

RESTARTING INDIA'S COMMERCIAL HUBS

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Krishna Ella
and team
Bharat Biotech

PLUS

**MARICO's
PANDEMIC
PLAN**

**EDUCATION
MODULES IN
COVID-19
TIMES**

**THE FUTURE
OF TRAVEL**

A SHOT AT SALVATION

Inside the clutch of Indian companies that has joined the test of endurance and innovation to develop a protective coronavirus vaccine



Raghuvaran Varadarajan (left)
and Gautham Nadig
Mynvax



Prabuddha Kundu
(centre) and team
Premas Biotech



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Welcome to the

Forbes INDIA

Digital Edition

Vaccine-Shaped Recovery

Months from now—or even years—we will know who the most effective leaders during the Covid-19 crisis were. Leaders of countries, of institutions, of startups, of men, women and children. That will be determined by the number of lives they save, by waking up early to the pandemic, and how they save livelihoods, by ensuring economic succour for those who need it most, and need it fast.

Leadership response to Covid-19 across the globe has been, to put it mildly, mixed. You had heads of state who refused to acknowledge the clear and present viral threat. Losing economic leverage was thought to be a bigger danger. Until the death rates surged. By then precious time had been lost to create critical infrastructure—personal protective equipment, testing capacity and ventilators.

At the other end of the spectrum you have New Zealand Prime Minister (PM) Jacinda Ardern who epidemiologists acknowledge was at the helm of the most “decisive” lockdown in the world. For starters, she called out the bluff of herd immunity, a ‘strategy’ that many of her global counterparts had bought into. This essentially means a country will lose tens of thousands of people before the rest who survive become immune to the disease.

Ardern instead chose to eliminate the virus—a viable strategy in a country with a population of close to 5 million, and population density of 18 people per sq km. Leadership is also about getting people to buy into your ideas, and New Zealanders overwhelmingly supported, and understood, the PM’s plea for a strict lockdown. As of mid-May, the country’s curve of cases had flattened to around 1,500, and daily cases had crashed from over 900 in the beginning of April to well under 100. The economic

stimulus, too, came early—in mid-March—with most of the \$7.3 billion going towards wage subsidies for businesses.

Following a similar roadmap back in India is Kerala—starting early (the state’s health minister began preparations in January), and proactively following the protocol of test, trace, isolate and support. Result? As of May 18, the state with a 35 million population—some 2 million of whom are Gulf migrants—had 601 confirmed cases (100 of them active) and four deaths. India, meanwhile, had shot up in the global table to No 11, with a little over 96,000 cases and 3,000 deaths.

India’s sheer number of people, their movement and density make containing Covid-19 a herculean challenge. The biggest hubs of industry, commerce and labour—Delhi and its neighbouring territories, Mumbai and Ahmedabad—are still raging hotspots. In *Forbes India*’s continuing coverage of Covid-19, our writers Manu Balachandran, Monica Bathija and Naandika Tripathi capture the reasons for the graph refusing to dip in these cities, and how civic authorities are valiantly attempting to contain the spread.

Containment is a best-case scenario, in a larger setting in which the virus is here to stay. The most effective tool to protect us is a vaccine, and across the world, researchers are on overdrive to develop one. It’s a race against time, and plenty of odds—the entire journey from the labs to public use is long (12 to 18 months is an optimistic projection), and most (over 90 percent) of the candidates will fall by the wayside. Divya Shekhar delves into the efforts of a handful of Indian companies to develop a protective vaccine, using diverse approaches. These are early days and, as Shekhar writes, the big challenge will be after animal trials when the vaccine will have to be administered to humans. Till then, the virus will continue playing hide and seek.

STORIES TO LOOK OUT FOR



▲ The Premas Biotech team is developing a yeast-based vaccine; (right) a lone motorist passes by a sealed area in Mumbai’s business district of BKC



Brian Carvalho
Editor, *Forbes India*

brian.carvalho@nw18.com

Best,

B Carvalho



PG. 26

Readying The Remedy

Companies in India are using diverse technologies to develop a coronavirus vaccine, but the road to an efficacious solution is neither straight nor short

As of April, there were 115 ongoing global vaccine initiatives, with five in early-stage clinical trials

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JAY MATI @ PANI HAQ SAMITI



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DYLAN MARTINEZ / REUTERS



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Tel: +91-22-66667777, Fax: +91-22-24910804.

National Capital Region - Network18 Media & Investments Limited, Tower A and B, Express Trade Tower, Plot No 15-16, Sector 16A, Gautam Buddha Nagar, Noida 201301, Uttar Pradesh. Tel: 0120-434 1818.

Bengaluru - Network18 Media & Investments Limited, 121, The Estate, Dickenson Road, Bengaluru 560042, Karnataka. Tel: 080-4064 9191 Gurugram - Network18 Media & Investments Limited, U and I, VRL, SCO 83, City Centre, Sector 29, Gurugram 122001, Haryana. Tel: 012-4480 3100

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Editor: Brian Carvalho

Network **18**

TO OUR READERS

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INTRAPRENEUR REAPING THE REWARDS OF EFFORTS SOWN EARLY – KARTIK NAGARAJAN RADIATES INTRAPRENEURIAL BRILLIANCE

Walt Disney once said, "The way to get started is to quit talking and begin doing." In other words, to achieve something big, you've got to stop talking and start doing but with a positive attitude. Such a mindset is key to overcome any hurdle, as exemplified by self-made business leader Kartik Nagarajan.

Having started his career from scratch, Kartik Nagarajan's is nothing short of a tale to tell. A hard and intense struggle lived throughout with a vision and valour, consequently resulting in one of the most successful businessmen. A vision of growth was always pushing him to do the unthinkable, to achieve the unimaginable and all this started very early in his life.

Hailing from a middle-class family, Kartik's parents did whatever best they could for him. His father worked in night shifts to provide him with all the comforts he could afford while his mother, a school teacher & his coach, acted as a mentor to instil in him the strong values of kindness, courage & passion.

He did not join any highly riveted institutions then. Instead, he ended up pursuing graduation in Electronics and an MBA in India. Destiny led Kartik to the US to pursue another MBA. While many Indians would contemplate on settling in the US but his love for India made him come back to start an all-new journey. His career journey is a tale of the extraordinary, starting with a Sales and Marketing stint and then switching to business development. However, his willingness to experiment and face fresh challenges would mean he could well lay hands-on things that were not opportune for success.

There was a time when Kartik worked as a part-time tutor for Mathematics and Computers to ensure he earns his pocket money. Meanwhile, his first introduction in Sales was when he sold newspaper subscriptions door to door in South Delhi. Among his many other unforeseen visions, developing the concept of online booking of movie tickets in India in 2001, when neither the market nor any partners were ready, is one such idea which people understood much later.

Outsourcing boom soon caught his attention and he began weaving the journey by focusing on global client management in the outsourcing firm for the Fortune 500. He learnt the tricks of the trade by setting up large scale operations across the globe. Nothing deters the vision of a focussed individual and Kartik turned this saying into reality.

One of the greatest examples of this was his intrapreneurial stint with one of the Fortune 500, wherein he had to set up everything from scratch – funding the business externally, getting the service offering right, make a world-class team, the good business case for the team and employees to get excited about along with finally taking the idea to a new reality of revenue growth, customer excellence and innovation.

With a strong belief that every business is a people's business and people connect through multiple channels, he realized that for the development of an individual in a corporate scenario, he had coached his teams to expand their experience in setting up new lines of business and scaling them to new growth trajectories. Alternatively, it meant that they had to unlearn a lot of things of the past and embrace an entirely new path of learning.



Kartik Nagarajan

"One of the truest values in a person is vulnerability. The acceptance of high-risk at various stages and a clear focus only on solutions have kept me going."

These accomplishments were possible only because of his ability to work through nuances & causing the change in the course of business rather than the incremental change. Coupled with his ability to always use technology as the major strategic business enabler, he kept climbing up the corporate ladder.

Today, Kartik is an accomplished top leader with multiple stints as Country head and MD for the last 5 years. He has been on multiple boards of MITSOT India, WPP India among others. He has also shared his thoughts on digital transformation and life learnings on various forums such as NASSCOM, CII and Deloitte.

A global citizen, in essence, Kartik says, "One of the truest values in a person is vulnerability. The acceptance of high-risk at various stages and a clear focus only on solutions have kept me going." He truly believes that his honesty towards life and his willingness to embrace new choices, helps him derive exceptional performance from simple teams. Clearly, Kartik Nagarajan's journey has been an eventful one but he feels that this is just the beginning of it.

Global Disinflation in Retreat

Expect Indian inflation to stay within the 4-6 percent range, say experts **P/12**

'Lockdown tested migrant workers' patience'

Subodh C Dixit on impending labour shortage **P/14**

'Pressing Restart'

Several companies resume production with reduced capacity after the coronavirus outbreak **P/17**

ECONOMIC STIMULUS

The Growth Pill

Finance Minister Nirmala Sitharaman has addressed supply side issues with ₹20 lakh crore package, but there is little to boost demand. Experts say these are just support measures in the absence of direct cash infusions



The ₹20.97 lakh crore package of fiscal-led support is aimed at assisting the lowest strata of the economy, including the urban poor, the rural migrant workers and MSMEs, whose businesses and livelihoods have come to a standstill due to the Covid-19 lockdown

AS THE COUNTRY BATTLES THE

coronavirus and faces an uphill task of reviving

growth, the government in mid-May announced an economic stimulus of ₹20.97 lakh crore. In a five-part series, Finance Minister Nirmala Sitharaman explained that the fiscal-led support, which forms 10 percent of the Gross Domestic Product (GDP), is aimed at assisting the lowest strata of the economy. These include the urban

poor and rural migrant workers, low-income farmers, street vendors and credit-starved micro, small and medium enterprises (MSMEs) whose business has been badly hit because of the lockdown.

The government also extended support to sectors such as health care and wellness labs, agriculture, food processing, animal husbandry, defence, mining, power distribution companies and atomic energy, which

are expected to play a critical role in making India Aatma Nirbhar (self-reliant)—a term coined by Prime Minister Narendra Modi—in a post-Covid-19 world.

Among the proposed aid is an increase of ₹40,000 crore in the allocation towards MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act), apart from hiking the borrowing limit for state governments from 3 percent

of GDP to 5 percent. For MSMEs, Sitharaman announced collateral-free automatic loans worth ₹3 lakh crore for units that have a ₹100 crore turnover or with an outstanding loan of ₹25 crore. Research reveals that around ₹150,400 crore will be the fiscal impact of all the measures announced by finance minister (see table). In what is billed as a reform for the long term, Sitharaman said all sectors will be open to private players, while public sector units will remain in certain strategically important sectors.

The announcement is likely to have varying degrees of impact on different sectors. However, what is disconcerting is that the minister did not mention how much money will be spent in 2020 on any of these measures. “It is not clear how many of these reforms are linked to the ongoing pandemic [they could have been announced any time]. In fact, we are not sure about the timeline of implementation of many of these reforms,” says Sunil Tirumalai, head of research at Emkay Global Financial Services. One such example is a fresh ordinance to freeze new cases for up to a year under the Insolvency and Bankruptcy Code.

It is also surprising that the government has not offered any direct assistance to sectors such as airlines, hospitality and tourism-related businesses that have been worst hit by Covid-19. Estimates from KPMG India and the International Air Transport Association suggest that a combined 71 lakh jobs are at risk because of the lockdown.

“These businesses [travel, tourism, hotels and restaurants] will have to continue incurring operating costs without generating much sales... they have not received any government support so far to alleviate some of these costs. So while the government’s measures

Fiscal impact of recent government announcements

MEASURES	AMOUNT (₹/CR)
Credit Guarantee Trust for Micro and Small Enterprises	4,000
MSME (Fund of Funds)	10,000
Special liquidity scheme for NBFCs, HFCs	30,000
NBFCs partial credit guarantee	9,000
Workers EPFO	2,500
Foodgrain subsidy	3,500
MUDRA Shishu loan	1,500
CAMPA Funds for employment generation	6,000
Fisheries spending	20,000
Animal husbandry funding	2,500*
Herbal cultivation	3,300
Bee-keeping initiative	500
Micro food enterprises	9,500
Viability gap funding (social infrastructure)	8,100
MGNREGA	40,000
TOTAL FISCAL IMPACT	1,50,400

SOURCE Ministry of Finance, RBI, Barclays Research

* Incentives for plants for the export of niche products

will prevent them from defaulting in theory, in practice, these firms will struggle to operate, incur higher debt, and some of them could ultimately become insolvent if they are forced to operate at low capacity for long,” says Sonal Varma, chief India economist at Nomura, a financial services company.

DISRUPTIONS AHEAD

Despite best intentions, the on-ground reality for an economy of India’s size as it tries to restart businesses—by easing lockdown restrictions in some areas—is different. With thousands of migrant workers having left the big cities, which became coronavirus hotspots, one is already experiencing disruptions in processes at factories which have resumed operations in green or orange zones. There are

reports of shortage of truck drivers in transporting goods and services, and labourers. “Labour concerns and the need for social distancing will result in capacity utilisation being low even

as working capital requirement will be high,” says Ambareesh Baliga, an independent stock market analyst.

Equally worrying is the fact that India is still unable to control the spread of the virus. As of May 19, the country reported 101,139 positive cases and 3,163 deaths because of the coronavirus. A total of 23,02,792 samples have been tested so far, which indicates a testing rate of 1,668 per million. In such a scenario, cases could peak further in June or July, resulting in extended lockdowns.

Sanjiv Chadha, managing director and chief executive of Bank of Baroda, one of India’s largest state-owned banks, says recovery from Covid-19 will take a long time. About 90 percent of the bank’s borrowers have opted for the loan moratorium, Chadha said at a webinar organised by Care Ratings. There was “high uncertainty in terms of the lockdown, demand resurrection and consumer behaviour” and hence to point out normalcy “would be debatable”, he said, adding that the bank is likely to come up with a solution to this problem.

All these factors have impacted investor sentiment. The benchmark 30-share Sensex fell by 4.27 percent

GROWTH FORECASTS FOR FY21 CONTINUE TO BE WEAK, WITH GDP GROWTH PEGGED ANYWHERE BETWEEN 0 AND 1 PERCENT



Experts believe that due to the lockdown and disruptions in business, discretionary consumption cycle will be weak in the near term, possibly until the festive season

in the week since the reform announcements were made on May 12, and about 28 percent year-to-date. Growth forecasts for the current financial year continue to be weak. Most rating agencies and equity research firms have pegged GDP growth to be anywhere between 0 percent and 1 percent for FY21.

DELAY IN MODALITIES

Reforms such as the targeted affordable housing scheme through a public-private partnership will need assistance from various industries, including real estate, housing, construction and infrastructure, which are dependent on the migrant labour force. To assist street vendors through a lending programme of ₹10,000 per vendor, different state governments and local municipal administrative bodies will need to create databases and work in a syndicated manner.

“How some of these modalities fall into place and ensuring that the

needy get access to the capital they require (in the case of collateral-free automatic loans to MSMEs) are a concern,” says Saswata Guha, director (financial institutions) at Fitch Ratings. There have been mixed signals from the industry on whether the support schemes provided to MSMEs are reasonable or not. “These government measures should not be called stimulus measures. There are no cash infusions and neither have measures been taken which will spur demand or growth. These are merely support measures,” adds another analyst at a private ratings firm on condition of anonymity.

