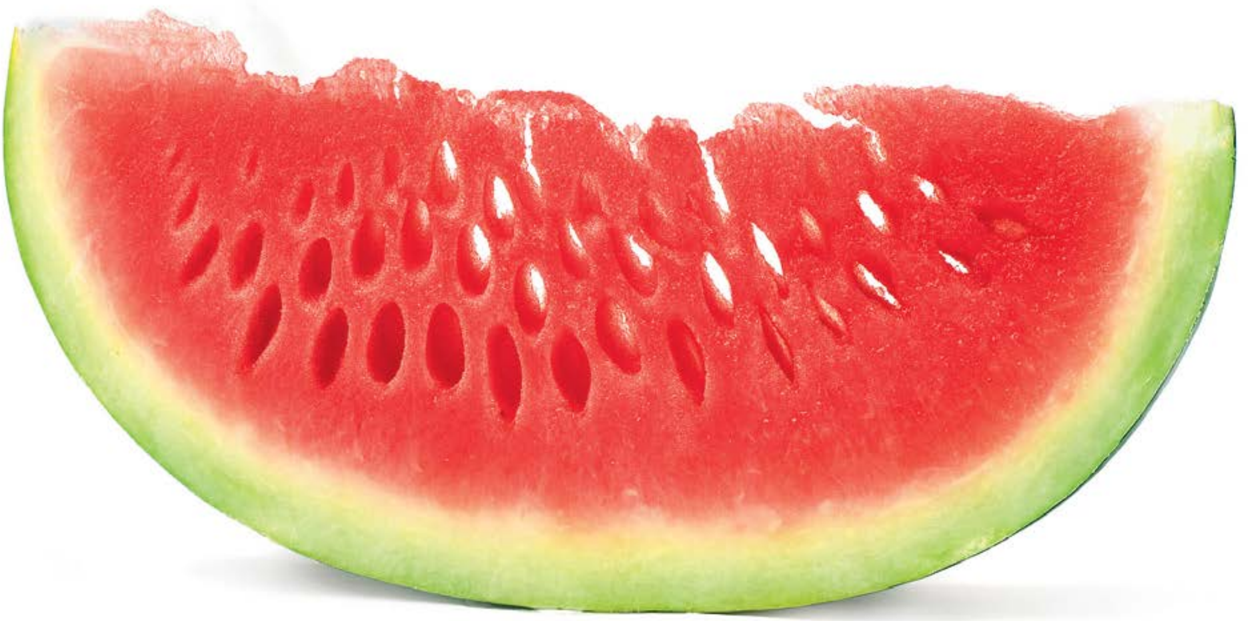
It is imperative that the prime minister should not neglect the limitations of the finance ministry to effectively handle NPAs and recoveries of bad loans. Both the FM and the PM should show enough political will to solve this problem on a long-term basis. Perhaps, this portfolio could be given to a competent person who has a clear understanding of handling the situation. Giving additional loans of 20 per cent during the pandemic was thoughtless, as it resulted in the increase in the quantum of NPAs, instead of resolving the situation. How can a borrower, who is unable to service an existing loan be expected to service an additional loan?

IBC should be amended with the intention of helping MSMEs and large corporates survive and revive their businesses. There has to be monitoring agencies just like auditors for every borrower. These agencies should be held answerable for the bad performance/ non-performance of such borrowers. They should be empowered to take steps to prevent borrowing units from becoming sick and additionally be empowered to take curative steps.

The blind powers conferred upon the authorities to issue orders for taking physical possession of the mortgaged properties, without hearing what the other side has to say, is definitely against natural justice. Appointments of advocate Court Commissioners, who at times resort to using goons to create ruckus and adopt illegal tactics for taking possession has to be totally stopped. And serious action should be taken against such officials who indulge in such acts.

All the concerned parties, including the RBI, banks, the finance ministry officials, law makers and the judiciary should look at NPA problems not only on humanitarian grounds but also to enhance the interests of national economy. ◆

The author, a NPA activist and former banker, is the chief mentor of NPA Consultants Pvt Ltd and consultant for SME Chamber of India

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New player

Introducing premium European quality tyres to fuel India's two-wheeler segment

In a bold move poised to redefine India's burgeoning two-wheeler sector, Reise Moto, a new contender, is stepping onto the stage with a range of premium European quality tyres. Leveraging India's status as the world's largest two-wheeler manufacturer, Reise is poised to introduce global excellence into this thriving market.

According to a recent Crisil report on the tyre industry, India boasts one of the world's most mature tyre sectors, producing an astonishing variety of tyres. The surge in vehicle demand coupled with the government's laser focus on infrastructure development are expected to fuel sustained growth in India's tyre industry. With a robust domestic demand driving it, this sector is poised for continuous expansion, further propelled by the government's incentives aimed at fostering manufacturing.

The Mahansaria Group, a well-known name in the automotive tyre sphere, has made a swift entry to cater to the ever-evolving Indian market. With Reise Moto, they aim to revolutionise India's two-wheeler tyre landscape. Yogesh Mahansaria, the founder and MD of Reise Moto, underscores their approach of 'Make in India, sell worldwide'. This approach intertwines the group's global acumen with a partnership with the globally acclaimed Mitas Moto. This alliance brings cutting-edge European technology and a diverse range of high-quality two-wheeler tyres to India.

Reise Moto operates as a 76:24 joint venture between the Mahansaria Group and the European performance tyre leader Mitas Moto, renowned for its global footprint. The manufacturing hub, situated in Saykha, Gujarat, is set to meet the escalating demand for two-wheeler tyres by crafting purpose-oriented tyre tread designs tailored for the Indian market.

