TECH तक

TechTak.in

YouTube /techtakofficial

/techtakofficial

/techtakofficial

SPECIAL ISSUE

Business Today

www.businesstoday.in May 19, 2019 I ₹100

GOVT: Fixing the Data Problem

DABUR: Change of Guard

INDIA TODAY GROUP

INDIA'S HIGHEST PAID CEOs

AS CEO SALARIES SOAR, HOW BOARDS CAN ENSURE THEY DELIVER MORE

The CEO Pay Conundrum

The great executive pay debate started many decades ago and it has become more heated over the years. One reason is that despite all the discussions and noise, the gap between the CEO's (and other top management) compensation and that of the average worker has only widened over time. The late management guru Peter Drucker, in his writings and speeches – in the 1970s and 1980s – had advocated no more than a 25:1 or 20:1 ratio between the top executive's compensation package and what the average worker drew.

Today's remuneration committee members would probably laugh at Drucker's naivety. A 2017 Economic Policy Institute report suggested that the average compensation of the US CEO was 271 times that of the annual average wage earned by a typical worker. Averages hide a lot – there are CEOs today globally (and in India), who draw over 1,000 or 1,500 times the median pay in their companies.

But the striking numbers often overshadow the nuances. For instance, the three highest-paid CEOs in our list are reaping the benefits of building their respective organisations over several decades. Much of their compensation comes from stock options that were granted years ago and are now being exercised at the end of their tenures. Those stock grants have become valu- able, because of the way they have increased the value of the company itself.

Then again, there are plenty who have seen their pay rise despite mediocre performance by their companies. This despite the fact that the bulk of their compensation is supposed to be variable and tied to their company achieving certain targets. These bonuses, though, have often been granted despite less than desired results. And there are still others who get enormous pay quite out of proportion of the size of their companies or their market standing.

Nobody should grudge a CEO the big compensation s/he takes home, if s/he has grown the company commensurately. The angst often comes when there is little correlation between the executive pay and the company performance. The angst also comes because in search of more efficiency and profits, the CEOs often focus on building leaner, meaner organisations where the average worker often feels underpaid and overworked – or there is downsizing taking place even as the CEO's pay keeps rising.

In theory, there are regulations to keep top management pay from growing excessively – one being that the total compensation to the top executives should not cross 11 per cent of the net profit of a company. That is of little use in big companies with net profits in hundreds or thousands of crores. Since last year, the RBI has been closely monitoring bonuses and compensation packages of private sector bank chiefs. It has come out with a draft guidelines prescribing norms and ceilings and also making provisions for taking back bonuses already given if the performance has not been up to the mark. The government could look for similar guidelines for other sectors.

But finally, it is the remuneration committee and the board that needs to ensure that pay and performance is more tightly correlated in the case of top management. In practice, though, few boards in India (and abroad) actually do so. And that is why, more heated debate continues year after year.

Prosenjit Datta

prosenjit.datta@intoday.com
@ProsaicView

Business Today
http://www.businesstoday.in

Vol. 28, No. 10, for the fortnight May 6-19, 2019.
Released on May 6, 2019.

● Editorial Office: India Today Mediaplex, FC 8, Sector 16/A, Film City, Noida-201301; Tel: 0120-4807100; Fax: 0120-4807150 ● Advertising Office (Gurgaon): A1-A2, Enkay Centre, Ground Floor, V.N. Commercial Complex, Udyog Vihar, Phase 5, Gurgaon-122001; Tel: 0124-4948400; Fax: 0124-4030919; Mumbai: 1201, 12th Floor, Tower 2 A, One Indiabulls Centre (Jupiter Mills), S.B. Marg, Lower Parel (West), Mumbai-400013; Tel: 022-66063355; Fax: 022-66063226; Chennai: 5th Floor, Main Building No. 443, Guna Complex, Anna Salai, Teynampet, Chennai-600018; Tel: 044-28478525; Fax: 044-24361942; Bangalore: 202-204 Richmond Towers, 2nd Floor, 12, Richmond Road, Bangalore-560025; Tel: 080-22212448, 080-30374106; Fax: 080-22218335; Kolkata: 52, J.L. Road, 4th floor, Kolkata-700071; Tel: 033-22825398, 033-22827726, 033-22821922; Fax: 033-22827254; Hyderabad: 6-3-885/7/B, Raj Bhawan Road, Somajiguda, Hyderabad-500082; Tel: 040-23401657, 040-23400479; Ahmedabad: 2nd Floor, 2C, Surya Rath Building, Behind White House, Panchwati, Off: C.G. Road, Ahmedabad-380006; Tel: 079-6560393, 079-6560929; Fax: 079-6565293; Kochi: Karakkatt Road, Kochi-682016; Tel: 0484-2377057, 0484-2377058; Fax: 0484-370962 ● Subscriptions: For assistance contact Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) - 201301; Tel: 0120-2479900 from Delhi & Faridabad; 0120-2479900 (Monday-Friday, 10 am-6 pm) from Rest of India; Toll free no: 1800 1800 100 (from BSNL/ MTNL lines); Fax: 0120-4078080; E-mail: wecarebg@intoday.com
● Sales: General Manager Sales, Living Media India Ltd, B-45, 3rd Floor, Sector-57, Noida (U.P.) - 201301; Tel: 0120-4019500; Fax: 0120-4019664
● Printed & published by Manoj Sharma on behalf of Living Media India Limited. Printed at Thomson Press India Limited, 18-35, Milestone, Delhi-Mathura Road, Faridabad-121007, (Haryana). Published at K-9, Connaught Circus, New Delhi-110 001. Editor: Prosenjit Datta

MAY
19, 2019
VOLUME
28
NUMBER
10

CONTENTS

COVERS BY
Nilanjan Das

C.P. GURNANI
MD and CEO,
Tech Mahindra

PHOTOGRAPH BY REUBEN SINGH


QUALITY SINCE 1984
Tops
Instant Mix
Make your life delicious in
Just 5 minutes
Tops Instant Mixes
Sweet Range • Snack Range • South Indian Range
10 Mouth watering range of exciting Instant Mixes
• Rice Idli • Masala Idli • Rawa Idli • Plain Dosa • Vada • Sambhar
• Khaman Dhokla • Dahi Bhalla • Kesar Pista Kulfi • Gulab Jamun
Available at your favourite store & online.
Follow us on: @TopsSocial | www.tops.in

THE BUZZ >

8

TOUGH TIMES AHEAD

With the US refusing to extend the waiver on oil imports from Iran, India's oil headache goes up

THE HUB >

86

NEED TO RING-FENCE CSO

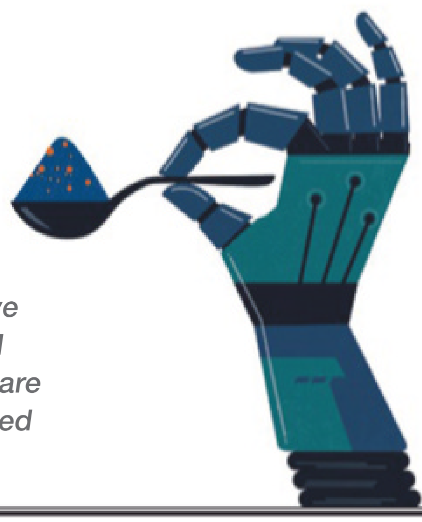
There is a heated debate in the country not only about how the economy is performing but also the credibility of numbers that measure economic progress. Business Today *organises a roundtable to discuss the issue of data credibility*

THE BREAKOUT ZONE >

118

ONE BITE AT A TIME

Robotics researchers have come up with a practical solution to help those who are ill, elderly or differently abled



BUSINESS-TODAY.IN >

STAY CONNECTED WITH US ON
www.facebook.com/BusinessToday@BT_India

PERSPECTIVES

Maruti's Decision to Phase Out Diesel by April 2020 May Hasten the End of the Road for the Fuel
The company, however, will remain open to rethink if there are enough takers for that variant even after the prices go up after the BS-VI roll-out
businesstoday.in/maruti-diesel

How the Business of *Chowkidars* Is Changing
Exponential technologies such as drones and IoT are expected to change how companies protect their assets and people
businesstoday.in/corporates-chowkidars

Why Ayushman Bharat May Stay Irrespective of Election Outcome
Ayushman Bharat, which covers hospitalisation and diagnostic expenses of every major illness, has both public and private health-care providers within its ambit
businesstoday.in/ayushmanbharat-benefits

NEWS

IBC Delivering Results; A Reform Modi, Jaitley Should Be Proud of
Despite its flaws and constraints, the insolvency law has given the desired results in the short run and looks promising in the long term
businesstoday.in/ibc-results

Hotstar Is the Largest Digital Video Platform of Walt Disney Ecosystem
The Walt Disney Company is yet to have a successful run in India, despite its presence in the market close to two decades
businesstoday.in/hotstar-digital.video

INTERVIEW

Why Jet Is a Bigger Nightmare for Bankers and Government Than Kingfisher
Jet Airways was largely Naresh Goyal's entire life and he was known to be fairly parsimonious in his travels and business expenses, says Business Today *Editor Prosenjit Datta*
businesstoday.in/jet-goyal

THE BUZZ

NOW THAT THE US has refused to extend the waiver on oil imports from Iran, Indian oil companies have been asked to reduce oil imports from Iran to zero by May 1. India has worked out supplies from Saudi Arabia, Kuwait, the UAE and Mexico to bridge the gap.

However, that is not the end of the problem. Brent crude has already touched \$75 a barrel. It hit \$84 a barrel when the US first announced pulling out of the nuclear deal with Iran. In November, prices dipped to \$50 a barrel on the Trump regime's decision to grant waiver to eight countries, including India. The scenario may lead to a rise in international prices of petrol and diesel. Since April 21, oil companies have stopped correcting prices.

There is another challenge: Iranian oil comes with discounts, whereas Saudi Arabia charges a premium on Brent prices. In the last fiscal, Indian companies imported 50,000 barrels daily from Iran. Expensive crude will not only disturb the fiscal balance of Indian oil companies, but that of the exchequer as well.

The bigger challenge is at a geopolitical level. China has indicated that its companies may not adhere to the sanctions, which may create an imbalance in the regional power fulcrum.

Also, India's relationship with Iran is significant, strategic and historic. New Delhi will have to work hard to maintain these links. **BT**

– Anilesh S. Mahajan

OIL PRICES

TOUGH TIMES AHEAD

WITH THE US REFUSING TO EXTEND THE WAIVER ON OIL IMPORTS FROM IRAN, INDIA'S OIL HEADACHE GOES UP.

By ANILESH S. MAHAJAN

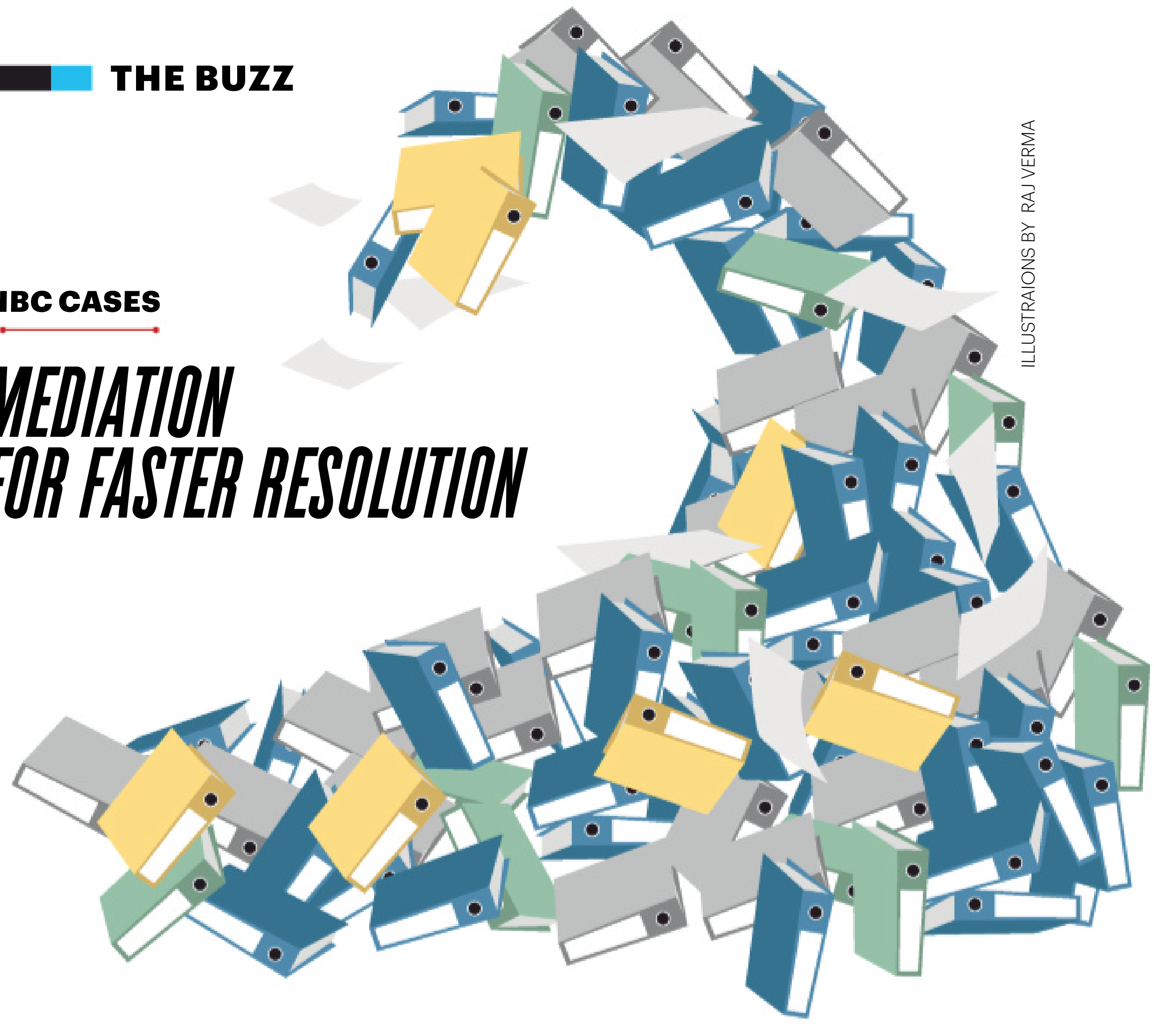
Illustration by SIDDHANT JUMDE

MPLADS

Slow on Development

UNDER THE Members of Parliament Local Area Development (MPLAD) Scheme, each MP can suggest to the District Collector works to the tune of ₹5 crore per annum to be taken up in his constituency. Most projects are in priority sectors. One big hurdle, though, has been the increasing size of pending fund installments. In the 14th Lok Sabha, the unspent balance with district authorities was ₹173.4 crore. It grew to ₹552.86 crore in the 15th Lok Sabha. In the just ended 16th Lok Sabha, it touched ₹1,641.21 crore, close to 15 per cent of the total sanctioned amount of ₹11, 232.50 crore. The political and social cost of such delays can be immense, especially during election time.- **Joe C. Mathew**

THE BUZZ



ILLUSTRAIONS BY RAJ VERMA

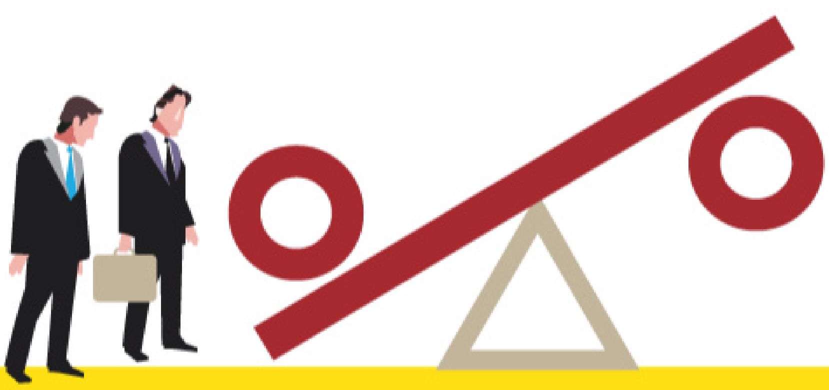
IBC CASES

MEDIATION FOR FASTER RESOLUTION

THE INABILITY of the Insolvency and Bankruptcy Code (IBC) to dispose of a majority of the cases within the stipulated time is bothering the government and the regulator. While cases are to be resolved within 270 days, some have been dragging on for over one-and-a-half years without closure. As of December 2018, out of around 900 ongoing cases, 275 had crossed the 270-day time limit. Concerned with the delay, the government and the regulators have been thinking of new ways to address the issue. One is to have pre-pack resolution plans. The government is apparently planning to allow a mediation mechanism to reduce the time taken to resolve disputes. A mediator, as is the practice in some countries, might help expedite the process as the adjudicators – National Company Law Tribunal and National Company Law Appellate Tribunal – and resolution professionals may not always be in a position to bring all the claimants to agree on a resolution. **-Dipak Kumar Mondal**

US INTEREST RATES

LIMITED GAINS FOR EQUITY INVESTORS



A COMBINATION of moderation in interest rates in the US in the last one year and lower oil prices had lifted the sentiments on Indian equity markets, creating the basis for the current rally. This tailwind is likely to come to an end as 10-year bond yields in the US are up nearly 20 basis points from their lows in March. Higher bond yields reduce attractiveness of Indian equity and could dampen incremental inflow of foreign portfolio investments. This could put a ceiling on rise of benchmark indices. Also, an increase in oil prices will result in higher current account deficit (CAD) for India, besides increased input costs and lower margins for companies. Higher CAD means the rupee could once again come under pressure, much to the dislike of foreign investors. This will make equity investing expensive for foreign investors, moderating incremental FII inflows that could put brakes on the current rally and moderate returns for investors.**-Rashmi Pratap**


TECH
तक
TechTak.in
AN EXCLUSIVE
TECH MOBILE CHANNEL
4K
YouTube /techtakofficial
/techtakofficial
/techtakofficial

RBI SURPLUS

BONANZA FOR NEW GOVERNMENT

ILLUSTRATION BY AJAY THAKURI

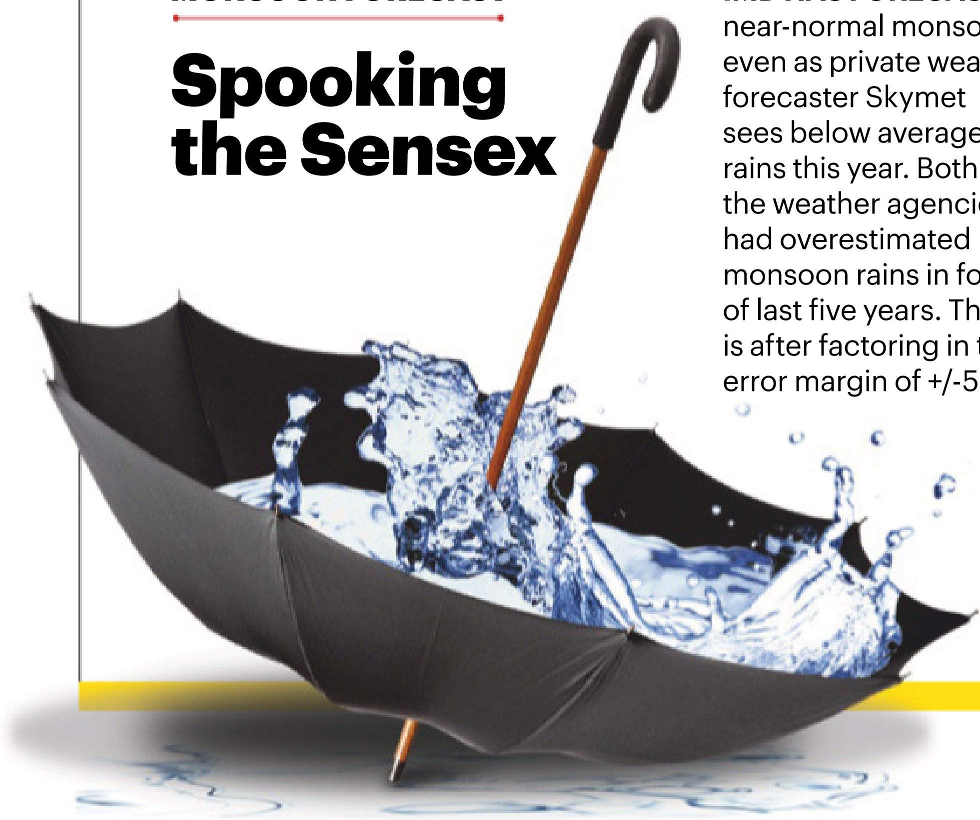
THE RBI BOARD- appointed Bimal Jalan panel is likely to peg the central bank's surplus capital around ₹1-3 lakh crore out of the ₹9.5 lakh crore sitting in its books. The government had earlier asked RBI for return of surplus capital (not to bridge fiscal deficit as the finance minister said), though the then RBI Governor Urjit Patel had flatly refused. Reserves are needed for emergency and contingency as RBI is the lender of last resort. RBI will oblige if the Jalan panel puts its stamp of approval. But how does the government plan to utilise the surplus funds? Experts suggest recapitalising state-owned banks or financing infrastructure. There are also fears that the new government will use the funds to finance programmes like Kisan and NYAY.

While there is a view that RBI is over capitalised, there are risks too. India needs a central bank with a strong balance sheet. Given the trade and current account deficit, there is always a danger on the currency side because of protectionist policies of the US or China. Also, RBI needs a strong balance sheet to create liquidity in the market. RBI has of late had to resort to rupee dollar swap to create liquidity because the banking sector doesn't have enough securities to tender through RBI's OMO (open market operation). Lastly, any direct transfer of funds from RBI to the government and its subsequent usage in the market will be highly inflationary if the government also continues with its borrowing spree.

-Anand Adhikari

MONSOON FORECAST

Spooking the Sensex



IMD HAS FORECAST a near-normal monsoon, even as private weather forecaster Skymet sees below average rains this year. Both the weather agencies had overestimated monsoon rains in four of last five years. This is after factoring in the error margin of +/-5 per cent. History suggests that less-than-estimated rainfall hardly spooks market sentiment, as agriculture still accounts for about half of India's workforce, though its contribution to GDP is just over 15 per cent. In 2014, IMD and Skymet had predicted rainfall at 95 per cent and 94 per cent, respectively, but the actual rainfall came in at 88 per cent. Despite this, the Sensex surged 18.79 per cent during the May-September period. The years 2016, 2017 and 2018 were no different as the index jumped 3-9 per cent, despite below forecast rains. In 2015, while actual rains at 86 per cent came in lower than forecasts of 93 per cent (IMD) and 102 per cent (Skymet), the index fell 3.2 per cent due to back-to-back drought years. Fingers crossed for 2019.

- Aprajita Sharma


FOOD
तक
FoodTak.in
AN EXCLUSIVE
FOOD MOBILE CHANNEL
YouTube / foodtakofficial
/foodtak
/foodtakofficial

VIOLENCE BY PATIENTS

Hospitals to File FIRs

THE DELHI government has asked staff and doctors of state-run hospitals and medical institutions to not file police complaints in individual capacity for incidents of abuse or violence by patients or their attendants. Instead, heads of departments and institutions have been instructed to file FIRs on behalf of staff members immediately after such incidents are reported. This serves two purposes. First, there will be a preliminary scrutiny to assess the seriousness of the complaint. Second, a complaint from an institution carries more heft than from an individual doctor or staff member. Given the increasing mistrust between patients and medical practitioners, and rising complaints against doctors and by doctors, the experiment could be tried in other states too. -**Joe C. Mathew**

MONETARY POLICY

CONTRASTING SIGNALS

GOING BY THE minutes of the monetary policy committee (MPC) meeting, along with latest industrial production data, it seems the Reserve Bank of India (RBI) will go for a rate cut for the third consecutive time in June. MPC minutes clearly reiterated focus on growth, emphasised by Governor Shaktikanta Das. The industrial output – at a 20-month low in February – indicates slowdown in the economy. GDP growth was 6.6 per cent in the December quarter, the slowest in five quarters. Economists expect a further dip in the March quarter. A surge in crude oil prices above $75 per barrel and a depreciating rupee could push inflation higher. CPI inflation rose to 2.86 per cent in March after hitting a low of 1.97 per cent in January. Deputy Governor Viral Acharya and external member Anand Ghate had argued for a status quo in the last two meetings due to concerns around inflation. With the governor and the deputy governor having contradictory views, the June policy may throw up interesting trends. -**Aprajita Sharma**

INDIA POST

CAN TCS HELP CUT LOSSES?

AFTER THE digital transformation of the passport issuing process, Tata Consultancy Services (TCS) has deployed an integrated solution for modernising India Post, which has over 150,000 post offices. The government has been trying to turn around the bleeding postal department by incorporating various businesses, including e-commerce and payments bank, under it. It had opened 650 payment bank branches last year.

Yet, the losses of the department doubled to ₹11,970 crore in 2016/17, thanks to the high salary outgo. TCS's Core System Integration programme targets enabling India Post to offer new-age services to its customers. But the question is whether TCS can help India Post cut losses and turn around? – **Nevin John**


NEWS तक
NewsTak.in
AN EXCLUSIVE
MOBILE NEWS CHANNEL
YouTube /newstak
/newstakofficial
/newstakofficial

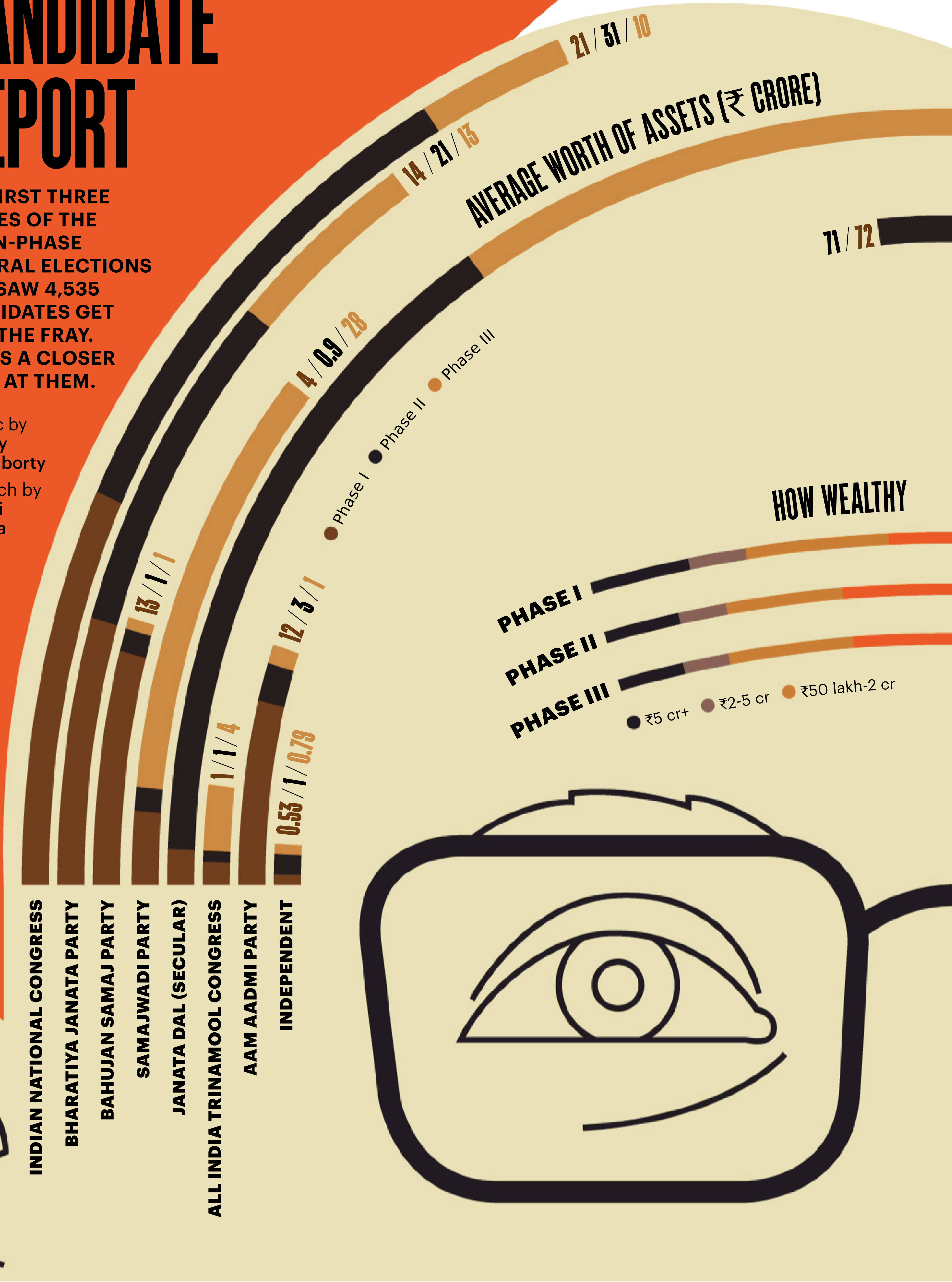
GRAPHITI

CANDIDATE REPORT

THE FIRST THREE PHASES OF THE SEVEN-PHASE GENERAL ELECTIONS 2019 SAW 4,535 CANDIDATES GET INTO THE FRAY. HERE'S A CLOSER LOOK AT THEM.

Graphic by **Tanmoy Chakraborty**

Research by **Shivani Sharma**



49%

Candidates (Phase I) who said their educational qualification was graduation or above. This was 48% in Phase II and 43% in Phase III

75

Number of candidates from Maharashtra who declared having criminal cases against themselves — the highest in Phase III. Andhra Pradesh had the most in Phase I (67), and Tamil Nadu (101) in Phase II

₹6.63

CRORE

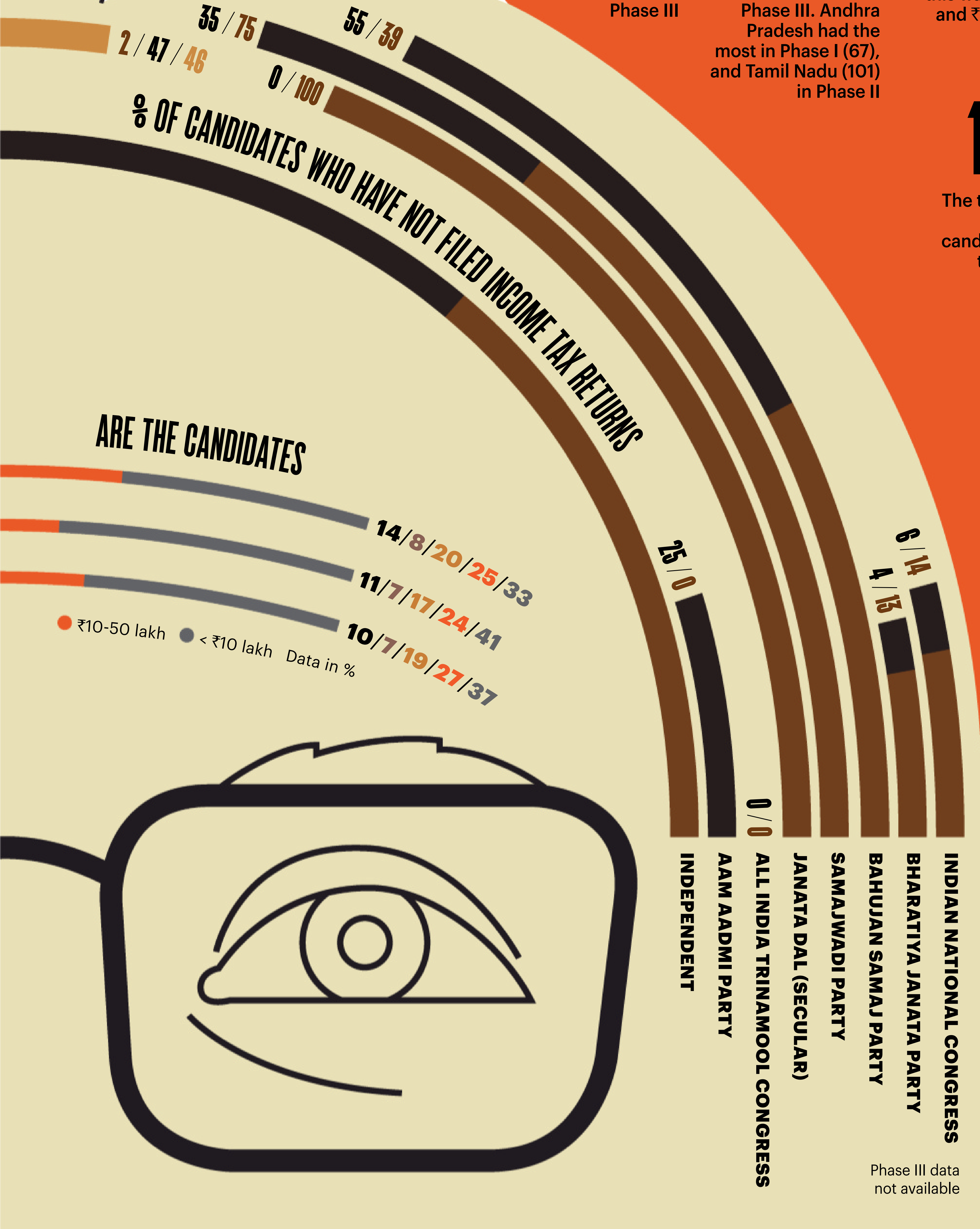
Average worth of assets per candidate contesting in Phase I of Lok Sabha elections. In Phase II, this was ₹3.9 crore, and ₹2.95 crore in Phase III

1,216

The total number of *crorepati* candidates in the three phases

498

Number of candidates in the three phases who have not given PAN details



Source : Association for Democratic Reforms, self-sworn affidavits

GATHER AND GROW

WHAT: Business Opportunities Show

WHEN: June 9, Hyderabad

WHAT TO LOOK FOR: The event will connect emerging brand owners in rural pockets, Tier-II and Tier-III cities with franchises and industry experts. It will enable them to have one-to-one meetings and learn more about franchise opportunities currently available in India.

BUILDING BLOCKS

WHAT: Earthcon Expo

WHEN: June 14-16, Ahmedabad

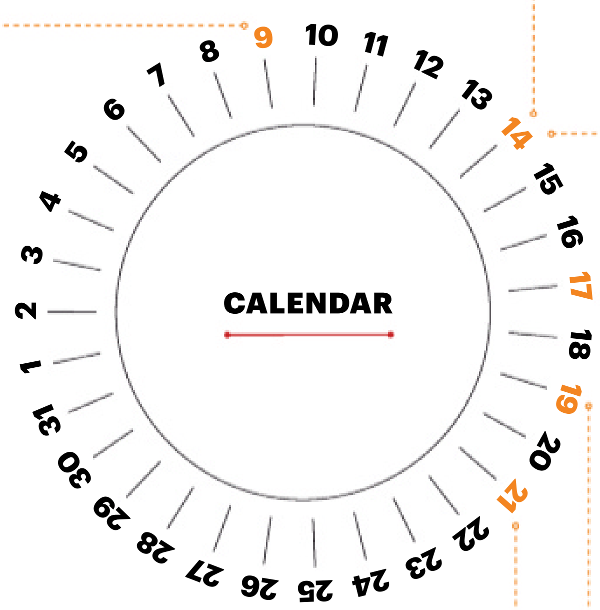
WHAT TO LOOK FOR: The event will provide construction and infrastructure industry with the opportunity to learn latest trends and engage with contractors, civil engineers, builders and other potential buyers directly.