Barclays Chief India Economist Rahul Bajoria, however, argues that “support is what is required”. “These small businesses may not survive. MSMEs will have credit lines in place and they can decide on how to grow their business. The challenge for India is the operational framework and making access to capital easy,” he says.

Sitharaman dodged some critical and sensitive questions on how the government proposes to fund all these measures. While announcing the last tranche of measures, she only said: “We are just two months into the new financial year and just three months from the last budget. You must allow it for a bit later (to discuss the fiscal deficit).”

Bajoria has pegged the FY21 fiscal deficit at 6 percent.

CONSUMPTION CONCERN

Also, while Sitharaman has addressed the supply-side reforms well, near-term demand concerns remain unanswered. Both Bajoria and Baliga say consumption will have to be organic. “Due to the lockdown and disruptions to business, discretionary consumption cycle will be weak in the near term, possibly up to the start of the festive season,” says Bajoria.

However, demand for bikes and small cars could pick up due to the shift from Ola-Uber due to Covid-19 concerns. The rabi season output was good, and April saw higher food prices due to supply side disruptions. “The rural economy is not under too much stress and can pick up quickly,” says Bajoria.

“The government’s intent is in the right direction... we have to see how the execution goes,” says Baliga. “I would not be surprised if we have deflationary growth for the year.” He expects India to see de-growth for the April to September period, after which growth might start to pick up. But this would largely be led through exports rather than domestic demand.

The government has done what it is good at: Show intent and provide support wherever it is necessary. But instead of doling out capital, it has opened up credit lines and created an atmosphere of empowering people, small businesses and corporates. These measures will work, but there is one rider—the hope that the Covid-19 storm blows over soon.

• SALIL PANCHAL



Reviving the Economy: Time to Take Responsibility and Act Accordingly

The ways of nature are unpredictable. It might seem calm, angry, or sometimes arrogant. It is our duty as humans not to provoke it yet find ways to be one the same team while building your business empire"

**- Yatin Gupte,
CEO Wardwizard Innovations & Mobility Limited**

Driven by 4Es, Environment Care, Electric Mobility, Economic Growth and Empowering stakeholders, Wardwizard is propelled by its commitment to fulfill national vision of Atma Nirbhar Bharat and harnessing alternative energy resources.

While the world is still under the grim clutches of the recent pandemic Covid-19, another thing that haunts the officials is India's slowest economic growth which will be from 1.5 percent to 2.8 percent. These figures might even go down considering the fact India is planning to extend her nation-wide lockdown to fight the virus. Since March 25th, when our honorable Prime Minister Narendra Modi announced a complete lockdown almost 70 percent of the economic activity came to standstill. Centrum Institutional Research says the Nation-wide complete lockdown is likely to shave off at least Rs 7-8 trillion or even more.

We at Wardwizard Innovations & Mobility Limited thinks the revival of the economy back to its previous state will be a difficult hurdle to pass, but it is not impossible. Finding ways to adapt to the ever-changing scenarios is what makes a good business. This was always one of the best traits of our organization too. We adapted to the situations very quickly even as the company was officially shut from 25th. There was panic spreading in the air at a very alarming rate. We made sure to support our employees in whatever way possible. That tiny gesture made sure to bring out the best in every employee and mould themselves to prepare against a new phase the company has to go through. We think that the lockdown due to Covid-19 made each one of us look into ourselves both as an employee and an individual and forced us to do more and think more creatively.

The hurdle in the path was to understand the present scenarios and what needs to be done to make sure of the company's survival. "We started thinking of ways to roll our products in the market on a very safe scale to ensure the steady income flow": says, Yatin Gupte. It is about time we humans take responsibility for what we've done to the Earth and her ecosystem. Consider this as a revolt from her side. To the people who are still accusing other nations and their govt for the outbreak, open your eyes. Have you been noticing the extraordinary changes that have been happening around the world?

Since we completely ignored the place where we are inhabitants and continued exploiting it, consider this as Earth's way of telling us "enough." If we are hoping for a revival of the economy its now time to start putting the environment first. Since our inception in 2016, we were keen on exploring how you can run a business successfully by making sure you are not hampering the environment. As they say, when like brains come together, any idea can be a multi-million-dollar idea. Since then we've been researching how to run something by keeping priority to the environment.

"This business model has led us to be in the process of being listed in BSE as India's first company in the Electric Automobile sector." Joy e-bike, one of Wardwizard Innovations & Mobility's solution to pollution has made ripples in the Indian market by providing efficient and economical electric bikes. *Latest addition to the family being E-Monster which was Virtually launched.*

A thought where what we as humans can do to help nature without hampering our daily essential transportation.

Here at Wardwizard, we already have a manufacture and assembly line at Vadodara, Gujarat. As part of our growth and expansion we are exploring more such OEM facilities for the upcoming electric 2 wheeler brands in India. To achieve its vision of inclusive growth and create brand value chain synergies, we have started empowering entrepreneurs and aims to empower 55000 enterprises in near future. Nationally we have our network of 1500+ dealers spread across PAN India. As per our activities overseas, we have setup our assemble line in Uganda for catering East African region and more are on the way. We are aiming to cover the entire African Continent by the next financial year.

What we must be prepared is for a similar situation in the coming future or prepare ourselves to be more cautious about the environment as not to face something like this anymore. So once the lockdown is lifted and the world economy starts to hit the hockey stick charts again, let us all emerge together to put the environment in the priority list. Understand that we are not the resistance, we are the survivors.



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INFLATION

Global Disinflation In Retreat

Expect Indian inflation to stay within the 4-6 percent range, say experts



Disinflation was largely on account of the role of trade, technology and titans. Periodic spikes in food and fuel prices were unable to move the needle for most of the developed world

IN THE AFTERMATH OF THE

global financial crisis, and the fiscal and monetary stimulus it brought about, policymakers and global central banks kept a close eye for a rise in inflation. Instead they got a continuation of a global three decade-long disinflation trend on account of weak demand, rising debt levels and an ageing population in the developed world.

Disinflation was largely on account of the role of trade (cheap goods manufactured in China and Southeast Asia and bought by consumers around the world), technology (the lowering of communication and

computing costs) and titans (large corporations that innovated). Periodic spikes in food and fuel prices were unable to move the needle for most of the developed world.

Now, as the world prepares the next round of monetary and fiscal easing, could governments make the mistake of underestimating a return to inflation? A recent report by Morgan Stanley argues that the same factors that powered disinflation are in retreat. "Just as the consensus underestimated the disinflation threat in the last 30 years, it is at risk of under appreciating the inflation threat," wrote Chetan Ahya, chief economist and global head

FEW EXPECT OIL PRICES TO BREACH THE \$40-60 RANGE IN THE NEXT TWO YEARS, AND CREDIT GROWTH IS AT 6 PERCENT

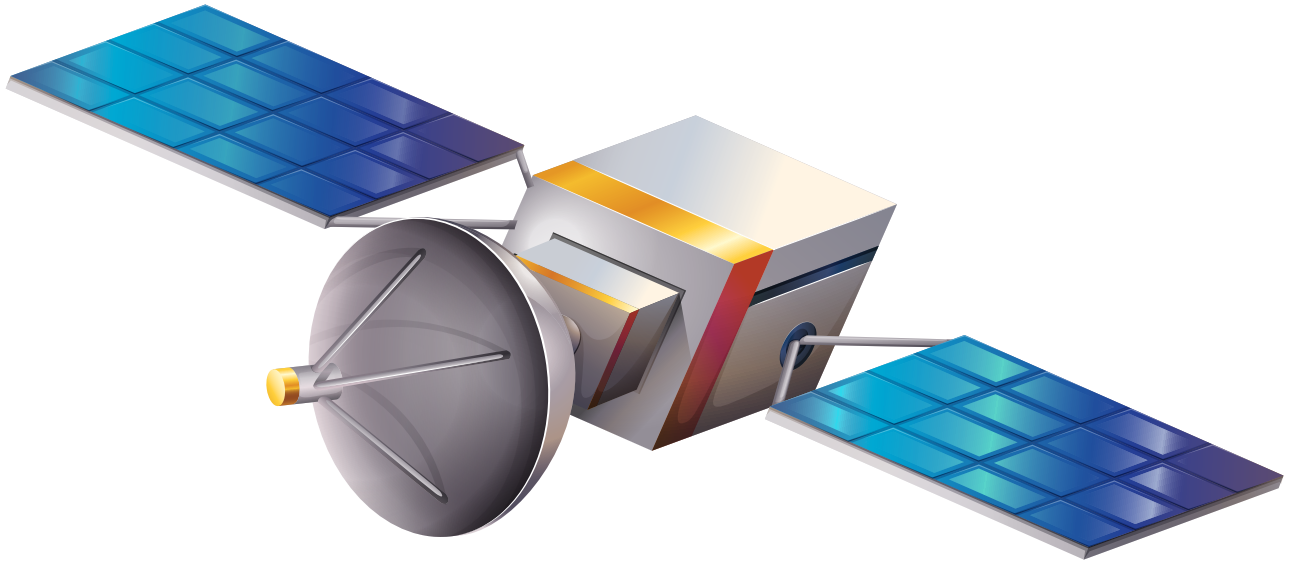
of economics at Morgan Stanley. The report stopped short of putting a precise time period on the return, but pointed to it happening in the next two years as governments get more conscious of inequality, trade ties begin to fray and the policy response to the Sars Cov2 virus pushes governments to hand money to common people and not just to companies.

Ahya points to three stages: Disinflation on account of the demand shock brought upon by the virus, reflation as the demand shock normalises and supply resumes and inflation once growth resumes. Already stimulus cheques for workers who have lost their jobs in the US cover more than the wages they were making.

How might this play out in India? The immediate aftermath of the 2008 financial crisis saw the government unveil a stimulus in the form of loan waivers for farmers, increasing subsidies and excise cuts on a host of goods, taking the fiscal deficit to 6.6 percent for 2009-10. The effects on inflation were plain to see as consumer price inflation moved up to 10.8 percent in 2012-13 from 5.4 percent in 2008-09.

The rise in India's consumer inflation was on account of the global rise in food prices, oil at \$80-100 a barrel and rising credit growth averaging upwards of 18 percent. As India unveils its fiscal response to the Sars Cov2 crisis, Sameer Narang, chief economist at Bank of Baroda, argues, "The factors that led to a rise in inflation in the 2010-14 cycle are in retreat this time." Global food prices are benign with Indian minimum support prices being higher for wheat. Few expect oil prices to breach the \$40-60 range in the next two years and credit growth is at an anaemic 6 percent. Expect Indian inflation to stay within the 4-6 percent range set by the Reserve Bank of India.

• SAMAR SRIVASTAVA



EXPLORING THE DIGITAL-LED BUSINESS NORMAL THROUGH AND POST COVID-19

The current pandemic scenario has highlighted the critical role digital readiness can play in the ability of businesses to respond and thrive. Forbes India brings together top digital leaders to share and learn how they plan to accelerate their organization's journey to reach the next normal sooner.

2ND JUNE 2020



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INTERVIEW

‘Lockdown Extension Tested Patience Of Migrant Workers’

Subodh C Dixit, executive director, Shapoorji Pallonji Engineering & Construction, on the impending shortage of labour in the coming months and why construction companies are staring at huge financial losses

Q How many migrant labourers/daily wage workers do you employ at your sites?

Before the lockdown, we had about 150,000 construction workers across our projects in India. Depending on the volume of the project, there were 150 to 4,000 working on each of them. After the lockdown was announced, construction activities came to a halt. Workers were told to stay put in accommodation camps provided by the company. We provided ration to our workers during the lockdown and carry out health check-ups on a daily basis. Besides, we have created quarantine rooms inside worker camps. The arrangements are reviewed daily to mitigate risks. A trained doctor and nurses monitor the health of workers at every camp.

Q How many have gone back to their homes?

Following the government's decision to permit migrants to travel to their home states, there has been a rush of applications from our workers. Most of these workers are skilled in construction trades and are crucial to ensuring work progress. Although organised players like Shapoorji Pallonji Engineering & Construction were taking care of them, the lockdown extension tested their patience. As a result, we are left with a worker strength of 30-60 percent on our projects.

Q How do you see the labour situation panning out and what will be its impact on the industry?

Construction companies are finding it difficult to convince their labour sub-contractors and workers to stay back. Now that the government has conditionally allowed some sites to resume work, companies are facing

a problem of resuming activities in the absence of adequate labour. Also, due to the mismatch of skills among the remaining workers, output and productivity will be impacted. As the supply chain for construction materials normalises, insufficient labour strength could impact the construction operations of these companies.

Q What measures has Shapoorji & Pallonji Group taken to keep its workers back?

It has taken multiple steps, including assuring workers about the continuity of preventive and welfare measures post-lockdown. We are also conducting motivational talks to alleviate their anxiety and urging them not to believe in rumours. Constant communication and engagement with workers are vital to keep them motivated. We are incentivising our workers financially and releasing timely payments. We are also getting support from some of our clients in these efforts.

Q Do you expect a shortage of labour because of the way the situation was handled? Do you expect more payouts for labourers going forward?

Yes. It would be a challenge to mobilise adequate number of workers for ongoing projects. Construction companies will need to offer higher rates and other incentives to attract



Safety personnel explain preventive measures to workers at a construction site



Changes in labour laws: 'Increasing number of work hours violation of right to life'

Amid the brewing migrant crisis across the country, states like Uttar Pradesh and Madhya Pradesh have brought in ordinances to repeal major existing labour laws there. Others like Himachal Pradesh, Gujarat, Maharashtra and Karnataka are seeking an extension of work hours from 8 to 12 every day.

Some states have also refused to offer overtime for the additional four hours. Extension of work hours and not paying appropriately are constitutionally barred in law which is set under the International Labour Organization convention.

"Most states are seeking an extension of

working hours, but Punjab and Karnataka have said that they won't even revise the minimum wages, they have in fact deferred the same for a year. Petitions are being filed against increasing the number of work hours as it amounts to bonded labour, it falls under violation of right to life under Article 23. And bonded labour is just not physical compulsion but economic compulsion too... it comes under Article 21," says Gayatri Singh, a senior counsel at the Bombay High Court and part of the Human Rights Law Network.

Uttar Pradesh has also abolished the Factories Act, 1948, under which certain

provisions are related to safety and health benefits inside the factory. Madhya Pradesh has effectively barred raising of complaints and disputes too.

"There is no equal bargaining capacity for employees... the right to collective bargaining has been taken away. Apart from that, they have watered down the layoff and retention policies. Earlier, companies had to follow certain protocols before shutting any unit with 100 or more employees, that has been changed to 300 and more employees," says another senior counsel of the Bombay High Court.

the required number of workers in the months ahead. The construction contracting fraternity has been under a severe financial stress in the last 3-4 years, especially the last year. The corona crisis will seriously impact the revenues of construction companies...

almost all of them will face huge financial losses. The financial stress is expected to worsen in the coming year. The liquidity constraints of construction companies and their supply chains are likely to delay recovery efforts. Most companies

have requested their clients—both government and private—to help ease the situation by expediting release of certified payments and also by considering additional advances. These payments can be channelised to sub-contractors. This would be crucial to retain workers after the lockdown is lifted.