Yogesh Mahansaria asserts: "In the ever-dynamic landscape of Indian two-wheelers, the key is to address the evolving needs of enthusiasts who demand more from their vehicles than mere commuting. Reise Moto stems from our in-depth understanding of the Indian tyre industry, aimed at bridging the demand gap for internationally superior tyres on Indian roads. As one of the world's largest two-wheeler manufacturers, we are confident that Reise Moto, armed with its comprehensive range, will spearhead the two-wheeler tyre market."

Mahansaria: bridging the demand gap

Strategic collaboration

While established players like MRF, CEAT Tyres, Apollo Tyres, and JK Tyres dominate India's two-wheeler tyre landscape, Reise's strategy hinges on differentiation. Their focus pivots on the technological prowess drawn from their European partnership and a diversified product range tailored for specific applications. Though Reise Moto currently focuses on exports, the ultimate vision is to establish India as the epicentre of the two-wheeler tyre market.

A strategic collaboration with Trelleborg Wheels Systems ensures that Reise's tyres undergo meticulous testing and validation, particularly in demanding markets such as Europe and the US. This spreads confidence among Indian consumers regarding the quality and performance of Reise tyres. Within the Reise brand, Reise Moto introduces multiple Stock Keeping Units (SKUs), categorised into six sub-brands catering to motorcycles (trailR, tourR, traceR, troopR) and scooters (tripR and twistR). Each sub-brand is meticulously engineered to deliver performance customised for specific purposes, targeting both the high-performance and commuter segments of the two-wheeler industry.

Elevating the brand beyond offering a comprehensive range of international quality tyres, Reise Moto foresees crafting brand experiential initiatives, including an off-road training academy and backcountry trails. These endeavours aim to engage and connect with Indian two-wheeler touring and adventure enthusiasts. Recently, Reise Moto orchestrated the Reise trailR Academy, a two-day event featuring champions with a wealth of experience giving off-road training to riders.

Reise Moto is gearing up for expansion, planning to elevate production capacity from 2 million to 5 million tyres annually. An additional investment of approximately 250 crores is projected over the next 3 to 4 years. This growth trajectory aims to deliver premium two-wheeler tyres, not only in India but also across other thriving South Asian markets.

Reise is aligned with the Indian government's fervour to bolster domestic manufacturing, particularly by bolstering domestic natural rubber production to reduce dependence on international markets. Though fiscal support for the tyre industry under the PLI scheme is pending, the government's manufacturing-friendly landscape sets the stage for prospective investments.

The entrance of Reise into India's two-wheeler tyre market brings together pioneering technology and global eminence. This newcomer aspires to reshape the industry and emerge as the trusted choice for Indian consumers. ◆

S M BOOTHEM

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For a cleaner movement

GTL & Quantron AG join hands to offer fleet management solutions

The fleet management market was valued at more than \$18 billion in 2022 with a 15 per cent growth (CAGR) in 10 years and it is expected to reach \$70 billion by 2032. These figures highlight the significant opportunities for innovation and growth in the pursuit of sustainable transportation solutions.

Services within fleet management encompass telematics, vehicle management, and tracking, driver management, fleet overview, mobile apps for fleet managers and driver & roadside assistance. Currently, these services rely on fossil fuels and greenhouse gases (GHG) emissions that endanger our planet. The transport industry is a huge contributor to global GHG emissions and road transport is responsible for 17 per cent of global carbon dioxide emissions.

The transportation industry is facing major sustainability problems. The Minister for Road Transport & Highways, Nitin Gadkari states that the transport sector accounts for 40 per cent of pollution and he urges the industry to develop greener fuel alternatives to tackle the problem. A systemic change is needed to move people and goods. Even globally, stringent emission and GHG targets are being phased in. There are concerted pressures on operators to decarbonise quickly.

Quantron AG has a comprehensive range of vehicles throughout Europe. They have maintained 100 per cent zero emissions since inception and they personalise their technologies to suit individual case requirements. They also handle the sourcing and distribution of green energy and hydrogen and provide hydrogen refilling infrastructure and equipment. Their services encompass fuel cell and battery electric commercial vehicles, both physical and digital solutions for sales, after-sales, financing, insurance and second life options. Meanwhile, Goldstone Technologies Ltd (GTL) specialises in full-stack business intelligence, data analytics and IT consulting services.

Transaction platform

GTL is now partnering with Quantron AG to resolve the problem faced by the transportation industry regarding its efficiency and digitalisation issues. The JV will build a transaction platform with different digital solutions to serve zero-emission fleets. They also have plans to establish a US entity by Q3 2023, capitalising on the global electric mobility market and the hydrogen economy.

The JV aims to revolutionise fleet management by introducing their AI-supported solutions for sustainable integrated operations, catering to the demand in Europe, the USA, India, and the Middle East. By focusing on zero-emission transport, the JV offers OEM-agnostic Mobility as a Service (MaaS) solutions. With their combined expertise, the company is well-positioned to shape a cleaner and more efficient future for mobility and logistics. "We are looking forward to this partnership with GTL in a bid to address the fleet management markets. The Indian ecosystem also presents a huge opportunity in this area and will provide us with the necessary expertise to make inroads into the global marketplace," said Michael Perschke, Member of the Board & Chief Executive Officer of Quantron AG.

The JV will be one integrated platform across five digital pillars, namely fleet management, insurance-as-a-service, hydrogen economy, greenhouse gas accounting, and data insights. Having already onboarded Quantron and ETO Motors as clients, GTL will provide the software expertise and oversee platform integration.

"The factors that distinguish this digital platform are that it is partner agnostic, modular and OEM-independent. Our contribution to this partnership will be to help customers drive impactful change through data-backed analytics to enhance their business through BI and analytics full-stack capabilities and service offerings," said Pavan Chavali, Managing Director, GTL.