THOUGHTFULNESS

WHAT: Six Thinking Hats

WHEN: June 14, New Delhi

WHAT TO LOOK FOR: It is a thinking skills training course from Edward de Bono. The workshop will teach parallel thinking as an alternative to argument. The participants will learn how to separate emotion from facts, the positive from the negative and critical thinking from creative thinking.



PASSING THE BATON

WHAT: South-India Family Business Summit

WHEN: June 21-22, Chennai

WHAT TO LOOK FOR: The event will bring together family business owners to discuss issues they face in growing their businesses and building a legacy for next generations. Entrepreneurs from multi-generational businesses will come together, network and regroup to plan their future.

FINANCE TALK

WHAT: CFO Engage Summit

WHEN: June 19-20, Gurugram

WHAT TO LOOK FOR: The event will give a platform to chief financial officers across industries to talk about growing areas of value creation for organisations.

CIRCULAR GROWTH

WHAT: Circular Economy Symposium

WHEN: June 17-18, New Delhi

WHAT TO LOOK FOR: The event will involve stakeholders across industry, government, civil society and academia to discuss innovative strategies and practices that can enable the Indian economy to achieve sustainable growth through circularity.

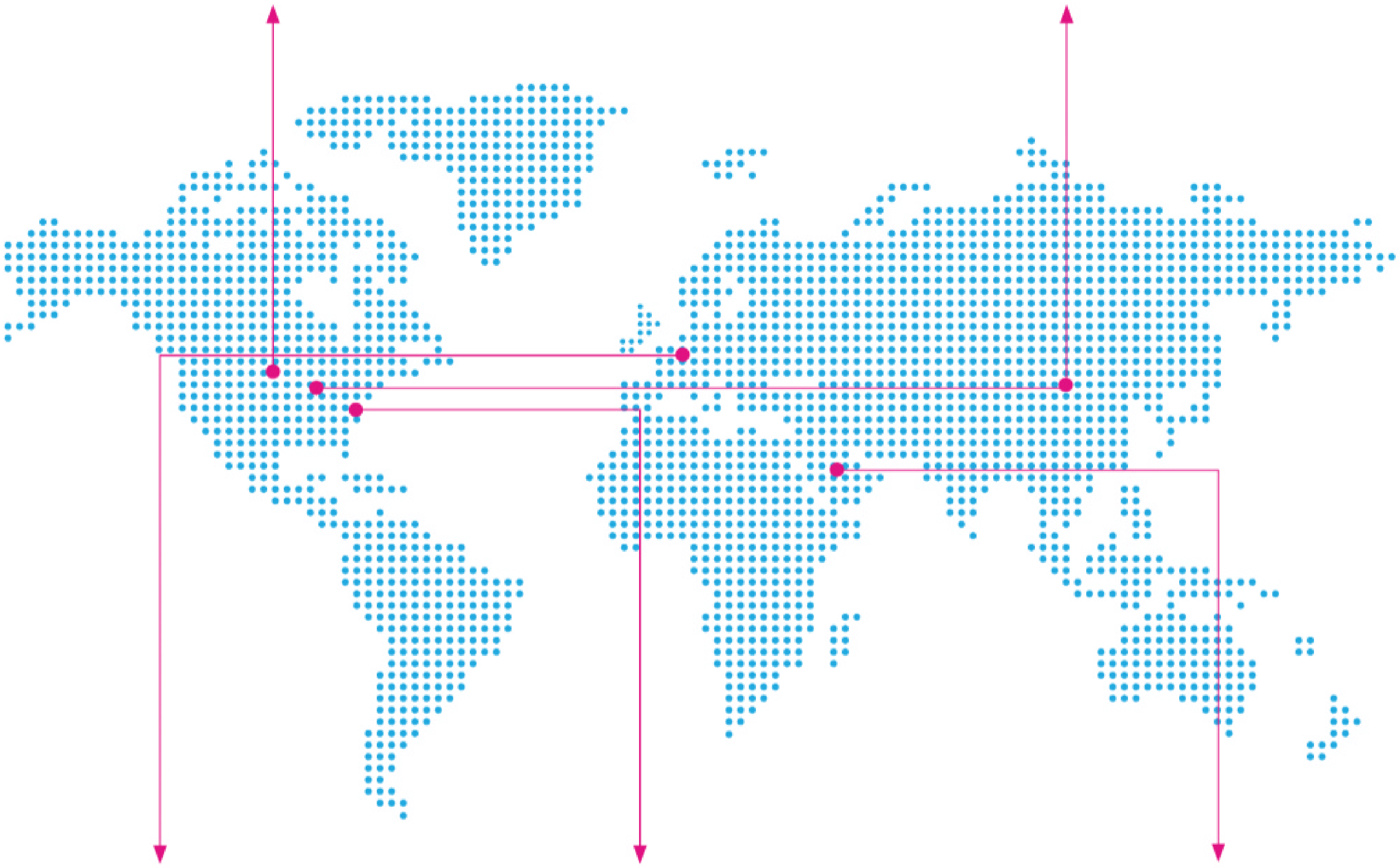
GLOBAL BUSINESS

BOEING TAKES A BIG HIT

Chicago-based Boeing, the world's largest aircraft manufacturer, is facing one the biggest crises in its 103-year history. The company said that slowing production due to the grounding of its troubled 737 Max jets had cost it $1 billion. Consequently, it delayed the outlook for 2019 and halted share buybacks. However, the stock rose slightly as chief Dennis Muilenburg insisted there was "no surprise or gap" in safety precautions. Boeing also booked unspecified charges for pilot training and developing a software fix for an anti-stall system that played a role in two fatal crashes, one on Lion Air in Indonesia and another on Ethiopian Airlines, killing a total of 346 on board. According to a *Reuters* report, Boeing is targeting FAA approval of its software by May and the ending of the grounding by July so that it can resume building 52 aircraft per month.

AMAZON SET TO LEAVE CHINA

Amazon is set to leave China's domestic e-commerce market in July, shutting its third-party online marketplace and cutting seller services on its Chinese website. It is also in talks with NetEase's Kaola, a local competitor, to merge its e-commerce business for imported goods, as per *The Wall Street Journal*. Chinese customers will be able to order from Amazon's global store. American e-commerce firms entered China nearly two decades ago but struggled due to stiff local competition. In spite of the setback, Amazon reported robust first-quarter earnings. Its total revenue was 16.9 per cent higher than a year ago but still the lowest growth in four years. Revenue from its cloud computing arm grew 41 per cent, enabling it to race past overall profit predictions.



DEUTSCHE, COMMERZBANK CALL OFF MERGER

The tie-up between Germany's two biggest financial firms – Deutsche Bank and Commerzbank – was called off. In spite of government backing, looming costs and employee opposition to the job cuts likely to follow threw a spanner in the works. Deutsche eked out only a tiny profit in 2018, its first in four years, and Commerzbank also saw paltry returns. The failed deal between the troubled lenders leaves the door open to foreign suitors for Commerzbank in which the German government holds 15 per cent stake. But the nature of the merger means it will have to meet stricter regulatory requirements.

TWITTER, FACEBOOK BEAT Q1 ESTIMATES

Social media platform Twitter saw better-than-expected first quarter results in 2019, posting $787 million in revenue, an 18 per cent YoY increase. Average monetisable daily active users reached 134 million in Q1 compared to 120 million in the year-ago period. Despite a looming privacy fine for which the platform has set aside $3 billion, Facebook also came out on top. Total Q1 revenue rose 26 per cent to $15.1 billion from $12 billion last year; monthly and daily users of the Facebook app were both up 8 per cent compared to the previous year, to 2.4 billion and 1.6 billion, respectively.

SAUDI ARAMCO POSTS $111.1 BN PROFIT

Move over, Big Tech, a West Asian oil company raced to the top. The State-backed oil giant Saudi Aramco opened up its books for the first time in 75 years and revealed a $111.1 billion in net income in 2018, nearly double of Apple and five times more than rival Royal Dutch Shell. A report by credit firm Moody's also confirmed that the company, which spent $69 billion to acquire chemical industry monolith SABIC, was more profitable than Apple, Google and Facebook combined in 2018. The disclosure was made in a prospectus aimed to woo investors ahead of its debut international bond sale.

SOCIAL UNIVERSE

RECALLED TO LIFE

The Madras High Court lifted the ban on TikTok, but what should be done to deal with obscene content in the long run?

By Devika Singh
Illustration by Raj Verma

THERE HAD BEEN rejoicing on Twitter and other social media platforms when the Madras High Court lifted the ban on popular video-sharing app TikTok, owned by the Chinese Internet company Bytedance. The court had imposed an interim ban based on allegations that the platform hosts pornographic content and may expose children to sexual predators. Now that the app is back in business, on the condition that it will scan and weed out 'controversial' videos, other concerns – equally disturbing – are surfacing. These have more to do with the freedom of the Internet and whether banning the likes of TikTok can address the concerns raised at the court. Incidentally, TikTok is not the only app to be banned in India. Popular online gaming app PUBG was also banned in Rajkot, Gujarat, as the police felt it provoked violence.

"We cannot have a system where something which is statutorily permissible becomes judicially impermissible. Banning is not the solution," argued Arvind Datar while presenting the case. Datar was appointed Amicus Curiae by the Madras High Court to examine the implications of the TikTok app.

According to Apar Gupta, Executive Director at Delhi-based Internet Freedom Foundation, this is an extremely unscientific, undemocratic approach. "In the US, there is clear legislation for the care and protection of young adults, and it recently led to TikTok being fined in the country," he says. "In India, you do not have similar legislation. And it is not the platforms which are failing. It is the failure of governance itself."

Ashish Aggarwal, Head of Public Policy at the industry lobby NASSCOM, says that the challenge is to create a law that will handle such issues in a fair manner, allowing freedom of speech and also ensuring that the rights of various stakeholders and people's privacy are protected.

There is a need to introduce new legislation, but experts also say that intermediaries should be more accountable when it comes to dealing with such threats. A recent government order compelled social media companies to appoint grievance officers in India, and after the ban on TikTok, they have become more alert and proactive. ShareChat removed several fake accounts, and TikTok announced an investment of $1 billion in India, part of which would be used to hire 1,000 more people and 25 per cent of them would only moderate the content.

"No platform has entirely found the solution to content moderation or content issues. What is important is that we are investing in local content moderation," Helena Lersch, TikTok's Global Public Policy Director told *Business Today*.

If nothing else, such operational bans have certainly made these apps more wary and watchful. BT

@DevikaSingh29

Vine to Offer Video-looping App

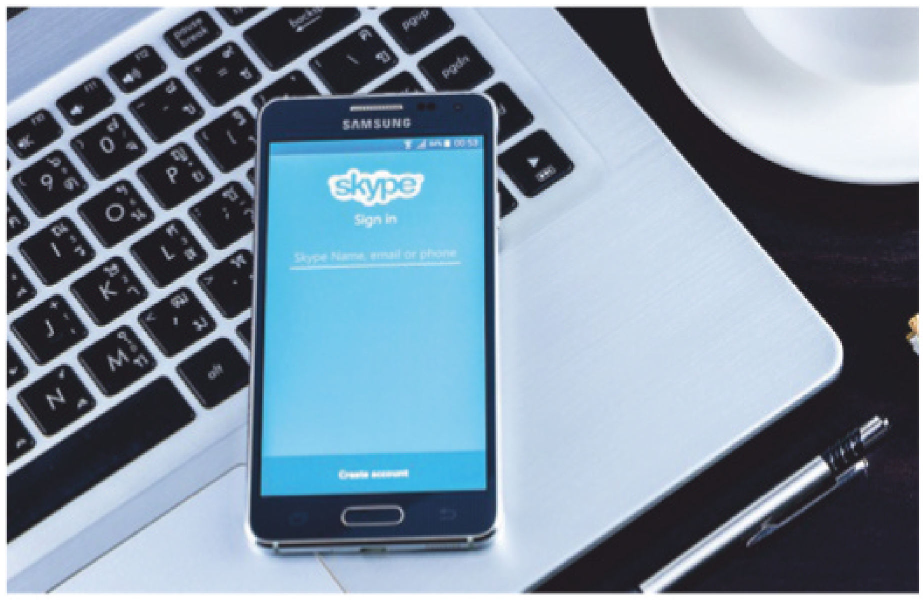
Vine Co-founder Dom Hofmann is beta-testing a new video-looping app called Byte. The founder's team recently sent 100 invites to testers to check the new app and more invites will follow soon. It is expected that the new app will offer features similar to Vine. In a message in March, Byte said it would see what the testers say about the app and its current features before moving to the next set of sections and features.

TWITTER TACKLES POLL MISINFORMATION

TWITTER HAS COME OUT WITH A NEW REPORTING OPTION IN INDIA IN A BID TO CURB FAKE NEWS AND MISINFORMATION WHICH MAY MANIPULATE OR INTERFERE IN THE ELECTION PROCESS. THE MICROBLOGGING SITE HAS ADDED AN OPTION CALLED 'IT'S MISLEADING ABOUT VOTING' TO THE DROPDOWN MENU UNDER 'REPORT TWEET'. ONE CAN TAP THIS TO FLAG THE TWEET AS A PROBLEMATIC ONE AND GIVE MORE INFORMATION ABOUT THE CONTENT. THE FEATURE WILL BE ROLLED OUT GLOBALLY AND IS EXPECTED TO MAKE A POSITIVE IMPACT ACROSS COUNTRIES GOING TO POLLS.

SKYPE AND SHARE VIA APP

Now, you can share your screen on iOS and Android versions of Skype. The functionality has been there for its desktop version, but the company has now added the feature to its apps. "Want to show your coworkers a PowerPoint presentation? Or share your swipes on dating apps? Or maybe do some online shopping with your bestie? Starting today, Skype has you covered," the company said in a recent blog post.



17 hours

Number of hours an average Indian spends on social media platforms each week, more than what social media users do in China and the US, according to a report titled *Digital India: Technology to transform a connected nation*, generated by McKinsey Global Institute.

8.3 GB

Average mobile data usage by an Indian consumer every month compared to 5.5 GB in China and 8-8.5 GB in the advanced digital economy of South Korea, the McKinsey report says. BT

START-UP

MUTTERFLY
P2P RENTAL RIDES EXPERIENTIAL WAVE

THE MUMBAI-BASED COMPANY OFFERS TOP GADGETS, LUXURY CRUISES, CHOPPER RIDES AND MORE.

By Sanghamitra Mandal
Photograph by Rachit Goswami

Mutterfly Founder
Akshay Bhatia

1) The Founder
Akshay Bhatia, a graduate from Warwick Business School. Before setting up Mutterfly Technologies, he had worked for Morgan Stanley's UK asset management team.

2) The Trigger
"During my stint abroad, I was fascinated by the ease of access and scope for monetisation offered by collaborative consumption. Sharing economy is thriving in the West although people there spend big on personal consumption. So, I thought it would work well in India where aspirational consumers want a never-before experience without spending a lot of money," says Bhatia. Also, an average Indian household has at least ₹30,000 worth of items lying unused and renting these could earn ₹5,000-40,000 a month, he adds.

3) How It Works
Initially, Mutterfly was a network that connected people with home chefs. The idea was to provide easy access to home-made food, but the business was difficult to scale up. The concept of gadget rental emerged when Bhatia saw that the chefs on the network were keen to borrow and share their kitchen tools. The start-up has raised an undisclosed amount in a seed round and currently operates in Mumbai, Pune and Bengaluru. It offers products and services in five broad categories – cameras, electronics, outdoor gear, party equipment and premium experiences such as movie or casino nights, sailboat/yacht cruises, chopper tours, Segway tours and more. Those looking to rent gadgets will typically find the latest in cameras, televisions, laptops, virtual reality sets and Playstations. Rental charge includes 1 per cent of the gadget MRP plus a security deposit, which is refunded when the equipment is returned. Mutterfly does customer verification, ensures doorstep delivery and also checks product quality before clearing it as rentworthy. Revenue comes from commission per rental, which varies between 20 and 30 per cent depending on the nature of the product. Bhatia claims that the company is operationally profitable and aims to break even in 2020.

KEY NUMBERS

FOUNDED IN
2015

TEAM MEMBERS
15

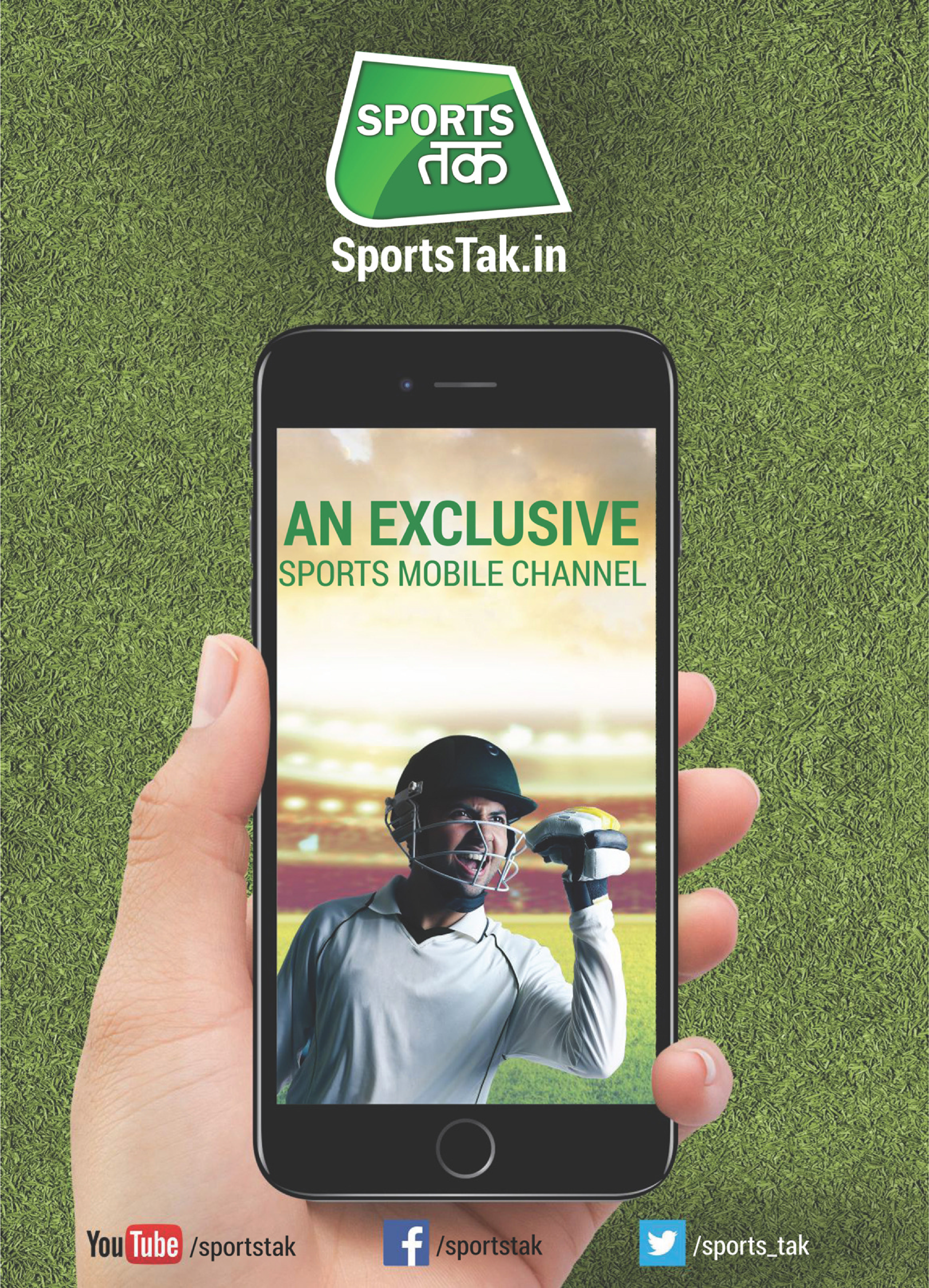
REVENUE
₹3.1 crore
in FY2018/19, as per company data

MONTHLY TRANSACTIONS
Close to 3,000

REGISTERED USERS
90,000

LISTED LENDERS
7,000

4) The Way Ahead
Mutterfly is keen to grab a big chunk of the product rental market, which is expected to grow to more than $15 billion in the next five years. To ensure growth, it is looking at new segments such as baby gear, travel (recreational vehicle, or RV, and vintage car rental), education, co-working, luxury and wedding. It plans to enter Hyderabad and Gurgaon besides 80 Tier II and Tier III cities. A premium listing of gadgets and a try-before-you-buy model will bring additional income. Bhatia is also looking at blanket insurance to bring down rental charges. BT


SPORTS
तक
SportsTak.in
AN EXCLUSIVE
SPORTS MOBILE CHANNEL
YouTube /sportstak
/sportstak
/sports_tak

ALTURAS

YOUR HIGHNESS,
YOUR SUV IS HERE.

ROYALTY REDEFINED
ALTURAS G4
by Mahindra


RESERVE BANK OF INDIA
GUARANTEED BY THE CENTRAL GOVERNMENT
मैं धारक को
दो हज़ार रुपये
अदा करने का
बचन देता हूँ ।
उर्जित आर पटेल
गवर्नर
I PROMISE TO
PAY THE BEARER
THE SUM OF TWO
THOUSAND RUPEES
GOVERNOR
₹2000
₹2000

ON THE RISE

CEOs are getting paid more than before. But is there a co-relation between pay and performance?

By SONAL KHETARPAL
Research by NITI KIRAN
Illustration By NILANJAN DAS

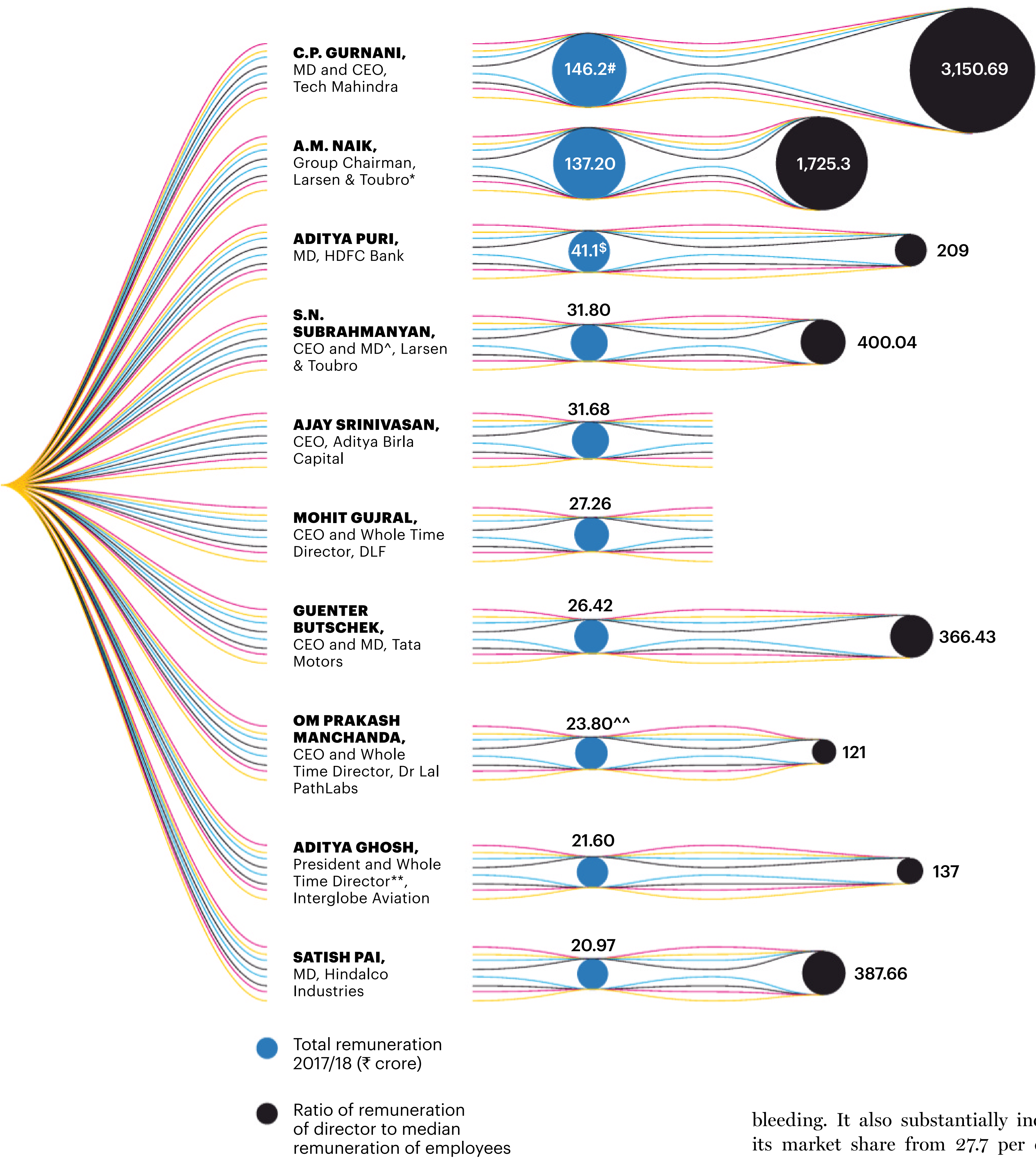
10 Highest Paid Professional Executives

WITH AN ASTRONOMICALLY high compensation of ₹146 crore, C.P. Gurnani, CEO and Managing Director, Tech Mahindra, was India Inc's highest paid professional CEO in 2017/18. Gurnani was followed by A.M. Naik, Group Chairman of Larsen and Toubro (L&T), who took home a pay packet of ₹137 crore. At a distant number three was HDFC Bank's Managing Director, Aditya Puri, who earned ₹41.10 crore in the same year.

While Gurnani earned a massive 3,151 times more than the median pay of his company's workforce, Naik's salary was 1,725 times higher than the average salary in L&T. He surely would have never imagined that he would be among the highest paid Indian CEOs when he joined L&T as a junior engineer way back in 1965, and took home a salary of ₹670 per month. They are outliers, and these sums are including their long-term stock options, but more on that later.

The salaries of Gurnani and Naik may seem disproportionately high, but corporate India is pampering its CEOs. The CEO/MD pay of the 500 NSE listed companies, as per a Prime Database study, increased 13.40 per cent (in 2017/18) over the previous year from ₹2,909 crore to ₹3,299 crore. These CEOs are not just earning a fortune, their pay is also substantially more than that of other employees in the organisation. In FY18, Indian CEOs and MDs earned an average of 165 times more than the median employee pay (500 NSE listed companies), up from 160 times in the previous year. Aditya Puri, MD, HDFC Bank, for instance, earned 209 times more than the other employees. Similarly, Aditya Ghosh, currently CEO, India and South Asia, OYO Rooms, during his stint as President of InterGlobe Aviation last year (which owns IndiGo Airlines) earned ₹21.60 crore, which was 137 times more than the average employee salary of that company, and made him the ninth highest paid professional CEO. Ghosh quit IndiGo in November last year.

Are these astronomically high payouts justified? In an era of cut-throat competition, the stakes are far higher for a CEO and are hence justified, say senior HR professionals. A CEO today not only needs to ensure that his company is profitable quarter on quarter, but also ensure creation of long-term value, which is of utmost importance. Long-term value creation needs a massive risk taking appetite as well as the ability to think out of the box. When Ghosh took over the reins of IndiGo Airlines, there were a host of other low-cost airlines, all vying for the same price-sensitive Indian consumers. The low-cost bets of the likes of Kingfisher Airlines and Jet Airways did not work. By focussing on offering a good quality value service, on-time arrivals and a great customer experience, IndiGo became profitable at a time when most airlines were

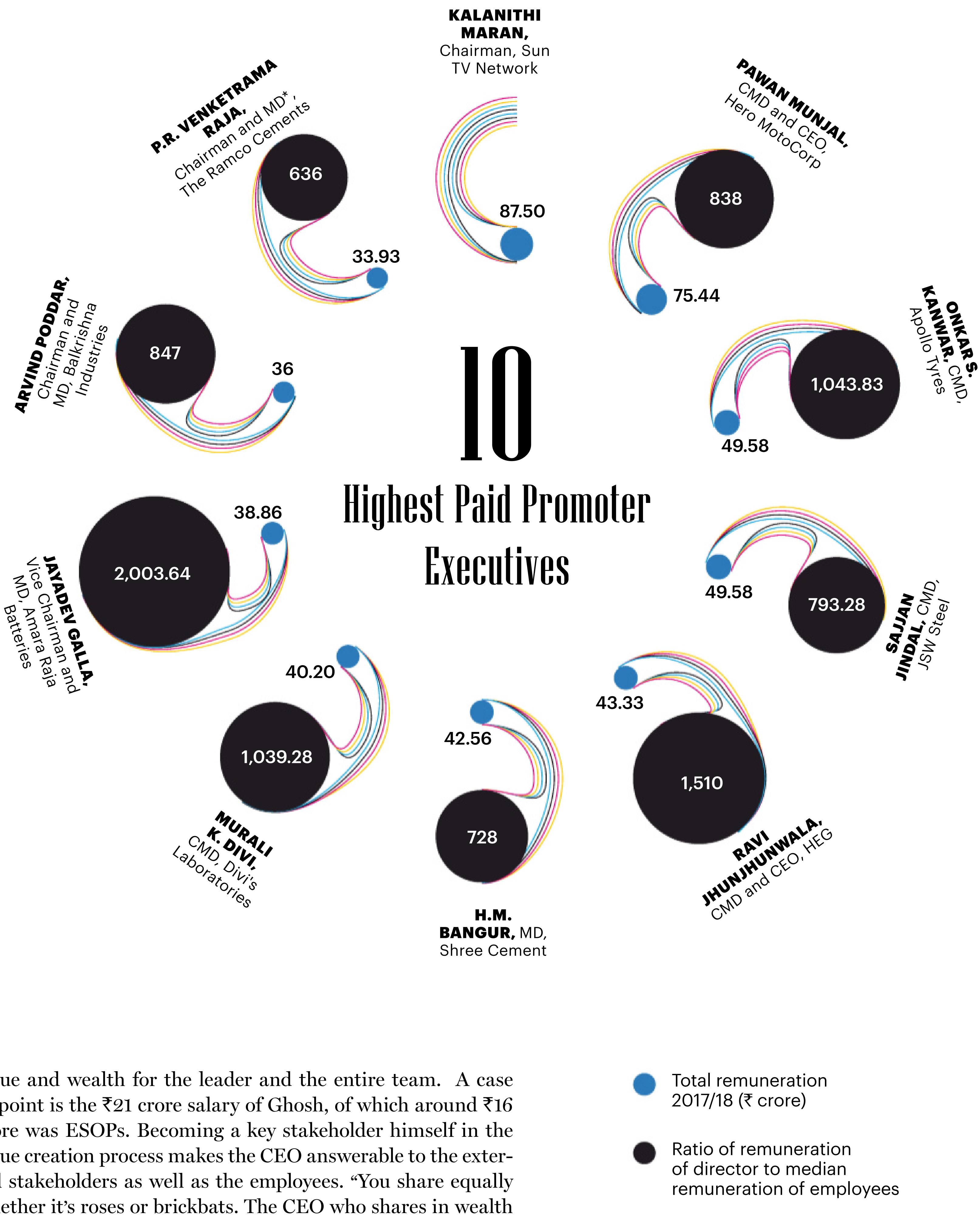


GRAPHICS BY AMIT SHARMA

List includes only professional executive heads for 2017/18 within BSE 500 companies. Remuneration includes salary, perquisites, commissions, bonus, performance pay, contribution to PF, etc., and stock options in some cases. Ratios not available for Ajay Srinivasan and Mohit Gujral. #C.P. Gurnani: Stock options granted in January 2014, exercised in financial year 2017/18; *A.M. Naik's retirement benefits include encashment of accumulated past service leave of ₹19.38 crore, gratuity of ₹55.02 crore and pension of ₹1.5 crore; ^S.N. Subrahmanyan: CEO and MD w.e.f. July 1, 2017; $Aditya Puri: Remuneration includes the value of the stock options exercised during the year; ^^Om Prakash Manchanda: Salaries and perquisites include non-cash (stock related) perks for exercise of stock options vested till November 30, 2014; **Aditya Ghosh resigned as Whole Time Director w.e.f April 26, 2018, and as President effective July 31, 2018; Source: CMIE and annual reports

bleeding. It also substantially increased its market share from 27.7 per cent in January 2014 to 39.7 per cent in January 2018. Its total revenue increased by 23.7 per cent in FY18. The airline also reported a 35 per cent increase in profitable operations in 2018. IndiGo's market cap went up 30 per cent from ₹37,978 crore in FY17 to ₹49,454 crore in FY18.

"The focus today is more on creating value and sharing wealth rather than the obsession with the biggest pay cheque," says Shailja Dutt, Founder of executive search firm, Stellar Search. The new norm is to create long-term value for the organisation and in the process create



value and wealth for the leader and the entire team. A case in point is the ₹21 crore salary of Ghosh, of which around ₹16 crore was ESOPs. Becoming a key stakeholder himself in the value creation process makes the CEO answerable to the external stakeholders as well as the employees. "You share equally whether it's roses or brickbats. The CEO who shares in wealth and value creation takes responsibility for not just the company's performance but also each and every employee," says Dutt.

If one were to look at some of the new-age companies such as Swiggy, Flipkart or Ola, the CEOs earn anywhere between ₹15 crore and ₹20 crore per annum. One could argue that technically these CEOs don't justify the pay packet they get as the companies are still far away from profitability. But these are companies that have created a lot of wealth for shareholders. They

This list includes only promoter executive heads for 2017/18 within BSE 500 companies. Total remuneration includes salary, perquisites, commissions, bonus, performance pay, contribution to PF, etc., and stock options in some cases. *P.R. Venketrama Raja appointed as Chairman and MD with effect from June 4, 2017; Source: CMIE and annual reports


TECH
तक
TechTak.in
AN EXCLUSIVE
TECH MOBILE CHANNEL
4K
YouTube /techtakofficial
/techtakofficial
/techtakofficial

are being paid for the valuations they are creating. Also, the variable component of the salaries could be as high as 50 per cent as they are part of the growth story and are not merely running the business.

Whether there is justification in these CEOs getting a pay packet that is several notches above that of the average employee, is certainly debatable.

The case of the top three CEOs on the highest paid CEO list is an aberration. In the twilight of their respective professional careers, the extremely high salaries of Gurnani, Naik and Puri are a reflection not so much of their respective companies' performance in the recent years, but has more to do with their accomplishments in the last few decades. Gurnani's fixed salary, for instance, is ₹2.6 crore; a sizeable chunk – ₹142 crore – was from the stock options that were granted to him over the years which he encashed during the year. Similarly, out of the ₹41 crore compensation, Puri of HDFC Bank got ₹31.4 crore as stock options over several previous years, which he exercised during 2017/18. Naik of L&T got a whopping 74 per cent pay hike last fiscal, but ₹48 crore was through ESOPs, and ₹78 crore was retirement benefits. He has been the Non-executive Chairman of L&T since October 1, 2017.

"The focus today is more on creating value and sharing wealth rather than the obsession with the biggest pay cheque."

Shailja Dutt
Founder, Stellar Search

These three veterans are the Hercules of corporate India. They joined their organisations when they were relatively fledgling entities and turned them into powerhouses. "Their career growth is synonymous with the firm's successful journey. They are brands in themselves," explains Dutt.

Gurnani, now 60, joined Tech Mahindra in 2004 as President and is credited with the firm's successful merger with Satyam, turning what was a telecom company into a services firm with interests across BFSI, manufacturing, healthcare, and media among others. Naik is virtually synonymous with the $17 billion-L&T. Similarly, 69-year-old Puri of HDFC Bank joined as Managing Director in 1994 and built it from scratch into India's largest private sector bank by market capitalisation. As of March 29, 2019, the market cap of HDFC Bank stood at ₹6.3 lakh crore, making it the third Indian company to achieve the milestone of ₹6 lakh crore, after Tata Consultancy Services and Reliance Industries.