Regular temperature checks are carried out by in-house medical practitioners in the accommodation camps for construction workers

Q How much are your daily wage labourers paid?

We employ construction workers through our sub-contractors. The workers are paid as per the Minimum Wages Act and are entitled to other benefits and welfare facilities as per the labour laws. The basic wages range from ₹500-800 per day depending on their skills and the geographical zones they work in. In normal times, they also get overtime. We have paid all our workers during the lockdown.

Q What is your reading of the current situation?

We are continuously speaking with our sub-contractors to ensure that the worker strength improves in the post-lockdown scenario. We are addressing their grievances to ensure work continuity. However, a section of workers is anxious to return to their home states and some of them could be diverted to agricultural work. It would take at least six months for the workers' strength to return to normal.

• POOJA SARKAR



GETTY IMAGES

AVIATION

Debt Trap

Airlines in India face a bleak future due to poor liquidity



GETTY IMAGES

ON MAY 13, RESEARCH FIRM ICRA said the domestic aviation industry will require additional funding between ₹32,500 crore and ₹35,000 crore over three years as the debt burden of airlines will swell to ₹46,500 crore in this period. "While some airlines have sufficient liquidity or financial support from a strong parentage, others, already in financial stress, face an existential crisis," ICRA said.

ICRA reckons a large percentage of passengers could use credit shells they accumulated when operations were cancelled in March. "The liquidity position of airlines has deteriorated sharply due to the high fixed costs and accumulated liabilities from sold, but not flown tickets. Overall, the credit profile of domestic airlines will weaken over the near-term," says Kinjal Shah, vice president, ICRA. Airlines in India are losing between ₹75 crore and ₹90 crore a day, totalling nearly ₹6,000 crore in the last two months.

Research firm Crisil, too, had outlined a bleak fiscal, suggesting aviation will see revenue losses of ₹25,000 crore, of which airlines of ₹17,000 crore. "Mergers and acquisitions of airlines, and relook at expansion plans of private and upcoming greenfield airports would be possibilities," says J Padmanabhan, director and practice leader for transport and logistics at Crisil.

• MANU BALACHANDRAN

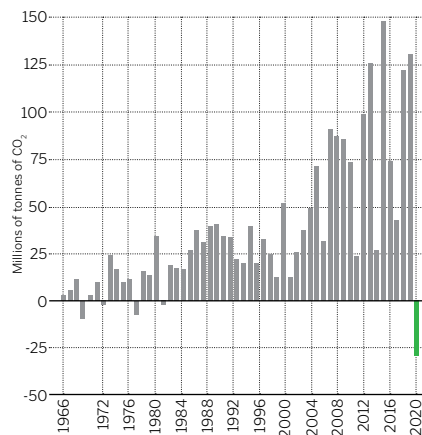
CLIMATE

India Breathes Easy

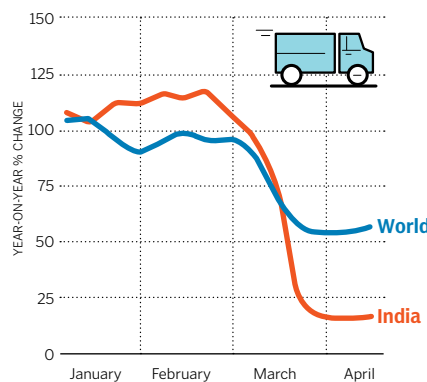
Drop in pollution levels in India has been the only silver lining to the Covid-19 outbreak and the subsequent national lockdown

A breath of fresh air

Carbon dioxide emissions in India have fallen for the first time in decades



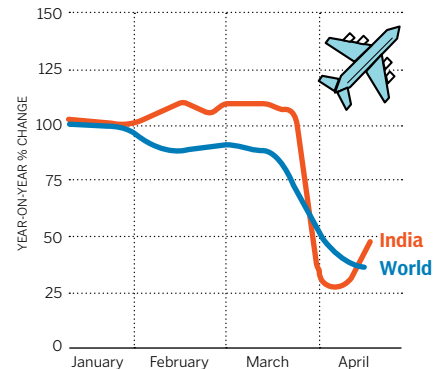
Traffic under lockdown



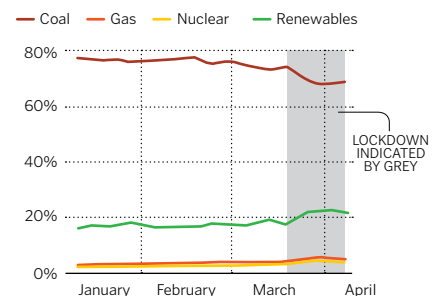
What's driving the fall in CO₂ emissions

- 1 Fewer vehicles on roads
- 2 Fewer planes in the sky
- 3 Clean energy

Flights grounded



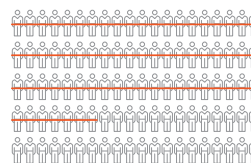
Decline in coal use



SOURCE Carbon brief

Reality Bites

A survey of the vulnerable sections, mostly from the unorganised sector, showed a significant number earning an income of less than ₹10,000 a month



74%

of these households are consuming less food than they were before the lockdown

SOURCE Azim Premji University COVID-19 Livelihoods Survey

67%

of workers from India's unorganised sector lost their livelihood due to the lockdown



CREATED BY NEWS18 GRAPHICS



SHUTTERSTOCK

POST-LOCKDOWN

Pressing Restart

Several companies resume production at reduced capacity after the coronavirus outbreak

ANUSHREE PADNAVIS / REUTERS



Staff at Lava International Limited's manufacturing plant in Noida work on an assembly line of mobile phones wearing face shields

WITH INDIA EASING LOCKDOWN restrictions, smartphone makers, manufacturers and retailers have restarted operations, at least partially. Companies are taking adequate safety precautions and adhering to government guidelines as they go about their business after the coronavirus outbreak.

Okinawa, a Gurugram-based electric scooter maker, has begun production at its plant with 25 percent capacity. "We have decided to resume business operations gradually, maintaining all precautions," Jeetender Sharma, the company's managing director, said in a press release. "We have issued an advisory to our dealer partners and a comprehensive standard operating procedure to our workforce to ensure complete safety."

German manufacturer Bosch is also providing retail services in 17 Indian cities. "We expect to see a huge demand for dishwashers

among affluent consumers with resumption in services. While we are resuming operations, the safety and health of our customers and store consultants continue to be top priority for us," said Neeraj Bahl, MD and CEO, BSH Home Appliances, a unit of Bosch.

It is mandatory for customers and sales consultants to use hand sanitisers during entry and exit at all Bosch stores. Also, people can take prior appointments before visiting the store while walk-in customers have to maintain a distance of 1.5 metres between them.

Similarly, MicroSun Solar, a solar photo-voltaic module manufacturing company in Bengaluru, resumed operations on May 4. Wearing of masks is compulsory and an individual's body temperature is

monitored twice a day. "Anyone showing signs of sickness is prohibited from entering the facility," the company said.

Several smartphone makers, including China's Xiaomi, Vivo, Oppo, have restarted manufacturing activities in India. The country did not see any smartphone handset sale in April. Vivo's and Oppo's Greater Noida facilities are running at 30 percent capacity. Tech news portal Tech Crunch reported that Apple has also started limited production at its contract manufacturer Wistron's facility in Bengaluru.

South Korean major Samsung has started "limited operations, which will be scaled up over a period of time", Tech Crunch cited a company spokesperson as saying. "We have ensured that all hygiene and social distancing measures are maintained at the premises," he said.

Lava, an Indian mobile phone company, has resumed production at its manufacturing facility in Noida. The company is operating at 20 percent capacity. It has arranged special buses for its employees and conducts regular health check-ups for

its staff. "We welcome the government's move to permit mobile phone companies to resume operations. Though we might face some challenges due to the delayed availability of manpower and material, we have sufficient inventory to maintain the

pace of production for the initial period," said Sanjeev Agarwal, chief manufacturing officer of Lava. "We also expect our components partners to open up soon."

Mostly, the relaxations are in areas that are termed orange or green zones, which make up over 80 percent of the country's 733 districts. The red zones are places with a high number of coronavirus cases.

● HARICHANDAN ARAKALI

A NUMBER OF SMARTPHONE MAKERS HAS RESUMED OPERATIONS DESPITE NO HANDSET SALES IN APRIL

Making a Comeback

Three of India's leading business cities continue to register spikes in coronavirus cases. Here's what they can do to set their wheels of socio-economic activity back in motion

MUMBAI

Handle with Care

In Jeevan Nagar in Mumbai's Andheri West, Manna Khan Pathan, who works as a domestic help, is sitting outside while her granddaughter cleans their house. A couple of weeks ago, thermal screening was carried out in the area

by the authorities who also did pulse oximetry for those over 65.

"We used to have a doctor coming in for a couple of hours every day, but about 15 days ago, we told him to stop coming since we don't know

which other clinics or areas he had been going to," Pathan says.

While she might get paid for the period she has been at home, it is not the case with lakhs of people who live and work in the dense slums of Mumbai, India's financial hub, whose struggles under lockdown are among the most unique globally. The city's army of informal workers, rendered jobless under the lockdown and living in cramped housing, steps out every day to access basic utilities—from water to a washroom—amid fears of rising infections that a stretched public health care infrastructure is ill-equipped to handle, bringing into sharp focus the close co-relation

between health care, urban planning and economic activity.

Mumbai had 17,512 cases of coronavirus and has seen 655 deaths, as of May 15. It is the worst affected among cities in the country, because of which the Uddhav Thackeray-led



Mumbai, India's financial hub, is the worst-affected among cities in the country, with 15,581 cases of coronavirus as of May 13



state government has extended the lockdown till May 31.

Ramped up testing, more hospital beds and increased medical personnel are some of the measures the newly-appointed BMC Commissioner Iqbal Chahal announced in Mumbai a week before lockdown 3.0 was to end on May 17. The objective: To ensure the doubling rate of the infection increases to 14 days from the current 10 days by May 20.

“Mostly we are finding asymptomatic patients, so it is extremely difficult. But when they are asymptomatic, the cure rate is also high,” says Archana Walzade, under secretary, department of public health, government of Maharashtra.

The high population density of Mumbai remains the civic body’s biggest challenge, whether it is families living in small cramped flats, or in slum areas that are more vulnerable to infection and spread. “When you have six people in a room and you have community toilets, where there is a lack of space and people are already susceptible because of poverty, overcrowding and malnutrition, infections like tuberculosis are also quite high,” says Dr Anant Bhan, a researcher in global health, bioethics and health policy. In such a situation, it is difficult to follow measures laid out for a virus like Covid-19. “If you don’t have safe water supply, if your water supply is at a hand pump which is a kilometre away, and which comes once a day at 4 am, everyone’s going to crowd around that. If you only have community toilets for a large population, then obviously people will need to go and access it.”

This situation—where 50 percent of the population lives on 25 percent of the residential land of the city—is something that has been years in the making. Until Mumbai was an industrial city, industrial capitalists had an interest at stake in keeping land values in the city in check considering higher land values would mean upward pressure on wages due

“Let’s open up with extreme care and in the meantime ensure that we support those who might be vulnerable.”

to higher costs for accommodation and travel. Since the ’80s, planning in Mumbai shifted dramatically towards the real estate and development paradigm, as opposed to the public health and environmental safety paradigm, points out Hussain Indorewala, who teaches planning theory, housing and humanities at the Kamla Raheja Vidyaniidhi Institute for Architecture in Mumbai. Redevelopment meant pushing people into smaller and smaller areas, skirting light, ventilation, open space and other norms. “If public health is an important concern in the city, one has to start thinking seriously about the way in which housing is conceived in cities,” he says, adding that this will have to change dramatically.

Covid-19 has shown that not having health security impacts everything: Our daily life, our way of living and our financial security. “Health security is key to any other security, and if we don’t take that to heart and just go back to square one as soon as this pandemic gets resolved, then we wouldn’t have learnt,” says Bhan.

Corporates and businesses in Mumbai have been putting in norms for work from home and hygiene practices at factories and offices, and preparing for fewer people actually going in to offices. “From the factory level to the depots, we have created awareness by communicating to workers, verbally as well as visually, about hygiene and sanitation,” says Krishnarao Buddha, senior category head-marketing, Parle Products,

which has 130 factories across the country and a vast distribution network. Retailers too have been asked to pick up products in specific time slots from distributors to maintain social distancing.

In Mumbai though, jobs for the informal sector started drying up as early as March 15, says Marina Joseph, associate director at Yuva, a nonprofit that works with unorganised labour and did a Rapid Needs Assessment survey just before the lockdown was imposed. “More than it being a health crisis, the lockdown is a humanitarian crisis. The fact is that right now if the Maharashtra borders are choked with labourers trying to escape, it’s because they are not being given basic food to be able to survive here which is pushing them to make these death walks.”

With two months of being without any money or wages, the informal sector will want work the moment the city opens up. But the re-opening has to be well thought out because any misadventure right now might result in a rebound surge that could be worse than the initial surge. Besides, the impact of distancing will affect the work of everyone from domestic workers to street vendors, and it will be crucial to support the most vulnerable.

“Let’s open up with extreme care and in the meantime ensure that we support those who might be vulnerable. Because there is going to be a major push from there, that we have suffered enough and we need access to financial resources or the ability to be able to earn,” says Dr Bhan.

Because everyone is dependent on everyone else, and everyone contributes to the economy of the city, it is in the interest of Mumbai to think of itself as a collective while working towards minimising the impact of the infection, he adds. “Because one infection still left out there could easily spread to many more people.”

• MONICA BATHIJA

PHOTO COURTESY: ASTRAL PIPES

The Santej plant of Astral Pipes



AHMEDABAD

Fighting the Fear

An eerie silence grips the streets of Ahmedabad. As the city grapples with the coronavirus—the erstwhile capital of Gujarat has seen 7,171 cases and 479 deaths as of May 15—fear among people looms large. On May 6, the Gujarat government imposed a curfew in Ahmedabad and Surat. Municipal commissioner Mukesh Kumar, who took charge on May 5, said all shops, including those selling groceries, fruits and vegetables, will remain closed till May 15 to minimise human contact. The decision was taken after several vegetable vendors tested positive for the virus. With

only medical stores and milk outlets open, citizens panicked and hoarded groceries and vegetables before life in the two cities came to a standstill.

In an earlier interview with *Forbes India*, Vijay Nehra, then Ahmedabad's municipal commissioner, who is now quarantined at home for 14 days, said the authorities are implementing a 3S strategy: Super spreaders, senior citizens and slum areas as the focus. On May 10, over 300 coronavirus “super spreaders” were found in Ahmedabad. They had transmitted the virus to several people that included

vegetable vendors, grocery and milk shop owners, and garbage collectors. Nearly 14,000 of them will be tested and given “health cards” before allowing them to commence business.

RS Sodhi, managing director of Amul, says the lockdown had a bearing on milk supplies initially, but the situation improved gradually. “When the first lockdown was announced in March, a lot of restaurants and

hotels stopped operating... they were our regular clients who consumed many products from us, majorly milk. We saw a 15 percent dip in business. But gradually the supplies increased and

came to pre-lockdown levels since people started consuming more dairy products at home,” he says.