GTL and Quantron will invest over €20 million in the next 36 months to develop these platforms. GTL will leverage its expertise in combining people, processes, and technology to solve complex business problems. Their BI, analytics, and sustainability solutions will enable customers to succeed with data-driven insights. GTL aims to deliver tailored and high-quality solutions at cost-effective rates, establishing trust-based relationships with customers and reducing the time it takes to achieve results. Collaborating with Quantron, GTL will develop the minimum viable product (MVP) of the platform.

As part of the JV, Roadzen Inc will serve as a strategic partner, contributing to the digital product portfolio by offering insurance-as-a-service (IaaS), roadside assistance, and extended warranty modules. The JV will also handle the distribution, sales, and commercialisation of the software as a solution to third parties. One of the key objectives of the JV is to enable logistics providers to move their existing analogue processes into digital environments.

With the improved infrastructure across the country, the JV strongly believe they can play a significant role in the fleet management sector. ◆

SM BOOTHEM

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Fostering innovations

Reverse logistics turns returns into opportunities

In the present global economy, supply chains play a critical role in ensuring the flow of goods through continents. However, the journey does not end once it reaches its final destination. Reverse logistics, which refers to managing the flow of products from their final destination to their origin, is now quickly gaining momentum.

KARAN VIRPURI

Reverse logistics essentially means planning, implementing and controlling the flow of products and materials efficiently and cost-effectively from the point of consumption or final destination back to the point of origin. This process usually involves product returns, repairs, recalls, refurbishments, recycling and disposals. While traditional logistics focusses on moving goods forward, reverse logistics deals with managing the movement of goods in the opposite direction.

In this context, businesses in the logistics domain regularly face significant challenges throughout the reverse logistics process. For businesses, one of the fundamental challenges in managing product returns is accurately identifying and authenticating the items being returned. Companies may struggle to determine each returned product's condition, value and appropriate strategy without proper identification.

In this case, technological solutions such as barcode scanning, RFID tracking and unique product identifiers can help. Another challenge lies in the difference between reverse logistics and traditional forward logistics. However, unlike traditional forward logistics, where large volumes of goods move in bulk, reverse logistics often deals with smaller items, making the process more complex.

Fostering innovation through adopting and implementing relevant technological solutions can also be helpful in this regard. Determining the condition of returned products is crucial for making appropriate decisions before disposing of those items. Businesses must assess whether returned items are suitable for resale, refurbishment, recycling or disposal.

Reverse logistics often involves managing returns of products constrained by regulatory requirements, such as disposing of hazardous materials in a certain way or guidelines and policies regarding electronics recycling. Ensuring compliance with applicable laws and regulations adds another layer of complexity to managing product returns.

Despite the challenges faced by businesses engaged in this domain, they can use several helpful strategies to stay ahead of the curve.

Businesses can look to streamline the whole process from a customer-friendly perspective. One way would be to establish clear return policies, provide pre-paid return labels and simplify the return authorisation process. By minimising customer effort and reducing processing times, businesses can improve customer satisfaction and increase the chances of repeat purchases.

For products in the return process that can be repaired or refurbished, investing in the necessary resources and expertise to restore them to a sellable condition can be a winning strategy for companies. This approach reduces waste and provides an opportunity to recover value.

Establishing concrete relationships with suppliers, service providers and related vendors ensures a smooth return process and maximises value recovery. This strategy also includes sharing relevant information, aligning processes and jointly working on tangible value recovery initiatives. Partner collaboration can also increase cost savings, better processing times, and improve reverse logistics performance.

Leveraging data analytics tools to analyse reverse logistics data, identify trends and extract valuable insights can ensure optimised operations and obtain a high value for the returned items. Businesses can also focus on analysing hidden patterns in the data and reasons for returns, thereby uncovering opportunities for overall process improvement, product design.

Prioritising sustainability in the disposition of returned products is another helpful strategy. For this purpose, businesses can look at options for refurbishment, remanufacturing or reselling returned items and also implement recycling programmes for products that cannot be refurbished or resold. Not only does it help reduce waste and conserve resources, but it also helps enhance their reputation, as socially conscious organisations.

Finally, businesses have been focussing increasingly on refining the reverse logistics process to maximise returns and ensure a seamless supply chain. An effective reverse logistics process ensures less waste, cost savings, greater customer satisfaction and environmentally sustainable practices. The boom of e-commerce shopping in recent years necessitates traditional and reverse logistics functioning smoothly to deliver better outcomes for everyone. Also, embracing efficient reverse logistics can be rewarding financially, leading to higher revenues and an increased customer base. Hence, it is in the interests of organisations across the globe to turn returns into opportunities by adopting effective practices. ◆

The author is chief sales officer, ProConnect Supply Chain Solutions Ltd (a part of the Redington group)

Co-branded luxe

The House of Glenfiddich and Three Sixty come together, with designs on your house

Debonair bar tray and cocktail set

If you thought Glenfiddich is a single malt – a cherished one, well-deserving of the lingering looks of love you give it, secure in the knowledge that your cellar has a few treasured bottles – well, here's an update. The House of Glenfiddich – yes, a derivative of the folk who make the aforementioned beverage, have now entered a partnership with Three Sixty, a lifestyle brand offering bespoke handcrafted leather products including furniture, mobile bars, home accents and more.

The House of Glenfiddich marks a historic moment as Glenfiddich of William Grant & Sons ventures into a new territory by partnering with Three Sixty to launch the exclusive line extension, with travel, lifestyle and home and living products, points out Vikash Gupta, founder & CEO, Three Sixty. "This collaboration brings together the values upheld and cherished by both partners – the House of Glenfiddich's refined and sophisticated approach to luxe living and Three Sixty's exceptional craftsmanship and an unwavering commitment to sustainable innovation," explains Sachin Mehta, country director, William Grant & Sons India.