Creating Value

When a potential CEO candidate goes for an interview today, the obvious question that the employer asks would not be about his quarter on quarter approach, but his larger vision for the company. A key criterion for the candidate also will be the kind of opportunities he will get to build a valuable organisation. The candidate's compensation structuring is largely dependent on this value quotient.

"Compensation is now leaning more towards ESOPs and profit shares. So, if the company grows, there is an enormous payback for professionals. It not only aligns their wealth creating opportunities with the company's growth but also puts their skin in the game," says Sanjay R. Shastry, CEO and Managing Director of RGF Executive Search India.

A profit-share model is also making rapid progress, says Shastry, wherein the executive gets a share of the profits. "A


आज तक
देश का नं. 1
हिंदी न्यूज़ ऐप
जुड़े रहिए हर खबर से,
कहीं भी, कभी भी
अभी डाउनलोड करें
aajtak.in/app
उपलब्ध है
12:30
होम
वीडियो
फोटो
कार्यक्रम
सो सॉरी
नमस्कार!
Missed Daily Capsule?
Tap to see it again.
30°C
NOIDA
बड़ी ख़बरें
जम्मू-कश्मीर
जम्मू-कश्मीर के शोपियां में बड़ा आतंकी हमला, 4 पुलिसकर्मी शहीद
पिछले कुछ दिनों में घाटी में आतंकी हमलों में तेजी आई है. एक ओर
बड़ी खबरें
लाइव टीवी

fixed percentage of the profit growth is put in an escrow account which the executive can encash after a certain predefined timeframe, usually three to five years. This prevents the executive from being poached as any other opportunity that comes elsewhere fails in front of this end of the rainbow offer," he adds.

Variable pay constitutes almost 50 per cent of a CEO's compensation package today, against just 20-30 per cent a decade ago. "Of late, it is around 50 per cent of the total pay in the form of short- or long-term incentives," says Anubhav Gupta, Director, Executive Compensation, Aon Consulting. It could even go up to 60 per cent in some sectors such as IT and financial services. However, manufacturing and old economy sectors still have to catch up to this trend.

The component of fixed pay is even lower in mature markets. As per an Equilar study, the fixed component in S&P 500 companies constitutes only 12.3 per cent with the remainder being in the form of cash bonus, stock and ESOPs.

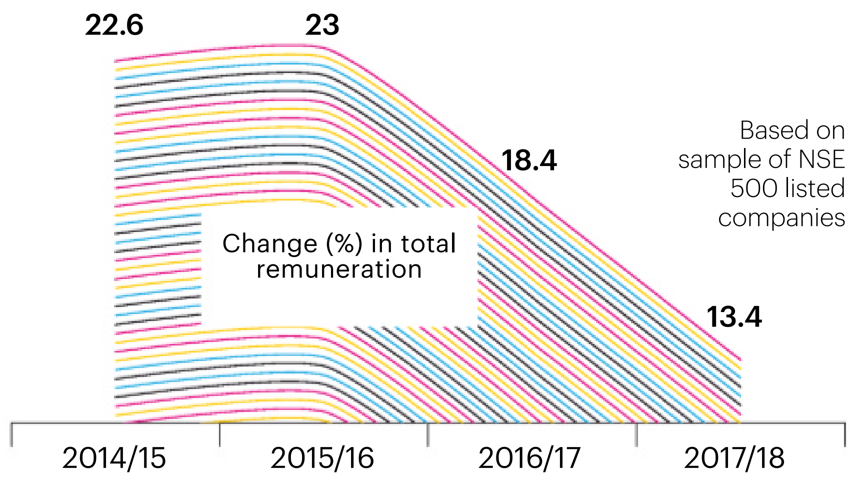
Promoter Mindset

Almost 60-70 per cent of corporate India comprises of promoter-led companies, and unlike professionally managed companies, promoter CEOs tend to prefer fixed pay: a strong fixed component along with cash handouts which are commission-based and available in the short term. "Promoter pay is a bit of an aberration. The usual perception is that the business was their idea after all and they took the risks, so taking higher pay-outs is not unreasonable. Unlike professionals, their pay is not governed by market forces," says Ronesh Puri, Managing Director of executive search firm, Executive Access.

For the large promoter-run company CEOs such as that of Reliance Industries and Mahindra & Mahindra, salary doesn't matter too much as the promoters own more than half the company and their dividends and other perks are much higher than their salary. Mukesh Ambani, for instance, is known to have capped his salary at ₹15 crore for the last few years. However, promoters of smaller companies look at their compensation as a source of income. "It is also a matter of lifestyle for them. But, most of them get out of this mindset as their

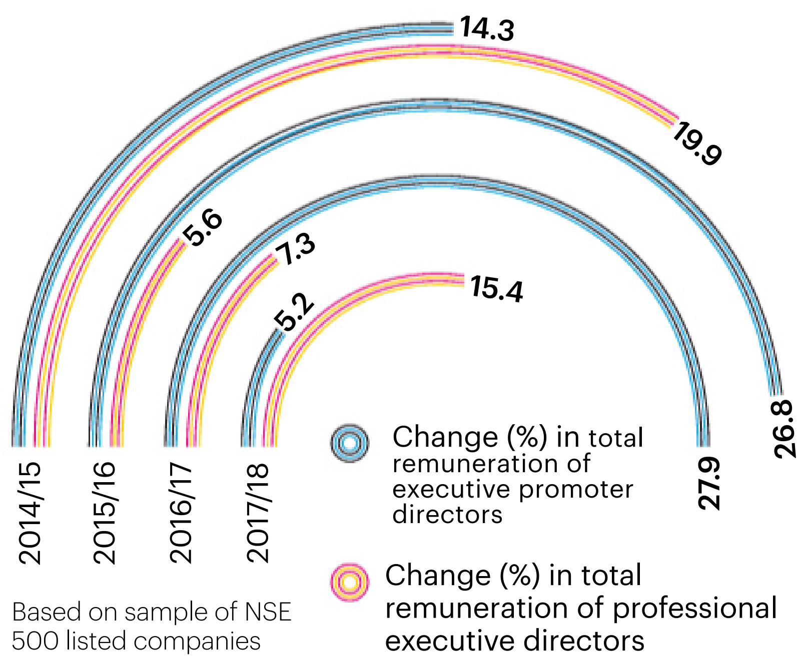
In Tandem

Increase in CEO/MD salaries slowed in 2017/18 as overall corporate earnings remained under pressure



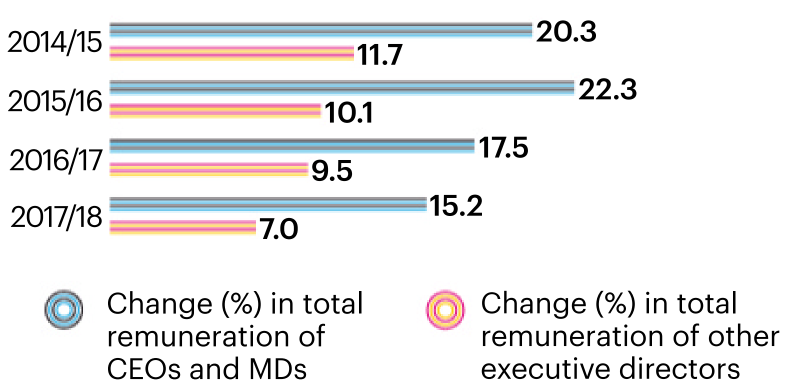
Meeting Point

Professional directors saw a significant growth in their salaries compared to promoter directors in 2017/18



Inverted Pyramid

Compensation of top executives has been increasing faster than that of other executive directors



Based on sample of all NSE listed companies
Source: nseinfobase.com; (Compiled by Prime Database)

man and Managing Director of Amara Raja Batteries (2,004 times at ₹39 crore); Ravi Jhunjhunwala, CMD and CEO of HEG (1,510 times at ₹43 crore); Onkar S. Kanwar, CMD of Apollo Tyres (1,044 times at ₹49.60 crore); and Murali K. Divi, CMD of Divi's Laboratories (1,039 times at ₹40 crore).

Four of top 10 promoter CEOs are from the auto and auto ancillary sector: Automotive batteries manufacturer Amara Raja, tyre manufacturers Apollo Tyres and Balkrishna Industries, and two-wheeler manufacturer Hero MotoCorp.

"Auto and manufacturing sector were not the flag bearers of top salaries but that is changing as most of these companies have strong international presence, and as they grow their business in foreign markets, they bring in stronger governance and world-class processes into their boardroom," explains Shastry of RGF.

HeroMotoCorp, for instance, is present in 37 countries across Asia, Africa and South and Central America, and plans to expand its footprint further. In fact, it reported a 12 per cent increase in international sales in FY18 at 204,484 units. Apollo Tyres, too, has gradually expanded its international footprint since 2009 and has six global manufacturing plants. Similarly, 85 per cent of Balkrishna Industries' revenue comes from overseas markets for supplying overhead hoist transport systems to replacement markets and vehicle manufacturers. This could be the reason why the annual increments are in line with their company's growth.

The median increase in promoter pay over 2016/17 was 11.3 per cent as the turnover of these companies increased by 13.25 per cent and shareholder value by 29.25 per cent in 2017/18. There were instances of dips in emoluments too. For instance, Divi's Murali saw his pay fall 13 per cent to ₹40.20 crore as the company's turnover reduced by 4.6 per cent.

"Compensation is now leaning towards ESOPs and profit shares. It not only aligns their wealth creating opportunities with the company's growth but also puts their skin in the game."

Sanjay R. Shastry
CEO and Managing Director, RGF Executive Search India

company grows," says a senior headhunter on condition of anonymity.

Taking a fixed pay is also tax efficient, points out this headhunter. "The company pays a corporate tax on its revenue to determine the dividend. There is then an additional dividend distribution tax that it has to pay. And, the promoter, too, has to pay a tax if the dividend value exceeds ₹10 lakh whereas compensation can directly be booked as expenses."

The median pay of the top 10 promoters was ₹43 crore in 2018/19, as against ₹29.47 crore of the professional CEOs of India Inc. The highest paid promoter CEO was Kalanithi Maran, Chairman, Sun TV Network, who took home ₹87.50 crore last year. Next is Pawan Munjal, CMD of Hero MotoCorp, whose total pay was ₹75.44 crore (out of which the basic pay was ₹9 crore and fixed commission ₹51.72 crore).

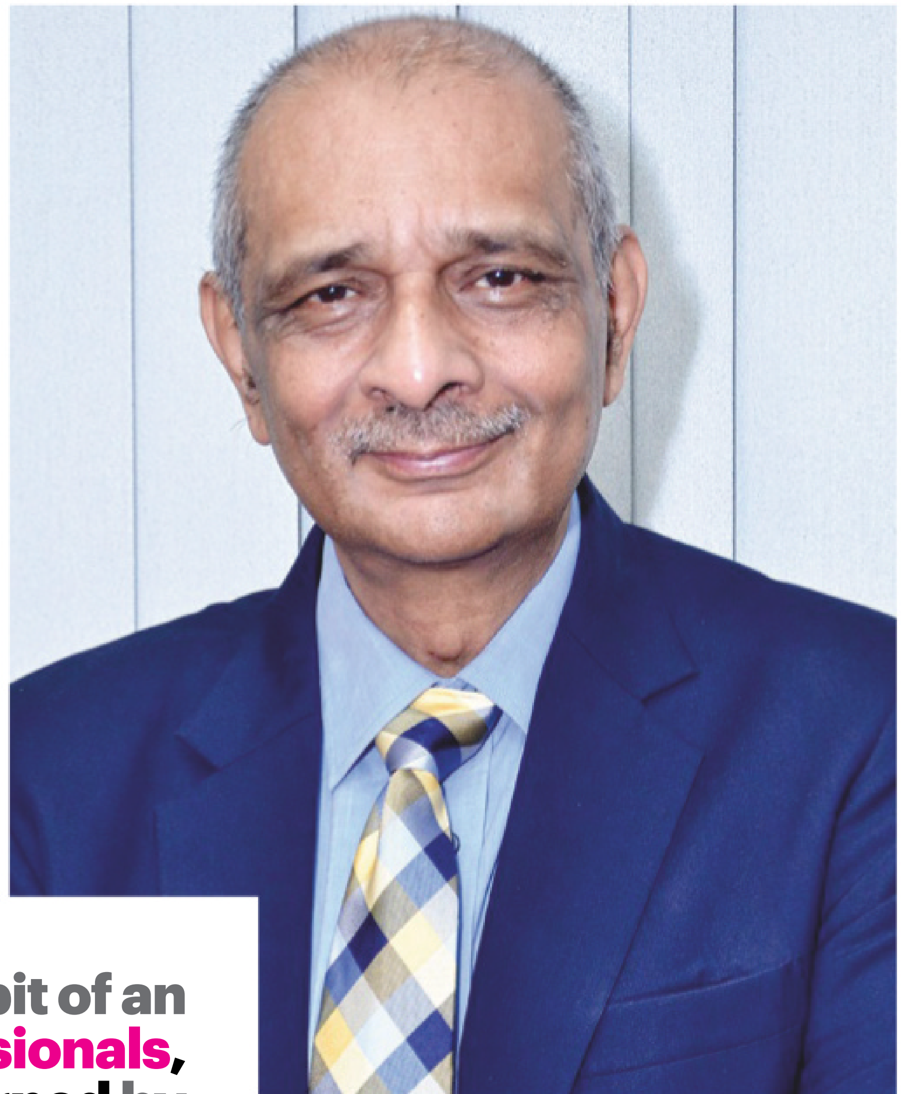
All the top nine promoter CEOs (after excluding Kalanithi Maran, for whom the data is not available) earned more than 500 times the median employee salary in their firm; four of them earned more than 1,000 times – Jayadev Galla, Vice Chair-

Lack of Transparency

Bob Iger, CEO of The Walt Disney Company, got a $65.6 million compensation in fiscal 2018. Shareholders didn't take to it kindly, despite the company's stock price being on a five-year high post the announcement of its new streaming service, Disney Plus. Iger's salary hike meant a CEO-to-median employee pay ratio of 1,424 to 1. In fact, Abigail Disney, grandniece of founder Walt Disney, tweeted that the pay hike was "insane".

Indian CEOs are not used to being questioned by their shareholders. While the norm for CEOs is not to be too worried about quarter on quarter growth, but have a vision for the future and work towards it, how long can the person be forgiven if the company doesn't perform in the short term?

In an ideal world, the risk and reward should align. But that doesn't really happen. There are also questions on how much reward justifies the growth. There are several instances when the company hasn't done well but there is no impact on CEO compensation. Often, the owner takes a lot more than the professional CEO of the company or places too many family members on the Board. All of these are cases of lack of good governance in companies where the owner wants to retain decision making in his own hands. In such cases, wealth will not be tied up objectively to the appreciation of share value.



"Promoter pay is a bit of an aberration... Unlike professionals, their pay is not governed by market forces."

Ronesh Puri
Managing Director, Executive Access

There are only a few instances of shareholder activism in India. In 2014, shareholders of Tata Motors rejected an increase in remuneration of three key executives. However, when put to vote for a second time in January 2015, shareholders voted in favour of the increase. More recently, in November 2018, minority shareholders at Apollo Tyres rejected Neeraj Kanwar's reappointment as Managing Director amid claims of high salary and moderating financial performance, following which Onkar and Neeraj Kanwar agreed to take a 30 per cent salary cut.

We still do not have cases where the founders have been removed when the company didn't perform (think Steve Jobs, Travis Kalanick). Neither the Jet Airways Board nor the shareholders could get founder Naresh Goyal to exit, until the company reached the brink of bankruptcy. What we have are spectacular issues of non-performing assets (NPAs) due to non-performance of Boards at IL&FS and Jet. "The company can't go down just like that. It is strange to think that the Board didn't or couldn't see the signals before, but kept their heads turned away," says Ronesh Puri.

Governance isn't just about following rules and regulations but it is also a function of how professionally the company is run, says K. Sudarshan, Regional Managing Partner, Asia, EMA Partners. "What is happening in India is companies are growing fast and systems and processes always play catch up to growth. In high growth markets, growth comes first and processes follow."

In a 2019 survey conducted by Institutional Investor Advisory Services (IiAS) 70 per cent of the respondents believed that executive remuneration practices of corporate India were opaque and 56 per cent believed that in less than 25 per cent of companies, CEO remuneration was aligned to company performance.

The Nomination and Remuneration Committees (NRCs) play a crucial role in ensuring parity between performance and rewards. However, Amit Tandon, Founder, IiAS, claims that in some promoter-driven companies, a person from the family is also a member of the NRC. "This leads to potential conflict of interest and limits the ability of the committee to look at compensation objectively."

Recently, the Reserve Bank of India

SECOND IN COMMAND

One of the key measures of professionalism in a company is how succession is planned. Shailja Dutt, Founder of Stellar Search, says compensation at the second level is a good indicator of the potential successor.

BT deep dived into finding the second highest paid executives. In the overall top 10 companies, there are three family members and seven professionals. The three family members are: Neeraj Kanwar (son of Apollo Tyres' CMD Onkar S. Kanwar), Prashant Bangur (son of Shree Cement's MD H.M. Bangur), and N.V. Ramana (immediate family member of Murali K. Divi, CMD of Divi's Laboratories).

In Sun TV, after Kalanithi Maran and his spouse Kavery Kalanithi, who both took home ₹87.50 crore each, was the company's CEO and MD, K. Vijaykumar, at ₹1.30 crore (he resigned on March 31, 2019). At Tech Mahindra, following Gurnani is the firm's CFO Milind Kulkarni at ₹1.26 crore. Vice Chairman (non-executive) Vineet Nayar took home more than Kulkarni (₹40 crore). In JSW Steel, founded by Sajjan Jindal, the second highest paid isn't his spouse or children but a professional executive, Seshagiri Rao, who is the Joint MD and Group CFO. Similarly, at HDFC Bank, it was Deputy MD Paresh Sukthankar who was with the bank since its inception in 1994. He resigned in August 2018. "This speaks volumes about the company that it is professionally run," says the head of a search firm who didn't want to be named.

A.M. Naik of L&T might have broken all records of cash emoluments in India but he has also mentored S.N. Subrahmanyan, MD and CEO, to carry forward the baton at L&T.

Dutt says it is common in old economy companies to not have clear succession plans in spite of ageing CEOs. "I have seen companies where the CEO is already way past retirement and there is no successor within his second line and then there are rumblings in the Boardroom. My question is, what were you waiting for? Identifying succession early, especially when you have a strong CEO at the helm, is not just a responsibility but a necessity."

(RBI) introduced guidelines for the banking sector executives. There were also disclosures pertaining to declaring CEO pay ratio. An important change is that ESOPs have been included in the pay matrix, which the RBI will review. The Securities and Exchange Board of India (Sebi) has also mandated that the chairperson of the top 500 listed companies by market cap will not be executive directors or related to the managing director or CEO from April 2020. In the top 10 highest paid promoter companies, except for Sun TV, The Ramco Cements (as on March 31, 2018) and Amara Raja Batteries, no other company has a separate CEO.

There are many grey areas and *Business Today*'s analysis shows that some companies have their own set of exclusions to calculate CEO pay ratio and percentage change in remuneration. There is a need for more detailed disclosures on perquisites, bonus, commission and dividend income.

The current disclosures make it difficult to identify fixed and variable components, and draw trends at a national level. What we need is a standard format on disclosure norms for directors' compensation for better transparency. Regulation can only improve disclosures but better governance will happen when Boards take it up vigorously. "They need to create thought-through pay structures that align pay and performance, considering the size and industry," says Tandon of IiAS. Boards have a responsibility to ensure that CEOs play their part in the larger corporate story and don't become larger than life themselves.

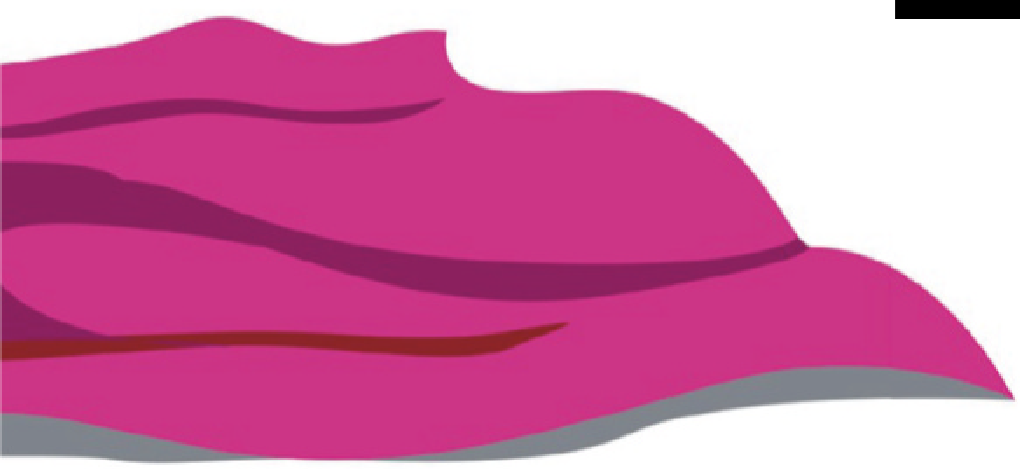
"It is the organisation that is the lead actor, and the CEO plays a supporting role. If we keep creating a cult of CEOs, it will not be healthy for the organisation. They are there to do the job and the focus should be to formulate strategy and execute with the buy-in of major shareholders and Boards have a responsibility to ensure they get paid to do just that," says Sudarshan of EMA Partners. BT

@sonalkhetarpal7


THE END
OF THE
SUPER
CEO

Larger than life CEOs are becoming history as technologies and new management equations change businesses.

By P.B. JAYAKUMAR
Illustration By RAJ VERMA



RUSSI MODY had a 53-year stint at the Tata group. He was managing director for 19 years — the last nine also as chairman — at Tata Iron & Steel Company. He lorded over the Tata group for years among other satraps, including Darbari Seth, Chairman of Tata Chemicals, and Ajit Baburao Kerkar, who led Indian Hotels Company. A decade before them, Ashok Ganguly was chairman of Hindustan Lever from 1980 to 1990.

All of them were Super CEOs, but that was in the last millennium. In a young and changing India, there are just a handful of such all-powerful professional Super CEOs left. They could well be the last of the lot.

Anil Manibhai Naik, 77, lords over Larsen & Toubro, India's engineering behemoth. As Non-Executive Chairman, a position he has held for two years, his presence is still felt as his successor, S.N. Subrahmanyan, and the different vertical heads still regularly consult him at his corner office in the Landmark building in Mumbai's Andheri for key decisions. Naik does not mince words in public and criticises governments. He has always been aggressive, assertive and authoritative, say people who interact with him. At L&T AGMs, shareholders 'plead with Anilbhai' not to desert L&T. Naik regards L&T as his 'temple' and himself as its 'keeper'. Naik highlights how he made 80 per cent of the ₹1.2 lakh crore revenue of L&T today, from about 85 businesses. And how, since he took over as its CEO and managing director in 1999, he professionalised the company, brought in entrepreneurial aggression and converted L&T into the nation's pride. Since 1999, L&T's revenues have grown 25 times and market capitalisation 85 times.

Another Super CEO is ITC Non-Executive Chairman Yogesh Chander Deveshwar, who has led ITC for two decades. Deveshwar has been an ITC man since 1968 (except during 1991/94 when he was chairman of Air India). Like Naik, who saved L&T from hostile takeover attempts by the Ambanis and the Birlas, Deveshwar withstood a hostile takeover attempt by British American Tobacco Company. He diversified ITC from just a tobacco and hotels company into a formidable player in FMCG, paper, packaging, agri-business, IT and lifestyle retail sectors too. ITC's revenues rose ten-fold from when Deveshwar took over in 1995/96 to over ₹50,000 crore, while PAT rose 37 times and market cap 47 times by 2015/16, when he decided to move to a non-executive role.

Another such is Deepak Parekh, who joined HDFC in 1978 to assist his uncle to build the mortgage financing business after working abroad and went on to make it one of the largest NBFCs. Parekh also picked the right leaders. He brought Aditya Puri from Citibank to head the bank. He also did smooth succession planning by creating a space for Keki Mistry as his successor at HDFC Ltd.

But things are changing. "One cannot be an expert in all segments of the business and take decisions individually. The new-age CEO needs to find the right people for the right job and co-ordinate smartly," says Sunil Mathur, the first India born managing director and CEO of Siemens India.

Today, few CEOs get the kind of freedom or long tenure to undertake risky experiments due to regulations and board scrutiny. The focus is on quarter to quarter growth. In family-run businesses, promoters keep a firm grip on professional CEOs and do not like employees hogging the limelight.

Kavil Ramachandran, Thomas Schmidheiny Chair Professor of Family Business and Wealth Management at Indian School of Business, Hyderabad, does not rule out the emergence of Super CEOs as long as firms have weak boards. "Powerful people need to be checked and only a strong board or activist shareholders can do it. However, with surge in interest in governance in the wake of many incidents and regulator concerns, let's hope there are stronger checks," he says.

S.V. Nathan, Chief Talent Officer, Deloitte India, says the new-age CEO will be the one who is able to build a performance-driven organisation, where anyone can say I can rise to the top. "Domain knowledge, open-mindedness, knowledge of regulations and ability to manage changes are essential traits of a new age CEO," says Nathan.

"As management expert Jim Collins points out in his book, *Good to Great*, many super CEOs could never deliver a sustained and consistent performance," says Paul Dupuis, CEO of Randstad India, the Indian arm of the Dutch HR consulting firm.

While the role of new-age CEOs is changing, attitude issues are important. "No modern management will prefer someone who is dictatorial and pompous," says K. Sudarshan, Managing Partner, EMA Partners. "The days of Super CEOs are over," says Nathan.

In family businesses too, the role of dictatorial patriarchs is changing. Many are bringing in professional CEOs. One such is Ajay Piramal's Piramal Enterprises. In 2010, he sold off his flagship business to Abbott for $3.8 billion and has built an over $10 billion empire covering financial, pharmaceutical, knowledge management, real estate and glass sectors. Each business is run by a professional CEO with a board and a common management council headed by Ajay Piramal.

In changing times when businesses are becoming technology intensive, market dynamics are changing and pressure to perform quarter to quarter is giving sleepless nights to CEOs, will India Inc. see such "Super CEOs' in future? Seems doubtful. BT

@pb_pbjayan

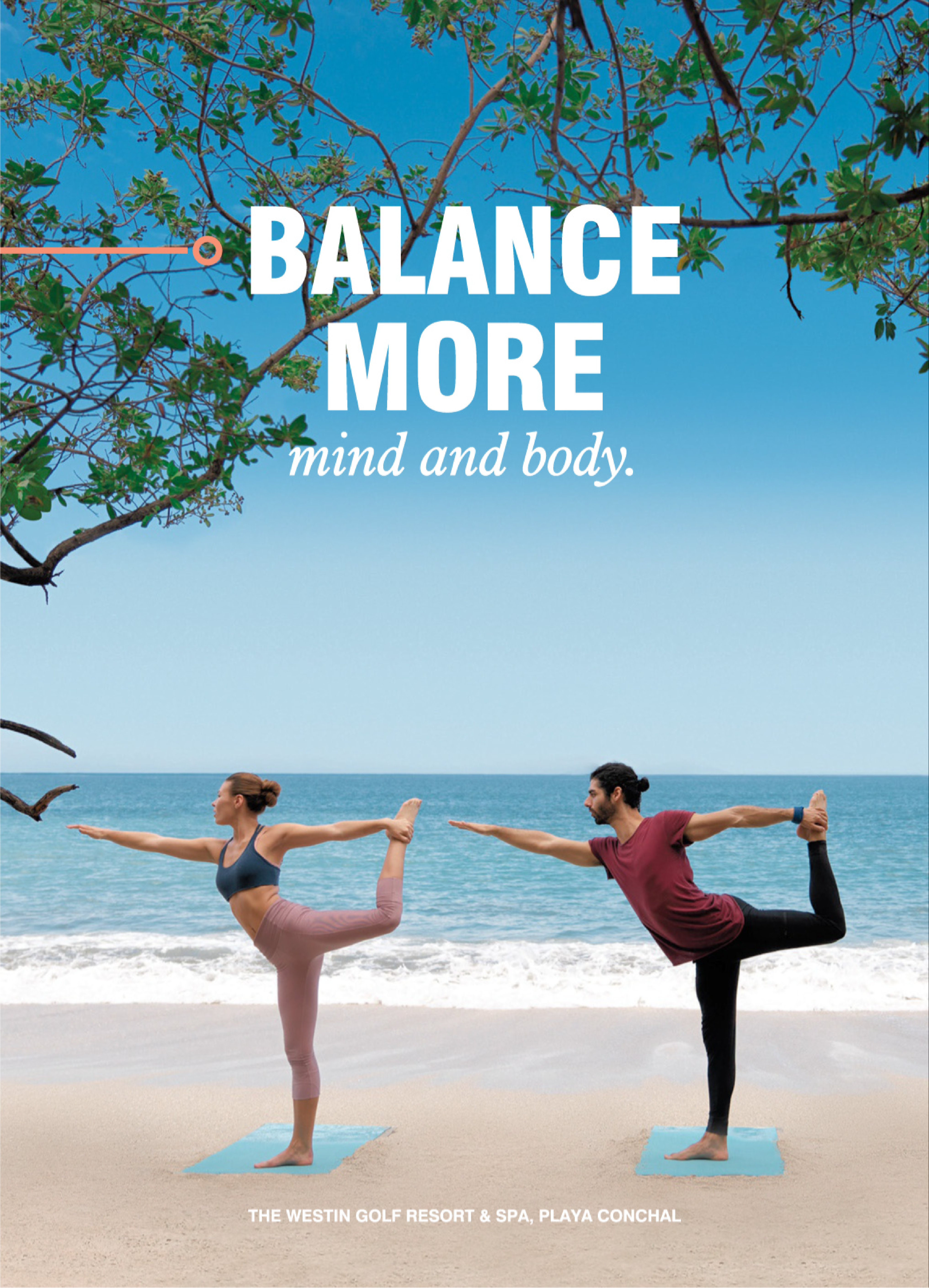
A.M. Naik
Non-Executive Chairman, L&T

S.N. Subrahmanyan, and the different vertical heads, still regularly consult him at his corner office in the Landmark building in Mumbai's Andheri for key decisions

Y.C. Deveshwar,
Non-Executive Chairman, ITC

Deveshwar withstood a hostile takeover attempt by British American Tobacco Company and made ITC into a diversified player with ₹50,000 crore-plus revenues


INDIA TODAY
BREAKING NEWS
JUST A TAP AWAY
9:41
INDIA TODAY
LIVE
TOP NEWS
VIDEOS
PROGRAMMES
TOP STORIES
LOK SABHA 2019
Narendra Modi Live: By Congress-mukt India we will fulfil Gandhi's dream
DOWNLOAD THE APP NOW
AVAILABLE ON


BALANCE
MORE
mind and body.
THE WESTIN GOLF RESORT & SPA, PLAYA CONCHAL

TAKING A BACK SEAT

These companies have the highest market value among those led by promoters. Yet, remuneration of their leaders is relatively modest.

Sunil Mittal

THE PAST three years have been rough for Bharti Airtel. The telco, with a market capitalisation of ₹1,66,552 crore, has lost its numero uno position after almost 15 years to Vodafone Idea. Its consolidated revenues and net profits have tanked 13.4 and 60.2 per cent, respectively, between 2015/16 and 2017/18. Between September 2016 (when Jio was commercially launched) and February 2019, Airtel's subscriber base has grown a mere 80.4 million in comparison to Jio's 297.2 million additions. In fact, most of Airtel's new subscribers have come from the inorganic route – through acquisition of smaller telcos like Tata Teleservices. Yet, all this does not seem to have deterred the telco from giving a pay hike to its promoter and Chairman Sunil Mittal for the past two years. His annual remuneration has risen from ₹27.9 crore in 2015/16 to ₹**30.2 CRORE** in 2017/18, a jump of over 8 per cent.— **Manu Kaushik**

Sanjiv Bajaj

THE MANAGING Director of the ₹1,22,821 crore Bajaj Finserv earned ₹**16.98 CRORE** as salary in 2017/18. Both Bajaj Finserv, whose share price rose 26 per cent during the year, and its subsidiary Bajaj Finance, with share price up 51 per cent, have been doing exceedingly well. Bajaj is the key decision maker in the group's financial services business, along with Bajaj Finance Vice Chairman Nanoo Pamnani and MD Rajeev Jain. — **Nevin John**

Rajiv Bajaj

RAJIV BAJAJ reinvented Bajaj Auto from the company he inherited from his father. He forayed into high-end bikes with more margins, making sports bikes and semi-superbikes, and increasing exports to the extent that 45 per cent of the company's sales now come from exports. The head of the company with a market value of ₹88,191 crore drew a salary of ₹**28.32 crore** in 2017/18, 10.66 per cent higher than in the previous year, and over 400 times the median salary of company employees. — **Nevin John**

PHOTOGRAPH BY BANDEEP SINGH

Mukesh Ambani

AMID DEBATE over rightsizing CEO salaries in 2009, Reliance Industries Chairman Mukesh Ambani voluntarily capped his own salary, perquisites, allowances and commissions at an annual **₹15 CRORE** in 2009**.** Prior to the capping, he earned ₹44 crore annually. Ambani has chosen, according to the company, to be an "example of moderation in managerial compensation levels". However, his actual income has been much higher as his shares in RIL are valued over ₹400,000 crore. RIL's market capitalisation is nearly ₹8,82,027 crore.
— Nevin John

Siddhartha Lal

AFTER TAKING charge of the Royal Enfield brand at Eicher Motors in 2000, Siddhartha Lal transformed its fortunes. With improved technology and steady management, he gave Enfield a striking brand identity. From a niche cruiser brand, it was turned into a mass market middle weight motorcycle, which three years ago overtook legendary US cruiser maker Harley Davidson both in revenues and profits to become the leading player in this segment in the world. His remuneration was **₹10.12 CRORE** in 2017/18. Lal stepped down as CEO of Royal Enfield in April, in a move reminiscent of his father Vikram Lal giving up his seat to bring in professional management more than two decades ago. He stays on as the managing director of the ₹55,449 crore market cap Eicher Motors. — Sumant Banerji

PHOTOGRAPH BY VIVAN MEHRA

PHOTOGRAPH BY RACHIT GOSWAMI

Ajay Piramal

WHEN GLOBAL PHARMA giant Abbott bought Piramal Healthcare's domestic formulations business for $3.8 billion in 2010, Ajay Piramal carried out the deal through the stock exchanges so that all shareholders of the company benefitted. "I did not want to buy private beaches and retire with the money," he said at the time. "I wanted to enrich value for Piramal's shareholders." His remaining business has since grown to over $1.8 billion a year, returning over ₹5,680 crore since 2011 to shareholders in the form of dividends and buybacks. Despite being flush with funds, Piramal drew just over ₹**12 CRORE** as his personal salary and perquisites in 2017/18. His Piramal Enterprises has a market capitalisation of ₹47,867 crore
— P.B. Jayakumar

Venu Srinivasan

VENU SRINIVASAN is the Chairman and Managing Director of TVS Motors, India's third largest two-wheeler manufacturer with a market cap of ₹24,058 crore. He also serves on the board of several other group entities. The company's scooter sales have been rising: 30.4 per cent in 2017/18, and about 13 per cent in 2018/19. Along with an increase in the company's domestic scooter and motorcycle sales, and exports, and launch of new models, Srinivasan's remuneration went up from ₹14.48 crore in 2016/17 to ₹**23.29 CRORE** in 2017/18. — Rukmini Rao

Baba Kalyani

ONE OF INDIA'S foremost entrepreneurs and technocrats, Baba Kalyani is the driving force behind the $2.5 billion-Kalyani Group that has business interests as diversified as engineering, steel, automotive and non-automotive components, infrastructure and renewable energy. Starting his journey with Bharat Forge, a company founded by his father, Kalyani expanded the company to make it the world's second largest forgings company with a market cap of ₹22,183 crore. He has also diversified into the defence sector, an area that he believes will contribute in a big way to his group's business in future. Kalyani's remuneration was ₹**18.59 CRORE** in 2017/18, up 23 per cent from ₹15.1 crore in 2016/17.
— Sumant Banerji

PHOTOGRAPH BY ROHIT CHAWLA

PHOTOGRAPH BY NILOTPAL BARUAH

Prathap C. Reddy

DR PRATHAP C. REDDY, the promoter founder and executive chairman of Apollo Hospitals, has seen a decline in his gross salary and total remuneration in 2017/18 as against the numbers in 2016/17. While his remuneration includes commission as a percentage of profits, reduction in this would apparently be in tune with the profits of the company but then his gross salary has also slipped to ₹**7.6 CRORE** in 2017/18 from ₹8.4 crore in the previous year. Company executives say this is in tune with the compensation direction for the rest of the management team, and so that there are surpluses from which dividends can be paid. The company has a market cap of ₹17,237 crore— E. Kumar Sharma

Naveen Jindal

THE CHAIRMAN of Jindal Steel and Power was India's highest paid executive in 2011/12, earning ₹73.42 crore. However, his remuneration has fallen drastically since, coming down to ₹**9.69 CRORE** in 2017/18. JSPL, with a market cap of ₹17,001 crore, has faced much turbulence in the last few years, both due to debt funded expansion as well as investigations around coal block allocations. After its share price bottomed out, JSPL showed a marginal recovery in 2017/18, its losses coming down to ₹361 crore – around a third of the previous year's loss.