Initially, the Gujarat Co-operative Milk Marketing Federation, popularly known as Amul, faced issues with





inter-state transport and supply of packaging material. These were eventually sorted with the help of state and central government authorities. “We’re getting 35 lakh litres of milk per day. Sale of cheese, paneer and buttermilk has increased by 50 percent. Our ice cream sale was down by 95 percent in the beginning, but now it’s at 65 percent,” adds Sodhi, who circulated a video message, urging consumers to refrain from panic-buying and assuring them that there won’t be a shortage of milk.

Almost two months after its first coronavirus case on March 19, Gujarat has the most number of cases and deaths in the country after Maharashtra. It also has the second highest case-casualty ratio after West Bengal. Most of the cases have been reported from the Walled City areas, including Jamalpur, Shahpur, Dariapur and Khadia. The four wards are among the 10 red zones in the area.

Apart from the curfew to arrest the spread of the virus, the Gujarat government has also deployed Border Security Force and Central Industrial Security Force personnel in containment zones. Dr Tushar Patel, a pulmonologist who has been dealing with Covid-19 patients at civic hospitals, says, “One of the reasons why the toll is increasing is because most of the patients come late... by that time, the situation has worsened. Also, in Ahmedabad, a lot of people suffer from diabetes and hypertension which further deteriorates a patient’s condition.”

Ahmedabad is a hub of big, mid-sized and small pharmaceutical companies and the government has asked companies to operate with 30 percent manpower. “As soon as some relaxations were allowed after the first lockdown, we started getting permission to resume work in our factories,” says Sandeep Engineer, founder of Astral Pipes. “We started our plant slowly and steadily with limited number of people as specified in the approval. The sales are not

great, but that’s expected. We have started fulfilling our orders. All our plants across India are operational.”

Some of the labourers working with Astral have left for their villages, and the company has made necessary arrangements for those who have stayed back. “The government has allowed us to work with only 30 percent staff, so we call our workers in shifts and as per work requirements. Both our plants are on the outskirts, so they do not come to the city,” says Engineer.

Astral has plants across India which is an advantage because certain products can be produced at different places if there’s a labour shortage in Gujarat. “Companies with presence across India will face less issues and business will not be impacted as much. Also, nowadays companies who have a rural focus will be the real winner. Our focus is on rural. Companies who are

quarantined. “When they discovered the cases, they did not report them. This is one of the major errors due to which the entire unit had to be shut. The pharmaceutical industry in India is running successfully because of stringent measures taken from entry to exit, disinfecting, following social distancing, masking and sanitising. You cannot afford to make errors like these... I don’t think the situation at Cadila was managed correctly,” says Sunil Parekh, member of the National Executive Committee of Federation of Indian Chambers of Commerce and Industry. Cadila Pharmaceuticals did not respond to *Forbes India*’s queries.

Professor Chirantan Chatterjee of IIM-Ahmedabad explains where the city is lagging in terms of testing and proactive structural planning. “There were a couple of cases in our campus, but the municipality officials did not conduct tests. They

“In three months, we will be in deep trouble. Everybody should face the reality, and test, trace and isolate aggressively.”

good with rural marketing in smaller towns and villages will do better than those that are present in bigger cities,” says Engineer. “I hope things open up slowly. We will have to be brave, live with this and move ahead. At the same time, our medical system needs to be stronger. We will have to run businesses, else new problems will start arising. We will have to live with the new normal and take it positively.”

Pharmaceutical companies are also taking safety precautions and maintaining social distancing. Yet, one of the largest pharma companies in Ahmedabad had to shut down its formulations manufacturing plant. Twenty-six employees of Cadila Pharmaceuticals tested positive at their Dholka manufacturing facility on May 6 after which 95 staffers had to be

said they would observe for seven days first. I understand we are a resource-constrained country. But there are several options that one can employ economically, while not foregoing the financial implications to test the population. Yet I see some policy decisions to avoid doing that because the numbers may look bad... it is certainly going to come back to bite Ahmedabad and Gujarat. In three months, we will be in deep trouble. Everybody should face the reality and test, trace and isolate aggressively. My recommendation continues to be to listen to what Dr [Anthony] Fauci is saying in the US and not suffer from a prevention paradox, hence adopting and extending intelligent lockdowns,” he says.

• NAANDIKA TRIPATHI

NEW DELHI

Swinging Back to Life

Handling the Covid-19 crisis in New Delhi has not been easy. The national capital ranks fourth among states in the country with the largest number of coronavirus cases. As of mid-May, the number of cases swelled from 3,500 to over 8,400. Yet, the Arvind Kejriwal government has been vocal about restarting economic activities, with the focus firmly shifting to managing the containment zones—81 as of May 13—or hotspots.

“Once designated a containment zone, the government puts in place what we call operation Shield,” says a senior state government officer.

The Shield protocol includes sealing a locality, home quarantine, isolation and tracking, essential supply, local sanitation, and door-to-door checking, and is usually put into effect for 28 days from the date of the last person testing positive. So far, it has also helped that over 75 percent of the cases in the capital has been asymptomatic, and not severe.

“Our team makes inspection of their home to ascertain whether social isolation can be observed or not,” Kejriwal had said earlier. “Our teams are

in regular touch with such people and if needed, family members of the affected persons can contact officials. If there is lack of sufficient space at home, the patient is sent to a coronavirus care centre for 14 days.”

Over the past few weeks, the government has set up an empowered group comprising some of the state’s senior-most bureaucrats, experts and doctors to help contain the infections, while also

ensuring measures to kickstart economic activity. The task force will look into emergency planning,



Noida Metro Rail Corporation (NMRC) has started special intensive clearing and sanitation drives at all the stations and inside the trains, in order to safeguard commuters against the Covid-19 pandemic



procuring medical equipment, ensuring the availability of essential and medical supplies, ensuring social distancing, and strengthening hospital infrastructure.

“From the beginning, we had made it a point to ensure focussed intervention,” says Tanvi Garg, district magistrate for New Delhi district. “Even with mild symptoms, we ensured that isolation took place and set up dedicated quarantine facilities. In addition, we also pioneered the paid quarantine facilities, a model that is beginning to find takers.” Garg was instrumental in setting up the first paid quarantine facility in Delhi even before the situation had flared up, and the government had to set up facilities for passengers arriving by airlines before the lockdown.

and manufacturers, to ensure that the workplace sees significant changes.”

Among others, these include social distancing, use of hand sanitisers and screening. “We have taken them into confidence, and there is a mutual understanding as far as restarting activities is considered,” adds Garg. The administration is now awaiting rules to be laid out by the Narendra Modi administration to restart economic activities in the state from May 18.

Others such as Nidhi Srivastava, district magistrate of Central Delhi, reckons that her district is geared up for lockdown 4.0, when the government is expected to announce wide-scale relaxations. “Employers and shopkeepers have to ensure that various norms are followed

for our students, the North Municipal Corporation of Delhi announced online classes from March in all 700 schools and aided schools,” says Varsha Joshi, the commissioner of North Delhi Municipal Corporation. “Teachers were encouraged to create WhatsApp groups, class-section wise. The parents were a part of these groups. Teaching material called online learning teaching aids in the form of daily worksheets and self-made videos were created by a group of 74 mentor teachers.”

With the state looking to swing back to life once the lockdown is lifted, Kejriwal had also sought suggestion from people on relaxations for the fourth phase of the lockdown. Among others, he wanted the public to decide whether public transport

CM Arvind Kejriwal had also sought suggestions from the people on relaxations for the fourth phase of the lockdown

Soon, as the number of cases in the state began to swell, the government began setting up buffer zones and containment areas. Once declared a containment zone, health workers screened its residents at least three times in 14 days. “Eventually, we had realised that instead of going after buffer zones with a larger radius, it was important to focus on localised containment zones,” Garg adds. That had also helped her handle the situation at the popular Bengali Market when three cases were reported.

Now, as the central government turns its attention to restarting the economy, Garg reckons that her job has become easier than before. “There is a lot of awareness. Even with the migrant movement taking place from our railway stations, people are following social distancing. They have understood the problem, and that cuts across sections of society. We have also spoken to traders’ associations

while they restart activities,” says Srivastava. “There is wide-scale awareness which is helping us. We are constantly in touch with coordinators across commercial areas to ensure that supply chains aren’t disrupted or constraints do not happen. The medical teams have been active, visiting homes, and even ensuring that those affected do not face psychological issues.”

Srivastava’s central Delhi district comprises Old Delhi, and the task was significantly difficult during Ramzan. She also had to win the confidence of those who doubted the intention of the medical workers who were looking to collect data. “Today our doubling rate is 13 days, and we are ready to resume activities and enforce directions from the home ministry,” Srivastava says.

Additionally, the government has also been working closely with schools to shift towards online classrooms. “To ensure uninterrupted learning

system should begin in addition to markets and industrial areas. “Specially trained housekeeping staff are deployed at stations to clean passenger movement areas and associated equipment such as AFC gates, lifts and escalators to begin safe operations,” the DMRC said in a tweet.

Rajiv Kumar Goel, president of the Bawana Manufacturers Welfare Association, one of the largest manufacturing clusters in Delhi, reckons that the health measures have been on track as far as restarting economic activities go. “We have begun work on single shifts, and the health initiatives have been absolutely on track,” Goel says. “However, there is no demand. And then there has to be a way to bring back the workers who have left. So it’s time for the government to now focus on tax breaks and subsidies to kick-start activities. We are ready to function with Covid-19.”

• MANU BALACHANDRAN

Waiting for Orange

As Nagpur continues to be a red zone, industries struggle with labour, finances, supply and demand even after restrictions are partly lifted

By PRANIT SARDA

HARSHAD JOG



Gram flour is milled, weighed, packed and made ready for transportation at Nagpur's Ginni Agro Products, which is working with half its workforce

Until two months ago, Nagpur Polyfilms used to make bottles for confectionary, country liquor, beverages, food items, cosmetics, ayurvedic and allopathic formulations, and local packaged water companies. Until the Covid-19 situation hit, they had no sanitiser manufacturers on their client list. After the first phase of the national lockdown was announced on March 24, a lot of businesses (especially in the pharmaceutical sector) shifted to producing sanitisers, and thus came the demand for sanitiser bottles.

With about 300 Covid-19 cases in Nagpur as of May 13, and a majority of them restricted to just two areas—Mominpura and Satranjipura—people

have been appreciative of Nagpur Municipal Corporation Commissioner Tukaram Mundhe and his strict measures in helping control the spread of the virus. But the city continues to remain a red zone, and though it is slowly limping towards normalcy after some restrictions were lifted on May 13, industrialists think it will be a while before operations get back to normal, and economic activity restarts.

“Mundhe has done a great job in containing the coronavirus but it's high time industries start here, too, starting from liquor. Everything is linked to liquor,” says Aditya Mantri, managing director of Nagpur Polyfilms. Resuming the liquor business is connected to the revenue of every other business, besides increasing government revenue.

As alcohol production resumes, the food and snacks industry will see an increase in demand, along with local beverages, he says. All of which will help Nagpur Polyfilms.

The Mantri family runs three businesses—Nagpur Polyfilms, Ginni Agro, a manufacturer of whole wheat flour and gram flour, and Polyfilms Industry that manufactures plastic bags. All three businesses are running, but at a capacity of 40 percent with a workforce of 50 percent. “Our plant is running only because of sanitiser bottle orders,” says Aditya.

With the onset of summer, several other industries too are feeling the heat, including the air conditioner and air cooler industry. Besides wholesale fruit and vegetable markets, Nagpur's central location in the country means



it has a host of warehouses on its outskirts. With lower consumption, inventory is held up at these warehouses, thus affecting businesses that also run the risk of goods with limited shelf life getting spoilt.

Of late, Nagpur has also become a hub for the IT and services sector, with companies such as TCS and Infosys setting up offices in the city. This is apart from various micro, small and medium enterprises (MSMEs), where employment is at stake. Small private enterprises such as chartered accountancy firms, architects and lawyers too are finding it difficult to continue paying their staff.

Hitesh Parse, an advocate specialising in taxation and finance, is also the promoter of Aquarii Infrastructures Pvt Ltd and has been vice president at BNI Edenite, Nagpur, a business networking organisation. He outlines the problems he has been facing in his business. Through the Vidarbha Irrigation Development Corporation's scheme, Aquarii Infrastructures was to lay pipelines from a dam to 4,000 hectares of farms. They placed orders for pipes from Supreme Industries, located in Jalgaon. Now that the government has permitted Parse to start operations with a few labourers, and he has started receiving material from Supreme Industries too. However, unavailability of cement and sand, which Aquarii Infrastructures acquires locally, means work is at a standstill.

The Parse family was also in the midst of renovating their office when the lockdown was announced. Work stopped, and though the government has now allowed technical staff to resume work, the renovation work has still not started. Meanwhile, he continues paying rent for the office he is working out of.

Unavailability of labour has been a predicament across industries. At all three of the Mantri family businesses, Ramesh Mantri, Aditya's uncle and promoter of the businesses, has



"Businesses now prefer to keep cash reserves rather than invest them in the company."

HITESH PARSE,
VICE PRESIDENT, BNI EDENITE

arranged for labour accommodation and food. "Labourers want to leave but they can't. While working, at least they can provide for their family, something they can't in their villages," he says. "A majority of the workers in industries across the city are from outside. Some industries have fired the workers, some are cutting salaries by half and some are paying in full."

The Prime Minister had suggested that employers should not lay off employees or reduce their wages. While some industries do continue to support workers, they are now feeling the pinch. "At a time like this, it's already difficult to recover old debts while cash flow is evaporating. Salaries run into lakhs, and even if you want to pay, it's difficult," says Ramesh.

Another reason experts say industries are making arrangements for workers is that they remain available once the lockdown ends. Not paying workers is also likely to cause a ripple effect in the post-Covid-19 world. According to Ramesh, labourers might not want to return

to businesses that didn't help them. Foregone skilled labour would become a new hurdle for industries, as they would have to train new labour.

Labour that is around wants to be paid more. "If we are being paid the same amount as a labourer who has left for home, that isn't fair to us," labourers told Aditya.

Apart from the increase in the cost of maintaining a workforce, other costs too have gone up. "Raw material costs have increased by over 10 percent, costs of packaging and transportation have gone up, we've spent ₹50,000 on sanitisers for our employees, and for the risk taken by us, we have increased our margins by about 15 percent," says Aditya. Prices of finished goods in the market have subsequently increased.

Running at a lower capacity with the same fixed costs means companies are looking at losses. Ramesh says, "We make a loss whether or not we open shop. If we operate, we make a loss of ₹500, if we shut shop we make a loss of ₹1,000. Now is not the time to count losses, it's time to continue to work."

Considering the uncertainty, businesses are also preferring to keep cash in hand rather than investing it in business. Parse says, "I have gone through account books of many businesses; they prefer to keep cash reserves, rather than investing them in business."

Ramesh estimates it will be at least six months to a year before industries in Nagpur get back to an optimum level. "Everything is interdependent; opening one thing while the other is shut makes little sense," he says. If production resumes and a machine breaks down, unavailability of spare parts hampers business. Similarly, if production is fulfilled but transportation is at a standstill, distribution poses a problem.