Gupta (left) and Mehta: Partners in luxury experiences

"This partnership has been curated in and for India. This partnership is the beginning of the long-term vision for House of Glenfiddich, which will continue to innovate and offer many more products and experiences via this and similar initiatives. House of Glenfiddich aims at bringing the best in class in luxury lifestyle, catering to rising trends for consumers who are willing to experiment and welcome change."

Linear Bar Counter

What's on offer

From a Linear Bar Counter (₹299,000) – an olive-green bar, featuring quilted leather panels, antique hardware leather-clad edges, and iconic brass stag (well, just for that look of luxury!) to a matching bar tray and cocktail set (₹24,900) to an Eva portable bar in cognac with an identical price tag, there are a lot of alluring products to choose from. Yes, there are bar stools, night stands, benches, trunks, suitcases, bags (luggage trolley, portfolio, sling, duffle, waist and wash!) and more.

Debonair portable cocktail

While there is no word on investment sharing, to start with, the products will have a mix of furniture, bars, travel luggage and accessories, about 30 SKUs, reveals Gupta. "Our target audience is everyone who enjoys excellent craftsmanship and premium leather experience," he affirms. "House of Glenfiddich brings together the meticulous craftsmanship of 'Three Sixty' and the timeless distinction of Glenfiddich. By merging these two iconic brands, we aim to create an unparalleled experience for our customers. The products will be available across India at our stores as well as on our website." The House of Glenfiddich collection will be a limited edition offering, ensuring that each product remains highly coveted and distinctive, adds Gupta.

This is an important milestone for our company and the future of luxury living, says Mehta. "We are proud to set a new benchmark for bespoke luxury collections, personal storytelling and product creations." Check out if your love for these brands comes together perfectly in this fusion of luxury, heritage, and innovation. ◆

SUMAN TARAFDAR

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NEW ISSUES

Growth through acquisition

TVS SCS blends a strong promoter with cutting-edge technology

SANJAY BORADE

Dinesh and Viswanathan: providing the right solutions for customers

In recent years, India's business landscape has witnessed a rapid transformation. In the middle of this evolution is TVS Supply Chain Solutions (TVS SCS), an integrated supply chain solutions provider. TVS SCS's journey in 2022-23 has been nothing short of impressive.

Promoted by the renowned TVS group, TVS SCS is not just another name in the business directory. The company hails from a lineage known for its outstanding business acumen. Today, it sits under the TVS Mobility Group, continuing the legacy of excellence and pushing the boundaries in supply chain solutions.

In a span of 16 years, TVS SCS has evolved from a local player to a global giant. The company's operations now transcend the confines of India, offering solutions across the global value chain. In fact, TVS SCS has made over 20 acquisitions in the last 16 years for growth across Europe, the UK, the US and Asia-Pacific (including India). The acquisitions, as well as its strong customer acquisition strategy has seen the company's total income rise to ₹10,311 crore in 2022-23 due to its relentless drive and innovative approach.

TVS SCS offers supply chain logistics solutions with a global network, using technology and domain knowledge to create customised solutions for customers. Many customers delegate parts of their supply chain to TVS SCS to optimise resource management and efficiency. Notably, the company has offered services like purchasing, assembly, kitting and packaging for various domestic and international firms.

TVS SCS
Issue Size ₹880 crore
Price band ₹187-197 per equity
Post issue market cap ₹8,746 crore
Listing NSE & BSE

An integrated player

"Over the years, the company has been built with the sole focus on the customer, providing the right solutions for the customer," says R. Dinesh, promoter & executive vice-chairman, TVS SCS. "We realised early on that it is necessary to acquire the capability from the developed markets in the UK for after-market supply chain, in the US for the production supply chain, and so on. We are an integrated player and an Indian multinational with all capabilities".

TVS SCS's operations are as diverse as they are expansive. The business is divided into Integrated Supply Chain Solutions (ISCS) and Network Solutions (NS). Whether it is the intricate operations involving sourcing, procurement and logistics or advanced offerings like global forwarding solutions, the company stands tall, serving a vast clientele. The company's statistics for 2022-23 alone speak volumes -- the firm serves 412 customers in Integrated Supply Chain Solutions and a staggering 8,376 clients in the Network Solutions segment.

Some of its clients are Sony India, Hyundai Motor, Johnson Controls-Hitachi Air Conditioning, Ashok-Leyland, TVS Motor Co and TVS Srichakra, to name a few, where the firm has long relationships. "In 2022-23, we worked with global customers that included 72 'Fortune Global 500' companies and Indian customers that included 25 'Fortune Global 500' companies. Two things stand out for us: one is the quality of the customer and the other: the longevity of the customer that work with us, and the kind of capability that we deploy has enabled us to grow," explains Ravi Viswanathan, MD, TVS SCS.

From cars to consumer goods, tech infrastructures to healthcare, TVS SCS's tentacles of service have spread wide. Their versatility is evident in the myriad sectors they serve, each with its unique set of challenges and demands. Beyond the organic growth, TVS SCS has always had an eye for value-driven acquisitions.

Little surprise then, that the firm has grown at a rapid pace, particularly over the past three years. The firm's revenue from operations grew from ₹6,933 crore in 2020-21 to ₹10,235 crore in 2022-23, a two-year CAGR of 21.5 per cent. On the other hand, its EBIDTA has increased from ₹442 crore in 2020-21 to ₹706.6 crore in 2022-23. The firm's EBIDTA margins stood at 6.9 per cent in 2022-23.