— Nevin John

THE RIGHT FIT

CEO search in corporate India is becoming increasingly complex.

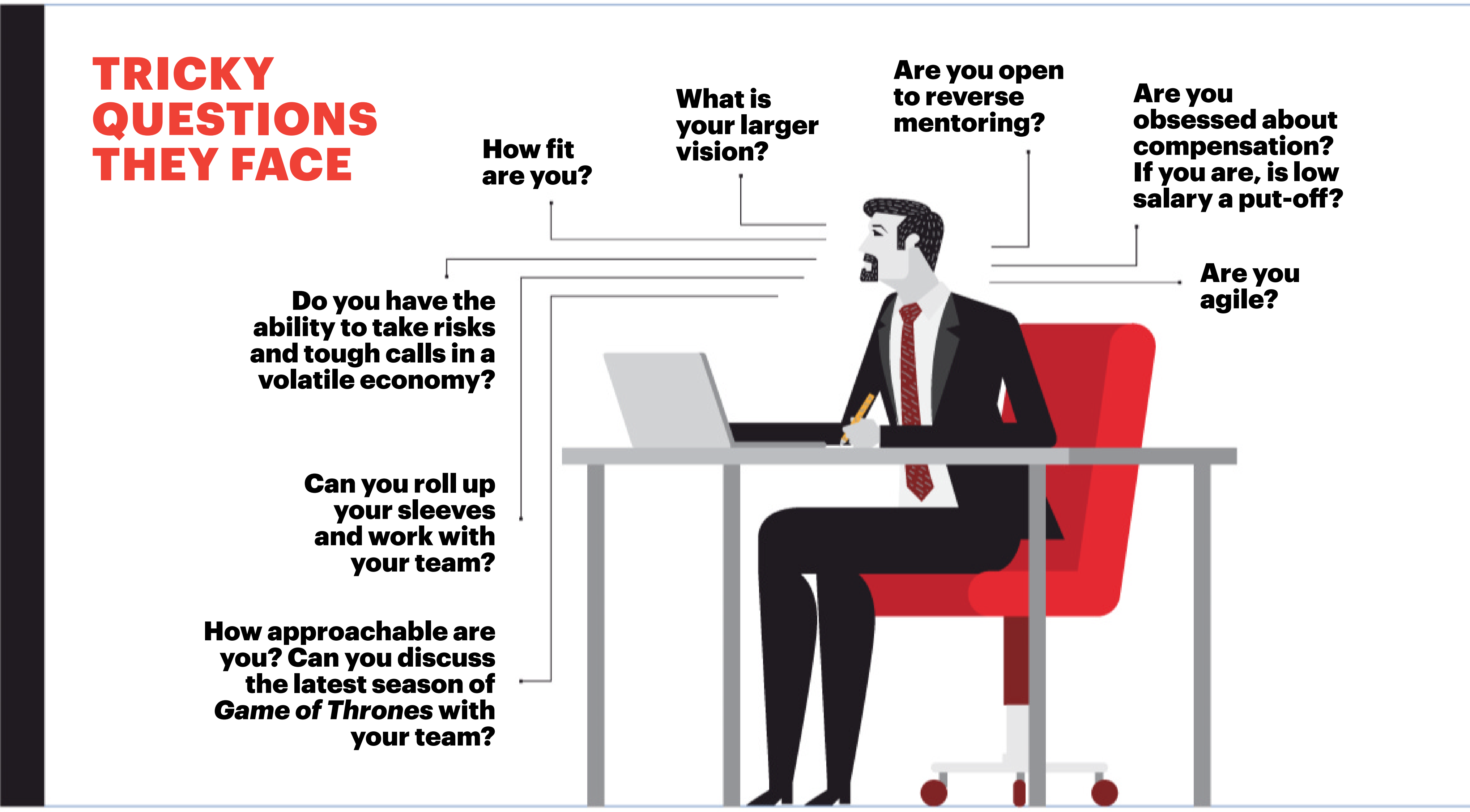
By AJITA SHASHIDHAR
Illustration By AJAY THAKURI

THE FOUNDER of a leading Indian retail company interviewed two candidates for CEO's role at one of his retail verticals. The first interview took more than an hour but the second lasted just 10 minutes. The bigger surprise for the CEO search company — the founder decided to send an offer letter to the second candidate. Later, he told the search firm what triggered his decision. When he met the second contender, he was convinced within the first five minutes that the person was passionate, had a crystal clear vision about how to take the business to the next level and came across as a risk-taker. The first candidate had a more distinguished background, but the founder preferred the second.

In today's uncertain times, CEO hiring is no longer short and intuitive. The said founder might have been lucky to find the right fit in 10 minutes, but the hiring process for the top job is becoming increasingly complex, says K. Sudarshan, Asia Managing Partner at London-headquartered executive search firm EMA Partners. Gone are the days when a person's professional track record over the years could have landed her the next big role. Instead, CEO candidates now run into notoriously tricky questions aimed at selecting well-rounded persons and measuring up their skills. Of course, no two situations are the same, but the questions might be similar. Consider this: You have scaled up a fledgling start-up to a sizeable business, and that is precisely why I am talking to you; can you accelerate my already established business to the next level of growth? Or, can you come in and grow my company at the speed of change? India Inc. not only wants its CEOs to drive top and bottom line growth but also articulate the future of the organisation.

New-age Mantra

An ideal CEO should be a charismatic leader but not necessarily an icon. Think of this hot-button question: The past few years have been trying for your current business, but you emerged successful. Tell me what you thought and told yourself, what you did. If the candidate frequently uses the word 'I', she could be a put-off as she may come across as a person too full of herself and not a team player. Leaders today are not meant to be autocratic or control freaks. "The days of (overcontrolling) management do not exist any more. I am sitting with five people, and all five of us are equals. What matters most is what I can get from each of you and what all of you can get from me. Hyper-collaboration is the call of the hour," says Dipali Naidu, Head of Consulting at Mumbai-based talent management and leadership training firm DDI India.



expect company heads to listen to those ideas. So, how do you break the ice when interacting with younger colleagues? Even if you are on the wrong side of 40, will you be able to discuss *Game of Thrones* Season 8 with twentysomethings? After all, you are going to lead an organisation where 70 per cent of the employees are below the age of 35 and obsessed with fitness and looks. So, how fit are you? "A great track record is still important, but companies are stressing a lot on soft skills when looking for potential CEO candidates," says Paul Dupuis, CEO of HR services company Randstad.

Unilever's global COO Nitin Paranjpe's favourite anecdote provides an interesting insight. On his flight to Dhaka (he was CEO of Hindustan Unilever, or HUL, at the time), a young management trainee struck up a conversation and quizzed him on the company's strategies which she believed were not the best. The fresh thinking of the trainee compelled him to make it a practice to have lunch with his management trainees at least twice a month as he realised there is much to learn from the new generation which has just joined the workforce.

"Earlier, promoters used to make big-ticket business decisions and CEOs focussed largely on execution. But now we see more promoters stepping back and bringing in professional managers"

K. Sudarshan
Asia Managing Partner, EMA Partners

Although companies are willing to pay astronomical sums to CEOs, they are also extra careful about the CEO's relevance in the current situation. Is the person coming on board just because the compensation is good or will she have a larger vision and also look after the company's priorities? "A candidate who puts too much stress only on salary and perks may not make the cut," explains Sudarshan. Then there are other questions never faced by CEO candidates before. Are you aware of current trends? Are you flexible enough to build relationship with people at different levels? Are you capable of holding conversations with colleagues barely out of college with as much ease as you do with board members aged 50 or more? Are you social media savvy?

Easy interaction is a key criterion nowadays as CEOs must work with millennials who demand to be treated as equals and do not believe in hierarchy. They may look up to their leaders but do not like to be micromanaged. Gen Y and Gen Z believe they have the ability to come up with game-changing ideas much like the CEOs do and

Besides managing a diversified workforce comprising the young and the not-so-young, the CEO needs to take care of his stakeholders and customers. Even the smallest mistake here could snowball into a huge crisis, especially due to the omnipresent social media. Is the CEO capable of managing stressful situations? S.V. Nathan, Partner and Chief Talent Officer at Deloitte India, says that a CEO needs to be a *bahubali* (strongman) in this era. "A CEO has to manage several stakeholders. He has to be sensitive to all kinds of situations. So, you need someone who is super good at handling these things."

Dupuis of Randstad has an E5 mantra for an ideal CEO – she should be able to envision, express, excite, enable and execute. The ideal CEO, according to him, is the one who not only envisions a bold, out-of-the-box idea but also enables the team to execute it. When Sanjiv Mehta took over the reins of HUL in 2014, the company was in a phase of slow growth and rattled by competition from upstarts such as Patanjali. Contrary to HUL's way of painting the entire country with a single brush, Mehta came up with a new pathway for 'winning in many Indias' – region-focussed strategies such as creating a special blend

of Bru coffee, especially for Karnataka, as coffee is brewed differently in the southern state. HUL's regional play, masterminded by Mehta, worked well in bringing the company back to the growth path. "Most leaders of the past are great visionaries but not the best at executing. Future leaders need to be great enablers as well," says Dupuis.

According to Sudarshan of EMA Partners, promoter-led Indian companies are also looking to hire professional CEOs who will drive the business independently. Consequently, the first and foremost question is whether they can make big-ticket business decisions. "Earlier, promoters used to make those decisions and CEOs focussed largely on execution. But now we see more promoters stepping back and bringing in professional managers."

Most companies also focus on disruptive strategies and diversity so that they have an edge over their competition. But disruption may not be limited to out-of-the-box thinking. Companies are open to hiring leaders and key members who come from outside their respective industry segments so that fresh ideas will flow in. Again, diversity is not restricted to gender issues but includes the capability of a leader to hire across ethnicities and embrace the diversity of thoughts. "How does a CEO embrace diversity? Is it merely lip service or do you believe it will bring value? Are you a CEO who wants to hire from the telecom sector alone because you are working in a telco? If one is looking at disrupting the industry and creating a new norm, she should embrace diversity in totality," says Naidu of DDI.


PHOTOGRAPH BY RACHIT GOSWAMI

"How does a CEO embrace diversity? Is it merely lip service?... If one is looking at creating a new norm, she should embrace diversity in totality"

Dipali Naidu
Head of Consulting, DDI Consulting

For instance, Aditya Ghosh, currently working as the CEO (South Asia) at Oyo, had earlier headed IndiGo even though he had no prior experience of working with the airline industry. But it never came in the way of his stupendous success in building one of the most profitable companies. "He had the skills to build a great consumer brand, and that came in handy. His lack of experience in that segment did not matter much," says Dupuis as he underlines the importance of hiring a CEO who brings in disruptive thinking. Interestingly, Ghosh had redefined the concept of a low-cost carrier and proved that it could be classy and stylish.

Perform or Perish

We hear about celebrity CEOs who are turnaround experts and the kind of money they earn, but things are getting tougher at the top. To begin with, no-question-asked privileges (read job security and alluring perks) no longer exist. A CEO may easily lose her job if the business fails to deliver over a period. Perks are shrinking considerably, and a large chunk of CEO compensation happens to be a combination of fixed and variable pay.

"The variable pay component includes an annual variable or bonus and a long-term variable, which could be ESOPs or a long-term incentive plan or a medium-term plan linked to individual and the company's performance," explains Sonal Agrawal, Managing Partner of Accord India. CEO compensation plans also cover conditions which could lead to possible termination of the contract and details of a golden handshake. "In fact, CEO compensation planning has become so complex that many companies are hiring lawyers to do it," she adds. Considering such parameters and more, many executive search firms rightly observe that getting selected for the hot seat and retaining it are going to be far more challenging going ahead, and CEO hopefuls must up their game. BT

@AjitaShashidhar


NEWS
तक
NewsTak.in
AN EXCLUSIVE
MOBILE NEWS CHANNEL
YouTube /newstak
/newstakofficial
/newstakofficial

PAMPERED LOT

From global family insurance to minimum tenure, India Inc. is going out of the way to keep its honchos happy. But not all perks are in black and white.

By RASHMI PRATAP and APRAJITA SHARMA
Illustration By RAJ VERMA

G**UENTER BUTSCHEK,** the CEO of Tata Motors, draws an annual basic salary of ₹2.5 crore. But his perks and allowances total about ₹13 crore. With incentives and retirement benefits, his remuneration adds up to a little over ₹26 crore. That's not all. In case the company initiates termination of his service before the end of his term (for reasons other than the violation of the Tata Code of Conduct), he will be entitled to severance pay for 12 months or the balance term of the agreement, whichever is less. HUL Managing Director Sanjiv Mehta's annual salary is ₹6.96 crore but he received profits of ₹5.6 crore in lieu of salary in 2017/18, besides other perks worth over ₹1 crore. He also has stock options valued at ₹5.43 crore. In all, the amount comes to over ₹19 crore.

Clearly, when you are in the driver's seat of marquee names in India Inc., pampering is inevitable. And the bigger the company, the higher the benefits — which were traditionally defined as perquisites but now encompass everything the company does to keep the person at the helm happy and healthy.

"CEOs need to be taken care of. Corporate boards think CEOs must be completely immersed in work and not worry about exigencies or future requirements. Perquisites are a way to plug the gaps in creating the best support system for CEOs," says R. Suresh, the founder of boutique search and consulting firm INSIST Executive Search. "Perquisites are a way to make the top job lucrative and hold back CEOs by giving benefits in kind," says Pankaj Dutt, Managing Partner of Alexander Hughes' India and Malaysia operations.

Companies do not give break-up of perquisites in annual reports or regulatory filings. However, the most common perquisites in

India are furnished accommodation, payment of electricity/water bills, club memberships and a couple of office-maintained cars. Now, a lot more is being added to the list. "CEO perks are customised according to allowances in their previous jobs and work experience. When the company is trying to hire a CEO, the prospective candidate will evaluate the upside. These perks are feel good factors," says Ronesh Puri, MD at Executive Access.

Most CEOs nowadays get one or two annual family vacations overseas, besides global insurance for family members. Increasingly, companies are also tying up with global medical chains, which allows top honchos and their family members to opt for treatment in any part of the world. "In many cases, the cost of children's education is also taken care of," he adds.

Sops for ESOPs

With increasing use of employee stock options, or ESOPs, and new type of salary components, CEOs need help with accounting and taxation. "Some companies are reimbursing the tax consultation fees," says Dutt. A large chunk of CEOs' incomes now comprise stock options and long-term performance-linked bonuses. "This could go as high as 200 per cent or more of the fixed component," says K. Sudarshan, Managing Partner, EMA Partners India.

Usually, ESOPs vest over time or according to performance, which means the CEO can exercise them after the company attains a profit or revenue milestone. Now, a third form is coming up – market discounts. "Other than the regular ESOPs, they allow CEOs to buy shares of the company with his or her own money but at a discount to the market price. This is becoming prevalent in Indian subsidiaries of multinationals," explains a head hunter.

Apart from stock options, commissions are also attractive and linked to financial metrics, so valuation-based earnings are gaining traction. "Wherever companies have constraints in issuing stock options, alternative structures like stock appreciation rights (SARs) and phantom options have been put in place," adds Sudarshan.

Professional CEOs at MNCs often receive global stock options, which don't have to be declared in India.

Earlier, perks were not taxable. "But in the last four to five years, they are being taxed highly, making them less preferred by companies," says Puri. So, instead, variable pay is gaining prominence. "The variable component in salary packages is going up and can be as high as 50-60 per cent in some cases," he adds.

The variable component typically includes bonus, share of profits, and stocks. "So, there is an upside for the CEO when the performance of the company is good. Linking perks with outcomes is a win-win for the company as it incentivises the CEO without hurting the company," says Puri of Executive Access.

While all CEOs seem to be living on a feather bed, the expatriate bosses seem to be getting the best deal. "Expats are hired with a lock-in period with term contracts as they are re-locating and their contracts cannot be terminated without enough protection clauses," says Puri. Dutt of Alexander Hughes says expatriate CEOs are also entitled to retirement fund contribution according to their home country pension scheme. For Tata Motors' Butschek, this amount is ₹30 lakh per annum. "Indian companies bear the burden of contribution to retirement plans in their home countries and usually this is a significant amount. The companies pay this so that the employee does not lose that benefit in the home country," says Dutt.

Shades of Grey

Often, however, the line between official and unofficial perks gets blurred, especially when promoter executives are at the

INTERESTING PERKS

Profit-sharing deals; huge payouts on exit

Some promoters get royalty payment for use of brand

Global health cover for the entire family

Some companies even pay the college fees of children

Expatriate CEOs are entitled to retirement fund contribution according to their home country pension scheme

Reimbursement for hiring tax consultants given the rising complexity of the salary structure

"Family-owned companies with dominant promoter ownership and lower institutional holding tend to have fewer checks and balances"

Debanik Basu
Group Head, Institutional Investor Advisory Services India

PHOTOGRAPHS BY RACHIT GOSWAMI

"Boards think CEOs must not worry about exigencies. Perquisites are a way to plug the gaps in creating the best support system"

R. Suresh
Founder, INSIST Executive Search

helm. "Family-owned companies with dominant promoter ownership and lower institutional holding tend to have fewer checks and balances. In such companies, sometimes, even if there are glaring excesses in salaries and incentives, it may not get highlighted," says Debanik Basu, Group Head, Institutional Investor Advisory Services India (IiAS), a proxy advisory firm.

In November 2016, market regulator Securities and Exchange Board of India (Sebi) issued a showcause notice to Ajay Bijli, Chairman and Managing Director of PVR. It alleged that Ajay Bijli and Sanjeev K. Bijli, Joint Managing Director, received significant share of profits when two private equity funds — Multiples Alternate Asset Management and L Capital — exited the deal. These agreements were not disclosed to shareholders. As directed in the Sebi consent order, the settlement was paid. A consent order allows settlement without admission or denial of guilt.

Over the years, regulations on perks and incentives given have been tightened, but before that happened it was not unusual for top executives to receive incentives unbeknownst to shareholders. For instance, in 2009, Religare Group gave BMW and Mercedes-Benz cars to its top managers across its companies.

Perks can extend to sharing revenue with or giving a boost to a sister company through related party transactions (RPTs).

In 2014, Sajjan Jindal-owned JSW Steel moved a resolution seeking shareholders' approval to pay a substantial royalty to JSW Investments Private Ltd (JSWIPL) for using the 'JSW' brand. JSWIPL was nearly 100 per cent owned by Jindal's wife Sangita Jindal. In a report dated July 2014, IiAS had questioned this move: "The company has not explained what tangible benefits it gains from the use of the 'JSW' brand. Moreover, JSW Steel is one of the largest steel producers in the country – the business itself is fundamentally brand agnostic." The JSW management eventually received shareholders' nod.

Brand equity arrangements among companies of the same group are common enough, but what is important is how such arrangements are treated. "The Tata Group has a brand equity agreement with its group entities which caps the royalty payments at a specified percentage of revenues and profits. No royalty is charged from unprofitable companies. This arrangement works for two reasons: first, there is direct linkage with operational performance and second, Tata Sons already has a well-documented mandate and track record for brand building. For other groups, the reasons and benefits from these payouts are not so clear," explains Basu of IiAS.

Legal Boundaries

While PE funds giving incentives to owners often happens in unlisted firms, the same practice in listed firms, if not known to shareholders, affects corporate governance. To keep a check, on July 3, 2017, the Sebi (Listing Obligations and Disclosure Requirements) Regulations, 2015, was amended. Under the new rules, no employee (including key managerial personnel, director or promoter) of a listed company could have compensation agreements without Board and shareholder approval.

There is also a need to restructure Nomination and Remuneration Committees (NRCs). In the current structure, family owners can vote on their own compensation. Although an NRC has at least three non-executive directors and the Chairperson has to be an independent director, the latter often owes allegiance to the owners. "The presence of the promoter as a member of the committee by itself limits the committee's ability to be brutally objective. One way to prevent this is to ensure that the NRC has directors who have no association with the executive members," suggests Basu of IiAS.

Institutional investors are becoming more responsible and retail investors more vigilant. "Old habits don't die overnight, but change is coming about," says Sonu Bhasin, family business historian and independent director on various Boards. BT

@RashmiPratap3 @apri_sharma


TECH
तक
TechTak.in
AN EXCLUSIVE
TECH MOBILE CHANNEL
4K
YouTube /techtakofficial
/techtakofficial
/techtakofficial

NO HEADSTART

Most CEOs started with modest salaries which pale in comparison with what they earn today.

By SUMANT BANERJI
Illustration BY RAJ VERMA

W

HEN ANIL MANIBHAI NAIK joined the engineering and infrastructure behemoth Larsen and Toubro in 1965 as a junior engineer, his ambition was to earn at least ₹1,000 a month before he retired. Naik's first monthly salary in the company was ₹670 and he had no idea then that he would retire from the company 52 years later as one of its most celebrated top bosses and as one of India's highest paid CEOs.

Naik breached the ₹1,000 per month mark in his first year itself and by the time he retired, his remuneration had risen to ₹137.24 crore. His leave encashment alone was worth ₹32.21 crore.

A regular on the list of highest paid CEOs in the country for the better part of the 17 years that he was the chairman of L&T, Naik exemplifies most other self-made professional CEOs in India who started off their careers on a sombre note.

The story of Keki Mistry, the Vice Chairman and CEO of HDFC, India's largest private sector lender, is similar. Mistry started out as an intern at Hindustan Unilever where he earned ₹500 per month. The amount went up three fold to ₹1,600 per month when he got his first formal job at The Indian Hotels Company. By the time he joined HDFC in 1981, his take-home had gone up to ₹2,620 per month.

Barring the recent fad of millennials shooting to the top in the start-up ecosystem, the bulk of the CEOs in traditional set ups started their career as interns or at junior management levels with salaries that will put even the most modest pocket money of today, seem exorbitant. The rise in their stature, which mirrors the one in their pay packet, is testimony to both their ambition as well as the tear-away pace at which the Indian economy has grown in the last three decades.

Sudhir Rao, who is currently steering the engine at Bombardier Transportation and has previously managed Skoda India, vividly remembers his first pay cheque of just ₹800 in 1982 at American industrial manufacturing company Ingersoll Rand. "My father asked me to buy something for my mother with my first salary so I bought a saree for her," Rao says. "I did not know then that I would become a CEO one day but the aspiration was always there."

R.M. Vishakha, the MD and CEO of IndiaFirst Life Company, bought clothes for her grand-parents with her first ₹60 stipend as a chartered accountant in 1984. Three years later, in her first job at The New India Assurance Co., she would buy a refrigerator with her ₹2,100 pay cheque.

Warendra Sinha, the MD and CEO of Iffco Tokio General Insurance Company, knew from the start that he would become a CEO one day. After clearing a rather tough national level competitive entrance exam in 1982, in which 120 candidates out of 200,000 aspirants were selected as direct recruit officers, Sinha found himself in a job with a salary of ₹1,641 per month.

"Your first salary is something you always cherish in life. I could have saved my first salary that time but I didn't stop my 23-year-old self from spending it the way I wanted. I celebrated the beginning of my financial freedom by spending the money on my family and friends. In the initial years I used to be spendthrift and very broke. Over the years, as my family grew, I started managing to make ends meet to ensure a good life for me and my family," Sinha reminisces.

Sinha attributes his growth to enjoying his work. "From the very early stage of my carrier I enjoyed taking ownership of my work and enjoyed the challenge of building teams. I would never shy away from taking transfers as it gave me an exposure to different regions, work styles and cultures, which helped me move up the ladder. During my working life, I have shifted homes 11 times and my children had to study in schools in four different cities."

Clearly, it does not matter how and where you started. For a CEO, what matters is where you end your journey. BT

@sumantbanerjiww

COVER STORY>GOLDEN HANDSHAKES

SOFT LANDING

CEOs are increasingly negotiating golden handshakes into their contracts.

By DEVIKA SINGH
Illustration By AJAY THAKURI

MARISSA MAYER, the former CEO of Yahoo, was brought in to turnaround Yahoo in 2012. But her tenure was marred by low Web traffic and revenues, and data security breaches. Finally, Verizon bought Yahoo at $350 million lesser than the original price, but Mayer received $186 million when she left the company. A massive oil spill in 2010 cost the oil company BP more than $60 billion, but Tony Hayward, who stepped down as CEO in October of the same year, walked away with a payout of about $1.61 million, apart from a hefty pension fund.

In India, golden handshakes used to be rare

N.V. Tyagarajan
Genpact

SEVERANCE PACKAGE:
Two times of current base salary, Two times of annual bonus in previous year, stock-based awards of $9.3 million in case of change of control, insurance coverage for two years
TOTAL: **$14 million**

Vishak Sikka
(left in 2017)
Infosys

SEVERANCE PACKAGE:
24 months of base pay and 24 months of liquidated payout as cash component, in instalments. Accelerated vesting of ESOPs and RSUs; Insurance (COBRA) coverage of up to 18 months from the date of termination
TOTAL: **$15 million**

Guenter Butschek
Tata Motors

SEVERANCE PACKAGE:
12 months of basic salary, 12 months of living allowance, 12 months of pro-rated incentive remuneration
TOTAL: **€2.75 million**

Keshav R. Murugesh
WNS (Holdings)

SEVERANCE PACKAGE:
Base salary of 12 months, target bonus for the year, accelerated vesting of RSUs/stock-based incentives
TOTAL: **$6.9 million**

Abidali Z. Neemuchwala
Wipro

SEVERANCE PACKAGE:
12 months of base pay
TOTAL: **Cash pay of $0.8-1.2 million**

The total payout may have changed as the report came out in 2017
Source: InGovern

BUILT-IN FEATURES

Large severance packages are being formalised into contracts in India too, to safeguard the executive as well as the company. Here are a few examples

as most promoters would hold key positions. But with more companies bringing in professional CEOs and other senior executives, golden handshakes are becoming more common. Top executives are negotiating to include this in their employment contract, in anticipation of events such as takeovers, mergers or closures, which are increasing.

The term 'golden handshake' is often used interchangeably with 'severance pay', but the two are different. The latter is part of the employment contracts, while the former is compensation offered to a senior executive when he is asked to leave suddenly. It can be over and above the severance pay. The term is said to have been coined in 1965, in Britain, by Frederick Ellis, the city editor of the *Daily Express* newspaper. According to a book by Seema Sanghi, *Human Resource Management*, the term gained traction in New Zealand in the late 1990s when various senior executives of the state had controversial departures. A similar term is 'golden parachute' but it applies more to employee levels other than senior management. According to some reports, the highest golden handshake is of William McGuire, the former CEO of UnitedHealth Group. He was given $1.6 billion in stock options when he left the company in 2006, after serving as its CEO for 15 years. However, he was later fined $7 million by the US Securities and Exchange Commission for backdating stock options, and had to pay back $468 million.

Change of Guard

In India, golden handshakes are gaining ground as more professionals are at the helm, and tenures are getting shorter. Plus, the Voluntary Retirement Scheme (VRS) is prevalent, especially in public sector enterprises.

Many companies, especially in IT, manufacturing, media, telecom, e-commerce, insurance and financial services, promise hefty payouts to their executives at the time of exit. "Uncertainty in the business world has increased, so senior executives are trying to protect themselves," says Sonal Agrawal, Managing Partner, executive search firm Accord Group India.

The executive and the company may part ways for various reasons, one of which is acquisition. Sun Pharma offered a golden handshake to the top executives of pharma company Ranbaxy with a choice to cash in their stock options, after it acquired the company from Japan's Daiichi Sankyo. Arun Sawhney, who was Ranbaxy's CEO for seven years, is reported to have received a hefty payout from both Daiichi and Sun Pharma when he retired in 2015, though *Business Today* was not able to confirm this.

"A golden handshake is only a consequence; the triggering event is termination of employment. If a company is merging with another company and it has already got abundant resources, then why will it keep the second company's?" asks Sudish Sharma, Executive Partner at law firm Lakshmikumaran and Sridharan.

Introduction of stock options is a way for companies to ensure that the exiting CEO adheres to non-disclosure and non-compete agreements

James Agarwal, Managing Director of hiring company BTI Executive Search, explains that there are situations in which executives have to leave because of internal changes, for which the company might offer them a package. If someone has served for long and is retiring, then too a 'parting gift' may be given. This may mean cash payments and also accelerated vesting.

Expectation mismatch can also lead to departure of senior executives. For instance, Vishal Sikka, former CEO of Infosys, had various run-ins with the company's founders. Things worsened to such a level that his pay hike was questioned. When Sikka decided to resign, he also chose to not use the golden handshake provisions, which were part of the contract. According to a report by corporate governance firm InGovern, Sikka's employment agreement stated that on leaving the company he would receive "24 months of base pay and 24 months of liquidated pay-out, as cash component, in instalments; accelerated vesting of ESOPs (employee stock options) and RSUs (restricted stock units) granted and insurance (COBRA) coverage of up to 18 months from date of termination." (COBRA is a health insurance programme in the US under which the employee and his dependents can draw benefits even after he loses his job.) As Sikka's remuneration in the financial year 2017 (he left in August 2017) was annual base pay of $1 million, annual variable pay of $3 million, RSUs of $2 million and ESOPs of $5 million, his total severance pay would have amounted to up to $15 million or about ₹100 crore, the report says.

A lot depends on what the contract says. Some specify that if the CEO has to leave due to anything other than 'cause' — which may include wilful misconduct, insubordination, siphoning funds, criminal proceedings against him, breach of the employment agreement, etc. — the company will compensate him. Non-performance may or may not figure in here, depending upon the structure of the contract.

There are other situations as well that might trigger a golden handshake situation, and CEOs are increasingly including these in their contracts. "If the authority that he used to command within the company has been diluted, or at any point the salary or remuneration which has been promised to him has been significantly diminished, or if he is asked to relocate to a different location... all of these are mentioned in the contracts," says Anshul Prakash, Partner, Employment Labour and Benefits, Khaitan & Co.

Defensive Move

It is not only CEOs who are taking measures to protect themselves; companies, too, are on guard as top-level exits have many ramifications. "In many ways, these contracts are designed as a deterrent, to protect the interest of the company. You don't want the CEO to go out and sell the equity to someone else," says Suresh Raina, Partner at executive search firm Hunt Partners.

Introduction of ESOPs and RSUs adds complexity to the contracts but are also a way for companies to ensure that the exiting CEO adheres to the non-disclosure and non-compete agreements. "Many companies impose a non-compete clause, which is linked to the severance package. It is termed as 'garden leave', or as a non-compete provision, which essentially means that they are offered garden leave for some months and asked to not join a competitor. They are compensated for this cooling off period," says Sharma of Lakshmikumaran and Sridharan.

A fast changing business environment means that both companies and their senior most executives have to clearly spell out what happens when the two part ways, whatever the reasons. Golden handshakes are set to find their way into contracts here. BT

@DevikaSingh29

SALARY BLUES

The proposed capping of bankers' compensation will encourage quality growth but also hit profitability and risk-taking ability of the institution.

By ANAND ADHIKARI
Illustration By NILANJAN DAS

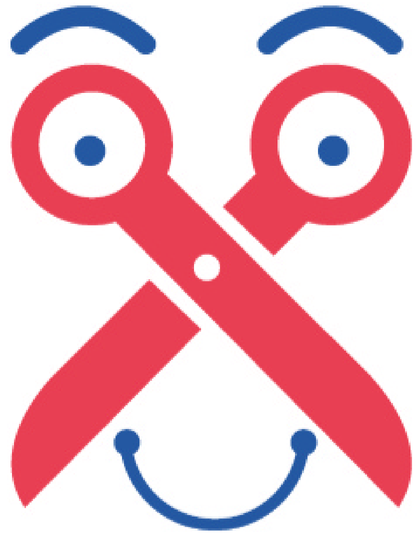
T**HE CLOSE TO ₹3 CRORE** basic salary of Shikha Sharma, the Axis Bank CEO who quit last year, kept growing steadily even when the fortunes of the bank were sinking. In spite of a sharp deterioration in asset quality, profitability and valuation, thanks mostly to her bets in the infrastructure space, the bank's board did not see merit in tinkering with her compensation structure. It was only in April last year, when 60-year-old Sharma's fourth term was due for renewal, that the Reserve Bank of India, or RBI, put its foot down. Sharma, who had come from an insurance background, having built ICICI's life insurance subsidiary, decided to call it a day.

Sharma's colleague at ICICI Bank, Chanda Kochhar, who was earning almost the same as Sharma, also didn't match up to expectations as the bank faced severe asset quality pressure in project loans given between 2012 and 2014. A year ago, Kochhar also got embroiled in allegations of favouritism in

Pay Rules

An RBI working paper has proposed a new compensation paradigm

- A large chunk of compensation (50 per cent) to be variable
- ESOPs to be part of variable pay
- Variable pay also capped at 200 per cent of fixed pay
- Compulsory deferral structure for variable pay
- NPA divergence to invite penalty



The Minuses

- Attracting good talent or high-profile CEOs will become difficult
- Banking talent may switch to insurance, mutual fund, private equity or NBFC players
- Risk-taking ability of CEOs to come down, banking to become boring again
- Investors will be disappointed with predictable growth numbers
- At times, regulations may impact profitability or CEO performance
- More power in hands of regulators will mean less freedom for bankers

The Pluses

- Will bring uniformity in pay structure
- Ensure alignment with global standards post the 2008 meltdown
- To encourage growth with profitability
- Accountability of CEOs will be good for depositors
- To bring back focus on compliance and risk management than mindless growth
- Positive impact on salary structure down the hierarchy, especially salaries of the senior management team
- Protection of professional integrity to take care of reputational losses

ILLUSTRATION BY AJAY THAKURI

grant of loans, and the 58-year-old was finally indicted by the board-appointed Srikrishna Committee for violation of the bank's code of conduct. For the first time in the history of Indian private banks, the board decided to claw back past bonuses paid to Kochhar. In another private bank, Yes Bank, the RBI showed the door to a founder/promoter because of huge NPA divergences (between those reported by the bank versus the RBI's own assessment).