"We will have to live with the virus," he says, adding that once demand increases, production won't be an issue. **F**

Readying the Remedy

Companies in India are using diverse technologies to develop a coronavirus vaccine, but even as they race against time, the road to an efficacious solution is neither straight nor short

By **DIVYA J SHEKHAR**

CHAITANYA DINESH SURPUR



The timeline is historically short: Create in 18 to 24 months what you usually get five years or more to do. In mid-May, as the number of people testing positive for coronavirus increased to 4.48 million, including 82,000-odd from India, and counting worldwide, scientists have been breaking their backs to find a cure. A powerful treatment that experts say should be at least 95 percent effective against the outbreak and one that could be administered to people across ages, pre-existing health conditions, and geographies. Creating an effective coronavirus vaccine is a tall order, and an urgent one.

According to the Coalition for Epidemic Preparedness Innovations (CEPI), a foundation that tracks the global Covid-19 R&D landscape, there were at least 115 ongoing vaccine initiatives worldwide as of April 2020, out of which five are in early-stage clinical trials. In India, at least seven companies and research institutions are working on developing a vaccine candidate using different technological platforms and approaches. The CEPI notes that the “global vaccine R&D effort in response to the Covid-19 pandemic is unprecedented in terms of scale and speed”.

A Reuters report published on April 27 notes that historically, just 6 percent of all vaccine candidates end up making it to the market, often after a “years-long process that does not draw big investments until testing shows a product is likely to work”. But in the case of Covid-19, which has infected crores of people and killed lakhs across the world, while crippling the global economy, traditional processes are being sidelined, and governments, non-profits and pharmaceutical companies are investing billions into platforms even with low odds of success.

Rakesh Kumar Mishra, director of the Centre for Cellular and Molecular Biology (CCMB) in Hyderabad, says testing different approaches



is key to achieving results in highly compressed timelines. At present, he explains, companies in India are using a wide range of methods (see *Vaccines: Types and Methods*) for vaccine development. This includes using the virus itself in a weakened or inactivated form, using nucleic acids (DNA and RNA) to prompt an immune response, or vaccines made using coronavirus proteins.

For example, the three leading platforms being built in India, which have received funding from the department of biotechnology (DBT), use diverse approaches too. The Pune-based Serum Institute of India (SII), the world's largest vaccine maker by volume, has undertaken mass production of the candidate being developed by the University of Oxford in the UK, which uses the weakened virus platform (see *Indians in the Vaccine Race*). Pharmaceutical major Zydus Cadila from Ahmedabad is using the virus vector approach, along with developing a DNA platform vaccine. Then there is Hyderabad-based Bharat Biotech, which is working on 'CoroFlu', a one-drop nasal vaccine built on a pre-existing flu vaccine.

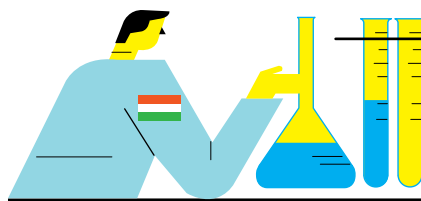
The CCMB, says Mishra, is attempting to grow a large amount of virus in its lab and inactivate it [with heat or chemical processes] so that it can then be used by companies to develop their vaccine candidates. According to him, there is a need to work on multiple vaccine platforms simultaneously because global demand is extremely high and there just might not be enough to go around.

"India has a huge opportunity because we have been a major vaccine exporter. Companies here have a robust capacity to manufacture vaccines at scale," he tells *Forbes India*. The CCMB, which is one of the national laboratories of the government's Council of Scientific and Industrial Research (CSIR), has been designated to validate antibody tests that companies

DR KAUSHIK GHOSH



Dr Krishna Ella and his team at Bharat Biotech in Hyderabad are working on 'CoroFlu', a one-drop nasal vaccine built on a pre-existing flu vaccine



Indians in the Vaccine Race

Organisations in India working on vaccine candidates, which are in various stages of development, as on May 11. Most have set their targets between the next 12 and 24 months

Company / Institute	Approaches / Platforms
Serum Institute of India	Live attenuated (weakened) virus
Zydus Cadila	DNA; measles vector
Bharat Biotech	M2-deficient single replication (M2SR) influenza vector; deactivated rabies virus
Biological E	Protein-based
Indian Immunologicals	Live attenuated (weakened) virus
Mynvax / Indian Institute of Science	Protein-based
Premas Biotech	Protein-based

SOURCE: World Health Organization; Interviews

develop for sale in India.

Vaccine manufacturers say authorities have assured speeding up of regulatory processes. This means that if the feedback or permissions from regulators took 2-3 months earlier, it might be reduced to just a week or two now, giving companies significant headway.

"Basically, vaccine manufacturers want to go to Phase I of clinical trials as early as possible," says Gautham Nadig, co-founder of pharma startup Mynvax, that is developing a protein-based vaccine in collaboration with the Indian Institute of Science (IISc) in Bengaluru, where it is incubated.

According to him, the real challenge will begin after animal trials, when, as part of clinical testing phases, the vaccine will have to be administered to humans. "Immunising a large group of volunteers to check whether the vaccine is effective will take time, but so long as safety is assured and you have efficacy data from animal testing, it gives a lot of hope."

Scientists say while regulatory processes can be speeded up, biological aspects—like monitoring the immune response in a heterogenous

PHANI RAO



Mynvax Co-founders Raghavan Varadarajan (left) and Gautham Nadig are developing a vaccine in collaboration with the Indian Institute of Science, Bengaluru, where Mynvax is incubated

population, fixing dosage and schedules of vaccine administration, and looking out for possibilities of other long-term adverse reactions to the vaccine—cannot be rushed.

“Without determining all this during clinical trials, going for large-scale vaccination will be risky,” says Dr E Sreekumar, a senior scientist at the Rajiv Gandhi Centre for Biotechnology (RGCB) in Kerala. He believes that once animal testing is successful, a realistic timeline for vaccine candidates to reach large-scale clinical use is at least a year. The safety and long-term efficacy of a vaccine is usually tested in a total of three such clinical phases (*see How Safety and Efficacy is Determined*).

However, given that time is of essence, it is up to the government and monitoring agencies to decide whether they want to be conservative or work out newer, faster, collective methods. “The government is actively working on streamlining and fast-tracking the process while adhering to safety norms. Because the quicker the vaccine is developed, the more beneficial it will be,” says Prabuddha Kundu, co-founder of Premas Biotech

in Gurugram, which is developing a yeast-based protein Covid-19 vaccine.

PATH TO THE VACCINE

Many companies in India are building vaccine candidates in partnership with international organisations. The SII will jump-start manufacturing the vaccine developed by the University of Oxford at its own risk while human safety trials are underway whereas the company owned by billionaire Cyrus Poonawalla has partnered with US biotech firm Codagenix and Austrian firm Themis to work on two other platforms. The vaccine candidate being developed by Premas Biotech is licensed out to Akers Biosciences in the US, while the CoroFlu nasal vaccine by Bharat Biotech is in collaboration with virologists at the University of Wisconsin-Madison and vaccine maker FluGen in the US. Another Hyderabad-based company, Indian Immunologicals, is developing a vaccine candidate using a live attenuated virus by partnering with Griffith University in Australia.

Microsoft Founder Bill Gates, whose non-profit Bill & Melinda Gates Foundation is among

the biggest funders of vaccines worldwide, estimates that at least 7 billion doses of coronavirus vaccine (double, in the case of a multi-dose vaccine) need to be manufactured and distributed to satisfy demand across the world. This, he suggests in a post on his blog GatesNotes, will require a “global cooperative effort like the world has never seen”.

Vaccine manufacturers in India say international collaborations foster sharing of knowledge, infrastructure and expertise, and improve quality standards for faster results. Sreekumar of RGCB, however, points to a possible gap in vaccination coverage and immunisation, whereby the developed countries will ensure they use the bulk of the primary supplies while vaccines will be available in India only once their demand is satisfied. “So it would be important for us to have our own capacity too,” he says.

On May 9, the Indian Council of Medical Research (ICMR) announced a collaboration with Bharat Biotech to develop a “fully indigenous vaccine for Covid-19”. An ICMR statement said the virus strain isolated at the National Institute of Virology in Pune has been transferred to Bharat Biotech’s labs to initiate vaccine development.

The Hyderabad-based company is also leading a project sanctioned by the CSIR to develop human monoclonal antibodies, which will block the spread of infection in the body by binding to the virus and making it ineffective. “We are fast-tracking the development process to make the antibodies available within the next six months, and thus improve the treatment efficacy,” says Dr Krishna Ella, chairman and managing director of Bharat Biotech. The company has successfully developed 10 different viral vaccines so far, including for H1N1 (swine flu), rabies, polio and the rotavirus. It has delivered more than 5 billion doses of viral vaccines.

RISKS AND BOTTLENECKS

Vaccine manufacturers *Forbes*



India spoke with say the lockdown posed immediate challenges in the development process, with disruptions in the supply chain and movement of people and scientists. Then there are also funding requirements to be met. For example, Mynvax has applied for funding from the Biotechnology Industry Research Assistance Council (BIRAC) and is awaiting a response. "The funding amount depends on how far we will take the vaccine forward on our own. For going all the way up to Phase I of clinical trials, we will require about ₹15 crore, but if we just do process development and let a manufacturer take up clinical trials and production, we would need just half the amount," Nadig says.

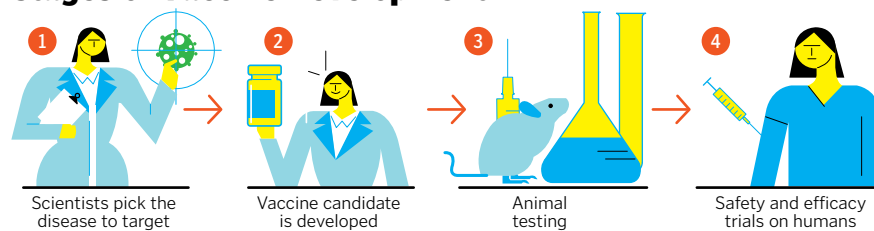
The SII, according to media reports, will spend between ₹300 million and ₹400 million over the next five months to make around 3-5 million vaccine doses per month, apart from investing roughly ₹6 million on making a new manufacturing unit to solely produce coronavirus vaccines. It expects a price of ₹1,000 per vaccine.

Experts believe that being price-conscious will be important for India to make the vaccine more accessible, but the cost of the vaccine is likely to be influenced by a number of factors. "The price will be determined by factors, including the components used to create the vaccine, its easy adaptability and transfer to other countries, and finally, the method and quantity of dosage," says Kundu of Premas Biotech.

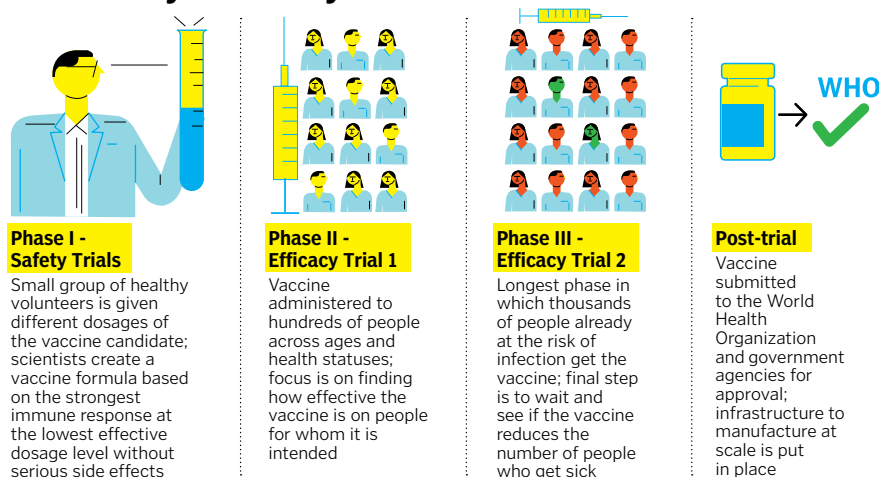
Another major factor for delay could be the fact that while India is known to manufacture vaccines for international organisations and agencies, a lot of the indigenous research in this space had to be started from scratch, believes Sreekumar. "I don't know how efficient we will be in transferring an indigenous vaccine candidate from lab to industry," he says.

A vaccine should not be considered as a panacea, Sreekumar explains, since the coronavirus is fast-mutating

Stages of Vaccine Development



How Safety & Efficacy are Determined:



SOURCE: GatesNotes, the blog of Bill Gates; Expert inputs

NUPUR MEHROTRA



Prabuddha Kundu (centre) and his team at Gurugram-based Premas Biotech are developing a yeast-based protein Covid-19 vaccine



and keeps changing. Also, there are possible issues of vaccination-induced adverse events such as antibody-dependent enhancement (ADE) of infection as documented in SARS vaccine studies. "From an evolutionary perspective, the new strains of the coronavirus are more diverse compared to the original strains in Wuhan, China. There are a lot of uncertainties," he says. "Vaccine development will take time... meanwhile, we can have good anti-virals, revalidate and repurpose pre-approved drugs that have already been tested for safety profiles. The latter could be used immediately with supportive care," he says.

The ICMR, for example, has identified drugs that could be repurposed, including remdesivir (originally developed to treat Ebola), Mycobacterium w (originally developed to treat leprosy) and lopinavir/ritonavir (a fixed-dose drug combination used for treatment and prevention of HIV/AIDS). Itolizumab, an anti-inflammatory psoriasis drug developed by pharma company Biocon, has also been



Vaccines: Types and Methods

Researchers are experimenting with different technologies, some of which haven't been used in a licensed vaccine before. All these vaccines aim to expose the body to an antigen that will provoke an immune system to block or kill the virus on infection. Some of these approaches are:

Virus vaccines

Made using the virus itself, in a weakened or inactivated form. Several existing vaccines for measles and polio have been made this way. Requires extensive safety testing.

Viral vector vaccines

A virus such as measles or adenovirus is genetically engineered so that it can produce coronavirus proteins in the body. Viruses are weakened to not cause disease.

Nucleic-acid vaccines

Uses genetic instructions (such as DNA or RNA) for a coronavirus protein that prompts an immune response in the body. The nucleic acid is inserted into human cells, which provides protection.

Protein-based vaccines

Coronavirus proteins are injected directly into the body. Fragments of proteins or protein shells that mimic the coronavirus's outer coat can also be used.

SOURCE Research journal Nature

permitted for use in moderate-to-severe Covid-19 cases, and is being trialled in Mumbai and Delhi.

Production of antivirals, which can reduce the life cycle of the virus and target its proteins, is also making headway in India, though safety and efficacy tests are yet to be done. On May 12, Noida-based Jubilant Life Sciences became the first company in India to sign a non-exclusive licensing agreement with US biopharma company Gilead Sciences to manufacture remdesivir, which, according to initial data, is a promising potential therapy for coronavirus. Glenmark Pharmaceuticals, meanwhile, has initiated clinical trials in India of its antiviral drug favipiravir.