One of the key things to note about the business is that the company's investments and acquisitions made over the years is bearing fruit now. Over the coming years, incremental revenue growth will register in higher profitability due to economies of scale and margin improvement. The firm has a high visibility on growth due to the customer acquisitions over the years. ◆

LANCELOT JOSEPH

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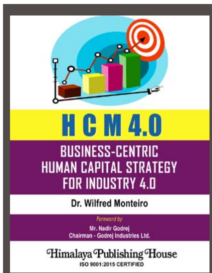
A ‘must’ for all professionals

The author espouses the value of ‘human capital’ as a strategic tool for competitiveness



HCM 4.0 BUSINESS-CENTRIC MODEL FOR INDUSTRY 4.0

By: Wilfred Monteiro

Published by: Himalaya Publishing House

Price: ₹450

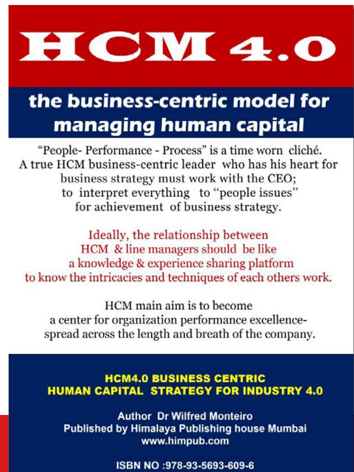
“We often hear generic statement like “HR must add value to the business” – Wilfred Monteiro, the author of the book, rightly begins with the value proposition of how to foster a company turnaround with the HCM 4.0 business-centric model. A seasoned HRD consultant, he writes: “Sadly our assumptions about the future are based on linear thinking …hence, we study trends and analyse data. Even more tragic is when proven solutions which worked a decade ago do not work today!”

He espouses the value of ‘human capital’ as a strategic tool for competitiveness. “Human capital is the foundation of all business value creation”, he says. In the era of the fourth Industrial Revolution (also known as Industry 4.0) HCM must have a place of pride to become a strategic partner and thus win acclaim as a contributor to the business bottom-line.

The author states how some companies attempt the HCM function’s turnaround in a piecemeal or sporadic manner, by adopting the latest fad or following a herd of buzzwords and jargon thrown at them. This ad hoc approach needs to be replaced with (what this book elucidates) the HCM 4.0 Business-centric model, which structures disconnected ideas into a cogent model, to dovetail seamlessly with the business strategy.

The ‘HCM 4.0 Business-centric model’ guides the way to the HCM function becoming business-centric, first by being outward-looking, to be in touch of the market conditions and competitive challenge. Later, the author recommends that an organisation has to become inward-centred to gauge its own readiness level to address hardcore business issues and customise them in its HCM Master Plan. All this, he advises, can become real only if functional/business managers are co-opted as stakeholders.

Further, the real acid test of HCM 4.0 creditability is the norm of ‘management by measurement’ and use of sharp metrics and KPI, which needs a radical change of mindset. These metrics/ KPI become the means to communicate HCM’s aspirational successes, as well as shortcomings. The book emphasises the key deliverables of HCM 4.0 value proposition and how to ‘sell’ these. “The challenge before a business-centric HR leader is to convert good intent into actionable steps,” writes the author.



The challenge before a business-centric HR leader is to convert good intent into actionable steps

The author has a recipe cookbook style, with every concept being linked to a practical application. His writing details a practical framework, which enmeshes the discordant HCM processes and practices into a holistic HCM Master Plan. He rolls out in detail the tricks and tactics of execution. A star feature of the book is that each chapter has a ‘task list’ for ‘getting things done’ and a detailed list of pitfalls and obstacles in the journey of implementation. The author warns: “HCM 4.0 should not be whittled down to a change of label or a juggle of management jargon; it should stay as a roadmap for a revitalised HCM system”.

The model advocates the need for HCM professionals to be abreast with changing times and acquire a new mindset of being comrade-in-arms with the other members of the C-Suite. The author notes that most of the foregone competencies must be complemented with new skills to understand how HCM blends with new technology trends of Industry 4.0. The book concludes with a futuristic note: agile HCM 4.0 – embrace disruption.

The author’s target readers are mainly human resource managers, who wish to learn strategic ways of managing the function. The author also recommends the book to CEOs and entrepreneurs and family-business owners, who need to spearhead a new wave of HCM in their companies. Most of all, his outreach is to business/ functional managers and a whole chapter in the book has been dedicated to his cause.

“The omnibus metric for HCM 4.0 performance measurement is ‘flawless service delivery and internal customer satisfaction!” the author states. He should really have expanded on this theme to win a Five-Star rating. An area of improvement would have been to discuss the section of metrics more in detail; rather than write about the evolution of metrics. The Strategy Weekend Summit needs to be shown in a simple manner for first-time users of a Strategic HCM Model. I would recommend the book to every B-School and company library and, most of all, the bookshelves of all HR professionals. ◆

MUDIT JAIN

The reviewer is co-promoter, DCW Ltd.

SHWETA SHETTY WAS AMONGST THE FIRST IN INDIA TO ENTER WESTERN POP MUSIC

Music legends

Shweta Shetty brought together 'an all-girl band to give tribute to the legends who have left an indelible mark' on the western popular music scene, 'a woman packed evening to uplift your mood and soul'. She showered her million-volt energy as she sang, talked and sparkled across the stage. She generously brought young companions to create music with her and they too were absolutely talented. One hopes to see them again and again. Together and alone, they played some 'retro, soul, jazz, funk, soul and pop' and performed songs by Beyonce, Lady Gaga, Whitney, Mariah, Amy Winehouse, Prince and many more great artists.

Shweta was born in a Shetty family. Dark, striking and with impressive bearing, she began modelling and singing at 17 and this led to arguments at home and eventually, silence from her family... Her dad would not speak to her and he stopped all contact and financial support.