In a business like banking where the institution relies on public deposits, incidents like these create a huge risk for the system. In the above cases, clearly, in spite of their huge salaries, it seems that the people at the top lost focus on risk, compliance and building sustainable business models. There was clear lack of accountability in at least some of these cases.

That was in the past. The RBI, keen to avoid a repeat, is finally showing willingness to ensure more accountability at the top. While it already clears the compensation structure as well as renewal of CEO tenures, in February, it released draft guidelines on compensation structure for bank CEOs and whole-time directors for a wider discussion. The proposed guidelines seek to restrict the salary's variable component at 200 per cent of fixed salary. Interestingly, employee stock options, or ESOPs, have been considered a part of variable pay, which was not the case earlier. There are also provisions for penalties — to be recovered from the CEO — for NPA divergences.

Why Now?

The proposed guidelines are not the result of only recent developments at private sector banks. The high salaries of CEOs at big multinational banks had come in for sharp criticism after the 2008 global financial meltdown after it came to light that they took risky bets and focussed on mindless top-line growth and short-term profitability with utter disregard for sustainability of the business. When the crisis hit, it landed at the doors of taxpayers as governments bailed out the big financial institutions that were at the risk of going down. A year after the Lehman crisis, the Financial Stability Forum issued sound compensation principles which basically asked regulators to align compensation with prudent risk taking. Later, in 2011, the Basel Committee on Banking Supervision released remuneration practices and methodologies that supported sound incentives. The RBI also issued compensation norms in 2012. The latest draft guidelines are a review of the earlier ones with a suggestion for capping the variable component substantially. But the biggest change is inclusion of ESOPs in the definition of variable pay, which itself is sought to be capped at 200 per cent of the fixed pay. Traditionally, incentives at private sector banks have been heavily skewed towards stocks. Many private bank CEOs have in the past created a lot of wealth for themselves by selling ESOPs.

"This change could have implications for the compensation structure," says Anubhav Gupta, Director of Consulting at Aon Hewitt. Gupta is probably hinting at a higher fixed pay to accommodate the higher variable pay. "Globally, top banks have moved away from the ESOP-like structure to performance shares," says Gupta. These are shares given to the employee at a discount.

For now, there is no clarity on how senior management compensation will be structured if the RBI guidelines are implemented. In fact, the moment the CEO's variable pay is capped, the bank will also not be able to include a higher variable component in the salary structure of senior employees who report to the CEO.

However, some bankers have criticised the proposed guidelines as too strict; they say the proposals will discourage risk taking/innovation and culture of thinking out of the box. "The regulator is actually saying the bank CEO's is not a money-making job. It is a fiduciary job," says a consultant. "Talent may move to other segments of the financial services," says Gupta of Aon. In fact, this is already happening as insurers, mutual funds, NBFCs and private equity players are growing at a fast clip and offering fat salary packages.

Ankit Bansal, Founder and CEO at Sapphire Human Resources, says compensation is a complicated subject. "We have to think about factors such as attracting right talent, fostering innovation, long-term things, etc, in entirety," says Bansal, adding, "If we tinker too much with market forces, we may risk ending up overcomplicating things."

"The intent of the proposed guidelines is risk mitigation. The RBI should be open to new stock incentive structures," says another consultant. "There is no doubt that the guidelines will go a long way in achieving accountability but the question is — is this the best way of ensuring accountability?" asks Bansal.

Clearly, there are more apprehensions than cheers for the proposals. As most of the star banking CEOs have either left or are on the verge of retiring, it remains to be seen how the industry attracts new breed of CEOs in a highly regulated environment. BT

@anandadhikari

PLAYING TO SUCCEED

All work and no play makes you a dull person. CEOs are following this old adage and, in spite of their impossibly long working hours, finding time to do the things they love. From running long distances and photography to fixing home appliances, they are not only pursuing their passions but also bringing the learnings into running the companies they lead. Research, too, shows that having a hobby makes one better at the job and improves memory. BT spoke to some of the top executives about their passion and how it makes them a better leader.

By AJITA SHASHIDHAR AND SONAL KHETARPAL
Photograph By REUBEN SINGH

Rajesh Ramakrishnan
Managing Director, Perfetti Van Melle India, the maker of Happydent chewing gum and Alpenliebe candy

A Different View

RAJESH RAMAKRISHNAN is sure that photography isn't his hobby but passion, a part of his daily life. He thinks of photo concepts during his daily morning walk or even while he is on a flight. The possibility of one great click is sufficient for him to wake up at 4 a.m. or visit Vrindavan during the colourful holi or — in spite of his fear of heights — go on a trek to Mount Kilimanjaro.

An engineer by education, he never considered himself a creative person. But after he attended a photography workshop on the insistence of a friend, he was hooked. What appealed to him was how photography allowed him to see things from multiple perspectives. Everyone takes a photograph of Jama Masjid with pigeons flying. But the same mosque can be captured in all its glory as a reflection in an earthen lamp.

Seventeen years on, he is expanding his skills. What started as an annual calendar for charity has led to several photography exhibitions. His first solo photo exhibition was on "Yoga: Anywhere. Anytime" in National Museum in Dhaka, Bangladesh. He won second prize at Instagram's competition on recreating a classic photo and got his photo displayed at Cannes.

This has had a direct bearing on his work. "I now look at each project from different angles, surround myself with people from different perspectives to ensure we have thought through problems/decisions from all angles," he says. Photography has also taught me to always have Plan B, he adds. "Often you travel for hours to take a picture but it rains. You learn to make do with what you have." Every Friday afternoon, he gives lessons on "Leadership From Photography" at companies. At present, he is conceptualising photos for his next exhibition in January 2020 where he is exploring hybrid photography — part photo, part painting.

Sunil Lulla, Group CEO, Balaji Telefilms

PHOTOGRAPH BY VILAS KALGUTKER

Runner's High

SUNIL LULLA has had a long series of interests — squash, sailing, drawing and then mixology. But since 2013, it has been running all the way. Initially it was a means to get fit and build stamina, until he joined Savio D'Souza's running group in South Mumbai. Lulla has come a long way since his first half marathon in Goa in December 2013. He used to struggle to do even 5 km initially but finishing 10 km an hour is the new normal.

Lulla's passion for running is evident from the fact that he runs on an average three to four days a week, including on a Sunday, when he clocks longer hours on the road. The distance is usually either 70-75 km a week or 40-45 km, depending on whether there is a run to prepare for.

Contrary to the perception that distance running is a solo endeavour, Lulla says it is quite competitive. "You work against your own timing and that of fellow runners." It is also an opportunity to meet new people and have interesting conversations. "I am a conversational runner. In fact, I talk a lot when I run. It not only helps in increasing oxygen intake but also keeps one engaged."

Lulla says running has brought focus to his life. "When you pursue any sport, you focus on your nutrition and give attention to your physical fitness. It also brings focus to the way you live and work. This then gives a lot of confidence."

While Lulla has run at the Sanjay Gandhi National Park marathon and the Satara Hill Half Marathon, he says the most interesting one has been the midnight sun marathon in the small town of Tromso in Norway where the sun shines bright even at night. This year, he is preparing for the world's largest New York City Marathon in November.

Mr Fixit

SUMIT MUKHIJA has been fond of fixing home appliances right from childhood. Whether it was a fan or an electric iron, he would work with electrical equipment to not only fix it but often just out of sheer curiosity. During a hot summer day, he converted a table fan into a makeshift cooler.

Even now, when he is not working, he is thinking about how he can make his home smarter. He has already automated his house's lights and fans, which run on voice command. The lights also switch on automatically when it becomes

Sumit Mukhija, CEO, ST Telemedia Global Data Centres India


FOOD
तक
FoodTak.in
AN EXCLUSIVE
FOOD MOBILE CHANNEL
YouTube / foodtakofficial
/foodtak
/foodtakofficial

dark and switch off during bed time. The television and air conditioners, too, have been connected with virtual assistants such as Alexa or Google Home so that they can be switched off and on using voice commands. And, he didn't spend a bomb on all this. An integrator had asked for ₹15 lakh to automate the electrical equipment in his home. He has done it himself under ₹75,000 by ensuring minimum intervention. "I didn't change any wiring or switches. It did it by just adding a module or a controller," he says. Recently, he automated his home theatre system so that changing channels, switching on/off, moving from Netflix to TataSky and back can be done by tapping on the mobile or through voice command.

He says his love for fixing and modifying electronics has made him comfortable with problems. "I am usually never surprised in case of contingencies which are common considering the service-led nature of the data centre business and can come up with solutions on the fly," he says.

Sanjiv Mehta
Chairman and MD, HUL

PHOTOGRAPH BY RACHIT GOSWAMI

Tea Connoisseur

WALK INTO THE sprawling third floor office of HUL Chairman and MD, Sanjiv Mehta, you can be assured of some of the finest tea from across the world, brewed by Mehta himself. One of his favourite is Kenya Lipton Yellow Label blended with the home-grown Tajmahal Tea. Mehta, who never misses to make the morning cup of tea at his home in Mumbai, has also created a blend for tea lovers who visit the Tajmahal Tea House in Mumbai. Called the Spiced Tea Toddy Style, it is a black tea infused with a host of spices. So, would Mehta have taken up tea tasting as a career had he not been the Chairman of the country's biggest FMCG company? Not really. He says he would have probably become a truck driver as trucks always fascinated him as a child. "The complex 'Double-D' clutch of trucks in an era when there was no power steering had always fascinated me," confesses the 59-year-old CEO, who also took truck driving lessons when he was doing his CA articleship.

COVER STORY > COLUMN

WHAT CUSTODIANS OF GOVERNANCE EARN

ANUBHAV GUPTA

Independent directors should be paid fairly, but the compensation factor should not affect their independence and integrity.

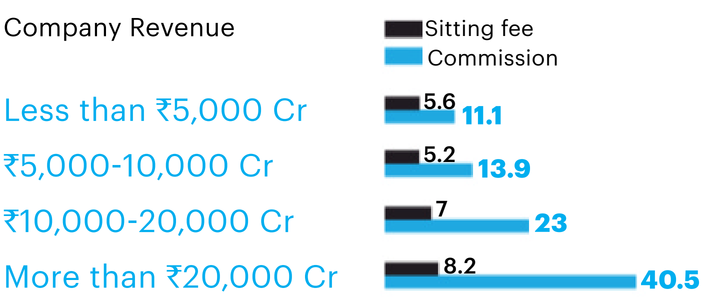
IN THE WORLD of extreme business complexities, non-executive directors (NEDs) protect the interests of shareholders. Independent directors specifically represent the interests of minority shareholders along with other stakeholders and are true custodians of corporate governance. Although executive compensation is most talked about nowadays, independent directors bring their expertise and commitment to the table and should be compensated for the same. The structure of their compensation varies across countries and is influenced by local laws. In India, compensation to independent directors has two broad elements – sitting fee and commission. However, some companies offer a fixed retainer within the limit of 1 per cent of the net profit as specified by the Companies Act. It is interesting to look at the nuanced differences in payment for the value they bring to the table.

Overall compensation: Our analysis of the top 158 companies in India (excluding public sector enterprises) throws up some interesting insights. Overall, an independent director earns an average of ₹28.8 lakh annually. Out of this, 23 per cent comes from the sitting fee and the balance 77 per cent from commission or fixed fee. The size of a company matters when it comes to such compensation, and if we consider revenue as a proxy for size and scale, we will see that total compensation varies between ₹17 lakh and ₹49 lakh on an average (see chart).

Sitting fee: An analysis of the sitting fee also shows some intriguing trends. As per the law, the sitting fee per meeting per director cannot exceed ₹1 lakh, and the same can be paid for attending Board meetings as well as committee meetings. But there is a significant difference in the fee structure when one attends a committee meeting instead of a Board meeting. And it clearly shows the effort and time a director has to invest for the latter.

WHAT THEY EARN

Total Compensation Per Independent Director (in ₹ lakh)



Source: Aon 'On Board' NED Compensation Study 2018

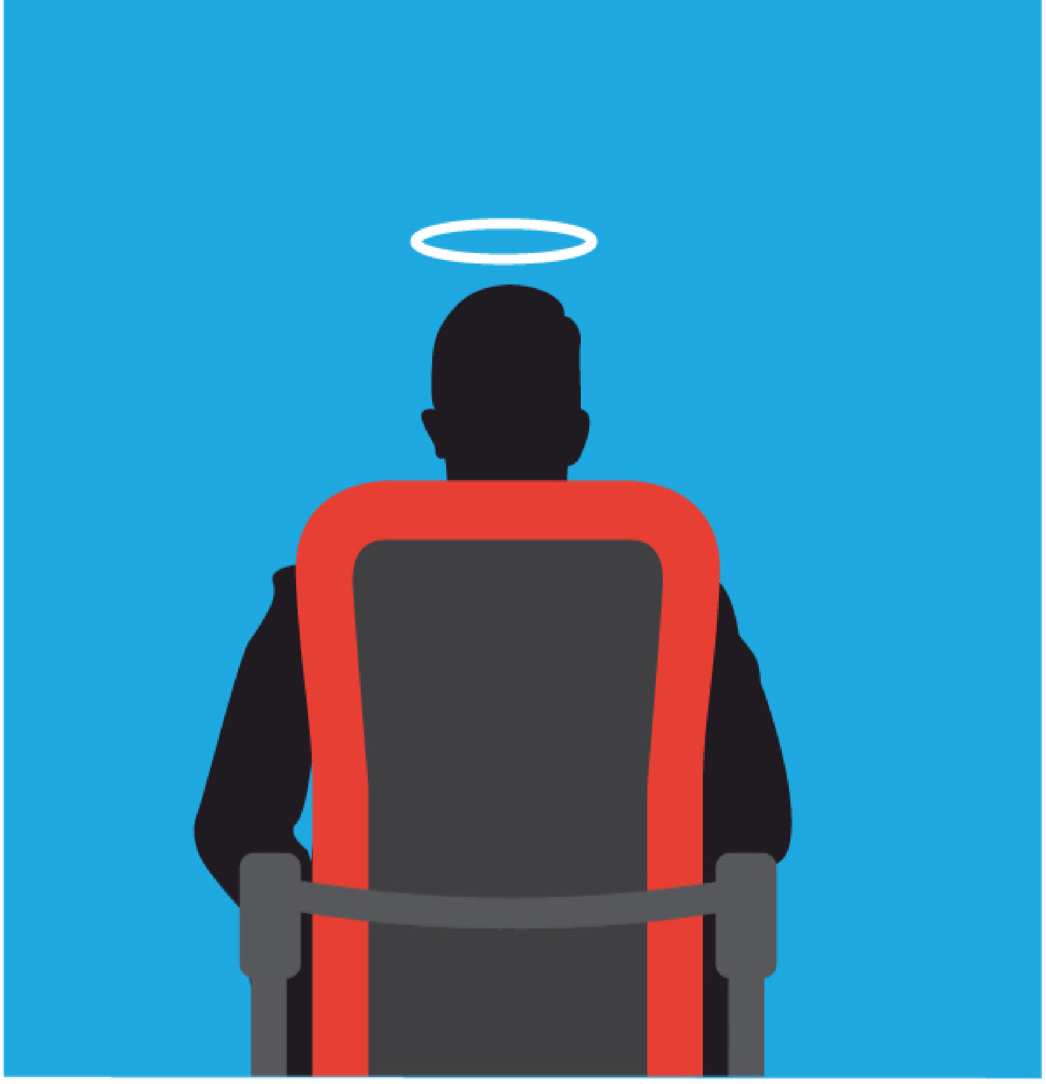


ILLUSTRATION BY RAJ VERMA

AN INDEPENDENT DIRECTOR EARNS AN AVERAGE OF ₹28.8 LAKH ANNUALLY. OUT OF THIS, 23 PER CENT COMES FROM THE SITTING FEE AND THE BALANCE 77 PER CENT FROM COMMISSION OR FIXED FEE

There is an exception, though. Audit committee members need to spend more time as their mandate is wide and requires specific skills for understanding company financials and, more importantly, for cutting through the numbers. With duties ranging from review and approval of critical accounting principles and any significant issue relating to financial statements requiring judgement on estimates, review of related-party transactions, and selection, evaluation and oversight of statutory auditors, a higher meeting fee for an audit committee does not come as a surprise.

As far as fees go, the audit committee is followed by the nomination and remuneration committee (NRC) and the risk committee. Post the Companies Act, 2013, the terms of reference for the NRC have expanded as well. Its responsibilities range from assessing the remuneration structure for directors, senior managers and key personnel to ensuring a balance between fixed and incentive pay in line with the short- and long-term goals of a company besides assessing the effectiveness of the recruitment processes for senior executives and members of the Board. Executive compensation being one of the hot topics, NRC members need to devote a lot more time in and outside of meetings to keep themselves updated on the nuances of the topic. Compensation of directors who are part of a risk committee varies considerably depending on the charter of the committee and may range from reviewing, identifying, prioritising and management of risks to defining the roles and accountability of the functions related to risk management. The time required to operate in other committees dealing with corporate social responsibility and stakeholder relationship is low, and the fees paid to attend these committee meetings are comparatively low.

Commission/fixed fees: About 77 per cent of the total compensation paid to an independent director comes from commissions/fixed fees or retainer. This amount depends on several factors such as the value of the contributions made by a director in Board and committee meetings, his skills and attendance, the number of committees of which he is a member and the number of committees he chairs.

The complexities of a company and the industry segment where it operates also define the quantum of commissions. Finally, all compensation (excluding sitting fees) paid to non-executive directors must be within the limit (1 per cent of the net profit) as specified by the Companies Act. Hence, a company's profitability also plays a role in determining the commission that non-executive directors get. Our analysis shows that commissions paid to independent directors in India can range from nought to ₹46 lakh (10th- 90th percentile range) while the average is ₹22 lakh. Overall, commissions paid to all non-executive directors range between 0.03 and 0.54 per cent of net profits while commissions paid to all independent directors range from 0.02 per cent to 0.27 per cent of net profits. It also means in many organisations, a large part of this is paid to non-executive non-independent directors who are usually from the promoter group or the promoter family.

It is well known that Board-level talent in India is scarce. There are organisations where independent directors do not join the Board for the sake of compensation, but companies need to ensure that their pay is worth the skill and experience.

The dichotomy is that while independent directors should be fairly compensated, the quantum of compensation should not be too high to raise questions about their independence. This is the logic that has made regulators say stock-based compensation cannot be granted to independent directors. But aren't profit-related commissions more short term and myopic? BT

The writer is Director, Executive Compensation, Aon Consulting

THE HUB

94

REAL ESTATE

BIG BOYS' GAME

Deep-pocketed global investors are getting ready to monetise commercial real estate assets owned jointly with Indian partners.

100

CORPORATE

An Energised Dabur

After a successful succession, India's sixth-largest FMCG company is embarking on a fresh journey under new CEO Mohit Malhotra.

106

INTERVIEW

"Globalisation is moving from products to services and data"

HANS-PAUL BÜRKNER

110

HBR

A NOVEL WAY TO BOOST CLIENT SATISFACTION

Analyse e-mail behaviours and share best practices

NEED TO RING-FENCE CSO

Photographs by SHEKHAR GHOSH

THERE IS A HEATED DEBATE in the country not only about how the economy is performing but also the credibility of numbers that measure economic progress. Right from gross domestic product (GDP) data to unemployment numbers, everything is under scrutiny. At times, even the government has rejected the data – such as the Periodic Labour Force Survey (PLFS), which apparently did not paint a good picture of the jobs scenario – put out by the Central Statistics Office (CSO).

To discuss the issue of data credibility, *Business Today* organised a roundtable that was attended by Pronab Sen, former Chief Statistician of India; P. Mohanan, former Acting Chairperson of the National Statistical Commission (NSC) who quit after the government refused to publish the PLFS data; Sudipto Mundle, Professor, National Institute of Public Finance and Policy and former acting chairperson of the NSC; Mahesh Vyas, Managing Director and CEO of Centre for Monitoring Indian Economy; and Laveesh Bhandari, an economist and a data scientist. The roundtable was moderated by Prosenjit Datta, Editor, *Business Today*, and Rajeev Dubey, Editor, *BusinessToday.In*.

From left to right (sitting): Laveesh Bhandari, Pronab Sen and Mahesh Vyas; (standing): P. Mohanan and Sudipto Mundle

Prosenjit Datta: Till five years ago, we would have taken any government data on the economy. But over the last three or four years, the grounds have been muddied because of various controversies, and we do not know exactly what is going on. Mr Mohanan, since you were the last to resign over data-related controversies, tell us how should we treat government data?

P. Mohanan: I would not go to the extent of saying all government data is suspect. I have been part of the government statistical system my entire life. Almost all data generating systems have external committees to check accuracy. That system has been very strong in the past, especially the governing council that looks into the NSSO data. Nobody would raise questions about the NSSO data. It is only in recent times that we are seeing a lot of media and public interest in these figures. To that extent, the system has to change and become transparent. The idea of trying to get figures the government is comfortable with published and withholding data it is not comfortable with is of recent origin.

"A lot of questions that came up reflected **the lack of understanding of what this data was giving and what its limitations were**. I believe the system was not particularly good at communicating this change"

In case of GDP, there has been a major shift in the database after we started looking at corporate filings. However, unlike earlier, all the data is not in public domain. Substantial data comes from the corporate database and we are not clear how they use accounting standards and how Indian accounting standards have been converted for national accounting purposes.

As far as the NSSO survey data is concerned, it is already available, and you cannot change the results. But the government has been coming out with a lot of administrative data. This should be looked at with caution because a simple instruction can perhaps change the whole nature of the data. That kind of opaqueness (in generation of administrative data) is not good.

Pronab Sen: NSSO is the only primary data-generating body in the country. All other data come from a variety of sources. When you are looking at something that complex, you can pick any one data point and say this is garbage. And it might well be garbage. The question is, does it transform anything material? It is the job of statisticians to decide that. But there is a more fundamental problem. It relates to the fact that there has been a popular understanding that more data is better data. The NSSO's sample size is 1,30,000, the CMIE's is 1,75,000, so the CMIE numbers are better. The whole argument that big data is better for identifying individual behaviour is lousy.

So, now what you have is an imbalance in terms of the way official data is generated and the way people think it should be generated. Earlier, the rest of the world didn't know where the data was coming from, and as long as it was consistent and transparent, and the systems that generated it were seen as independent, it was trusted. Today, we are in a situation where we have this popular view on one side, while on the other, the statistical system itself continues to remain rooted in things we were doing in the past.

The first major break from that comes in the 2011/12 GDP estimates where we moved to a much larger MCA database. It was a fundamental shift, but the problem was that you continued to think as if you were in the old model. So, a lot of questions that came up reflected the lack of understanding of what this data was giving and what its limitations were. I believe the statistical system was not particularly good at communicating what this change was. The creation of the position of chief statistician was to bridge that (communication) gap. What has happened is that not only is there an attack on the data that exists, but the attack has gone far and questioned the data we have used in the past.

What should we do?

Sudipto Mundle: There is an established system of statistical organisations, and they are not different from what they were before, whether it is NSSO or CSO. You should know that the new kids on the block – the EPFO and others – are not meant to estimate unemployment. Institutions have a track record. So that sifting can be done very easily. Just to stick to the employment-unemployment story, you have the NSSO, the labour bureau survey, which is not as good as the NSS because the sampling is done in a different time cycle, but the sample design and all are not very different. Then you have an organisation like Mahesh's (Mahesh Vyas of CMIE). Whatever the government might say, CMIE has established its credibility. These are the two filters you could use. Third thing is collateral information. Sift within the chaotic stuff that is happening.

Prosenjit Datta: In jobs, at least, we can say there has been a consistency in what the government has said. With GDP, the major problem is break after the MCA 21 database was used. But even within the new system, we are facing sharp revisions, which was not so earlier.

Mundle: Earlier, when there was a big change in generation of GDP figures, there would be an explanation. In this case, it did not happen. So, the question is, what do you do when the go-to government institutions are looking dodgy. This raises long-term issues and there are three parts to this. One, there may be some room for upgrading skills. The sense I got looking from outside is that by and large they have demoralised the institution. The other point is that the technology for data generation is changing very fast and that capacity building is not happening. It is an even bigger problem when you go to the state level. Thirdly, there is a serious governance issue and this has to do with the institutional architecture – how to ring-fence the government statistical generation system from the executive government of the day.

Mahesh Vyas: What do you do when you are faced with conflicting numbers? The first thing is obvious. Now, the official statistical machinery is apparently used more to support government narrative. Having said this, I would say that the official statistical machinery is not highly compromised. What is compromised is the release of the information. What is probably compromised is the generation of GDP numbers. I don't think it is easy to manipulate the household survey.

As Mohanan said, unit level data is available to the world and they can develop own information. So, if they say 6.1 per cent, somebody else can come with 7.1 per cent, but he has to explain how he got it. So, if you appreciate that the official statistical machinery is used for an apparently political narrative, what is the next step?

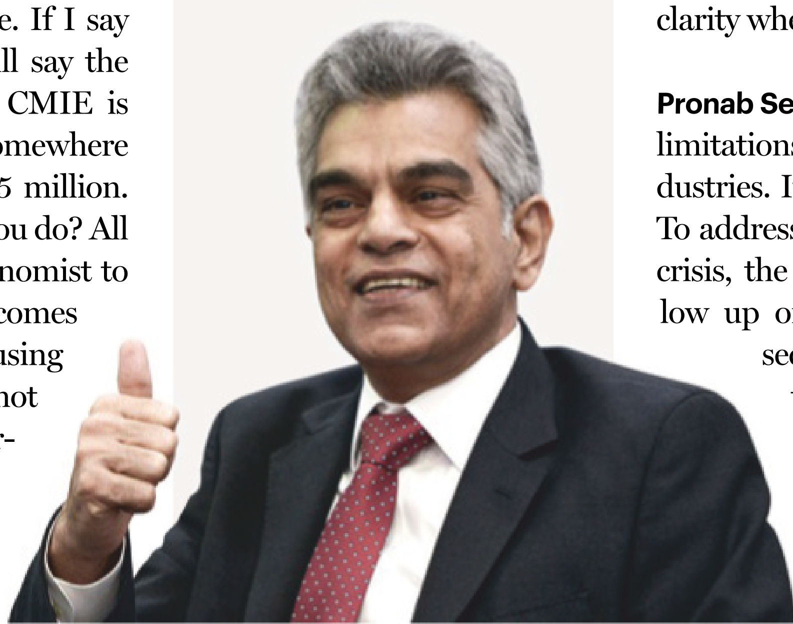
This is a nice game that can be played by people who want to control the narrative. So, CMIE is saying no additional employment is generated on a net basis. And say we want to claim seven million jobs are created, because according to the World Bank, eight million jobs have to be created in a year. So what do you do? You play a game. If I say seven million, then the media will say the government is saying seven, the CMIE is saying zero, the answer could be somewhere in between. What do you get? 3.5 million. Not a good outcome. So what do you do? All you need is some "intelligent" economist to say it is 13 million. The average becomes seven. The narrative is not only in using the official machinery, as that is not the end game. The end game is perception. The perceptions are the best when there is some mad hat who can say 15 million. The CMIE used to, and we still do to a small extent, look at GDP numbers, NSSO numbers to understand how it is done. After many years, we said let us create our own databases. So, there is a large alternative to official statistics, and this can be a way of putting pressure.

"The idea of trying to get figures the government is comfortable with published and **withholding data it is not comfortable with** is of recent origin"

P. Mohanan
Former Acting Chairperson, National Statistical Commission

"The official **statistical machinery is apparently used more to support government narrative.** Having said this, I would say that the statistical machinery is not highly compromised"

Mahesh Vyas
Managing Director and CEO, CMIE



EPFO and its reliability as jobs data

Rajeev Dubey: How reliable is the EPFO number?

Laveesh Bhandari: I stopped looking at it 10 years ago. The database is a mix of a lot of databases which sometimes match, sometimes don't. Then there was this issue of people joining new jobs with new numbers. Now, what happens is, if I go in as an analyst, I will come up with a number. After me, if you go, and you don't build on what I have done, and do your own study using an independent method, you will get something different. It was really stupid of Ghosh of SBI to come up with that number, but he did, because he just didn't know how to aggregate these disparities.

P. Mohanan: The problem with the EPFO is that these are not employment numbers at all. A total of 17.9 million have entered the EPFO. I will be happy if they say these are new jobs, but they will not say it, as it is a big number. So, they say it is four million, and it is a very small number. So, you got another number – 3.3 million people have re-entered. So, if you add, you get 7.3 million, which looks respectable. I have a suspicion their numbers are monthly subscriptions. Also, they say they have 16-17 crore entries in their database. I am not sure the number goes off when somebody retires. They say they have de-duplicated six crore subscribers using Aadhaar but the remaining two-thirds are yet to be cleared. So we have no clarity where the numbers have come from.

Pronab Sen: NSSO (data on jobs) does have limitations. It is not looking at specific industries. It gives you numbers by activities. To address this, in the wake of 2008 global crisis, the labour bureau was asked to follow up on a bunch of high employment sectors. These were supplements to the NSSO data. Essentially from manufacturing only. On agriculture, NSSO gives you a possibly complete picture. In services, if you are not particularly interested in any specific service, NSSO gives you a fairly good data.

Sudipto Mundle: The PLFS has two parts. For the urban sector, which takes care of most organised employment, quarterly data was already there. For agriculture, you have an annual data, and then you combine both and have an annual data for the economy. So, our CSO has this data, and despite all its limitations, there is no deterioration in quality. They are still coming out with these numbers. And then you have CMIE. I am not saying you only look at CMIE or government numbers. You have two sets of data and you can always do robustness checks.

The buck stops with CSO

Laveesh Bhandari: I think we are in a sense too kind to the CSO. When we moved to the new data in 2011, and I am talking about only the GDP data, it was always like introducing a new product. So, when you are coming up with something new on a highly respected number, and go for a sudden shift and GDP which is ostensibly incomparable, you are stuck. Where the CSO went wrong, and I think it must accept this blame, is it made the shift too fast. Wait for 10 years, do the analysis required for comparability, accept that firms fudge data. When they are wrong, we need to understand where they are wrong, how they are wrong, and where their biases are, etc. I don't think CSO has the people or depth to have done this in a short period – two or three or four years – it should have taken more time to bring the new series. The CSO is heavily under-resourced. You cannot expect it to do all these new-age things when it is not really investing.

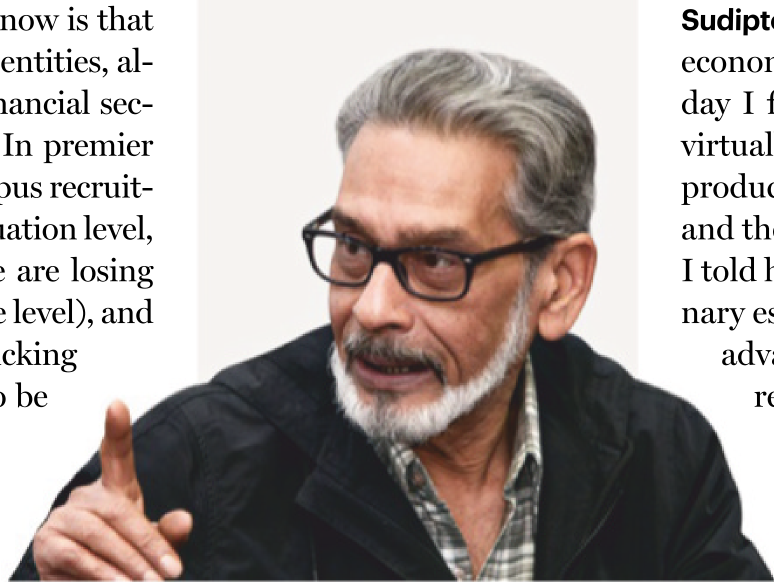
Pronab Sen: But the shift was important. Now the second point. We have a situation where earlier trained statisticians had no alternative jobs. The difference now is that a whole bunch of private sector entities, almost everyone in the private financial sector, has a team of statisticians. In premier colleges teaching statistics, campus recruitment is taking place at the graduation level, not at the master's level. So we are losing the cream (at the undergraduate level), and the quality of people we are picking up is lower than what it used to be

"This business of **government having a say on what the statistics say is not a new problem.** There are 3-4 points on which we need reform. The most important is ring-fencing statistics"

Sudipto Mundle
Professor, National Institute of Public Finance and Policy

"We are losing the cream (at the undergraduate level), **and the quality of people we are picking up is lower** than what it used to be sometime back. Another problem is our training hasn't evolved"

Pronab Sen
Former Chief Statistician of India



sometime back. Another problem is our training hasn't evolved. Everybody gets the same training and the position you hold simply depends on your seniority.

Sudipto Mundle: By talking about the issues of getting talent into the organisation, you are talking about huge reforms. You have to think of a creative way of doing these reforms.

P. Mohanan: Let me add to what Prof Sen said. The issue is not resources. The government gives enough funds. But once you do the survey, there is no data analytics (capability) within the CSO. Many data sets are not interoperable – we have agriculture census, census on livestock, economic census, etc, and there is no way to integrate these data sets. So we are seeing so much resources go into collecting data, but nothing much is being done with that data.

Ring-fencing statistical system

Prosenjit Datta: Talking about too many data sets, in agriculture there are two sets of data – Central- and state-level data. So, which data get used?

Sudipto Mundle: For the Centre's own policy purpose, the Central data is used, but states use their data as well. At times it becomes a contentious issue. The states may need crop data and use their own data, which may be different from Centre's data. Then negotiations start and adjustments are done. This takes me to a larger point. This business of government having a say on what the statistics say is not a new problem. There are three-four points on which we need huge discussions for reform. The most important part of it is ring-fencing statistics.

Rajeev: Are there examples where past government had suppressed or withheld data?

Sudipto Mundle: Thirty years ago, I was economic advisor to the government. One day I found that the then DG, CSO, was virtually in tears. He was given orders to produce one particular growth number and the guy was wondering what to do. So I told him to give the number as a preliminary estimate (those days it was not called advanced estimate), and then give the real number in the revised estimate.

So it was more subtle those days, but government intervention was always there.

Pronab Sen: The ring-fencing of the statistical system began in the Vajpayee era. He made a separate ministry for statistics, he appointed the Rangarajan Commission, which also batted for ring-fencing. The UPA government did the ring-fencing with creation of NSC and the office of CSI (Chief Statistician of India). That process has been going on since 1997, but now it is going backward.

Sudipto Mundle: I have a different perception about this. What is this NSC? It has three-four part-time members, it is not set up by any Act of Parliament but a government order. The secretariat for them, which is Mospi, can treat them with great respect but they have no power, no budget. If you want to ring-fence, you have to have at least a couple of full-time members, with expenditure being put as a charged item in the Budget, which means no voting takes place for the amount involved and the executive has no control over it. The statistical system should report to them and not the Mospi; and the CSI should not be reporting to the cabinet secretary.

Laveesh Bhandari: I want to qualify this. I think there should be some political oversight, obviously not on the output. I don't think any politician should decide the outcome. I think the system can do with some quality (political) oversight.

Pronab Sen: Political oversight can come only from either the government of the day (the executive) or Parliament. I prefer Parliament.

Sudipto Mundle: It is time for the Act, which has already been drafted, to be revived. If that gets done, NSC will become a statutory body, the entire statistical system will get oversight. That way even the Mospi, the secretariat for the NSC, will get empowered. If today, Mospi wants something to do with the census department (under the home ministry), it has no power.

Beyond GDP and jobs data

Prosenjit Datta: Generally the discourse is around GDP and jobs data, but what about other data points like IIP? Does it still reflect the modern economy given that it is an index of production and not an index of production and services. Or for that matter relevance of CPI and WPI given how the basket of consumption has changed over time.