Biocon Chairman and Managing Director Kiran Mazumdar-Shaw has also been facilitating the development of blood plasma therapy [where a drug is created using the blood plasma containing antibodies from those who have recovered from a disease] for the treatment of Covid-19. While she did not respond to *Forbes India's* queries on Biocon's role in India's vaccine development landscape, according to media reports, Mazumdar-Shaw has been asking state governments to start collecting blood from live convalescent blood donors to initiate plasma therapy.

Vaccine manufacturers in India agree that they have to be prepared for changes in their path at every turn. Experts say that while this process is underway, countries must continue strengthening the infrastructure for conducting more diagnostic and antibody testing. Suchitra Ella, co-founder of Bharat Biotech, tells *Forbes India* that every effort to build a vaccine is trial and error. "Be it repurposing old drugs, developing vaccines from scratch or blood therapies, everything has to go on simultaneously. There are no standards set in stone yet and we have to be prepared with whatever solutions we can come up with." 



Senior scientist Dr E Sreekumar at the Rajiv Gandhi Centre for Biotechnology, which has been researching on the virus to aid vaccine development

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Pandemic Plan

How Marico planned early to prepare for a changed consumer and business reality in the post-virus world

By SAMAR SRIVASTAVA

The first time Marico started making contingency plans for Sars Cov2-related disruptions was in mid-February. At that point, India's infection numbers were still in single digits and news headlines were focussed on an impending visit by US President Donald Trump.

Marico, however, was more focussed on the goings-on in China. What was needed was a plan for a situation if India too were to shut down. "As a company, we did not have a ready template," admits Saugata Gupta, managing director at Marico.

"So we used established frameworks."

As India's shutdown enters its ninth week, it has laid bare the importance of having a business continuity plan in place. Managing operations during that time can make

"We have to live quarter to quarter and even within the quarter, have a Plan B."

SAUGATA GUPTA,
MANAGING DIRECTOR, MARICO

a difference between a company staying alive and thriving in the post-lockdown world or withering away on account of the new business reality.

The early moves that Marico made gave it a fighting chance in a world that gets gradually used to living with the virus.

The effects of slowing sales are already visible. Net profit for the fourth quarter of the financial year ended March 2020 fell by 3 percent (excluding an exceptional item) from ₹204 crore a year ago. Sales were down by 7 percent to ₹1,496 crore and volumes declined by 4 percent.

In an interview with *Forbes India*,





PHOTO COURTESY: MARICO

Gupta speaks about Marico's early start in dealing with what was to turn into a multifaceted disordering of the company's operations. Managing factory operations, consumer preferences, supply chain and distribution, and the workspace are all likely to undergo change. Gupta is acutely aware that business rules in the post-Sars Cov2 world are on track to change and the company needs to play by them. There may be less demand for its premium products. Distributors may want to stock less and make sure they get a higher return on capital employed. Employees may prefer to work from home. For now, the annual planning exercise goes out of the window. "We have to live quarter to quarter and even within the quarter have a Plan B," he says.

BUSINESS PLANNING

Preparing for a pandemic is something few Indian companies had done before. In Marico's favour was the fact that its supply chain was not dependent on China. Against it was that its business was heavily reliant on distribution and boots on the ground. A contagious virus would require special care.

In early February, Marico began engaging an external agency to come up with a framework to deal with the crisis. What stood out was that the world over, consumers had been reacting similarly: Health and wellness was among the top internet searches. This would lead to the company launching a vegetable sanitiser.

On the business front, a plan was prepared to keep employees safe. Marico realised that this was not just restricted to white-collar workers commuting to office. The company instituted steps to protect employees of distributors and farmers. Insurance plans were rolled out for them. In March, farmers were given a ₹2,000 cash handout to tide over their loss in income. An early plan to transition to working from home worked out as an abrupt national lockdown was



Marico has put sanitisation and social distancing protocols in place at its factories

announced on the night of March 24.

The announcement came as a bolt from the blue and it took the company seven to 10 days to get its factories running again. There was a lot of liaisoning between them and industry associations and state governments to agree to a set of protocols before they got permission.

"Among the things that surprised us was the ease with which we could migrate to working from home," says Gupta. Laptops were arranged, software loaded and work from home protocols agreed to. The top management convenes daily via a morning call to take stock of the business, and also to discuss how consumer needs and preferences are changing. Among the trends Gupta points out is that once restrictions are lifted, there is a flurry of buying by consumers. In China, luxury goods purchases went through the roof, while in India there was significant buying of alcohol.

Another important realisation was the need to conserve cash. Several businesses have realised that the lack of sales and payments from customers results in an elongated working capital cycle for which they don't have ready credit lines. Some like Hero MotoCorp have invoked force majeure, a legal clause that allows them to suspend payments during a number of specified circumstances,

including a natural calamity. The lack of cash may also prove a hindrance in restarting operations once the restrictions on production are lifted.

In Marico's case, the need for cash wasn't as dire as it was still selling and had cash coming in, but the company focussed more on managing its costs. According to Gupta, this is likely to prove crucial in the post-virus world as there would be a lot of stress on the disposable income of its consumers requiring the business to relook at its offerings and how it sells to customers.

BUSINESS RETOOLING

While the immediate production challenge has been addressed, Gupta is also spending time understanding the changing business environment. Three things stand out—the consumer, the distribution chain, and factories and employees.

While it is still early days, the psychological scars on consumer sentiment are evident. They have to contend with social isolation, a loss in income and an uncertain job market. A survey carried out by the Boston Consulting Group (BCG) in late March, mid-April and late April mapped changing consumer sentiment. "My sense is there has been a deep impact on the psyche of the consumer who was driving incremental growth for these companies. They may downtrade



SAMEER PAWAR

as affordability would be a serious challenge,” says Amit Khurana, head of equities and research at Dolat Capital, while pointing out that it remains to be seen whether the salary cuts are temporary or permanent.

As the lockdown was extended, respondents to the BCG survey spoke about how they planned to reduce spends. While restaurants, cinemas and travel are obvious targets, even categories like toys and games, personal care products and apparel are not on consumers’ spending priority. At the same time, there is willingness to spend more on wellness and staples.

For the time being, premiumisation—selling higher priced variants of a similar product—is dead. While consumers may stick to premium products in certain categories—for instance, Saffola on account of increased eating at home—in skin care, they may downtrade. Gupta is unsure how the company would change advertising strategies and budgets for premium products whose purchases are discretionary.

Marico is keeping a close eye on these trends that directly impact its core portfolio. “About 85 percent of our products are for everyday use and so we need to keep ammunition ready to offer more value to consumers,” Gupta says. This could come through rationalisation in pricing and pack sizes as well as spends on increasing direct distribution reach. A key learning of the lockdown has been the need for the product to be available on the shelf. Kiranas and chemists have contributed significantly to sales as consumers are loath to drive 5-6 km to a modern trade outlet and walk down aisles. From a low base, ecommerce has also proved to be a significant driver of sales and should contribute more to growth in the coming months. (Marico launched its vegetable sanitiser only through modern trade and the ecommerce channel.)

On the distribution front, Marico has seen that its channel has been depleted of inventory. Under normal

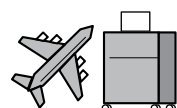
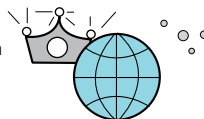
Changing Course

◆ Started planning in February when India's cases were still in single digits



◆ Need to protect employees, work with distributors and retailers and conserve cash

◆ In the post-virus world, premiumisation and discretionary consumption will likely take a back seat



◆ Reduced business travel and work from office

◆ More use of analytics in decision making



circumstances, restocking happens when normalcy returns, but the experience of demonetisation and the implementation of GST has shown that dealers don’t necessarily stock the same amount. Brands that are stronger and sell faster win as distributors want a higher and quicker return on their investment. “The stronger brands win,” says Gupta, as he points to increased investments in direct distribution. In the interim, the company has extended credit terms across the channel.

The third change is in factories. A consequence of social distancing would be the need for more spacing between workers and increased automation. The net result could be fewer workers needed for the same amount of production. The pandemic may have willy-nilly made future jobs harder to come by. For now, Marico has made arrangements to either house or transport workers to get its factories running. There are myriad rules and regulations to deal with. While goods can move freely across districts, personnel movement is restricted, meaning that factories are working at 60 percent capacity.

FUTURE-PROOF STRATEGY

While Marico wasn’t dependent on China for its supplies, the international markets the company is present in added another layer of complexity. Infection rates and lockdown rules varied from country to country. Key markets like Vietnam that account for 25 percent of overseas sales have stayed open for business and the Middle East and South Africa are also seeing an easing of lockdown rules. Bangladesh is the only country where business is running at a lower capacity.

In managing business in a disparate set of countries, Gupta foresees a reduction in business travel. “While the last-minute huddle in office always helps”, he says he does see the number of business trips taken reducing. Working from home has also resulted in challenges in terms of data integrity and those will have to be worked on if the company will have employees working from home on a more permanent basis.

There’s also plenty of scope for using analytics to arrive at conclusions. The lockdown has resulted in no physical checks for internal audits. This is being done by mining data and looking for inconsistencies. Even in a post-virus environment, the scope for adopting more analytics is immense.

As of now, Gupta says the infection rates across India are not alarming, but a few cities are showing rising rates of infection, which is a cause for concern. He says the next 20 days are crucial to decide how soon the country can open up for business. He believes Marico is positioned to thrive once markets open and consumers come to their trusted brands. (This is likely to be more pronounced in food products where buyers would want to be sure that they are manufactured with proper hygiene standards in place.) “A lot of growth happens when people move from unbranded to branded,” he says. For Marico, getting to that customer will mean making sure the product is available at a fair price. 



Local, the New Global

Several startups and larger players are racing to help kirana stores digitise their operations. Will the market see consolidation going forward?

By VARSHA MEGHANI

It's 8 pm and Ramesh Sirvee has just wrapped up his day's work. Normally, he would shut shop at 10 pm, he says, but because of the lockdown he's had to restrict working hours at his neighbourhood grocery store in Bengaluru's Hiranahalli area.

Earlier, even after downing shutters, Sirvee would spend another hour or so tallying the day's sales scribbled in his khata, or ledger.

Since signing up with KhataBook, a Bengaluru-based startup that lets shopkeepers maintain a digital ledger, Sirvee has been able to save time, cut inefficiencies and, importantly, cut his pending receivables by half. So if he was owed ₹8 lakh at the end of the month by customers buying items on credit, he's been able to retrieve at least ₹4 lakh in a week, instead of waiting for a month or

longer for them to pay up. "Often I would forget who owed us what and we would never get our payment," says Sirvee. Now with KhataBook—which he has been using for almost two years—timely reminders are sent to him as well as his customers

on pending payments via SMS.

The benefit is so tangible that in little more than two years of functioning, KhataBook has been able to amass 80 lakh active business users in 5,000 cities. "No company across the world has been able to



Jumbotail COO Ashish Jhina (left) and CEO Karthik Venkateswaran (right) with a kirana store owner in Bengaluru

on-board so many businesses in such a short time. To give you a sense of scale, after 12 months of launch, Slack, the previous record holder, had half the number of daily active users as KhataBook had at the same point in our journey. So an Indian company now has the record for being the world's fastest growing B2B company," says Ravish Naresh, co-founder and CEO, KhataBook. The Tencent and Sequoia-backed startup supports 15 local languages and its customers are largely spread out in tier 2 and 3 cities.

By some estimates there are 12 million kirana stores, like Sirvee's, across India, and they account for around 95 percent of the country's roughly \$500 billion food and grocery market. While online food and grocery retail has made headway in the country, it still counts for just 0.2 percent of sales, according

and ultimately purchase products in a seamless mobile experience," said David Fischer, Facebook's chief revenue officer, and Ajit Mohan, India managing director, in a statement. Reliance Industries Chairman Mukesh Ambani, in a video message, spoke about how the combine would help India's millions of kirana stores come online. (Reliance Industries is the owner of Network 18, publisher of *Forbes India*.)

From buying more efficiently to selling more efficiently, companies, large and small, are helping kirana stores across the value chain. Take, for instance, Jumbotail. Set up by two Stanford graduates, the Bengaluru-based startup solves a pressing pain point—that of kirana store owners having to deal with multiple distributors for multiple products.

Metro Cash and Carry, which entered India in 2003, has made kiranas a "focus segment" over the last three years, says CEO Arvind Mediratta. It allows store owners to buy wholesale goods, either online or from a store, and also offers point of sale devices, modules on how to run store operations more efficiently and simple analytics to better serve customers. "Digital is a means to an end for us," says Mediratta. "The end objective is to help kirana stores generate more sales, more profits and more cash flows."

Not to be left behind in the race, Amazon India launched its 'Local Shops on Amazon' programme, a day after the Jio-Facebook deal was announced. The programme, which has been in a pilot phase for the last six months, allows shopkeepers to list their products on Amazon's website and thereby supplement their footfalls with a digital presence, says Gopal Pillai, vice president, seller services, Amazon India. Already 5,000 retailers have signed up for the programme to which Amazon has committed ₹10 crore.

Amazon has been working with small store owners since mid-2015, having launched 'I Have Space', an initiative where local shops receive and deliver goods in the neighbourhood on behalf of Amazon. The programme is a win-win for all, says Pillai, as the store owners earn an additional income, while Amazon improves last-mile connectivity.

"The timing is right," says Vivek Kumar of RaseedBook, a year-old billing and record keeping service for local businesses. "Kirana store owners have taken a beating from ecommerce players over the last few years and are ready to fight back now," he says.

The coronavirus crisis and the consequent lockdown provided the added impetus. So much so that Kumar revived Alluzo, an app he created while studying at IIM-Indore to help students order groceries online from nearby vendors. "It worked back

"Kirana store owners have taken a beating from ecommerce players and are ready to fight back now."

VIVEK KUMAR, CO-FOUNDER & CEO, RASEEDBOOK

to consulting firm Redseer.

That's why startups like KhataBook, as well as larger players like Amazon, Walmart-owned Flipkart and Metro Cash and Carry are wooing kirana stores.

Social media giant Facebook is the latest to swoop in on the segment with its purchase of a 9.9 percent stake in Reliance Jio for \$5.7 billion. The synergy lies in the integration of WhatsApp with JioMart, a fledgling ecommerce joint venture between telecom player Jio and Reliance Retail, the country's largest physical retailer with over 10,000 stores across 6,700 cities.

"By bringing together JioMart with WhatsApp we can enable people to connect with businesses, shop

Oftentimes a store owner has to deal with up to 40 distributors on a weekly basis for 40 different products from soaps to food grains. Jumbotail's marketplace app allows store owners to buy goods at wholesale prices and get next-day delivery. "Most people start out on the supply side by aggregating, say, farmers. The challenge with that is the inherent structure of India's food and grocery ecosystem, where supply and demand are both highly fragmented," says Ashish Jhina, Jumbotail's co-founder and CEO. "Instead we decided to start on the demand side by aggregating kiranas and then work backwards to stitch the whole supply chain together."

Similarly, German B2B retailer



then because the crowd was tech-savvy,” says Kumar of his co-students, “but on graduating [in 2017] we realised that getting kiranas to sell online didn’t make sense when their backend infrastructure wasn’t in place.” So along with co-founder Ashutosh Pathak, he halted work on Alluzo and instead set up RaseedBook to help store owners with digital book-keeping and inventory management.