Shweta marched ahead, alone. Trained in Carnatic music, she was amongst the first in India, (with Sharon Prabhakar and Alisha Chinai), to enter western pop music. She released her first album 'Johnny Joker' in 1993, followed by 'Deewane To Deewane Hain' in 1998. Both did well and brought renewed attention from Bollywood and MTV. Then her songs in 'Rangeela' and 'Roja' hit the top of the charts and her album, 'Saajna' in 2003, too was based on Indian music. She toured with Sarah Brightman and later sang 'Jam & Spoon'.

Shweta was accompanied by Neha on Drums, Mousumi – Bass, Larissa Coelho on Piano, Pratika – Rapper, Zahra Syed – Vocals, Clyynton – Vocals, Brecila on Saxophone, Vikram Berisa on Guitar

On the personal front, she met Clemens Brandt in Cannes and they got married in her parents' home and moved to Hamburg. She enjoys a quiet, private life in Hamburg, rather than the fans and media limelight in India. Her family is now proud of her talent, work and success.

Instagram Handle:
shweta_shetty_world
Legends at the Tata Theatre, NCPA

SWAPNA VORA

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From struggle to success

"I was 25 years old, I was a young woman, I had no business experience, I had ₹10,000 in my bank and I was trying to start a strange business called biotech, which nobody understood. And I was high-risk in the eyes of everyone that I had to meet, starting with bankers," said Biocon founder **Kiran Mazumdar Shaw** recently, opening up about the struggles she faced and the 'foolish courage' that led her to start the biotech company when she was 25. In conversation with Zerodha co-founder **Nikhil Kamath** on his podcast, **'WTF is with Nikhil Kamath'**, Shaw shared how being a woman with no business experience made bankers see her as high-risk. "Bankers didn't want to touch me. I just wanted a credit line and, in those days, there was no venture funding… it was debt finance. I wanted a loan and I wanted a credit line. I found it impossible because of all the reasons I just mentioned." She then revealed that once the finance was sorted out, she faced problems in hiring people. "People didn't want to work for a woman. I found it difficult to hire workers. My first two employees were retired tractor mechanics, who needed jobs desperately. It didn't matter to them whether it was a man or a woman hiring them," she added. The Biocon boss acknowledged that things began to change soon and, a few years later, she was able to put together some of her best talents. During the podcast, Mazumdar-Shaw and Kamath also pledged ₹50 lakh to charity. "In this episode, Kiran and I together are grateful to be able to contribute ₹50 lakh to charity! Your voice matters; every vote matters. The charity with the most votes wins democratically. So, please join us. Let's show the world the power of unity in making a difference," Kamath wrote on social media. ◆

Cutting carbon

ArcelorMittal recently announced that its **XCarb Innovation Fund** is launching an accelerator programme to fund and support the next wave of breakthrough ideas on decarbonisation emerging from India. Launched in 2021, the XCarb Innovation Fund invests in companies developing technologies that hold the potential to accelerate the steel industry's transition to carbon neutral steelmaking. For the XCarb India Accelerator Programme, ArcelorMittal is collaborating with the Indian Institute of Technology Madras. The India Accelerator Programme will commence with a three-day workshop at IIT Madras to introduce start-upsto the faculty, followed by a comprehensive 8-10-week mentorship programme to prepare finalists for their pitch to the XCarb Innovation Fund Investment Committee, chaired by **Aditya Mittal**, CEO, ArcelorMittal. Finalists can seek an equity investment or potential research collaboration. "Prioritising the reduction of carbon intensity in our steel production remains at the core of our long-term strategy. Our XCarb Innovation Fund exists to find the most exciting global ventures focused on steel decarbonisation and India's record as a technology leader, combined with its efforts to become a climate leader, makes it a natural destination for the fund's second Accelerator Programme," said Mittal. "I am confident that our collaboration with IIT Madras, an institution that epitomises India's tech prowess, will nurture start-ups and help to provide further impetus to ArcelorMittal and AM/NS India's decarbonisation initiatives," he added. ◆

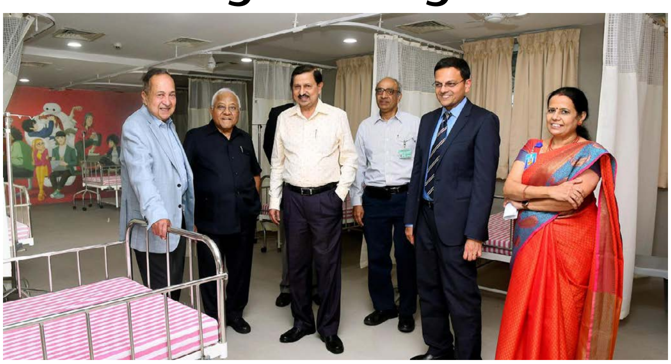
Breaking the glass ceiling

Preeti Aghalayam, an alumnus of IIT Madras, has been appointed as the director-in-charge of the **IIT Zanzibar campus**. The Zanzibar campus of the Indian Institute of Technology (IIT), which is set to become the first offshore campus of the prestigious institution will also be the first IIT campus to be led by a woman director. "I am an alumnus of IIT Madras and doing something of this magnitude for the institute and for the country is such a big honour. Every time we visited Zanzibar as part of the IIT Madras contingent, we noticed that the representation of women on their side is quite significant. So, it was important that we do this mindfully," Aghalayam said. "Aghalayam is the first woman to be an IIT director. We will see many more encouraging things. We are following sustainable development goals and one of the important goals suggests that we need to bring in gender balance," said V. Kamakoti, director, IIT Madras. In 1995, Aghalayam obtained her BTech degree in Chemical Engineering from IIT Madras. Later, she pursued her Ph D at the University of Massachusetts Amherst, completing it in 2000. Following her doctoral studies, she served as a postdoctoral researcher at MIT, Cambridge and later as a faculty member at IIT Bombay. Since 2010, Aghalayam has been associated with IIT Madras, where she holds the position of Professor in the Chemical Engineering department. Recently, she received recognition as one of the 75 Women in STEM from the Principal Scientific Advisor's office. ◆