Sudipto Mundle: We are looking at a very negative side of the story. But over the years, due to demand for better data and statistics, three-four major initiatives have started. Look at what were the gaps. We all knew that annual survey-based statistics of industrial production, manufacturing, etc, were limited surveys. We augmented them with MCA data. Secondly, just like the annual survey of industries, there was a proposal to have an annual survey of services, which was also for the organised sector. Then, the big hole in the survey was the unorganised sector. What you have for this is enterprise survey, which is now done regularly – both industry and services. So that's another big improvement.

On the price front, you are saying there are CPI and WPI, but no producer price data. That also has been initiated. Of course, we talked about the PLFS. So, the four key areas where we had deficiencies have been recognised and reforms started.

"I think there should be some **political oversight, obviously not on the output.** I don't think any politician should decide the outcome"

Laveesh Bhandari
Economist and Data Scientist

Pronab Sen: I will tell you where we are. As far as the informal sector data is concerned, earlier we used to have three surveys and, therefore, we used to have those surveys once in five years. But then we realised we have to increase the frequency of the surveys. So, the first thing we did was merge the three surveys into one. The results have not been great, just about okay. As far as the annual survey of services is concerned, it was supposed to be launched by now, except you ran into a problem. The sample had to come from the GST data, but the GST guys failed to provide that data. All we want is name, addresses and some measure of size.

As far as prices are concerned, the consumer price index – on the household pricing side, the divergence between national accounts consumption data and the household data is now 45 per cent. That is the problem number one. So you don't know how representative the household data is.

Number two, as it is, the household consumption survey takes 2-2.5 hours. We cannot further lengthen it. After about an hour or so, people start getting upset. But the fact of the matter is that, over the years, the range of consumption has increased enormously, and a lot of it is not reflected in the survey. As a result, what you have is a category called miscellaneous, which gets all the hits. BT

CEO INDULGE IS ALL ABOUT SHOWCASING THE BEST OF PRODUCTS AND THE IDEA BEHIND GETTING THESE PRODUCTS WITH THE BEST QUALITY AND SERVICES OUT IN THE INDIAN MARKET FIT FOR A KING WHOSE USAGE DEFINES THE STATURE AND SUCCESS WHICH A CEO DESERVES.

THINK BIG, THINK FAST, THINK AHEAD

SWITCH TO A BETTER WORLD

The main ideology behind GM Modular as perceived by the Founder & Senior official.

One of the greatest entrepreneurs of our country has once said, “Ideas are no one’s monopoly. Think big, think fast, think ahead.” We at GM adhere to this philosophy and understand the need to be ahead of time. One not only needs to think first, but also faster. Likewise, one has to be creative, innovative and ought to have a bigger vision. Also, every time one does something new, there’s nothing like being better than before. The beauty of our wonderful world innovated our visions, inspired us, to create experiences of how better this world could be. We are not here to make mere products, but to deliver sublime experiences. Because things don’t last, experiences do.

Q GM’s main narrative for the building affluent product line?

The Indian economy has grown rapidly over the past decade. By 2030 its primary energy supply, at a conservative estimate, will need to grow about 4 times and electricity supply by 5 to 7 times of today’s consumption. Therefore, the use of energy efficient products like LED, home automation etc. has become quite popular in India. The growth opportunity is immense also because the technologically advanced GM products such as G-Bus Home Automation, i-Dock Bluetooth music player, Wi-Fi switches etc. are giving people the comfort and convenience they desire. The intelligent minds at GM are passionately working towards bringing convenience to the world, by making the utmost use of technology accessible in today’s times.

Q What are the design and innovation inspirations?

Right from the beginning we had this belief, whatever we strive to do, whatever we create, should be a contribution to the future. We understand that innovation never ceases and improvisations continue finding ways to simplify everything. Our offering such as the Touch switch, G-Bus Home Automation systems and more are a product of these improvisations. With the Touch switch it was wonderful to experience things happening just at a touch. GM’s association with Belgium based KNX Technologies for intelligent building and control systems with its focus on energy conservation, allowed customization of lightings, fans and AC to one’s comfort and minimized the time consumption and electrical usage.

Q How do you perceive the market for high end products?

Every day the demands change and thus the products change. Almost 80% of the products that we use today are different from those that were being used 5 years ago. A transformation is always in progress and the idea of new has to be perpetually inculcated. Consumer insight plays a significant part in making a high-end product. Sometimes the product needs to be tweaked, while at times it’s the marketing strategy. It is not only the consumer needs that are changing but so are business models. Markets are driven by insights from research and that is the key to strategy to a better connect with the consumer. Some products in the market need to be carefully treated as consumer preferences keep on shifting. There is always a huge diversity in tastes and understanding. With e-commerce on the boom today, product insights, information, reviews flood the web that gives both the consumer and the producer healthy data to strategize. The kind of consumers we are looking at, how would it be profitable, would it stay in demand for years and many other factors that are considered before a product is launched.

Q How do you differentiate your products from competition?

In the simplest words, the idea of a better tomorrow is the most influencing factor at GM. We constantly make ourselves develop designs that reflect the contemporary urban lifestyle. We invest a lot of time in research only to develop what people need, to know how different it is from what already exists and if it will make life any simpler and better. Our products are designed for one and all, for every home that needs a touch of a new world. When something is good and accepted, it stands no competition. The sole idea has been to be able to reach to the people and their needs and not to promote what we have. So it becomes much easier in building the right relationship and building that trust when you are able to cater to the needs of the people.

JAYANTH JAIN, CEO, GM MODULAR

WE CARE FOR YOUR GARMENTS, WE CARE FOR YOU

Esther Lennaerts, Founder & Executive Director, Pressto emphasises on the need for quality dry cleaning

Q How has Presto managed to be the largest player in the dry cleaning industry?

Everybody needs Pressto for their garments to be immaculate; however, the frequency of use differs. Currently presto is leading the market by having 2,00,000 customers across 2 business units in 3 cities, NCR, Mumbai and Bangalore, and we service approx 8000 items a day from 45 stores making the largest player in the industry. The customer's response has been very positive after experiencing reliability and quality of services.

Q Tell us more about Cobbler business?

Cobbler business is a very unique service offered by us, wherein we have employed highly skilled people trained by experts from Netherland and UK. We are creating awareness in the market regarding cobbler service.Cobbler service can restore, repair and maintain all garments, accessories.

Q What are your plans for the future?

Adding new distribution channels, establishment of stores and services are under consideration. Pressto's CASA concept: "Doorstep" service which will cater to high rises by including a Laundrom.

Q Describe Pressto's achievements through the years.

A large gap in the market was repleted by Pressto's reliable, high quality service which was achieved by strongly executed SOP's. We entrenched a culture where we all pride in what we are doing.

Q How good is the Indian market for such specialized services?

Fashion emerges in a big way with people expressing their personality through different styles, thus making Pressto, a contributing factor to the Indian market.

THE SLEEP CONNOISSEUR

Foam Home's journey began 42 years ago when it forayed into the commodity foam market as a trader. With time, as competition began tightening its noose with malpractices, finding suppliers of genuinely good foam became a task. It was then that Foam Home started its own manufacturing unit for producing Pure Polyurethane Foam without any adulteration; something it produces till date.

Over the years Foam Home has created a brand that is way ahead of its time and one that is proudly recognised in the Global Bedding industry too. We are a dynamic brand that tread with changing times and has launched several new technologies year after year. Memory foam and the Gel technology were the first to come to India through Foam Home's partnerships with its European Principals. In going ahead with its tradition of constant innovation, Foam Home launched the Ergoshell Mattress Technology which revolutionised mattresses worldwide. The innovation has received over 20 Global patents. The mattress took about a year for development and had Foam Home work alongside 4 European partners comprising Global Industry experts, Textile companies, Machinery developers and chemists.

The Ergoshell Mattress has been divided into 3 main parts. The Mattress shell; manufactured in Spain, The Support Blocks that enable the mattress to give each part of your body, dedicated support, the blocks are firm and soft based on the need of the various zones of the body thus ensuring a perfect spine alignment. The topmost layer is meant for comfort, thus completing a luxuriously Orthopedic mattress.

Huseni Bhanpurawala, MD of Foam Home looks into product innovation and development and is also the inventor of Ergoshell Mattress Technology. Mr. Huseni has spent 42 years in the Industry and is highly respected for his quality centric mindset and unique business approach that has enabled Foam Home to be sophisticated company amidst an unorganised industry.

HUSENI BHANPURAWALA, MD OF FOAM HOME

BIG BOYS' GAME

Deep-pocketed global investors are getting ready to monetise commercial real estate assets owned jointly with Indian partners.

By RASHMI PRATAP
Photograph by REUBEN SINGH

WHEN MIKE HOLLAND, now the CEO of Embassy Office Parks, first came to India in late 1997, the commercial property market was crumbling, much like the rest of the real estate sector. The South Asian crisis had swept India too and property prices were in a free fall. At the tony MG Road in Bengaluru, real estate rates fell from ₹7,000 per sq. ft in 1995 to ₹3,500 per sq. ft. Only small offices were available for technology companies, which had just started entering India after globalisation. The annual demand for office space was less than 3 million sq. ft and Holland struggled to find a hoist or even a tower crane for building construction.

Cut to 2019. The commercial real estate sector is brimming with marquee global private equity players and funds. Blackstone, Xander, Brookfield,

"The smaller players will survive as they have an asset that is attracting rent but they will find it difficult to grow beyond a stage"

SRIRAM KHATTAR,
MD, Rental Business, DLF

Mapletree Investments, Canadian Pension Plan Investment Board, GIC, Ascendas-Singbridge, APG Group, Allianz are all betting big on India's realty story. The rate per sq. ft is ₹35,000 in MG Road, and the average rent of a grade 'A' office in the central business district of Connaught Place in Delhi is ₹295 per sq. ft per month – among the top 10 globally. Annual absorption of office space has grown to 45 million sq. ft, and in Holland's words, Bengaluru is now dotted with both hoists and tower cranes.

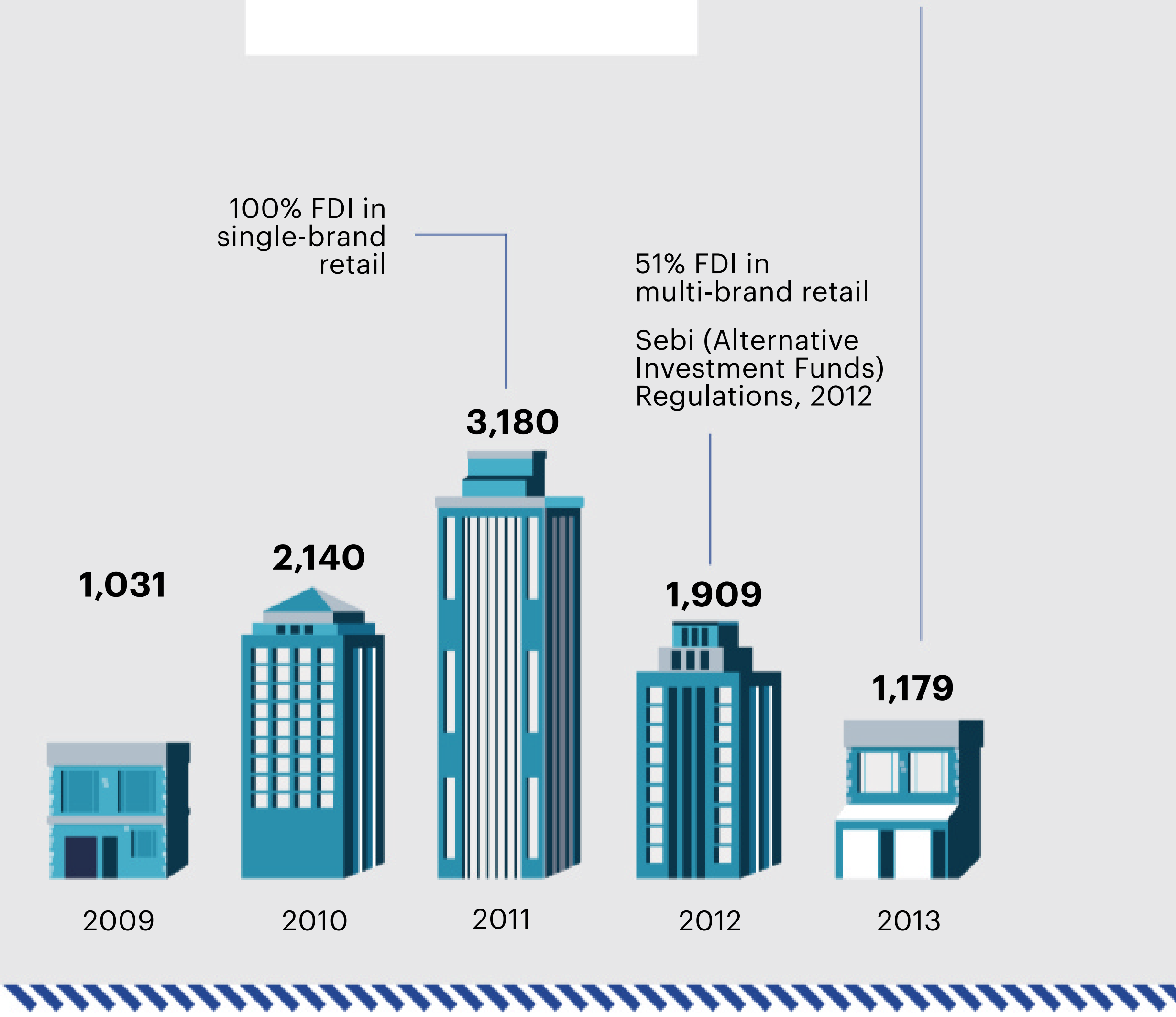
With foreign capital as well as multinational tenants coming to India in the last two decades, commercial real estate has been institutionalised, turning into a playground for big and deep-pocketed players. "Today, we have fewer but more institutional, larger-scale developers. And it needs to be that way since the scale of development is such that the privately-financed approach to commercial real estate simply cannot sustain the demand," says Holland.

Institutional investments in 2014-18 doubled to $20.3 billion (about ₹1.5 lakh crore) compared to $9.4 billion (about ₹65,000 crore) during the 2009-13 period, according to a JLL report on institutional funds in Indian real estate.

The scenario, however, was different until 2005 when the sector was opened up for FDI. "There was strong demand from good quality tenants in the early 2000's globalisation shift and limited supply but Indian real estate was an under-capitalised market and capital was expensive. The creation of Special Economic Zones (SEZs) was another catalyst to the growth in the mid 2000s. Globalisation, SEZ and FDI relaxations came together and global investors came in to fill the gap," says Holland.

Gaining Traction

Institutional investment ($ mn) in commercial real estate recovered after 2013 due to various reforms



Big Risks

Apart from being capital intensive, commercial realty has high levels of risk compared to the residential market. In commercial realty, tenants take up ready property on a lease basis. "This implies high equity involvement as well as high risk. There are no customer advances to finance development," says Pankaj Kapoor, MD at real estate consultancy Liases Foras.

Besides, there is a huge macroeconomic risk. Over 60 per cent tenants of commercial space in India are companies from the US, Europe, West Asia and Asia Pacific. "Any disruptions in the global economic environment may lead these companies to modify their requirements and agreements in India," adds Kapoor. India has experienced this first hand. The global financial crisis that began in the US in 2008 was exacerbated in India with the Satyam scandal, which broke in January 2009. Demand did pick up from 2010 as global occupiers saw the advantages of the offshore market "but it took some time for the supply overhang to be absorbed," says Holland.

The result was that absorption of commercial real estate fell dramatically before picking up in late 2010. In times of such crises, the ability of bigger players to absorb shocks is much more than that of smaller players, which explains why commercial real estate is necessarily an institutional play now.

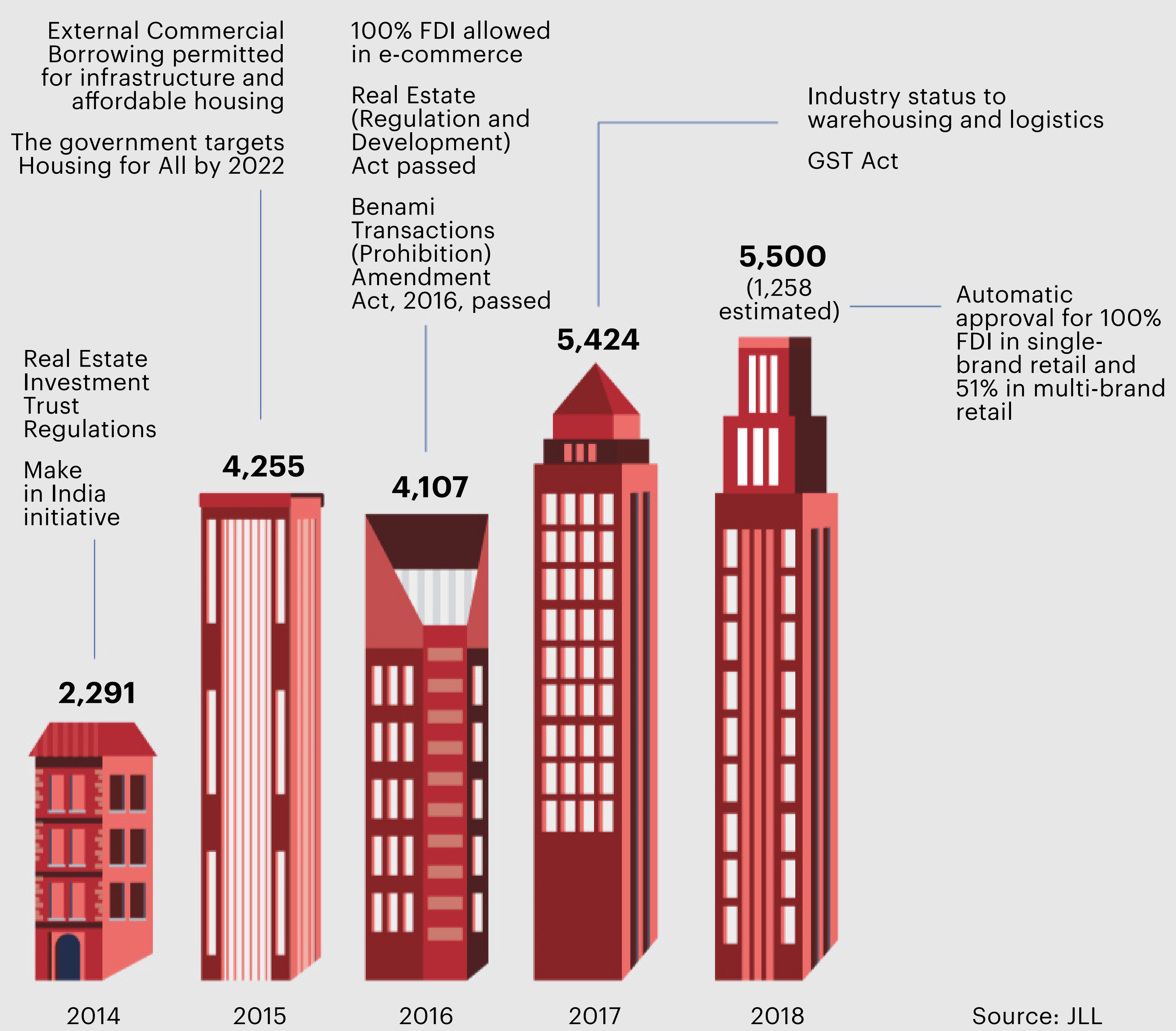
Moreover, larger players have developed long-standing relationships with global firms who end up as tenants in their properties. This surety of revenue is a big advantage.

DLF Ltd, India's largest real estate developer, is one such firm. "Older players like us tend to have an early mover advantage as, over the years, we have developed deep relationship with tenants and have a strong understanding of commercial real estate. So, ability to lease to tenants in new projects is always higher as they are familiar with our quality, compliance and safety standards," says Sriram Khattar, Managing Director of Rental Business at DLF.

₹4,750 CRORE

Amount raised by Blackstone-backed Embassy Office Parks REIT, India's first real estate investment trust, through an IPO that was subscribed 2.6 times

Similarly, Embassy Office Parks, a joint venture of US private equity firm Blackstone Group and Bengaluru-based Embassy Group, owns one of India's largest office portfolios spread over 33 million sq. ft. Over 80 per cent of its gross rentals come from leading multinational corporations; 43 per cent is from Fortune 500 companies. A



weighted average lease of around seven years provides considerable stability to its portfolio of office parks and city-centre office buildings besides under-construction projects.

"Developers take significant commercial risks and need huge financial wherewithal to be able to weather that long gestation period before rental income starts to accrue," says Holland.

Companies that can balance all the factors see a future. With the residential sector facing multiple challenges of funding and project completion, developers are shifting focus to the commercial sector, looking for stable returns. "Consequently, there is excess capital chasing fewer opportunities. This will result in a price increase, which may not be sustainable. The sector is already facing some competition due to emergence of the co-working industry while companies are facing increased business uncertainty due to the macro environment globally," says Raja Seetharaman, Co-founder at Propstack, a real estate analytics firm.

Allies in Monetisation

The financial muscle and longevity explain why DLF has a JV with GIC, Embassy with Blackstone, and global insurance firm Allianz Group with Shapoorji Pallonji, besides others. "GIC has immense experience in international real estate. Unlike other investors, they look for a longer-term investment horizon. Commercial real estate requires patient capital," adds Khattar of DLF.

Over a period of time, joint venture partners can also monetise assets. The Blackstone-backed Embassy Office Parks REIT, India's first real estate investment trust (REIT), recently raised ₹4,750 crore through an IPO that was subscribed 2.6 times. It also shows the immense appetite of retail investors for a slice of the real estate pie. The minimum REIT subscription amount has been reduced from ₹2 lakh to ₹50,000, making it easier for small investors to participate.

According to Seetharaman, attractive rental yields on commercial property in India make it a preferred market. The yield here is between 7.5 and 8.5 per cent, while it is 2.5-3.5 per cent in the US, 2.5-3 per cent in the UK and 3-4 per cent in Canada.

If capital gains are included, the return on commercial real estate would be higher at 14 per cent over a five-year period. Debt funds are giving about 10 per cent and fixed deposits around 7 per cent at present.

"In India, the projected five-year returns on commercial assets are an optimistic 14 per cent largely because

Grade A commercial real estate has been on a protracted winning streak since 2017. Commercial real estate withstood the vagaries of the various reforms much better than the residential asset class," says Shobhit Agarwal, MD and CEO of Anarock Capital.

Another reason for global tie-ups is enhancing the talent pool and joining strengths. This results in creating best-in-class commercial developments which, in turn, brings the best quality tenants.

Not surprisingly, other giants in the Indian space also plan to go for REITs post the success of the Embassy issue. DLF's Khattar says, "We will look at a REIT at a future point in time for assets owned jointly by DLF and GIC."

GIC has invested in DLF Cyber City Developers (DCCDL), the group's rental arm, where it has 33.3 per cent shareholding. "REITs generally take place in two situations – when either of the partners wants to exit or needs funds. At the moment, DLF and GIC don't need either. It will be a decision taken jointly by DLF and GIC over a period of time. There is no timeline," adds Khattar.

Small Isn't Beautiful

Market place demands are another factor for larger, high quality commercial developments. Anshuman Magazine, Chairman and CEO - India, South East Asia, Middle East and Africa at CBRE, says increasingly many companies are looking at India as a destination for higher skill requirements. "We expect this trend to result in a greater appetite for Indian talent, resulting in an increase in the quality of space demanded."

Further, the rise of start-ups has resulted in workplace formats becoming more tech-enhanced, with demand for effective managed offices increasing, adds Magazine.

Big tenants are also looking at consolidating their smaller facilities. "Consolidating office space can eliminate redundancies in operations, such as need for common resources, and translates into lower operational costs," says Seetharaman. For tenants, larger office spaces create greater leverage in negotiating lease agreements. "It is also possible to sublease unused space in the same building," he adds.

PHOTOGRAPH BY SUDHIR DAMERLA

"Today, we have fewer but more institutional, larger-scale developers. The scale of development is such that the privately-financed approach... cannot sustain"

MIKE HOLLAND, CEO, Embassy Office Parks

But does this mean there is no business case for small, stand-alone players? "The smaller players will survive as they have an asset that is attracting rent but they will find it difficult to grow beyond a stage," says Khattar. However, acquiring smaller players is not in the plans. "Value addition and return on investment (RoI) are much higher in developing our own land banks than buying," he says. While buying third-party mature assets, a potential buyer can only assess existing and future rentals and future RoIs. "Value addition can be done only over a period of time and not immediately. It makes acquisition less attractive," he adds. Clearly, smaller office players will need to be specialist and niche in a country where commercial real estate has become the turf of the biggies. BT

@RashmiPratap3


MOHIT MALHOTRA
SUNIL DUGGAL

AN ENERGISED DABUR

AFTER A SUCCESSFUL SUCCESSION, INDIA'S SIXTH-LARGEST FMCG **COMPANY IS EMBARKING** ON A FRESH JOURNEY UNDER NEW CEO **Mohit Malhotra.**

BY **SUMANT BANERJI**
PHOTOGRAPH BY **REUBEN SINGH**

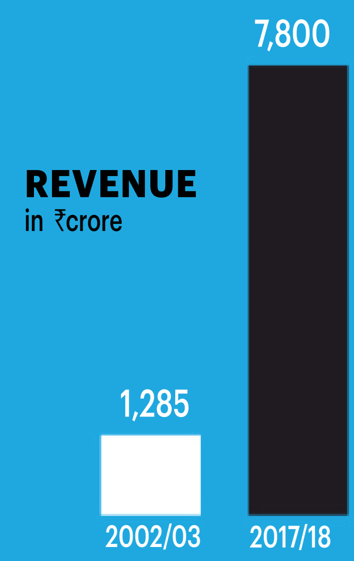
For most Indian companies, succession planning is a difficult and at times a painful process. In the last few years, the topic has often grabbed headlines, be it the bitter battle for supremacy between the founders and the then CEO at Infosys, or the protracted fight between Cyrus Mistry (former Tata Group chairman) and group patriarch Ratan Tata that is now playing out in courts. There are a few exceptions to this, none bigger than Dabur, the 134-year-old company that is the country's leading Ayurveda-based health care firm.

"Dabur has always been ahead of the curve, be it in planning CEO succession or restructuring family shareholding. Our survey of NSE-listed companies last year found over half had not identified successors for their CEOs. So, Dabur is an outlier in this aspect," says Monica Agarwal, Head, Financial Services and Co-head of Board Services at Korn Ferry India, a management consulting firm. "CEO succession should be the number 1 priority for any professional board. Dabur is a good example of how to go about it."

The retirement of its CEO for close to two decades, Sunil Duggal, on March 31 this year, has opened a new chapter for the company, just as his appointment in 2002 had done. He didn't know then that he would be working from the corner office in the rather sedate building in Sahibabad – on outskirts of Delhi – for this long. Or this successfully.

It wasn't the best of times for the company. In 2002, the domestic FMCG industry was witnessing unprecedented competition and Dabur, despite its strong brand recall, was struggling to grow. The company's first attempt at transitioning to a professionally run entity had not got off to a good start with its first professional CEO, Ninu Khanna, quitting within a little over two years due to differences with the top management. When Duggal took charge, Dabur was going through one of its worst years. Sales had declined and the company reported a dip in profits. Under Duggal, the turnover has grown six-fold, profit is up nearly 16-fold and the stock is a darling with investors, averaging 30 per cent per annum returns between 2002/03 and 2017/18. But his contribution goes beyond just numbers.

DABUR WENT PLACES UNDER SUNIL DUGGAL



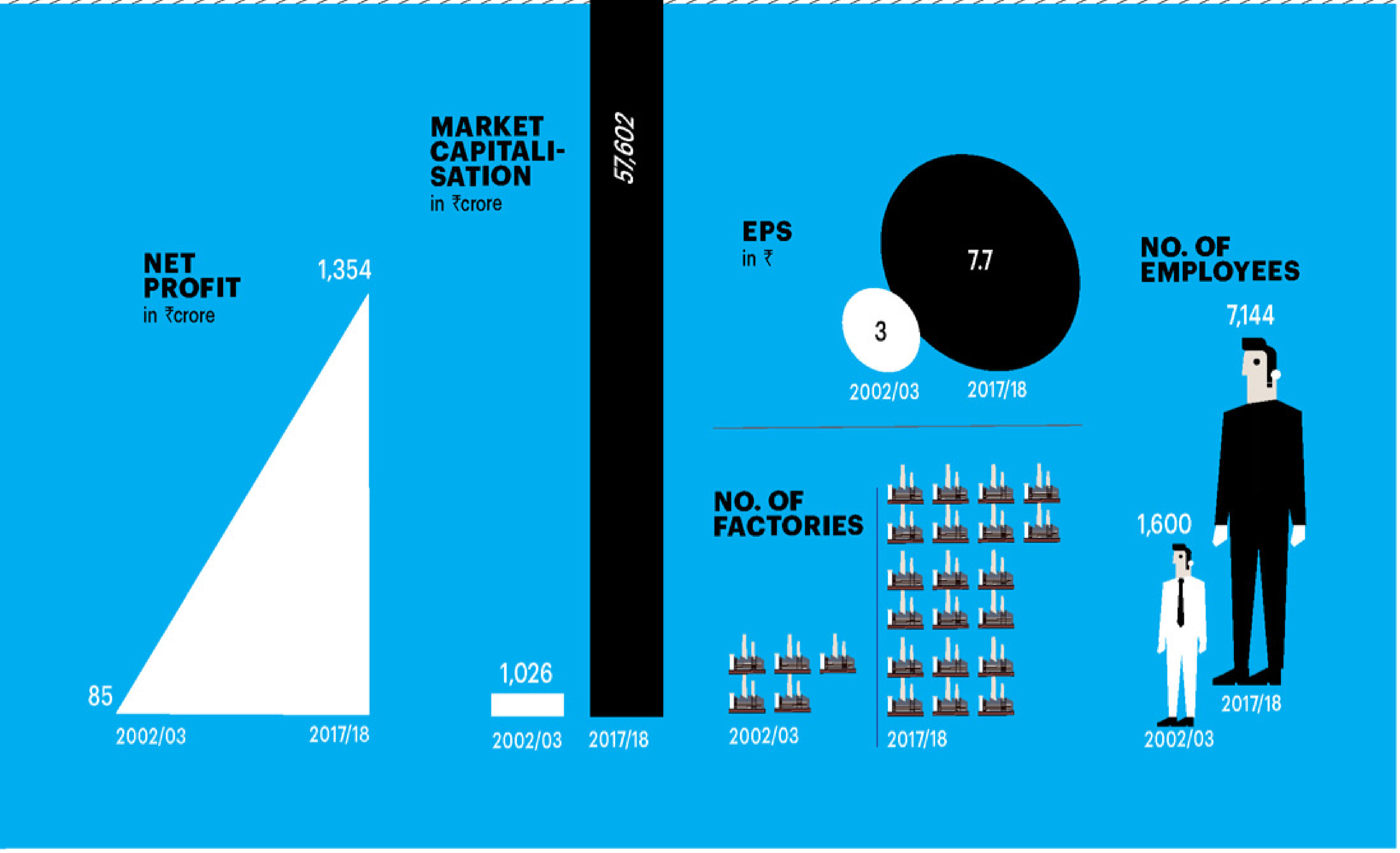
"A lot of companies put in professional management and then go back to the old ways. But we are one of the few companies that have made it **an irreversible process.** The promoters will not come into management ever. That door is shut. The company is too complex, too fragmented, **too wide for anybody to handle."**

SUNIL DUGGAL

"We have embarked on an irreversible journey towards professional management in a way no company in India has. A lot of companies put in professional management and then go back to the old ways in a few years. But we are one of the few companies that have made professional management an irreversible process – in good times or bad," says Duggal. "Even when the next generation of promoters come in, they may make suggestions as board members and advise, as is their prerogative, but they will not come into the management ever. That door is shut. The company is too complex, too fragmented, too wide for anybody to handle. It is difficult enough for professional management to handle this complexity. So, we have to empower our management and give them autonomy. For example, our international business has tremendous freedom."

Leaving on a High

There is no secret recipe to succession planning at Dabur but Duggal, the flagbearer of professional manage-



ment, knew his legacy will hinge on how the company manages after his exit. That is why planning for the next CEO started much in advance. "The process began in April 2017 and the starting point was that we wanted an internal candidate (like Duggal himself)," he says. "So, when the process of identification began, we had already put in time and effort to shape the people to idiotproof the process. We built huge internal capability by effecting role changes and enhancements and delegating bigger responsibilities to people in terms of skill building, so they are ready for leadership roles. On the emotional quotient, the softer aspects, we are not very good, so we appointed Egon Zehnder to aggressively intervene with a few key people in terms of mentoring, training and a detailed long drawn-out process that lasted one full year."

Yet, in the first half of 2018, the company was facing a lot of headwinds. The ill-effects of demonetisation that impacted cash dependent sectors like FMCG, followed by a messy GST rollout in mid-2017, disrupted the market. At the same time, Dabur faced another challenge – the meteoric rise of yoga guru Ramdev Baba's Patanjali Ayurved which, between 2015 and 2018, grew at a blistering pace by banking on its swadeshi natural and Ayurvedic appeal. It had huge product overlaps with Dabur, and in some key segments like toothpaste, honey and chyawanprash, rattled the 135-year-old company. "Ramdev was a big headache. Three years ago, when he began, and two years ago, when he peaked, we were all wondering how to deal with the situation," says Duggal. This delayed the original succession plan by a year as Duggal decided to steady the ship before leaving. "Our new four-year vision plan (introduced by Duggal in 2002) came into effect in April 2018. I had thought that would be a good time for a new person to take over so that he can implement the new strategy for the next four years in his own way," he says. "But due to the headwinds, I thought I needed to stick around a bit longer to see this through and stabilise the business."

Ayurveda Wars

The effects of demonetisation and GST have worn off. Dabur is in fine fettle today. In 2017/18, its India revenue grew 6.7 per cent and profit 6 per cent, while operating margin in the last quarter of the financial year touched a record 27.2 per cent. In the first three quarters of 2018/19, revenue grew 11.6 per cent and profit nearly 12 per cent. Even the threat of Patanjali has reduced significantly in the last one year as the Haridwar-based company has found it difficult to adapt to the GST regime. In 2017/18, it registered its first decline in revenue in five years at ₹8,135 crore, down 10 per cent from ₹9,030 crore in 2016/17. Its profitability more than halved during the year to ₹529 crore.