“We thought once we have a base of 50,000 merchants using RaseedBook, we will relaunch Alluzo,” says Kumar. The pandemic has fast forwarded their plans: Today, customers can order groceries online via Alluzo; stores receive the orders and deliver the goods since most customers stay in a 1 to 2 km radius. RaseedBook, meanwhile, continues to help with the backend.

While the timing may be right, there are other motives too for small and big players to tie up with kirana stores. Not least, to acquire and retain customers—especially the next 400 million that are expected to come online by 2022, according to consultancy PwC.

Along with those customers comes invaluable data.

So far, FMCG brands have had to rely on information passed on to them from distributors about which product is selling or not selling from local stores. But now the companies directly liaising with kirana stores can provide brands with real-time, granular data, which can easily be monetised. At present, however, startups like KhataBook and RaseedBook are focussed on customer aggregation and not monetisation, say the founders.

In Facebook’s case, the deal with Jio will likely provide the social media



Vivek Kumar, co-founder and CEO, RaseedBook at a grocery story

giant an opportunity to monetise WhatsApp. The messaging service boasts 400 million users in India while Jio has 388 million subscribers. WhatsApp’s ubiquity and Jio’s connectivity, especially across small town India, will help the duo capture millions of users coming online for the first time, says Abneesh Roy, executive vice president, Edelweiss Securities.

Moreover, for ecommerce companies in particular, partnering with kirana stores to strengthening last-mile delivery, among other things, makes good business sense. “Globally, if you see, grocery ecommerce is not sustainable because the margins are wafer thin. Add to that transportation costs and it becomes unviable,” says Roy. These costs don’t apply when kirana stores take on last-mile delivery for larger players, thereby improving margins.

So who will win the race? “Those who take a platform or ecosystem approach will come out on top,” says Jumbotail’s Jhina. “It’s cumbersome for a kirana store owner to use multiple

apps for multiple needs. If you can be a one-stop shop, they’ll take to it.”

“The approach has to be wholesome and holistic,” concurs Mediratta of Metro Cash and Carry. Among other services, the B2B player also offers kirana store owners—and their customers—credit via its tie-up with fintech startup ePayLater.

Even so, the ubiquity of WhatsApp makes the Jio-Facebook combine a powerful one. “Every home has WhatsApp today. Most kirana store owners also use it,” says Roy. That makes the transition to online easier for them, he reasons, adding that other players don’t have this “advantage”.

Moreover, like Jumbotail and Metro Cash and Carry, JioMart, which piloted operations in suburban Mumbai in January, also replenishes store owners’ goods through its app. That Reliance Retail is the largest offline retailer in the country adds to its heft—enabling better bargains for store owners.

But as Mediratta points out, trust is equally important. “Unlike a B2C player [think JioMart or Amazon or Flipkart] we don’t pose a threat to store owners. We only do B2B. So the fear that we will take away their customers is not there. They have complete trust in us,” he says.

While the market may currently be big enough for several players—big and small—to coexist, in a couple of years, consolidation will be imminent. “Eventually there’ll be four to five players in the market,” says Jhina.

In the meantime, the blurring of boundaries between traditional and modern retail is already underway. On the one hand kirana stores are coming online while on the other ecommerce players are getting ever more hyperlocal and closer to the customer.

Local is indeed the new global. **P**

Reimagining Education

With students locked out of schools and colleges, different organisations are reinventing ways to continue the teaching and learning processes

By NAINI THAKER

COURTESY PARIKRMA



Bengaluru's Parikrma Humanity Foundation has collected unused smartphones and given them with SIM and data packs to children

What 16-year-old Anjali Pandey likes most about attending online classes during the lockdown is the fact that she does not have to drag herself out of bed early morning. Not an early riser, she feels the ability to attend classes at her own pace has made her more productive

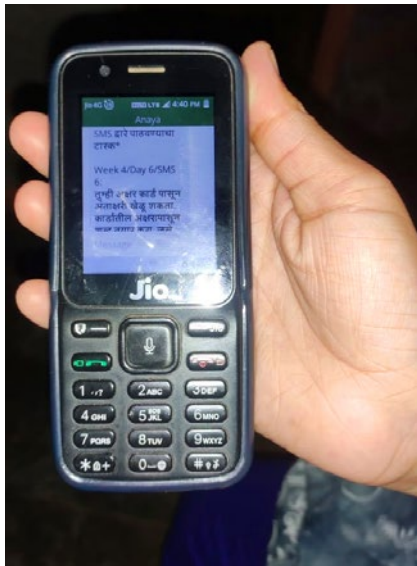
and efficient. The class 12 student of Government Girls Senior Secondary School No 1, Roop Nagar, Delhi, is part of a pilot online learning programme called Project Aspiration, which was launched in early March by the Delhi government and Career Launcher, to ensure class 12 students continue their education through the lockdown.

"I would prefer these kind of

classes over school since I can study at my own pace," she says, adding, "I don't think there would be any need for coaching classes at all." For the project, Career Launcher trained a number of government school teachers on how to conduct classes online. To manage the massive number of attendees, there are assistant teachers who manage



COURTESY PRATHAM



NGO Pratham sends pre-reading material via SMS and broadcasts educational programmes on the radio. Its volunteers later call to check if the children have understood the concepts

online chats and help clear doubts. “Instead of regular 40-minute classes, we started two classes of 1.5 hours each to ensure each child gets enough attention,” says Neha Wahi, chief mentor, capacity building and CLEF AP, of Career Launcher. Every day the platform has about 1.65 lakh students across various subjects, while for students who don’t have access to smartphones or laptops at all times of the day, content is accessible at any time of the day.

Very far from the digitally connected and internet enabled lives of urban students like Pandey, lies the village of Khapri, more than 140 km from the city of Nagpur, in the district of Chandrapur in Maharashtra. On a Tuesday morning at 10.30, families have gathered around the village temple, while maintaining social distancing. In about 15 minutes, the community favourite radio programme, *Shalebaheerchi Shala* (school outside school), is about to be heard on the temple loudspeaker. Every Tuesday and Friday, this morning ritual plays out, as villagers listen, learn and do the activities that the programme talks about.

The coronavirus pandemic, subsequent lockdowns and physical closure of all educational institutions highlights, yet again, the chasm

between urban and rural students in their ability to access education. While urban institutes have taken to live and recorded lectures, and portals that are backed by the latest technology, youngsters in villages barely have access to a cellphone.

In the vast swathes of India’s hinterland, where smartphones and internet penetration remain in the realm of impossible aspirations, organisations such as Delhi and Mumbai-based NGO Pratham are reimagining the concept of ‘online’ classes. The radio broadcast that people in Khapri gather to listen is part of an educational programme that it conceptualised, along with the Nagpur Akashwani Kendra; it comprises “15-minute radio broadcasts, which include educational

activities and conversations with children and parents, so that parents understand how best to engage their child in a time like this”, says Smitin Brid, programme director, Early Childhood Education at Pratham Education Foundation (PEF).

The NGO is also sending pre-reading material via SMSes. “Volunteers follow up the radio programme with phone calls to ensure children have understood the concepts. This is a different way of looking at a virtual class,” says Madhav Chavan, co-founder and president, Pratham

According to Unesco’s estimates, there are close to 300 million learners across all age groups in India who are out of regular schools right now. The organisation is working with 12 state governments, including Haryana, Maharashtra, Himachal Pradesh and Delhi, for content and implementation of remote learning solutions. “Different states have taken different approaches, based on their level of comfort and internet penetration,” says Annapoorni Chandrashekar, Digital Innovations, PEF. So, while Haryana is sending SMS messages to teachers who then send it to parents, along with follow-up phone calls, Himachal Pradesh is working with a WhatsApp and SMS-based

“We never thought we could complete more than 500 courses online for 6,000 or so students across India.”

BHASKAR RAMAMURTHI
DIRECTOR, IIT-MADRAS

PHOTO BY RAHUL BHOW



For Kalyani Bhow of Ahmedabad University, the transition to online classes was very smooth

model, and Delhi with an interactive voice response (IVR) system.

National broadcasters Doordarshan (DD) and All India Radio (AIR) are also broadcasting educational content via television, radio and YouTube to encourage learning during the lockdown. “The virtual learning through DD and AIR include curriculum-based classes for primary, middle and high school students,” said a press release by the ministry of information and broadcasting.

The digital divide is apparent even within cities, between students from different socioeconomic backgrounds. For instance in Bengaluru, India’s hub of technology companies and startups, access to digital devices remains a luxury for many. “We organised a smartphone collection drive to collect old and unused smartphones,” says Shukla Bose, founder and CEO of Bengaluru-based Parikrma Humanity

Foundation, a non-profit organisation that runs four schools in the city for children from slums and orphanages. The collected smartphones—with SIM cards and data packs—were then distributed, and could be shared by two or three children.

“Our social workers identified corners in students’ homes where two or three children could sit and study from video recorded lessons sent by their teachers,” says Bose. The video lessons are conducted by teachers who the children already know, and therefore have a connection with. “These relationships with the kids are important,” she adds.

On the brighter side of the digital divide is Kalyani Bhow, who is studying for a bachelors in business administration at Ahmedabad University. The transition to online classes was very smooth for her, given that portals

for students and faculty members were already in place. “We were sent emails that took us through the new processes, including how to download applications and lists of budget-friendly data packs,” she says. There was close to six weeks of the semester and end-semester exams left when the lockdown was announced. “But now,” she says, “the onus is on me to learn, pay attention and engage in class.”

While attending classes was smooth, assessments changed drastically. “Suddenly I was struggling with deadlines because I had close to 10 assignments in a week,” explains Bhow. The weightage given to semester-end exams was reduced by almost half, with almost 70 percent of assessment depending on application-based assignments. “Now, more than ever, we were not tested on memory, but our ability to apply everything that we have learnt.”

But while Bhow found it easier to adapt to online lessons and assignments, Prutha Pandharkame, 21, studying for a master’s in public policy at National Law School of India University, Bengaluru, still prefers a conventional classroom. Online classes are difficult to pay attention to, given that they can be monotonous, she feels, adding, “Class discussions have become limited. They are defined by how much technology allows them.” Internet connectivity is also a concern, with her college mandate requiring her to be online for 65 to 70 percent of the class duration. “The richness of discussions in a classroom is great. Online classes are a restrictive form of teaching and learning,” she says.

Online classes have also raised issues of quality and cost for those who are waiting to gain admission in foreign universities. For instance, Krish Narayanan, 18, who just sat for his class 12 board exams, is

According to Unesco, there are close to 300 million learners in India who are out of regular schools now



PHOTO BY BHAGEERATHI NARAYANAN



Krish Narayanan is considering deferring his admission to a university in Canada if it decides to conduct classes online

wondering if he should defer his admission to a university in Canada to the spring semester next year if classes in the upcoming fall semester are pushed online. “If the classes go online, I will consider deferring a term because the tuition fee is then not worth it,” says Narayanan.

But the immediate worry of the Gurugram resident is something else. “I have accepted the conditional offer at the university in Canada, and need to get 80 percent in my board exams and 90 percent and above in two of the subjects,” he says. “I need to submit my final board results to the university by July. But I’m not sure if we’ll get our results by then.” His only consolation at the moment is, “It’s not just me who has been affected; it’s a global pandemic, I hope universities, both in India and abroad, understand.”

But it’s not just students; educational institutes too are finding themselves in uncharted territory as they conduct various processes

entirely online. “We started our teacher trainings for online classes in February as soon as we heard about the coronavirus,” says Monica Sagar, principal, Shiv Nadar School, Gurugram. But she admits that although for primary classes the focus is simply on ensuring a continuation of learning and providing a structure to the day, for higher classes, much syllabus was covered. However, online education cannot replace classroom education and relationships at school. This is the first time that Sagar has also experienced online admissions: “There were only 25 to 30 new students we were taking in across the school, so interviews were conducted through video calls and online tests. But it was quite bizarre.”

The IITs too have made the shift to online classes. IIT Madras—even earlier it used online learning material in addition classroom teaching—was a first. “We never thought we could

complete more than 500 courses online for 6,000 or so students across the country, including far-flung rural areas,” says Bhaskar Ramamurthi, director, IIT Madras. In order to help students, he adds, online evaluations are first being conducted for graduating students who need to take up jobs. For others, exams have been deferred till after the lockdown.

With education at all levels being forced to move online, does it mean teaching and learning will never remain the same again? Anindya Mallick, partner, Deloitte India, believes the use of digital content in addition to classroom teaching is expected to change the student learning experience. “This will imbibe more conceptual learning and create interest in knowledge building, especially for STEM subjects and language.” This experience could lead to a faster adoption of smart classrooms for institutions that can afford it. 

GLEN STUBBE / STAR TRIBUNE VIA GETTY IMAGES



Like most campuses in the US, the University of Minnesota wears a deserted look mid-April as lectures were suspended in the wake of the Covid-19 pandemic. Classes in universities across the country are now being conducted online

Course Correction

As universities worldwide close their campuses, the future that a foreign education promised is suddenly looking bleak

By **JASODHARA BANERJEE**

Every morning, Aditya Sarda leaves his rented accommodation in New Jersey, US, and drives for about an hour in a friend's car to reach, by 8.30 am, a construction site in Brooklyn, New York City, the Covid-19 hotspot in the US. The second-year student of masters in construction engineering and management at Stevens Institute of Technology is also an assistant project manager at the construction

site of the Brooklyn high rise. Till May 11, the city had 335,000 confirmed cases of the coronavirus and 21,478 deaths from the infection.

"If I am not working, I am not making money," says Aditya, 24, who chose to stay on in the US after his college announced that classes will not be conducted on campus any longer, and will move online; he is scheduled to graduate from his two-year course at the end of May. "I now have a job, which means I can stay on in the US

for up to three years after I graduate. If I went back to India, I would lose this job, and would not know if I could get another one in the US later."

That is why, when the Indian government started repatriating Indians from the US on May 9—the first of the initial seven non-scheduled commercial flights took off from San Francisco—boarding one of those flights was not an option for Sarda. For the sake of a career in the construction industry in the US, he feels it is better to stay on in the US—the worst-hit country in the pandemic—despite his family's pleas to take one of the repatriation flights and head home to Nagpur.

It was not an option for Kahan Shah either, who is now staying with his sister in Maryland, after classes at Boston College's Carroll School of Management, where he is studying for a masters in finance, moved online. "I have time till December to get a job, and if I do, I can stay in the US for three more years," says Shah. "But if I



don't, I will have to return to India."

According to the ministry of external affairs, it is estimated that there are 10.9 lakh Indians enrolled in foreign universities, as of July 2019. The number is likely to have changed, with fresh admissions having taken place for courses that began in August-September 2019 and February-March 2020. The Covid-19 pandemic has seen universities across the world stop on-campus classes, and move them online; many have also closed their accommodation facilities, asking students to move out of their hostel rooms within days. While students with friends or relatives in the same country have been lucky to find homes to put up in, others scrambled to get flights back to India before the country banned all international flights on March 22. Worse still has been the loss of part-time jobs that are crucial for many to pay their rents and buy groceries.