Indian art, global audience

Tree & Serpent: Early Buddhist Art in India, 200 BCE-400 CE' opened at The Metropolitan Museum of Art (The Met), New York last fortnight. The exhibition was made possible through support from Reliance Industries and **Nita Ambani**, founder & chairperson, Reliance Foundation. Nita Ambani, a long-time supporter of the museum, was named an honorary trustee of The Met in 2019, becoming the first Indian person on the museum's board of trustees. In this role, she has continued to work to introduce the finest of Indian art to global audiences. A special preview of Tree & Serpent was attended by Nita Ambani and hosted by Max Hollein, director, The Met. The preview saw a number of esteemed personalities from the art world and beyond congregate, including Taranjit Singh Sandhu, Indian Ambassador to the US; Eric Garcetti, the US Ambassador to India. There was also the Met's Florence and Herbert Irving, Curator of South and Southeast Asian, and John Guy, curator, Tree & Serpent. "I come from India, the land of the Buddha, and it is a huge honour for me to support 'Tree & Serpent' through Reliance Foundation's partnership with The Met," affirmed Nita Ambani. "This historic exhibition traces the origins of early Buddhist art from 2nd century BC to 4th century AD, with over 125 objects from ancient India. With the 'Tree & Serpent,' we take immense pride in showcasing the deep-rooted connection between Buddhism and India," she added. ◆

Celebrating a distinguished life


COURTESY: THE HINDU

The Kanchi Kamakoti CHILDS Trust Hospital has dedicated an entire floor in the hospital in memory of **N. Sankar**, chairman of Sanmar group, and the hospital's founding trustee. The renovated space on the fifth floor in the hospital was commissioned recently. It has seven air-conditioned single rooms. **N. Ram**, director, The Hindu Group Publishing Pvt. Ltd, who commissioned the facility, said it was a fine gesture to dedicate the floor to celebrate a good and distinguished life, marked by achievements in the business field and meaningful contributions in other areas of social life. "Sankar's achievements as a third-generation industrialist, who was intellectually gifted, steps ahead of many of his peers in spotting opportunities particularly in manufacturing fields," he said. Ram showered praises on the trust members for developing the institution. **A.C. Muthiah**, chairman of the trust said, the Sanmar group had made the largest contribution. It had been declared the best hospital in 2021-22, he said and he further said that an estimated ₹2.4 crore was spent on renovation. "This hospital is more or less running on donations," added Muthiah. **Vijay Sankar**, deputy chairman, Sanmar group, and son of Sankar, said his father was proud to be associated with the hospital. His family's association with the hospital dated back many years and when his father got busy, his mother was involved, he said. ◆

Glass up-cycling

A recipient of Ford Foundation's funding support, New Delhi-based **Nehmat Mongia** (26) is a young entrepreneur who founded '**Glass Yard**' after accomplishing a Master's degree in Ceramic and Glass Design at Ahmedabad's National Institute of Design. 'Glass Yard' predominately acts as a knowledge partner in training people across the country in 'glass up-cycling' process -- a skill that enables a person or any skilled craftsman to convert a glass waste (used or broken glass piece, bottle, etc) into an artistic or a glass piece of décor of utility value. "Our initiative, 'Glass Yard' imparts training in glass up-cycling by conducting workshops that are designed for creative professionals and art enthusiasts, who are interested in exploring different techniques of working with waste glass," said Mongia. "The products created through up-cycling include a variety of ranges like bottle lights, self-watering planters, containers, holders, candles, wind chimes, bird feeders, etc". ◆

'Without life skills, training is hollow'

Shaifalika Panda, an advocate of inter-generational change through capacity-building using women's interventions, spearheaded the formation of the Bansidhar & Ila Panda Foundation in 2011, to focus on facilitating the self-driven transformation of grassroots communities. Her Project Unnati has been recognised as a 'best practice' by the UN Foundation and the Global Health Consortium. Convener of the G-20 Empower Working Group on Mentorship, Panda spoke to *Business India*. Excerpts

What are your thoughts on the progress made to empower grassroots communities across India and boost the rural economy?

An individual is empowered when he/ she has the ability to make informed, independent decisions which enable him/ her to exercise the capabilities. Moreover, empowerment should have an inter-generational impact, leading to upward mobility. The last decade has seen India's poverty count reduce by more than 10 per cent. However, achieving high-income status by 2047 will require focussed long-term engagements and partnerships across sectors (education, health, livelihood, etc), to advance social and financial equity.

Pursuing inclusive growth requires income generation for the rural poor and enabling women empowers the community at large. The SHG model of training and livelihood opportunities is a game-changer. This outlook had led to the inclusion of women as decision-makers, employable citizens, and nano-entrepreneurs at the local level, contributing both to household income and national growth.

How important are skill development and vocational training to strengthen rural communities?

India is not just the most populous country in the world, but also amongst the youngest with the working-age population expected to reach 65.1 per cent by 2031. This is a moment of opportunity and immense responsibility for us, and skilling and vocational training are essential to encash the demographic dividend.

Since agriculture and allied activities are of major significance in rural areas, it is also imperative that skills be developed in areas such as animal husbandry, dairy farming, and other allied activities to diversify livelihood opportunities. These can prove especially useful for women as income-enhancing endeavours.