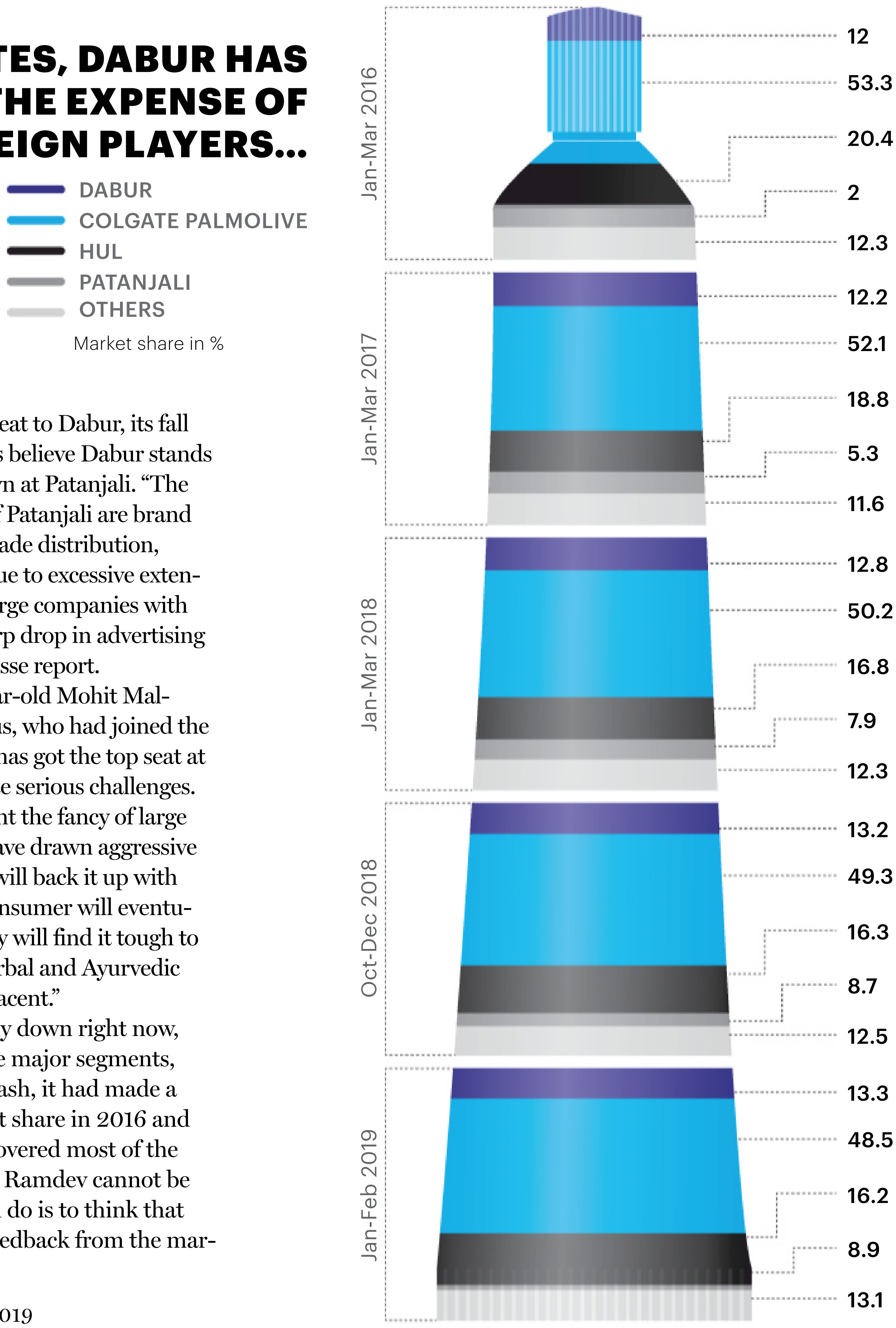
"The decline in turnover was primarily because of the company's inability to timely adapt to the GST regime and develop an infrastructure and supply chain," says a June 2018 report by CARE Ratings. "Further, there was a sharp decline in margins, with profit before interest, lease, depreciation and tax margin declining from 18.7 per cent in FY '17 to 11.9 per cent in FY '18 on account of increased overheads due to expansion and majorly due to growing selling and distribution expenses."

DABUR IS THE SIXTH-LARGEST FMCG PLAYER BY REVENUES

	Gross revenue	PAT	Total debt (long term plus short term)	Market capitalisation
ITC	47,688.55	11,485.10	35.92	3,12,308
Hindustan Unilever	36,243.00	5,227.00	0	2,88,554
Nestle India	11,292.27	1,606.93	35.14	1,07,096
Britannia Industries	9,990.10	1,004.14	200.00	59,682
Godrej Consumer Products	9,936.99	1,633.10	3,493.75	74,438
Dabur India	7,748.34	1,357.50	937.59	57,601

In ₹ crore (consolidated) as on March 2018; Source: Ace Equity

IN TOOTHPASTES, DABUR HAS GROWN AT THE EXPENSE OF FOREIGN PLAYERS...

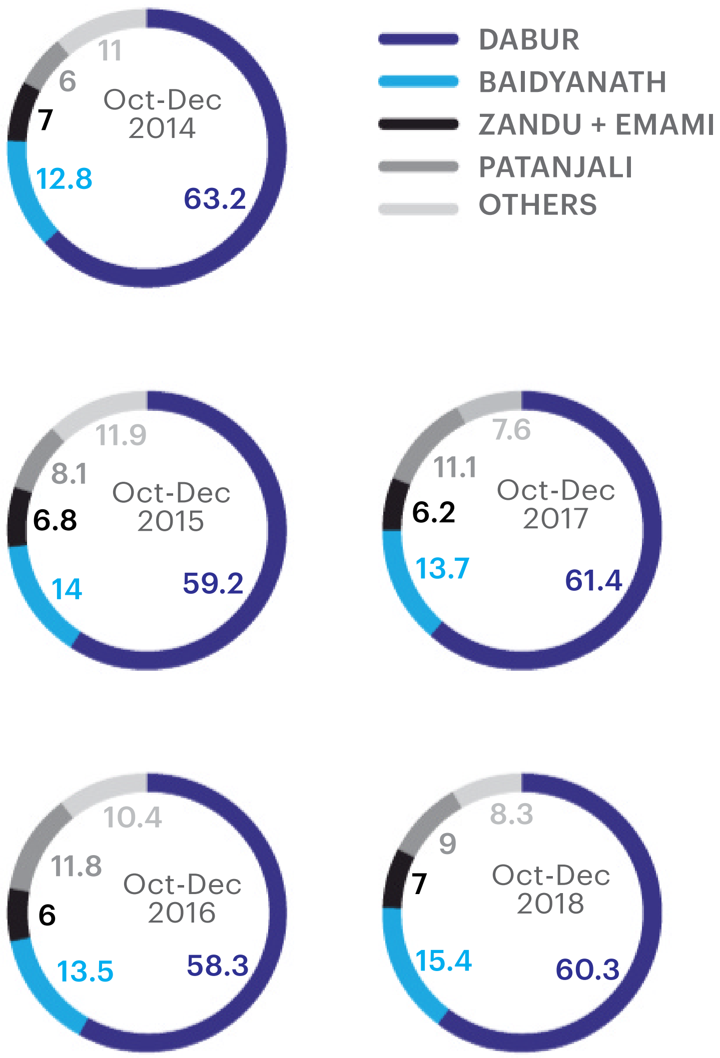


If the rise of Patanjali was a threat to Dabur, its fall or stagnation is a blessing. Analysts believe Dabur stands to gain the most from any slowdown at Patanjali. "The key factors leading to the decline of Patanjali are brand fatigue, inability to crack general trade distribution, dilution of Ayurvedic credentials due to excessive extension, strong response from other large companies with own Ayurvedic offerings and a sharp drop in advertising spends," said a last year's Credit Suisse report.

These are good signs for 48-year-old Mohit Malhotra, a University of Pune alumnus, who had joined the company as an intern in 1995 and has got the top seat at Dabur after Duggal. Yet, he will face serious challenges. One, the rise of Ayurveda has caught the fancy of large multinational companies, which have drawn aggressive plans in the category. "The MNCs will back it up with deep pockets, but we believe the consumer will eventually see through this," he says. "They will find it tough to match us on our turf of natural, herbal and Ayurvedic products, but we will not be complacent."

Two, Patanjali may be relatively down right now, but is not out of the game. In three major segments, toothpaste, honey and chyawanprash, it had made a significant dent on Dabur's market share in 2016 and 2017. The company says it has recovered most of the lost ground but the might of Baba Ramdev cannot be discounted. "The last thing we can do is to think that competition is fading away. The feedback from the mar-

...WHILE HOLDING ON TO ITS POSITION IN THE CHYAWANPRASH CATEGORY...



Market share in %

..AND REGAINING ITS TOP POSITION IN HONEY

₹1,000-1,200

CRORE
Branded honey market

54%

Dabur's market share in honey; it was around around 60 per cent three years back (before Patanjali's entry) and had dropped to nearly 40 per cent a year after Patanjali's entry

Source: Industry

ket may be that they (Patanjali) are fading, but to me it is anything but that. There will be multiple attempts from Patanjali to come back," he says. "In segments like honey where we had significant overlap with Patanjali, we had lost 10-15 per cent market share, but have recovered almost all of that. They have supply chain issues. But we have to be cautious."

Dabur has been a beneficiary of the yoga guru's high-decibel campaign for Ayurvedic and natural products that brought this niche segment into the mainstream. Across personal FMCG space segments, the growth of Ayurvedic and natural products is higher than that of other products. Though Patanjali trigerred this, it may end up benfitting Dabur more as the latter is already a pioneer in the herbal

> **"The craze for ayurveda** is a major tailwind for us. The onus is on us to accelerate this trend and exploit it fully without ceding ground. **MNCs will come** and they will back it up with **deep pockets and resources** but eventually we believe the consumer will see through this."
>
> **MOHIT MALHOTRA**

and Ayurvedic FMCG segment.

"The journey for Ayurveda to become mainstream has just started. Patanjali has been a trigger. And it includes not just Ayurvedic medical products but anything that is more natural and herbal," says Malhotra. "It is a major tailwind for us as we are a quintessential Ayurveda company and it paves the way for our growth. The onus is on us to accelerate and capitalise on this opportunity without ceding ground."

Dabur also has a big play in fruit juices where its Real brand commands a 56 per cent market share and accounts for nearly 40 per cent of its revenues today. It faces competition from various quarters there – from small regional and local players that sprout every year out of nowhere to big MNCs like Pepsi and Coke that are looking at fruit juices to offset the stagnation in their bread and butter carbonated beverages. "There will always be smaller local players that will undercut bigger players because they operate at low margins. But it is very easy for a company like Dabur to manage them, because they are regional and local and we have enough resources to overcome them," he says. "We do recognise the competition that hits us regionally and quickly mobilise resources by way of trade and consumer activation to overcome them so that they do not become a threat to us. It is easy for us to tackle them. What worries us are MNCs with deep pockets coming in."

The soft-spoken Malhotra could not have taken over the reins of Dabur at a better time. But uneasy lies the head that wears a crown. For now, the company is in safe hands of somebody who has served it for more than 23 years. And counting. **BT**

@sumantbanerji

GLOBALISATION IS MOVING FROM PRODUCTS TO SERVICES AND DATA

Hans-Paul Bürkner, Chairman of the Boston Consulting Group, is among the world's top consultants. One of his focus areas is globalisation and transformation. While opening up of economies and connectivity through technology have created opportunities, the world now appears to be in a retreat with the rise of protectionism. In an interview with *Business Today*'s **Goutam Das** and **Sumant Banerji**, Bürkner defends globalisation and explains the subtle shift that is taking place from products to services and data. Edited excerpts:

Photographs by SHEKHAR GHOSH

A lot of countries are closing borders, and there is a mood of anti-globalisation. There are right-wing attacks. How does this effect business?

It is not just right-wing attack but a populist attack from both sides of the extreme. They are seeing loss of control. In developed countries, they fear losing factories, and jobs. Overall, we have gone through a very positive development across the world, which has reduced poverty, increased life expectancy. More children are going to schools than ever before. Fewer people die than ever before in civil wars and (national) wars. This does not mean that we want to diminish the suffering that people in Syria and other places are going through. However, we should not forget that enormous progress has been made. A lot of it has to do with globalisation and global cooperation. Before the Cold War, we had iron curtain and all kinds of barriers not just to trade but also movement of people and capital. When we talk of globalisation, it has not been a straight line. There have always been setbacks. Sometimes wars, sometimes difficult economic conditions. But in the end, we have all benefited enormously, certainly in India and Europe. When people feel unhappy, often it is due to local reasons and not globalisation.

Is it also because of growing inequality?

There is this perception and in some countries it is also a reality. We have declining income inequality across the world because emerging markets have done so much better over the last 20-30 years. That has reduced the gap between the haves and the have-nots. In China, 40 years ago, 80-90 per cent of the population was in extreme poverty. Today, it is less than 2-3 per cent. At the same time, some people have become very rich. There is a huge gap between them and those who are doing okay. Now, what would you like to have? Almost everybody out of extreme poverty but some doing so much better? Or everybody being extremely poor? Even in India, extreme poverty has come down but income inequality has risen. Should we feel bad about reducing extreme poverty but at the cost of high inequality?

There is also an argument that inequality leads to lower growth. If there is an oligarchy, or crony capitalism where very few people benefit and a large majority remains in poverty, it hinders development, is bad for the society, and is really a crime. There are some examples of that. In many emerging markets, we see rising standards of living. But the gaps have increased. Often, people focus on the US – they talk not just of the top 1 per cent but the top 0.1 per cent. Those in this segment have increased their incomes by hundreds of times whereas people at the bottom have had very little increase or even stagnation. But the US is not the standard. When you look at Europe, and many emerging markets, things have not developed as extremes. In Nordic countries, Germany, the Benelux (Union), income inequality has risen a bit but not that much. Today, those in the bottom quarter are much better off than they were 30-40 years ago in terms of health, levels of education, housing and life expectancy. We should keep this in mind.

Unfortunately, there is this discussion that everything has become worse. Many people are using just the sentiment. Even in India, over the last 25 years, I have seen enormous progress, though there is still a lot of room for improvement. Yes, we are seeing globalisation being attacked. Companies clearly see the need for re-thinking their global supply-chains, may be do some re-shoring. At the same time, we are moving from products to services and to data in globalisation.

What's visible is products. Trade relative to global GDP is stagnating or has even declined a bit but there is more exchange of services, more flow of data across the borders. There are also many more people moving across borders. You always see waves. Who knows where we will be in 10 years' time. It could be a period of 5-10 years during which we are retreating a bit, but we will move forward again. Overall, there will be more globalisation, but visibility will be less because it is services and data.

The exchange of data and information will create new ways of working together. Globalisation has entered a new stage and we need to understand that it is not coming to an end; it is shifting its quality.

How are companies addressing insecurities at the workplace because of automation and job loss in western countries? How does that pan out in emerging nations?

It is important not to think of the western world as homogeneous. You have record employment in the US, the UK, Germany and many countries. There are issues in southern Europe. You also have significant demographic issues... very much in Japan, South Korea and

TRADE RELATIVE TO GLOBAL GDP IS STAGNATING OR HAS DECLINED... BUT THERE IS MORE EXCHANGE OF SERVICES, MORE FLOW OF DATA

Taiwan but also in western Europe. There is stagnation or decline in population. The workforce is growing in the US and India. So, currently, we have unemployment in some places but we also have scarcity of people at all levels. Many companies are worrying much more about how to get the talent and are very careful about laying off people. Companies are trying to hold on to their people because getting them back when things pick up again is much more difficult. This picture of 'we will be displaced, machines will do my job and your job', is a false one. Technology can help us address scarcity of skills, jobs and people. In Europe, we are likely to run out of people before we run out of jobs. The same is true of Japan. We have looked at all the job categories and there is a significant decline in working population in Europe and Japan, and you have to compensate with much higher productivity and much higher use of machines and automation.

In emerging markets, it is quite the opposite because there is a demographic dividend. One million people are joining the workforce every month in India, which means that a humongous number of jobs have to be created every year. If companies are looking at productivity, that's at the cost of people...

The Chinese Premier has stated that they created 14 million jobs last year. The Chinese and the Indian economies will have to create the same number of jobs to absorb the incoming flow of people. It is doable. We will not see autonomous taxis and lorries in India anytime soon. There is an enormous opportunity to create more jobs by putting more effort into infrastructure building, in housing. We can also unleash a lot of demand in retailing and logistics. It is important that opening of the economy continues. Supply-chain – from fields to consumers – can create an enormous number of jobs if we put emphasis on it rather than thinking in terms of hand-outs, be it loan waivers or subsidies on fertilisers or seeds. I know half of India's population is in rural areas but if we want to improve their lives, we need to find jobs for them in factories, in the service sector, in the urban areas. Making that change happen will require further steps. With its different states and languages, India is among the most complex countries in the world. But there is a big job to do and it requires investing in people, health and education. A demographic dividend is there only if we have better healthcare, hygiene and education. Otherwise, it is just quantity of people and not people who can meet their full potential. BT

@Goutam20 and @sumantbanerji

A NOVEL WAY TO BOOST CLIENT SATISFACTION

Analyse e-mail behaviours and share best practices

WHEN ATHLETES want to improve, they typically spend hours reviewing video of their performance. In the white-collar workplace, it's hard to get such vivid feedback. But in recent years researchers have learned to mine a unique set of data that serves as a slow-motion replay of how an organisation and its people function: the company's e-mail, which shows who talked with whom, why, how, and how often.

Academics call this kind of investigation *social network analysis*. It has largely focussed on internal communications aimed at learning how colleagues can collaborate most effectively. A new study uses e-mail analysis for a different purpose: to examine how employees interact with clients. Organisations can learn what patterns and behaviours affect client satisfaction and use the results to coach employees on more-effective communications. The researchers call this work *virtual mirroring*, because it helps people reflect on their style and compare it with others'. "This is one of the highlights of 15 years of research in which we show people their e-mail networks, determine what variables drive performance, and then show how people can improve their collaboration," says Peter Gloor, the MIT research scientist who led the study.

The researchers identified 176 teams working with key client accounts at Genpact, a global professional services firm, spun off from General Electric in 2005. Teams ranged in size from a few dozen people to several hundred. Twenty-six teams were designated as the experimental group, with the rest serving as a control; the two groups contained similar types of client companies (mostly from the *Fortune* 500) in a variety of industries. At four points during the study, researchers compiled and analysed two months' worth of e-mail between employees and clients; over the course of two years, they retrieved and examined more than 4.5 million messages in all. The periods during which e-mail was gathered coincided with the firm's semiannual customer satisfaction survey, which yielded a Net Promoter Score indicating how happy each client was with the service provided by its team.

Each month during the study, team leaders attended a virtual mirroring session lasting 30 minutes to an hour. During it they were shown a scorecard containing key metrics from the e-mails. These tracked the directness of communication (meaning how frequently employees answered client questions on their own as opposed to how often they needed to loop in a supervisor), the simplicity of language in the subject line, the speed with which employees responded to clients' messages, and the extent to which clients consistently dealt with a single employee rather than a rotating cast. The researchers hypothesised that teams with direct communication, simple language, fast response times, and consistent points of contact would receive higher Net Promoter Scores than their counterparts, and results showed that this was true. (A caveat: The researchers did not access the actual text of the e-mails; their semantic analysis was limited to the subject lines.)

The study's most important finding involved how the feedback from the virtual mirroring sessions led to positive changes in behaviour. "Employees reduced the complexity of their language and made their communication with clients much simpler," says Andrea Fronzetti Colladon, a professor at the University of Perugia, and a co-author of the study. They also communicated more directly, responded more quickly, and tried to give clients a single, consistent point of contact. These changes had a significant effect: Over the course of the study, teams that participated in the e-mail analysis and mirroring sessions saw client satisfaction rise by 17 per cent more than teams in the control group.

Although the results suggest that certain e-mail behaviours can improve client satisfaction, the researchers note that effective behaviours will vary according to context. "In post-sales assistance [the context of the study], you want stable leaders, and you don't want too much creativity," Gloor says. "Clients are asking for an answer to a problem, and they almost always want an answer from the same person. But in a different context, such as new-product development, you'd need to have a more creative and more dynamic discussion, and you'd want to have people rotate more."

In other studies the researchers broadened their work on e-mail analysis. In one, they analysed the e-mail, phone calls, and web conference calls of top-performing salespeople and found, among other things, that high performers were more likely than their lower-performing counterparts to turn on the video camera during web calls and that they engaged in more back-and-forth with clients during those calls. And in another study at Genpact, the researchers found that e-mail analysis could help them accurately predict (up to five months in advance) whether an employee would quit – in some cases, they say, identifying that likelihood before the employee had recognised that he or she might be leaving.

It's no surprise that the ways in which an employee communicates affect client satisfaction. Managers can benefit by regarding e-mail as a resource that leaves behind "digital breadcrumbs" that can be systematically analysed. Like watching a video of your golf swing, sometimes looking in the mirror and studying your flaws provides valuable lessons in how to improve.

ALTHOUGH CERTAIN E-MAIL BEHAVIOURS CAN IMPROVE CLIENT SATISFACTION, THE EFFECTIVE BEHAVIOURS WILL VARY ACCORDING TO CONTEXT

Illustration by Ajay Thakuri

"THIS ISN'T ABOUT PUTTING PEOPLE ON THE SPOT"

Gianni Giacomelli leads innovation at Genpact, the digital transformation professional services firm, where the study described in this article was conducted. He recently spoke with *HBR* about the research and the company's response. Edited excerpts follow.

Why study Genpact's use of e-mail?
Our company is large and distributed – we have 80,000 employees across numerous time zones. It's very hard to do synchronous communications. That makes e-mail important. It's a representative sample of employees' interactions.

How did you share the monthly analysis with your employees?
We have many groups of up to 500 employees each serving a single client. We took the analysis to two people in each group: the operational leader, who oversees the work; and the business leader, who oversees the P&L for the entire industry vertical. In the first few meetings we explained the metrics – what we mean by plain language, speed of response, and a consistent point of contact. Then the leaders began receiving monthly report cards and bringing that information to their teams during huddles.

Were you worried that people would react defensively to metrics on how quickly they answer client e-mails?
The data was available on an individual level, and we used that at the beginning to get a sense of where the numbers were coming from. But we quickly realised that this isn't about putting people on the spot. It's about telling people what we, as a group, did that month, and continually pointing to the three behaviours that are encouraged. Over time most of the virtual mirroring began to happen as a group.

Sometimes people use big words to try to sound smart. Were employees surprised that customers prefer plain language?
They were. Our people are very well educated, and they think they're doing a good job if they're using words that are not necessarily complicated but are very specific. The results basically said: Just speak plainly. Use language the other person won't need to decipher. The results show that you never know what is important for a given job until you establish causality. In this case most of the jobs are fairly transactional – the work needs to be disciplined like in a factory, with few surprises, so plain language makes sense. For digital innovation or transformation or creative work, the metrics would look very different, and more-varied language might work well.

What about areas other than customer satisfaction?
You can use the analysis for many things. We used it to identify the behaviours that predict employee disengagement and attrition. The analysis can also help in designing the onboarding of certain groups of new employees, such as those in sales and transformation consulting. We found that during those employees' first six to nine months, the size, structure, and organic growth of their internal network is a good predictor of success. And we ultimately use it for coaching – to show people the behaviours that work well and how to develop their network.

Are you still analysing e-mail?
We don't use the tracking over long periods of time, but we still use techniques such as role-playing to teach people to adopt the desired behaviours. The importance of these tools is in identifying the metrics that large, distributed groups of people need to drive in order to achieve superior impact. Over time it's not about the scorecards themselves – it's about understanding what really boosts customer satisfaction.

ABOUT THE RESEARCH *"The Impact of Virtual Mirroring on Customer Satisfaction," by Peter Gloor et al.* (Journal of Business Research, 2017). *This article was first published in the March-April 2019 issue of Harvard Business Review* ***(www.hbr.org).***

The Surprising Power of Simply Asking Coworkers HOW THEY'RE DOING

By KARYN TWARONITE
ILLUSTRATION BY SAFIA ZAHID

WE HUMANS HAVE AN INNATE NEED TO BELONG – to one another, to our friends and families, and to our culture and country. The same is true when we're at work. When people feel like they belong at work, they are more productive, motivated, engaged and 3.5 times more likely to contribute to their fullest potential, according to our research at the Center for Talent Innovation.

To better understand the emotional impact of belonging – and its inverse, feeling excluded – we launched the EY Belonging Barometer study, which surveyed 1,000 employed American adults.

Our study substantiated existing evidence that exclusion is a growing issue. We found that more than 40 per cent of those we surveyed are feeling physically and emotionally isolated in the workplace. This group spanned generations, genders, and ethnicities.

In fact, the majority of individuals look to their homes first (62 per cent), before their workplaces (34 per cent) when it comes to where they feel the greatest sense of belonging. While the workplace exceeds neighbourhood communities (19 per cent) and places of worship (17 per cent), many individuals spend most of their time at work, and creating workplace communities where people feel like they belong is imperative.

This tells us that many people want more connection with those they work with. So, how can companies connect more effectively with employees and help them feel like they belong within their workplace community? The results of our survey pointed to one simple solution: establish more opportunities for colleagues to check in with one another.

We found that 39 per cent of respondents feel the greatest sense of belonging when their colleagues check in with them, both personally and professionally. This was true across genders and age groups, with checking in being the most popular tactic for establishing a sense of belonging across all generations. By reaching out and acknowledging their employees on a personal level, companies and leaders can significantly enhance the employee experience by making their people feel valued and connected.

What didn't seem to matter that much for belonging? Face time with senior leadership that wasn't personal. Being invited to big or external events or presentations by senior leaders, as well as being copied on their e-mails, was simply less meaningful to employees when it came to feeling a sense of belonging.

BY REACHING OUT AND ACKNOWLEDGING THEIR EMPLOYEES ON A PERSONAL LEVEL, **COMPANIES AND LEADERS CAN SIGNIFICANTLY** ENHANCE THE EMPLOYEE EXPERIENCE BY MAKING THEIR PEOPLE FEEL VALUED **AND CONNECTED**

The Art of the Check-in

Across EY, we've spent a lot of time considering the importance of check-ins with our people – as a way to build relationships regularly, as well as to provide support after significant news or events. Of course, people have different preferences about how they connect with each other at work. While some people may want to sit and talk, some may prefer a digital chat and others may not be open to engaging at all. Learning how to engage with employees in a way that they feel comfortable is key to creating a sense of community. Here are a few tips to consider as you find the right way to check in with colleagues:

Seize the small opportunities to connect: Try to establish connections with your colleagues that communicate that you value, understand, and care about them. Be present, curious, and seize small daily opportunities to connect authentically. For example, a simple "*How are you doing? How can I support you?*" could go a long way in nearly every setting.

Check bias at the door: Check-ins are a time to listen to another person's perspectives, not to debate or persuade. If someone shares something that you don't understand or agree with, you might consider acknowledging their point of view or asking them to tell you more. You may be pleasantly surprised by their response. For instance, "*Tell me more about it,*" or "*I never thought about it from that perspective, but I do realise we can experience the same situation in different ways, so I appreciate you explaining that for me.*"

Assume positive intent: Start any conversation with your colleagues believing that those talking or listening mean well, especially when it comes to difficult issues. Sometimes you might fumble through these topics, but assuming positive intent will help you pause, ask clarifying questions, and connect in a more meaningful way. Sometimes, these pauses make a huge difference. It is fine to say, "*I am pausing because I just don't know what to say,*" or "*I am pausing because I want to learn more from you.*"

It's OK to be vulnerable: Seek feedback from your colleagues, especially those who are junior to you. Demonstrate your trust in them through the way you communicate and act on their feedback. For example, expressing vulnerability by acknowledging their views and talking openly about challenges you're facing humanises the relationship you have with your peers and direct reports.

Be consistent and accountable: Be transparent and model consistent, inclusive behaviour, even under pressure or during difficult conversations. Expect, reinforce, and reward the accountability of others. For example, offer a conversation to team members when a difficult event occurs, and model inclusive behaviour in your own interactions to set an example for other team members.

These five tips may help guide the way, but the journey towards true inclusion is never ending. It is a continuous path that requires commitment from leadership, particularly as more people look to their work communities for validation, safety, fulfillment and happiness.

In turn, this yields tremendous benefits at scale – from engaged employees, to client retention and better financial results. By starting with simple things like a check-in, we all have the power to make a difference in the lives of others and even on the bottom line.

Karyn Twaronite is a member of EY's Global Practice Group, Global Talent Executive and US Executive Committee. This article was first published on **www.hbrascend.org**. *HBR Ascend* is a digital learning platform for graduating students and young professionals

COLUMN

Making of Competent Leaders

ORGANISATIONS MUST EMBRACE A CULTURE OF LEARNING TO EMPOWER LEADERS WITH RELEVANT SKILLS AND INGRAIN IN THEM STRONG VALUES.

BY
GEN. BIKRAM SINGH

ORGANISATIONS NEED to invest in the development of their leaders to build and sustain competitive advantage in the fast-paced environment of the 21st century. Well-nurtured and empowered leaders help create vibrant teams of achievers who are capable of accomplishing organisational goals in spite of gusty headwinds.

While some of the public and private sector enterprises have institutionalised mechanisms to train their leaders, the majority pays scant regard to this vital requirement. Creating and preserving a culture of learning, where professional growth and excellence are consistently encouraged and rewarded, is fundamental to the success of any enterprise. Organisations which have ignored this function have stagnated, and some of them have gone into a downward spiral.

The Army's culture accords topmost priority to the development of its leaders. It is undertaken through a progressive and purposeful process that not only transforms civilians joining the organisation into competent leaders but also empowers them to fulfil their roles and obligations as they rise to shoulder greater responsibilities. To empower leaders with contemporary skills sets, the process also draws upon best practices from various other fields of human endeavour. Moreover, as large numbers of army personnel are deployed overseas for the United Nations' peacekeeping operations, global leadership requirements are also factored into the training regimen. Cultural awareness and respect for customs, traditions and sensitivities of the host country coupled with humility, cordial and affable demeanour help enhance mutual understanding and build enduring relationships. Companies with global footprint should be mindful of this requirement.

AS TIME IS ALWAYS AT A PREMIUM, THE LEADERSHIP DEVELOPMENT PROCESS SHOULD BE GOAL-ORIENTED AND DESIGNED TO MEET THE UNIQUE REQUIREMENTS OF THE ORGANISATION

Great strategic leaders always remain committed to leadership development as they realise full well that no matter how comprehensive their winning strategy is, it has to be ultimately implemented by subordinate leaders. Unless these subordinate leaders are empowered to attain various objectives which will collectively contribute to accomplishing the mission, the strategy will only remain stored in the hard drives of computers. Therefore, to achieve their vision and mission, they diligently shape and sustain a culture of learning where leaders are accountable, seek self-improvement and are genuinely involved in improving others. To start this process in earnest, they evolve the directives, doctrines, policies and guidelines through a collaborative process that leverages group intelligence and develops ownership of the initiative.

As time is always at a premium, the leadership development process should be goal-oriented and designed to meet the unique requirements of the organisation. Broadly, it should focus on widening and deepening the knowledge base of leaders and improving their mental and emotional attributes along with sharpening and augmenting their technical, conceptual and interpersonal skills. To be effective in an ever-changing environment marked by high levels of uncertainty, complexity, volatility and ambiguity, leaders have to be creative, innovative, adaptable, agile, versatile, strong-willed and appropriately skilled. Furthermore, to ensure an environment of trust, leaders should be made to practise and live organisational values until they are fully imbibed and start governing their behaviour. Trust helps build constructive relationships of mutual pride, concern and loyalty, which are vital for group cohesion and success.

Maximum emphasis should be given to on-the-job development. Leaders and homegrown experts should take pains to improve their teammates by teaching, coaching, mentoring and growth counselling. For boosting self-confidence, leaders should be encouraged to take the initiative. However, should things go wrong, senior leaders should display supportive and empathetic attitude.

ILLUSTRATION BY RAJ VERMA

Intemperate behaviour and public chiding generate negativity that erodes trust. To tap creativity and obtain innovative ideas besides eliciting constructive critique, brainstorming and idea-showering sessions should also be organised. For optimal gains, participants should be encouraged to flex their ideational muscles without any inhibition.

These sessions should be organised on a fortnightly basis in respective branches or, as and when necessary, to solve complex problems and manage risk through collective wisdom. Moreover, quarterly sessions with available leaders and members of the organisation should be held for SWOT (strengths, weaknesses, opportunities and threats) analysis and identifying measures to exploit strengths and deal with vulnerabilities. The company's leadership should invariably conduct these sessions. However, for value addition, eminent speakers on leadership, management and strategy should be invited from time to time for these quarterly sessions.

Selected leaders should be made to attend seminars and short training courses at some of the reputed management institutions and even be encouraged to take part in television discussions on allied topics. As a norm, a post-event report highlighting the aspects which could be examined for updating the company's best practices should be obtained. In addition, regular reviews of relevant books and articles followed by discussions also help in tapping and generating creative and innovative ideas. Outsourcing the training should be avoided as it stifles the holistic growth of leaders and willy-nilly, undermines their prowess.

TO REMAIN RELEVANT, STRATEGIC LEADERS SHOULD FOCUS ON DEVELOPING THEIR INTELLECTUAL SOPHISTICATION

While diligently empowering their leaders, strategic leaders should also strive for self-improvement. They must never get carried away by the thought that they are the 'know-alls'. Notwithstanding their success and elevated positions, they must continue to pursue excellence with discernible humility. Stephen Hawking, the internationally acclaimed physicist, had aptly stated that "the greatest enemy of knowledge is not ignorance; it is the illusion of knowledge". To remain relevant, strategic leaders should focus on developing their intellectual sophistication and frames of reference besides achieving mastery over strategic art. This would hone their strategic skills to envision the future, evolve winning strategies and effectively lead change. Strategic leaders should be the standard-bearers of their organisation's brand and its learning culture. BT

The writer is former Chief of the Indian Army and now sits on a company's board

THE BREAKOUT ZONE

MEALTIME TECH

ONE BITE AT A TIME

Robotics researchers have come up with a practical solution to help those who are ill, elderly or differently abled.

Illustration By Ajay Thakuri

IF

THERE IS ONE FIELD OF technology that requires acceleration, it is assistive robotics. There are many ethical considerations to wade through in other areas of robotics research, but the one that would meet little opposition from watchdogs is assistive technology that helps people who need it and make their everyday life manageable or even bearable.

Siddhartha S. Srinivasa, the Boeing Endowed Professor at Paul Allen School of Computer Science and Engineering at the University of Washington, is developing a robot to help those who are ill, elderly or differently abled and cannot feed themselves. Being dependent on others for such a basic function often leads to an acute sense of helplessness and loss of dignity. However, a specially designed assistive dexterous arm, or ADA, is set to address this pain point. When activated, this versatile automaton simulates human motions to identify, pick up and deliver bite-sized food items with the help of its special fork and uses different techniques depending on the nature of the food. ADA is further guided by its on-arm camera and tactile sensor and can be fitted to a wheelchair. The research was published in a series of papers and also in the *IEEE Robotics and Automation Letters*. If it can be mass produced, such a robot could relieve caregivers of routine tasks and help them focus more on critical aspects.

Creating a feeding robot had not been easy. The research group at the Paul Allen School thoroughly studied how people ate and took into account all nuances so that ADA could help even when a person eats awkwardly. The team carefully measured every mealtime movement such as how people use their forks to pick up a morsel of food and quickly found that there was no fixed way of doing it. Everything depends on several factors, including the nature of the food item, the shape and size of the piece and even its position. For instance, a cube would be picked up and eaten differently than a piece of carrot. The data gathered was fed to ADA and it was then repeatedly trained to skewer pieces of food with its arm and take it to the recipient's mouth. Even the angle at which it was done depended on the type of food and other things. Using cameras also added to the ability to get the task done just right. The outcome can be seen in an online video that features how the arm feeds different types of food from a plate.