It is my belief that, without life skills (problem-solving, negotiation, health-seeking attitude etc), any kind of technical or vocational training is hollow. Based on this conviction, BIPF's Sakshyam programme provides vocational training through skill centres, NCVT-based Industrial Training Institutes (ITI), and livelihood training for women SHGs -- all with an integral life-skill component. These soft skills give beneficiaries confidence to take decisions on navigating their future.

Tell us about your work with rural communities and the mission of your organisation…

Bansidhar & Ila Panda Foundation was established with the passion to continue to serve the communities of Odisha on the foundational legacy set by IMFA's founders for over five decades. We engage with communities and devise programs based on need assessments. Leveraging our grassroots presence in five districts of Odisha, BIPF implements initiatives across sectors, as working in silos is not an effective solution to the multiplex issues faced by rural communities. Further, as a firm believer in collaborations, we partner with government and other domain experts to devise transformative strategies in crucial areas such as health, education, and skills development.

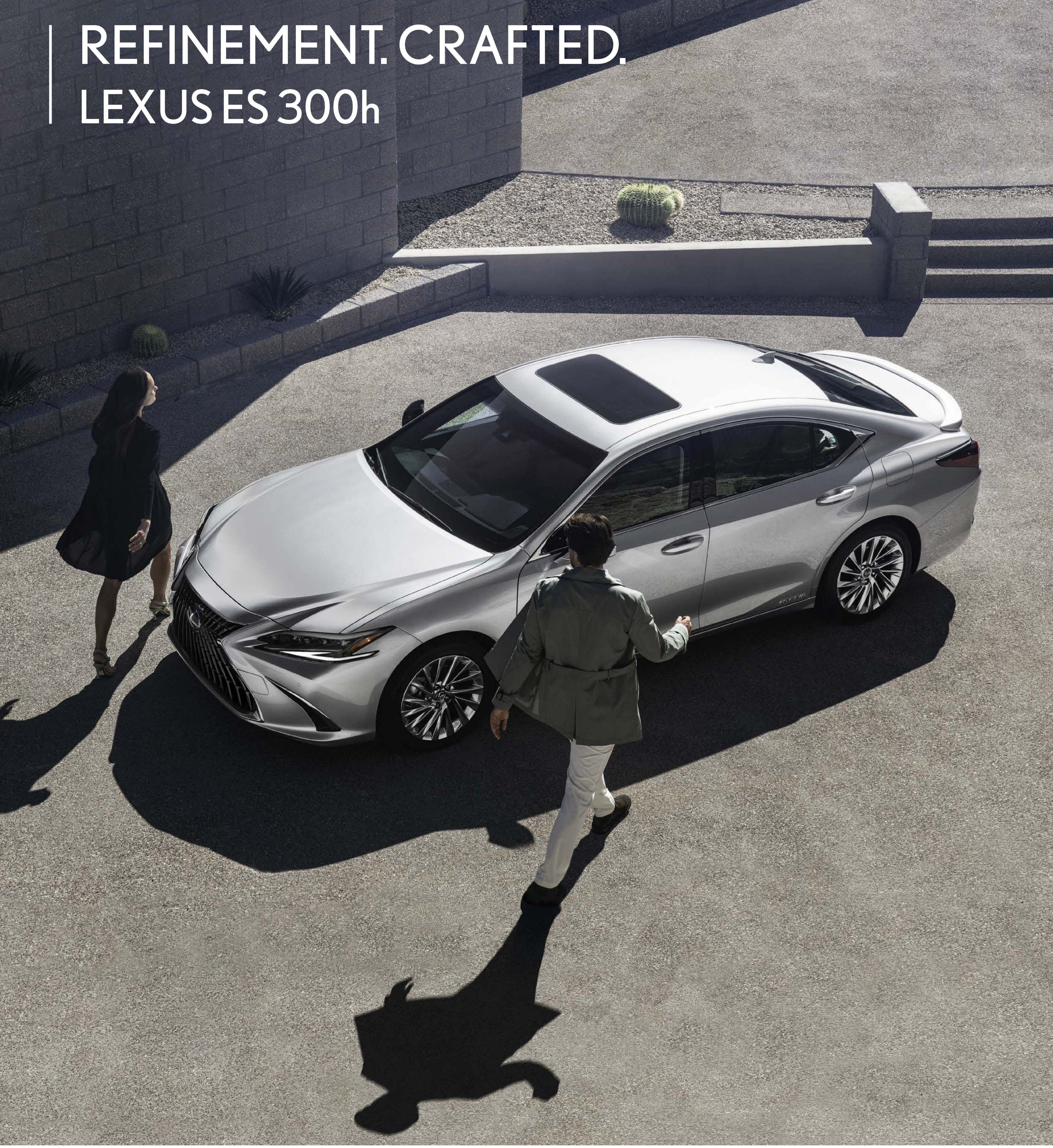
An ecosystem where multiple stakeholders engage with communities, disseminating learnings and creating awareness, takes them closer to financial independence and self-sustenance.

What recommendations do you have for philanthropists and investors to achieve sustainable transformation in rural communities?

Philanthropists and investors are all knowledgeable. From my experience, I would simply like to highlight the importance of engaging with communities and involving them from the start of any programme. This way you co-create authentic solutions to their problems leading to higher success in sustainable transformation. It is beneficial to appreciate and learn from grassroots organisations and, wherever possible, philanthropies should collaborate on collective goals, as working with the system, rather than in addition to them, will help achieve scale.

What is your take on the current philanthropic investment made towards rural community development?

Giving back to society has evolved from charity to impact investment. Based on their individual experiences, philanthropists are astute in choosing specific issues to address. In recent years, rural development has benefitted from a significant increase in philanthropic capital and diversification of initiatives, which focus on systemic changes. ◆



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