Another independent research project managed to train a robotic system to use tools and leverage novel objects for improvising. As per *MIT Technology Review*, Chelsea Finn, a researcher at Google Brain, and Sergey Levine, an Assistant Professor at the University of California, Berkeley, created a unique set-up – a combination of a robotic arm, a computer connected to a very large neural network and a camera. Then the robo had to observe plenty of human movements and behaviour to understand how to use an object even in a new situation. While the robot could use simple things such as a broom and dustpan and a duster, it also managed to use a longish bottle to sweep the floor when the cleaning implements were not available. **BT**

WHEN ACTIVATED, THE ASSISTIVE DEXTEROUS ARM SIMULATES HUMAN MOTIONS TO IDENTIFY, PICK UP AND DELIVER BITE-SIZED FOOD ITEMS WITH THE HELP OF ITS SPECIAL FORK

METAMATERIALS

GOLDEN RULE TO FIX FOGGY GLASS

We experience extreme weather conditions throughout the year, be it a blazing summer, a humid monsoon or a freezing winter (at times, intense air conditioning will freeze you as well). A sudden drop in temperature or rise in humidity will always lead to condensation on glass surfaces. Normally, we are not too worried about it, but a sudden fogging up of eyewear, car windshields, rear-view mirrors and car windows due to temperature and humidity changes can be outright dangerous. The solution? Catch a sunbeam with some gold. Well, almost. Scientist Christopher Walker and his research colleagues at ETH Zürich have developed a coating to reduce fogging significantly; and what it relies upon is sunlight.

The coating used is nanometres thick and made up of gold nanoparticles embedded in non-conductive titanium oxide. "Our coating absorbs the infrared component of sunlight along with a small part of the visible sunlight and converts the light into heat," said Walker, a doctoral student in ETH Professor Dimos Poulikakos' group and lead author of the study. Consequently, the surface will heat up by 3-4˚C and prevent fogging. As per the researchers, the durable coating lasts much longer than anti-fog sprays and cleans up the cloudy surface four times faster. **BT**

PERSONAL TECH

WHEN HOME COOKING THRIVES ON TECH

RUSTLING UP A MEAL WILL NO LONGER BE A QUOTIDIAN CHORE BUT A GOURMET JOURNEY UNDERTAKEN BY A CREATIVE MIND.

By DEVENDRA CHAWLA
Illustrations by AJAY THAKURI

W**E ARE GENERALLY** overwhelmed by the number of technology features available on our smartphones. Or often wonder at the frequent use of jargons such as AI (artificial intelligence) and IoT (Internet of Things). However, unknown to many of us, technology has quietly invaded our kitchens, impacting what we eat and who we become as a result of that.

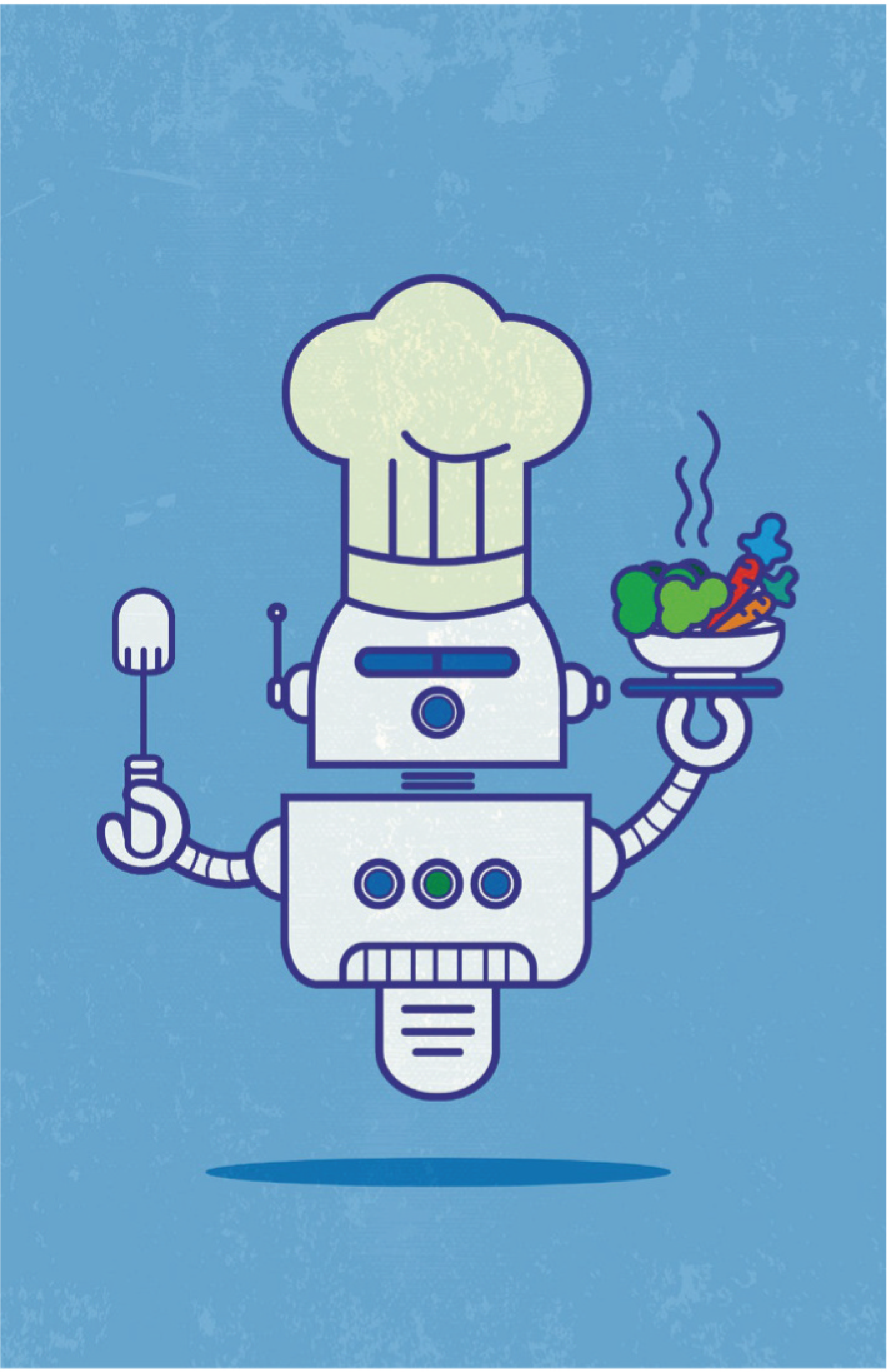
But first things first. The popularity of delivery apps means the general impact on restaurants and cloud-kitchens is expected to be positive. The benefits are manifold. For one, we can bring down the production cost of every meal by combining the positives of on-demand and sharing economies. The millennials, they say, are three times more likely to 'order in' compared to their parents. And the click-happy Gen Y and Gen Z have a far more evolved outlook when it comes to food. These have been the more in-your-face and obvious inroads of technology into what we eat.

There is another trend – equally positive but not so high-decibel – that could help traditional home cooks evolve into multicuisine chefs. Armed with Wi-Fi-enabled handsets (think interactive online platforms, voice assistants and a vast recipe database) and some smart gadgets, they will be able to unleash creative juices and eventually become far more versatile and hence, irreplaceable and better-paid professionals. This will be a positive outcome in terms of upskilling people and upgrading services, leading to improved incomes. Given the lack of formal job opportunities, this could be a blessing in disguise for the underpaid household help.

THE FLIP SIDE OF THE TECH-ENABLED FOOD EXPLOSION IS THAT WE HAVE STARTED TO EXPECT MORE AND MORE STIMULATION FROM THE CLICK-BASED, ON-DEMAND PHENOMENON

This trend could also give rise to new business categories and new start-up brands as kitchens turn into Wi-Fi-enabled food factories with gadgets helping whip up hitherto hard-to-pronounce dishes. The plethora of opportunities this phenomenon can open up to revolutionise eating at home will be exciting for packaged food companies in India. In fact, the market for FMCG products could grow manifold if this wave of 'eat at home exotic food' catches the fancy of the masses. Plus, the tech infrastructure will ensure convenience and help reduce delivery costs of home kits and meal enhancers, thus opening up more avenues for value addition.

To drive home this point, let us look at online trends. For example, 'how to make a cake' is among the top five searches if you explore the how-to tag on YouTube India (just below how to tie a tie and above how to wear a saree). Better still, the types of cuisines mostly prepared in Indian kitchens have gone beyond popular South Indian and North Indian dishes and entered the realms of Thai, Burmese, Japanese, Mexican



and even Ethiopian cuisines. So, with a little help from the technology available, Indian homemakers who want to cook may well be on their way to becoming super chefs, and within a few years, western cuisines might be considered *ghar ka khana* (home-cooked food) simply because it has been prepared at home.

Smart gadgets, especially IoT-enabled smart refrigerators, will play a key role when it comes to healthy cooking and healthy eating. They will ensure food freshness, reorder food items on their own, offer recipe choices and enable users to follow a pre-planned, nutrition-specific diet, ensuring in real time that you are eating the food recommended by your health insurance-linked nutritionist. In a potential but largely futuristic scenario, the connected fridge may even talk to the health insurance policy and decide on your insurance cost slab based on the kind of food stored in your refrigerator.

The tech inroads discussed above do not cover all aspects of how we will cook and eat in the future. They merely talk to the health-focussed consumers who are evolving, thanks to technology, and are aided by a one-world scenario. One thing is clear, though. A home-maker, driven by a strong desire to add value to what she cooks for her family, will soon usher in cutting-edge technology into the humble Indian kitchen.

But enough of these futuristic musings. Right here in Mumbai, the ubiquitous *dabbawalas* have carried out the combined tasks of delivery apps, cloud kitchens and nutritionists and delivered hot, home-made food at a fraction of what the tech infrastructure, food discovery efforts and the 'ordering in' culture will potentially cost in the time to come.

It is important to realise and internalise some of the tech innovations with which Indians live (and take them for granted). The flip side of the tech-enabled food explosion is that we have started to expect more and more stimulation from the click-based, on-demand phenomenon. As of now, there is some tension brewing when it comes to spending time on traditional cooking at home versus coping with the growing demand at home for new cuisines, given the explosion of food choices via apps, multicuisine restaurants and dark kitchens which cook all sorts of food only for takeaway and delivery. Changes brought in by tech-enabled food habits and a fast-moving society must be closely observed to understand what role tech will play in the future of food and home cooking. **BT**

The writer is MD & CEO, Spencer Retail; views are personal

APPLE IPAD MINI 2019

POWERFUL PERFORMER

By NIDHI SINGAL

JUST WHEN we thought the iPad Mini was dead, Apple has revived it after four years. The series has always been popular among professionals and other users due to its compact size, but the latest version does not feature any change in design. The 2019 edition comes with a 7.9-inch display with thick bezels and a circular home button below the screen. Being addicted to a 6.5-inch smartphone, I was not too impressed with the design, but its performance was flawless.

First, there are several incremental updates. The Retina Display is brighter than before and supports wide colour gamut and True Tone feature (it adjusts the colour temperature with that of your surroundings), resulting in sharp, vibrant colours. Better still, it is the first iPad Mini to support Apple Pencil (first generation), but this has to be purchased separately. This can change the way you work, and I was able to use it to sign documents, take handwritten notes, experiment with my designing skills, and mark up images and PDFs. Scrolling is smooth, but it does not have iPad Pro's 120Hz ProMotion technology. The Mini sports a Touch ID button and retains the 8 MP camera, Lightning port and the headphone jack.

It runs iOS 12 out of the box and offers a neat user interface. There is a dock at the bottom of the screen for parking apps, and it can be accessed across home pages or even when an app is in use. Swiping down from the top right shows notifications and doing the same from the top left opens the control centre. Swipe up from the bottom and hold to see what apps are currently running. Multitasking was smooth in spite of the small screen. I was able to run two apps side by side and could adjust the screen assigned to each.

A book reader, a gaming device, an entertainment hub, a sketching and editing tool – you think it and the Mini offers it. Setting it up and downloading apps were quick and hassle-free, and most of them worked without crashing. This version is powered by the A12 Bionic chip with Neural Engine, handles AR apps like JigSpace and more apps for heavy-duty image and video editing. The tablet did not heat up or slow down even after long sessions and lasted close to eight hours on a single charge. Given the build quality, functionality and battery power, the iPad Mini is the undisputed king in the under-8 inch tablet category. Android tablets in this segment are sub-powered and their app ecosystem is not as evolved as Apple's App Store. **BT**

@nidhisingal

FITBIT VERSA LITE

Fitness Made Affordable

By NIDHI SINGAL

SMARTWATCHES TRACKING health and fitness are must-have gadgets but do pared-down versions work equally well? Versa Lite is the most affordable iteration of the US-based company's 2018 best-seller Fitbit Versa but skips a few features although the omissions may not matter much. Externally, the design remains the same – a 1.34-inch LCD touch display with round edges and attractive bands. Unlike other watches which have buttons on the right, this one has just one button on the left and you need to get used to it. The Lite is available in five colours and comes with two bands, a small and a large one, for a perfect fit. My review unit was mulberry, which looked too bright, but just like Apple Watch, the bands are super easy to change.

The Lite runs on Fitbit OS and setting it up with the Fitbit app (supports iOS and Android) took only a couple of minutes. But the following firmware update proved to be sluggish as the device does not support Wi-Fi and everything had to be done over the Bluetooth. The default watch face displays time and a dashboard for the day's activity. Swiping right gives quick access to various apps, including exercise (running, walking, biking, treadmill and weights) relaxation, timer, weather and more. I was able to start and end a workout session from the watch itself, which was followed by a quick summary of the session. However, there is no altimeter to detect whether you have climbed stairs and no gyroscope to track swim laps. All activity details are neatly displayed in the Fitbit app along with data on calories burnt, heart rate and sleeping pattern. Selecting one of these topics will feature more information and weekly records. What I liked was its ability to track each stage of sleep. I could also log my liquid and food intake. Using the Community tab within the app, I was able to join groups to stay motivated. But the on-screen workout guides available on other Fitbit devices are missing here.

There is no on-device music storage and fetching notifications is not exactly smooth. Swiping down from the top showed text notifications (Lite can also send five preset responses to Android devices) and incoming calls. Plus, there is a small list of compatible apps which includes Amazon's Alexa. I also changed the watch face, but options were limited. I am not complaining, though, as this is primarily a fitness tracker and does an excellent job. It comes with a proprietary charger and a single charge lasted more than three days of constant use. **BT**

@nidhisingal

EXECUTIVE HEALTH

WHEN FOOD KILLS

KEEP A TAB ON WHAT YOU EAT AS UNHEALTHY DIET AND SUBPAR NUTRITION MAY LEAD TO SERIOUS HEALTH ISSUES.

By E. Kumar Sharma

A RECENT research review published in the medical journal *The Lancet* says as many as 11 million people died worldwide in 2017 as unhealthy diets led to cardiovascular diseases and cancers. But what about India? "About 60 per cent of all deaths are caused by non-communicable diseases such as diabetes, heart conditions and some types of cancers. And most of these are linked to a new villain known as bad diet," says Dr V. Mohan, who has specialised in diabetes care for nearly three decades and is the Co-founder of Dr Mohan's Diabetes Specialities Centre. According to him, the highest level of carbohydrate consumption in the US, the UK and Canada is less than the lowest level seen in India, which amounts to around 200g per day. In fact, the highest level of carbs consumption in India could be 400g a day or more as 75 per cent of the total food intake contains carbohydrates. This should ideally be 40-45 per cent, says Dr Mohan. The rest of the diet should include proteins (to be raised from an average consumption of 10 per cent to 20-25 per cent through vegetable proteins), green leafy vegetables for vitamins, iron and other minerals, and healthy unsaturated fats found in all types of nuts, flax seeds, vegetable oils and fish.

That the country is witnessing an obesity epidemic makes matters worse. About 30 per cent people in urban India and 10-15 per cent in rural areas are overweight, possibly due to wrong food choices. It is hard to generalise things like food habits in a vast and diverse country like India. But studies conducted by Dr Mohan for his articles in medical journals indicate that the number of obese people in India is around 20 per cent of the total population in some of the poorer states and the same goes up to 40-50 per cent in affluent states. Similarly, the number of diabetic patients in states like Bihar, Jharkhand and Madhya Pradesh is 4-5 per cent of the total population, but it is as high as 15 per cent in Tamil Nadu, Kerala, Punjab, Chandigarh, Goa and Sikkim.

"I think at least 25 per cent of my patients could have delayed cardiac problems by a decade or so had they taken care of their diet," says Dr Devi Prasad Shetty, cardiac surgeon and Founder-Chairman of Narayana Health. According to him, a high intake of carbohydrates rapidly raises blood sugar level, triggering hunger, overeating and eventual weight gain. "Eating too much salt (sodium) and fried foods is another risk factor that could be correlated with neurological disorders and even stroke," says Dr Arun Shah, neurologist and Director at the Department of Neurology at Sir H.N. Reliance Foundation Hospital and Research Centre, Mumbai. So, start eating healthy and stay fit to keep health issues at bay.

MANAGE IT RIGHT

POOR DIETARY habits often lead to weight gain, but several new drugs are being developed to deal with obesity. These will help with burning body fat or work as appetite suppressants. The latter includes types of supplements which impact the brain and the central nervous system to make sure that you will always feel full. This, in turn, will reduce food intake and lead to weight loss. Then, there are drugs like semaglutide, widely used for Type II diabetes and also promising to deal with obesity problems. Some researchers also think new medicines can replace certain weight loss surgeries. Innovative procedures such as metabolic or gastric bypass surgery are coming up as well for effective weight loss. These are, however, expensive and some of them have side effects. But one can easily avoid them by eating the right kind of food, exercising and adopting a healthy lifestyle. BT

JLR will offer a host of options for Indian consumers, right from EVs to hybrids and BEVs

LUXURY

UBER-COOL SHOWSTOPPERS

FROM FASHIONISTA FAVOURITE FOOTWEAR AND ETHNIC WEAVES TO BESPOKE OUTLETS AND TOP-SHELF SINGLE MALT, HERE IS A TANTALISING TREASURE TROVE.

BY PRACHI BHUCHAR

Accessories

Made for Stylish Walking

SOME FOOTWEAR brands make you feel their shoes have been created exclusively for you, given the exquisite craftsmanship and excellent materials. Bugatti shoes for men and women are a perfect fit for those seeking comfort and high fashion. One of the premium brands in Europe, Bugatti was set up in 1928, and its products are exclusively designed and created by AstorMueller's design team, which spends a lot of time walking the streets of top European cities, observing latest trends and interpreting social changes. The brand has now launched its new spring summer collection called Uncopy that draws on global trends and also features styles created exclusively for India.

Indian Single Malt

THE CAN'T-MISS POUR

WHEN IT COMES to made-in-India liquor, there is always a certain degree of restraint as one assumes that top-shelf drinks are only brewed overseas. But contrary to popular notion, the Rampur Indian Single Malt Whisky from Radico Khaitan has had a great run abroad and within a month of its India launch, the company sold 50 per cent of the stock in Delhi. The whisky, distilled at Rampur, on the foothills of the Himalayas, has been rated as one of the top five whiskies in the world by *The Cask Magazine* and *Whisky Advocate*, America's leading whisky publications.

EV Power

JLR's India Playbook

SUSTAINABLE LUXURY is the order of the day and global auto giants are set to woo the conscious consumer. While Audi, Porsche and Volvo are looking to bring their electric cars to India, Jaguar Land Rover (JLR) has also entered the race. Starting this year, the company plans to launch a host of options for Indian consumers, right from the all-electric Jaguar I-PACE to hybrids and BEVs (battery electric vehicles). JLR will be expanding its India portfolio in line with the company's global commitments across eco-conscious markets.

Store Launch

Wow Home for Weaves

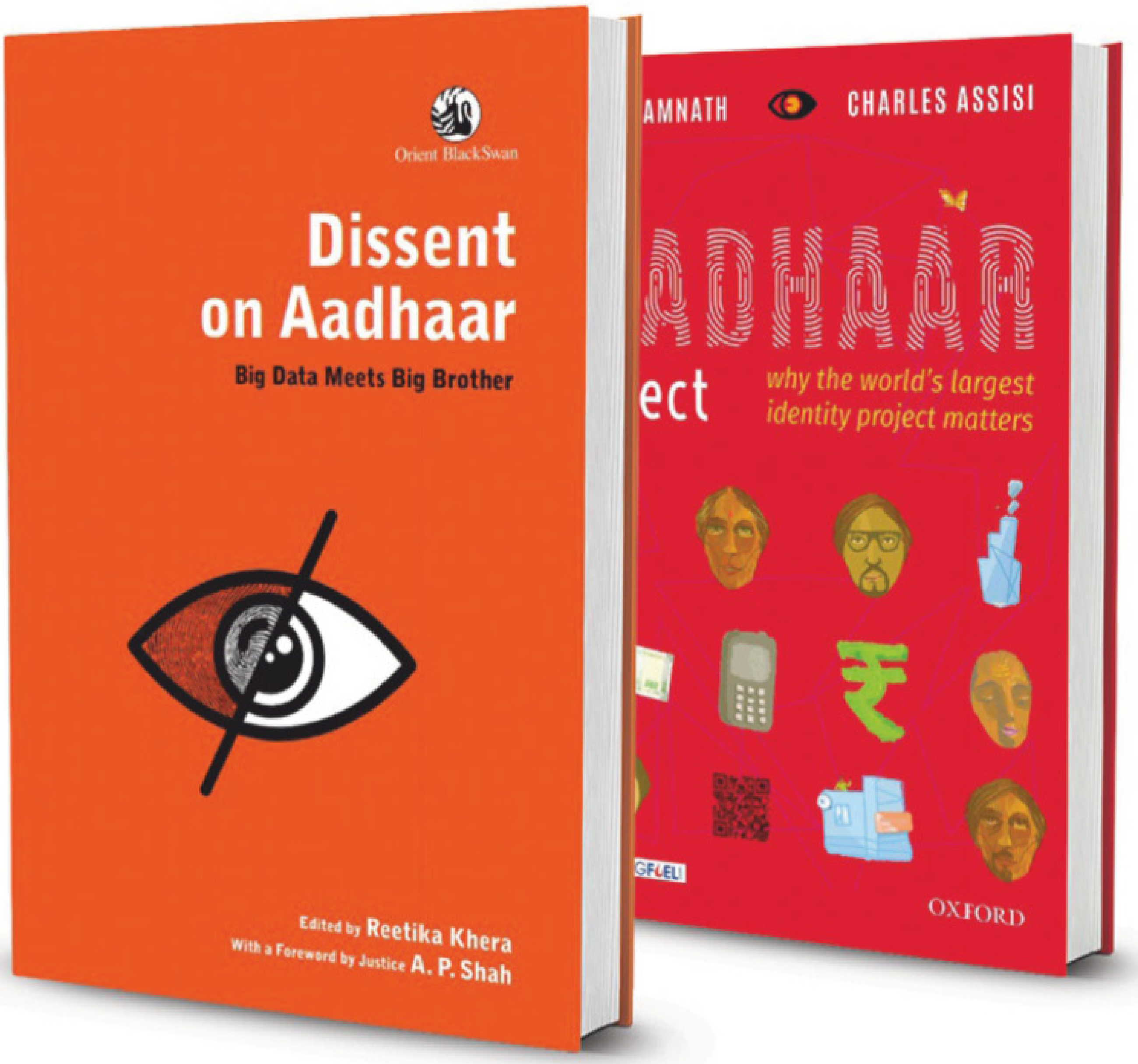
FASHION DESIGNER Sanjay Garg has opened an outlet in the iconic location of Lutyens' Delhi, one which aptly reflects his brand's philosophy – that of breathing new life in traditional weaves. Designed by Garg, Adityan Melekalam and Isla Maria 'Loulou' van Damme, the store's interiors are earthy, and the carved folds of the plastered ceiling and doors evoke textile patterns. There is a central courtyard while the 4,750 sq. ft store is full of vintage artefacts from the fashion designer's collection. You will find over 30 antique sculptures inside and around the store premises, and there are tiny brass hands that serve as light switches. The store showcases the brand's collections, including the latest sari collection called Radha.

Collaboration

BESPOKE ABODE FOR LUXE WATCHES

SWISS WATCH brand Audemars Piguet has unveiled its newest lounge designed by Brooklyn-based artist and designer Fernando Mastrangelo as part of Art Basel Hong Kong's Collectors Lounge. Called The Vallée, the concept brings forth the beauty of the Jura Mountains, home to the luxe brand since 1875, and uses natural materials from the region to highlight the brand's heritage and provenance. The lounge will travel to all three Art Basel shows this year. BT

EX-LIBRIS



Dissent on Aadhaar:
Big Data Meets Big Brother

By Reetika Khera

Publisher: **Orient BlackSwan**

Pages: **288**

Price: ₹**475**

STILL WROUGHT WITH CONTROVERSY

WILL AADHAAR ACCELERATE PROGRESS TOWARDS A LESS CORRUPT SOCIETY OR WILL PEOPLE BE COERCED TO DWELL IN FEAR OF MASS SURVEILLANCE AND PRIVACY BREACH? TWO BOOKS TAKE A FRESH LOOK AT INDIA'S DIGITAL DNA.

By Joe C. Mathew

IN MID-APRIL, the Supreme Court of Jamaica ruled that the country's National Identification and Registration Act 2017 was unconstitutional. Although not yet in force, the law called for a National Identification System (NIDS) for capturing and storing people's personal data in a secure manner. A legal battle ensued as the Opposition claimed that the law had breached eight of the 25 Fundamental Rights and Freedoms guaranteed by the Constitution. The government argued that the law would secure future growth of Jamaica by ushering in an era of connected e-governance and provide every Jamaican a unique identification to access government and private sector services. The full court, which heard the case against the biometric scheme, declared the Act unconstitutional and struck down NIDS.

It is a different story in India. Even after the Indian apex court's ruling that Aadhaar can only be used for limited purposes, mainstream political parties are patronising the 12-digit biometric identity system that connects the country's billion-plus citizens to the State and eventually determines their access to social welfare benefits. The ruling BJP claims that the trinity of Jan Dhan (no-frills bank accounts), Aadhaar and Mobile has weeded out over eight crore fake beneficiaries of welfare

←

THE AADHAAR EFFECT:
Why the World's Largest Identity Project Matters

BY N.S. RAMNATH AND CHARLES ASSISI

Publisher: **OXFORD UNIVERSITY PRESS**

Pages: **328**

Price: **₹595**

schemes and prevented leakages worth ₹1 lakh crore in the last five years. The Congress, which had initially introduced Aadhaar in 2009, says it will amend the Aadhaar Act, 2016, to restrict its use for claiming subsidies and benefits. It has also promised alternative identification instruments due to the inherent limitations of biometric identification. Aadhaar linkage, it says, will be voluntary but encouraged. The CPI(M), the largest Left-wing party with limited national reach, says if voted to power, it will scrap the use of Aadhaar and biometrics for social welfare benefits but retain it for income tax purposes. Aadhaar has witnessed more than 1.2 billion enrolments so far, but it is a matter of raging debate within the country, and outside.

Given the context, two recently published books – *Dissent on Aadhaar* and *The Aadhaar Effect* – are laudable attempts to explain the larger picture – the scale, scope, breaches and surveillance fears. *Dissent* by Reetika Khera and a host of contributors unveils the unsavoury social and political implications of the world's biggest digital identity project. On the other hand, *The Aadhaar Effect*, penned by journalists N.S. Ramnath and Charles Assisi, is a positive narrative that explores the challenges, achievements and opportunities provided by the project. But the fact that these books have little common ground shows why projecting Aadhaar as a cure for all socio-economic maladies is not practical. It can generate huge business opportunities for IT and fintech companies, but the risks on personal, social and political fronts are also real and scary, as Khera, et al., explain.

Dissent is a collection of essays written by experts who explore the digital identity system from social, political, legal and technological standpoints. Edited by Khera (she is also a contributor), an academic with strong credentials as a grass-roots activist, the book highlights why the scheme's real intent is business and profit for interested parties rather than universal welfare and a secure, unique identity. The essays also highlight the inherent flaws, flip-flops and delays in enacting such an important law.

Khera and others attempt to debunk the welfare-related claims made to justify Aadhaar in the beginning. Experts also elaborate on technology issues, including the reliability and sustainability of biometric data. Chapters by legal experts trace the challenges faced by the Aadhaar Act in the apex court until a Constitution Bench looked into the right-to-privacy angle. The issue of private participation in project execution and a comparison of India's Aadhaar experiment with established social security identification programmes across the globe are also part of the book.

THE FACT THAT THESE BOOKS HAVE LITTLE COMMON GROUND SHOWS WHY PROJECTING AADHAAR AS A CURE FOR ALL SOCIO-ECONOMIC MALADIES IS NOT PRACTICAL

In contrast, *The Aadhaar Effect* is pleasant to read and shows its love for the project. You can easily skip a couple of chapters telling you all about the passion-driven original team – a bunch of technocrats and tech-savvy bureaucrats led by Infosys Co-founder Nandan Nilekani – and the difficulties they faced in putting together a project well before it had any legal mandate. It attempts to project Aadhaar as a technology component, a Lego block that can be used to build solutions across sectors – government, social and business – and the book does it quite convincingly. It also endorses Aadhaar mastermind UIDAI's reliance on private players to develop the technology and work on enrolments in the initial days.

Next, Aadhaar is placed in the IndiaStack ecosystem where it can impact eKYC, act as a payment bridge, used for e-signing and be a consent layer for sharing personal data to revolutionise the financial services sector. The book quotes a 2017 Morgan Stanley report titled *India's Digital Leap* to suggest that Aadhaar and related technologies are offering a multitrillion opportunity for businesses. Finally, it does spare some space for naysayers, and at least two contributors to *Dissent* prominently figure in this book. Khera is mentioned as well as Jean Drèze, an economist of repute who has made India his home. The attempt, however, is to conclude that Aadhaar promises much more than what the 'naysayers' want us to believe. Ramnath and Assisi also provide a list of pain points, with their justification on expected lines. It does cover almost all the points highlighted in *Dissent* although one will have to go through the naysayers' collection of essays to make an informed decision.

Jamaica's Supreme Court did just that. Its verdict depended heavily on the dissenting note of India's Supreme Court judge D.Y. Chandrachud who was one of the five-judge Bench that handed out the Aadhaar verdict late last year. *Dissent's* foreword by retired Supreme Court Justice Ajit Prakash Shah also relies heavily on Chandrachud's statement that shows greater sensitivity to issues of privacy and freedom. When the new government takes charge in India or when another country attempts to introduce a digital identity project for its citizens, these books could be handy references for their perspectives and well-researched articulation. **BT**

JOHN OWEN, GROUP CEO, MASTEK LTD
Under his leadership, the IT services company saw a 46 per cent revenue increase last year and its team strength grew over 30 per cent.

Q. The biggest challenge in your career

A. I like challenges. I do not like maintaining status quo or going into an organisation which is already on track and stable. It is boring. I believe that upholding your values is the biggest challenge. When the business was in difficulty, I was asked to sign a project that I knew was not right. I was told we would get funding for the organisation if I would do it. But I did not do it because, in my world, it was wrong. We were risking investors' money.

Q. Your best teacher in business

A. Our parents shape a lot of our thinking. I started work when I was 14 and joined my family business. Every night, our dinner felt like a board meeting, but there was a lot to learn and absorb. My father shaped my value system a lot more than I probably appreciate. And my mother always said, treat people fairly on the way up because you do not know when you will pass them on the way down. There is a lot of truth in that.

Q. Three key management lessons for young people

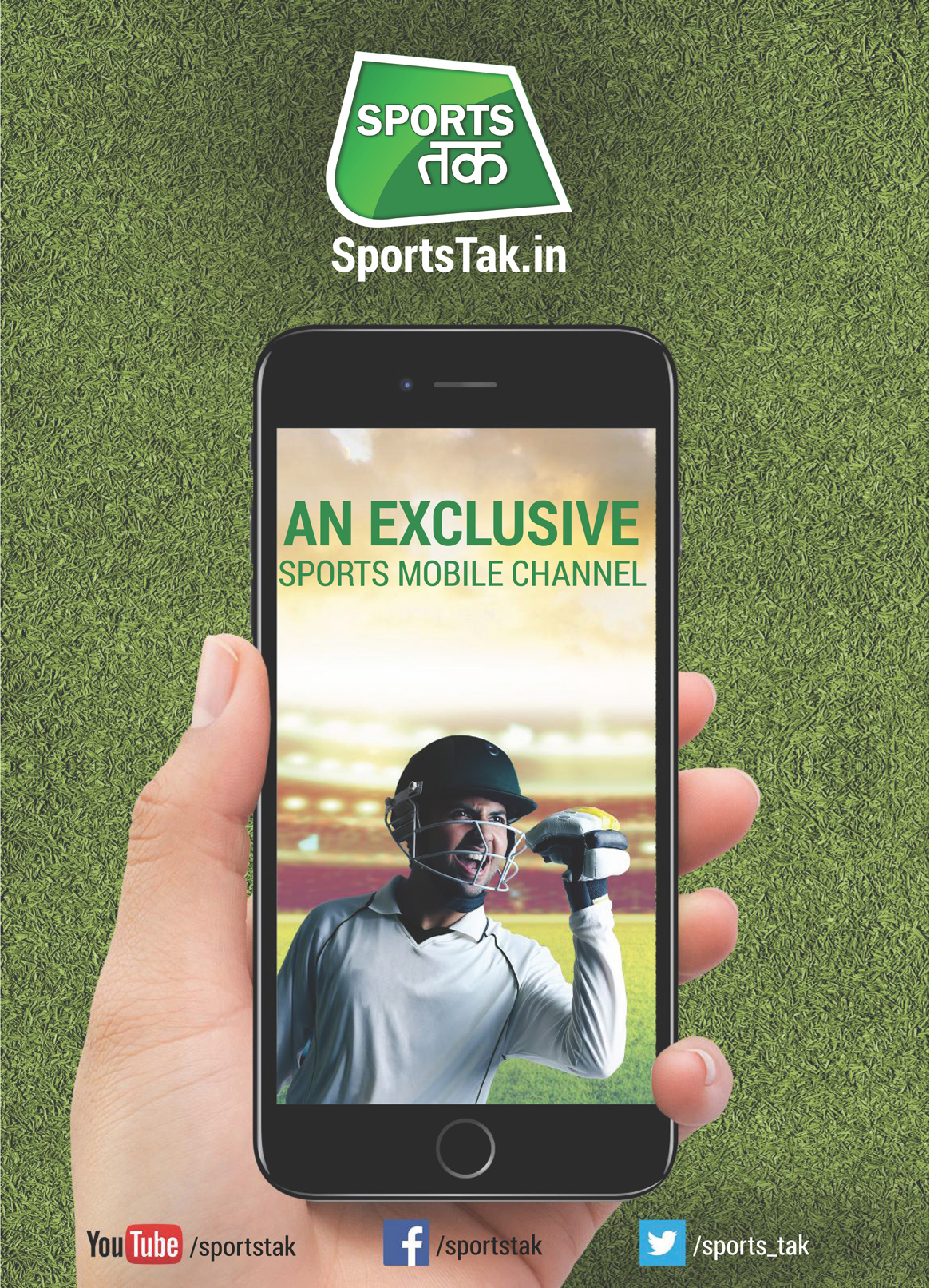
A. First, do something you love and be world class at it. Second, do not become a generalist. Become a specialist and then learn general knowledge and general management. Third, business is easy; it is not complicated, but it is about people. Management is about executing your vision and strategy for people, through people.

Q. Two essential qualities a leader must have

A. God gave us two ears and one mouth. So, listen twice as hard before you speak. Also, as a leader, you are seen as a decision maker. A lot of people have input and ideas, but they do not want to be accountable for any decision. Ultimately, you will have to give them that confidence. BT

"BUSINESS IS EASY; IT IS NOT COMPLICATED, BUT IT IS ABOUT PEOPLE. MANAGEMENT IS ABOUT EXECUTING YOUR VISION AND STRATEGY FOR PEOPLE, THROUGH PEOPLE."

Vol. 28, No. 10, for the fortnight May 6 -19, 2019. Released on May 6, 2019. Total number of pages 132 (including cover)


SPORTS
तक
SportsTak.in
AN EXCLUSIVE
SPORTS MOBILE CHANNEL
YouTube /sportstak
/sportstak
/sports_tak