As India began one of its largest repatriation exercises, flights from San Francisco, London, Kuala Lumpur, Manila, Dubai, Abu Dhabi and Dhaka brought Indian citizens back home from different countries till May 11. In the following days, about 15,000

Indians are expected to return from 12 countries. Students constituted the largest group—about 34 percent—of the total number of 67,833 people who had registered for repatriation flights. But with tickets costing far more than the usual fare, this is not a feasible option for everyone. For instance, while the fare for a round trip from India to San Francisco can normally cost about ₹75,000, Minister of State for Civil Aviation Hardeep Singh Puri said that a one-way trip repatriation flight ticket from San Francisco to India will cost ₹1 lakh.

HOW HAVE UNIVERSITIES RESPONDED?

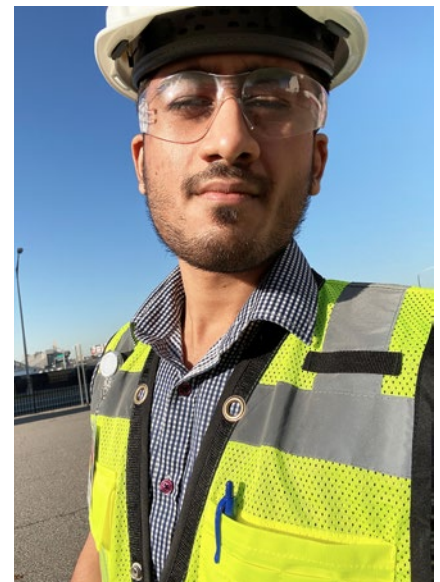
As the pandemic spread across countries in March, universities reacted differently to the situation. "The UK was not keen on starting with a lockdown and the universities were working as normal," says Krishnav Sarda, who is studying for a masters in finance at the University of Reading. "Students were getting nervous because people were still travelling to and fro from Europe. It was only on March 16 that my university decided to shift classes online, when a

visiting student from Europe was suspected to have tested positive for Covid-19." By March 18, Krishnav was back at home in Mumbai.

For Dhruva Rao, an 18-year-old second-year student of general engineering at the University of Illinois, Urbana-Champaign, US, classes continued as normal till about March 7. "In the last week before spring break, which started on March 14, on-campus instructions was suspended. It wasn't official from the university, but some professors individually asked us not to come to class," says Rao. It was on March 11 that the students received an official email that said all on-campus classes would stop till the end of the semester, and that all students who could vacate the university accommodations should do so. Rao, who is an Overseas Citizen of India (OCI), could not return home to Delhi since India barred all forms of visa holders from entering the country. He has since moved in with his aunt who lives in California.

Like Rao, 18-year-old Ishika Rishi, who is an undergraduate student of literature and critical theory at the University of Toronto, Canada, got just two days to move out of her

LEFT: EPICS / GETTY IMAGES



(From left) A view of high rises at Flatbush Avenue in Brooklyn, New York, which is a Covid-19 hotspot in the US; Aditya Sarda, 24, a student of masters in construction engineering and management at Stevens Institute of Technology, decided to keep his job as an assistant manager at a Brooklyn high-rise during the pandemic instead of returning home to Nagpur in a repatriation flight

university accommodation. “We then got an extension of another three days, but we all had to leave,” says Rishi, who is now staying in Toronto with a friend from her university. “We were not told anything about following sessions, but the summer session is now entirely online.”

Universities have also responded differently where financial aid and refund of fees are concerned. “For this semester, my university did refund some part of the fees, but not a significant amount,” says Rao. Krishnav says students at Reading University who left the UK have got the option to not pay rent for their university accommodation. “Universities have also started student funding organisations that are financially helping students who have lost their part-time jobs and are finding it difficult to sustain themselves,” he adds.

Salone Mittal, for instance, has received AUD\$1,500 from Deakin University, Australia, where she started her MBA this March. “We had just started our second week at the university when it shut down because of the pandemic,” says the 23-year-old from Jalandhar. “International students who don’t have part-time jobs can apply for funds to the university. Some of the students who have part-time jobs at restaurants are still able to continue with them, since they can serve take-away customers.”

She also adds that Deakin University is probably an exception in the aid it is providing. “I know of Indian students in other universities who are under stress, and can’t pay for their rent or buy groceries,” says Mittal. “This is largely because they have lost their part-time jobs, and their families back home are not in a position to send money. Students who have families here are especially hard-pressed. The Indian community is helping them with free groceries or financial aid.” Mittal herself is struggling to get a fourth flatmate in her shared private accommodation,



Krishnav Sarda (fourth from left), a student of masters in finance at the University of Reading in the UK, is back home in Mumbai after classes were moved online on March 16; (below) Harvard University in the US, which asked students to move out of their dorms due to Covid-19, puts up a sign warning them of a 20-minute parking restriction for loading and unloading their luggage

and is having to pay more rent than what she had budgeted for.

QUALITY OF CLASSES / FEES REFUND

All the students that *Forbes India* spoke to agreed that although lectures are being conducted online, and there is scope to interact with professors through emails and calls, the experience is not the same. “Most courses have enough capabilities and recorded material to go online at any point of time,” says Rao of his engineering course. “For some courses, the professors recorded their class lectures and these went online on websites like Compass 2G. All assignments and quizzes

were also posted on the portal, and we took our exams remotely.”

Although attending lectures is now a more relaxed activity—“you can take your lectures whenever you want, pause the video and go back to them to understand something better,” says Rao—the experience does not match up to being in class, on campus. “I don’t think I would be comfortable with this form of learning in the long-term. The only thing that is keeping us going is the hope that we will be back on campus soon and everything will be normal.”

Nikita Gupta, who started her masters in business analytics programme this March at Victoria



(Clockwise from top left) Nikita Gupta, a business analytics student at the Victoria University in Melbourne, believes that online classes cannot recreate the on-campus experience; Salome Mittal has received an aid of AUD\$1,500 from the Deakin University in Australia, where she is pursuing an MBA; members of the Indian community settled abroad, like the ones from UK seen here, are providing groceries and monetary aid to students from India stranded overseas

University in Melbourne, Australia, says the pandemic-related lockdown started two weeks into her course. “All classes on campus were stopped, and they moved online. We submit assignments through Dropbox,” says the 22-year-old. “Although our teachers are trying their best, actual classes are always better. We do have the opportunity to contact our teachers and have consultations over Zoom, but it is difficult because the timings of these sessions might overlap with some other classes.”

Ishika Rishi, in Toronto, says while for smaller classes, with 25 to 30 students, there are live lectures

online, for larger classes, the lectures are pre-recorded and uploaded. “Right now it feels okay because the summer course-load is not intense. But for the fall session, online classes would not be sufficient, especially for workshop-based classes.”

For those like Rao and Rishi, enrolled in four-year courses, the current disruption in their academic careers is less impactful, compared to those who are enrolled in one-year courses. Out of 12 months, at least five are now off-campus. Shah, from Boston College, feels that online classes are a raw deal. “Anyone who is paying for their own course, and

especially at private universities, is a paying a lot of money. And that is not simply for the classroom education, but the entire campus experience. Having online classes is simply not worth this amount of money.” He estimates that tuition fees for a year in private universities are between \$50,000 and \$60,000, while living costs amount to about \$24,000 a year. “My father now understands that this is a waste of money, especially since the job prospects now look bleaker than before.”

Shah’s sentiments have been echoed by numerous students across many countries, with some in the US even suing their universities for refunds of fees. For instance, *CBS News* has reported on how Grainger Rickenbaker, a 21-year-old freshman filed a class-action lawsuit against Drexel University in Philadelphia, saying that online classes are poor substitutes for classroom learning. One complaint against University of California, Berkley, said that some professors were simply uploading assignments with no video instructions, while a case against Vanderbilt University in Tennessee says the “quality and academic rigour of courses has significantly decreased”. *CBS News* also reported that class-action lawsuits demanding tuition refunds have been filed against Ivy League universities such as Brown, Columbia and Cornell, as well as large government-funded universities, including Purdue in Indiana and the University of Colorado in Boulder.

With most foreign universities saying that the current semester or term will be conducted entirely online, and that they will take a call later about opening their campuses for the fall semester, it is yet to be seen what long-term effect the Covid-19 pandemic has on the academic careers and aspirations of the hundreds of thousands of Indian students enrolled there. For now, students can only hope that the current situation does not become a permanent one. 

SHUTTERSTOCK

Driving getaways, which eliminate contact with other travellers, are expected to make a big comeback till a reliable vaccine surfaces



#Wanderlost

Here's how the coronavirus will cause the travel bug to mutate in the near term

By **PANKTI MEHTA KADAKIA**

It had become a bit of a joke in the past few years, as people who lived alternate realities on social media added clichéd hashtags to their bios: #Traveller, #Wanderlust, #GlobeTrotter. The year 2020, however, delivered a punch (line)

without any humour at all. In India alone, the tourism sector is staring at losses worth ₹1.29 trillion through the calendar year because of Covid-19, according to a study by credit rating agency Care Ratings.

The World Travel and Tourism Council (WTTC) predicts the sector

will face a staggering 100 million job losses due to the pandemic and a sharp escalation in economic loss—up to \$2.7 trillion of GDP worldwide.

When we emerge after months of government-mandated lockdowns to control the spread of the coronavirus, the world will have all but changed,



there's little doubt of that. While we slowly navigate the contours of living in this brave new world, we will have to also find new ways of, well, navigating the world itself. How will we travel when we travel again?

The answers are complex. Let's begin with the immediate question:

WHEN WILL WE TRAVEL AGAIN?

"We have to look at a more near-term recovery before a long-term one. Even a semblance of it will only begin after mid-June—it could be July, August, potentially even September," says Neeraj Govil, senior vice president, South Asia, Marriott International. "And I say this assuming the health condition will not worsen. We should hopefully continue in the right trajectory and see some ease of restrictions that are reliable by then."

When and whether we will cross borders in the near future will depend on various factors, which won't count price within them, as they traditionally have.

According to Deep Kalra, founder and group executive chairman of online travel aggregator MakeMyTrip, "While the recovery will be sluggish, the first phase of travel will be led by immediate and essential travel—with people travelling back home, to their city of work or for medical purposes. The subsequent phases will see essential business-related travel followed by leisure travel as fear subsides. International travel, however, may take a few quarters or more to open up."

Many travel and hospitality operators, especially in the luxury space, have written off 2020, Daniel Andre Langer, CEO of luxury brand strategy firm Équité said at a recent *Forbes India* webinar.

In the non-luxury sector, branded budget hotels are likely to recover first as essential business travel kicks in. "CEOs can do video calls, but for the salespeople on the road, they will have to keep moving, especially in a bad economy," says Kapil Chopra,

founder and CEO of boutique luxury hotel brand The Postcard Hotel.

WHERE WILL WE GO?

Aside from business travel, experts say a sizeable number of people may need a quick getaway after being locked down for a long time. Instead of browsing flight ticket and hotel discount deals to decide, people's choice of destination will be based on two paramount factors: Safety and sanitation.

Of the various modes of transport available, driving in your own vehicle is likely to be the safest, as it eliminates contact with other travellers. So the humble road trip is expected to make a big comeback. As with other instant gratification that the TikTok generation has come to live with, travel, too, will be consumed in the 'short format'

drive down to holiday in the Western Ghats, to Pune, even to Goa, or hill stations such as Mahabaleshwar and Matheran. From Delhi, Mussoorie, Chandigarh, Shimla could pick up.

Travelling from a green zone to a green zone will most likely be the first travel route to open, and gradually, more green zones will be added to the list. Each location will have its own guidelines that hotel providers will have to be cognisant of, as per the state situation at the time. So the standard operating procedures for Mahabaleshwar, says Govil, will be different from those in Goa.

"Unfortunately, some of the popular ways to travel before the outbreak such as group tours and activities will hit a pause," says Kalra of MakeMyTrip. "People will prefer travelling to unexplored tourist spots. Private eco and nature tours

"The first phase of recovery will be led by immediate and essential travel, followed by business and then leisure."

DEEP KALRA,

FOUNDER AND GROUP EXECUTIVE CHAIRMAN, MAKEMYTRIP

until a reliable vaccine surfaces. Expect quick weekend getaways or staycations to pick up steam, albeit slowly, once people work up the courage and feel the need to have some escape, a taste of the outdoors.

Brand preferences will become more prominent; customers will build loyalty towards brands that they trust. "According to our recent survey, a high 93 percent of respondents said they are likely to switch from unbranded to branded hotels post lockdown for better hygiene requirements for their employees," says Vaibhav Aggarwal, founder and CEO of budget hotel chain FabHotels.

Leisure destinations within driving distance from cities (about five hours) will therefore recover first. Travellers from Mumbai might

will rise for young travellers."

"Rightly so, the ministry of tourism is focusing on a 'Dekho Apna Desh' campaign to promote the diversity of domestic tourism in India right now," says Saurabh Rai, executive vice president-South & South East Asia, Middle East, Africa & Australasia-Preferred Hotels & Resorts. "Even so, the success of this will be directly linked to how the central and state tourism boards (along with hotel and retail segments) can build and deliver messaging that invites trust on their levels of health, hygiene and sanitation standards."

"There will be destinations that do a better job at marketing themselves," agrees Marriott's Govil. "Destination marketing supported by destination management can send the right

message to the end consumer and will see greater success. We have to remember that, for the near term, it's not going to be about volumes, but about a higher quality of ticket."

At the higher end, people will be likely to indulge more than they would otherwise to ensure that their holidays are safe. For instance, Chopra says, a group that needs six rooms has booked out an entire 11-room property in Goa for July (in a flexible booking, of course) so that no one else will be on the property when they travel. "People have been stuck at home for weeks. They will get out—and spend money to get the safest luxury experience they can," he adds. "While people will be afraid to enter large, 400-room hotels, boutique properties will be able to attract more trust."

The recovery trajectory is expected to be such: First, road trips; then, domestic vacations; and finally, international travel.

Destinations like Bhutan and Sri Lanka could pick up sooner than other international spots, as they have been Covid-19-free. "I have two kids and if

I have to travel from Delhi, I'd rather go somewhere like Bhutan rather than Goa. The country is disease-free, which means I can relax on holiday. Such decisions could play a key role once tourism revives," Chopra says.

Thailand, Scandinavia, the Maldives and parts of Africa stand to gain in this area. "These destinations will need to ensure sound health and hygiene practices too. Covid-19 might have been the catalyst, but the world was already moving in this direction," says Rai.

WHAT TO DO WHEN WE GET THERE?

Those idyllic images of perfect holidays—sipping a mimosa by the pool; visiting a world-heritage site; chatting up interesting strangers at crowded nightclubs—will all come to a halt. Hoteliers say swimming pools and spa areas are unlikely to open up for at least three to six months, as people would stay away from using communal facilities until a vaccine is around.

You'll see the difference just as you enter a property. Hotels are

working on minimising 'touchpoints' (up to 200 of them) to offer guests a contactless experience. After the 26/11 terror attacks in Mumbai, it became commonplace to have security checks and bags scanned even before you walked in; now, the entire hospitality process will have changed. No host will garland you in welcome.

Instead, your temperature will be screened and you'll complete a digital check-in at a front desk, which may also provide face shields and sanitisers should you need them. You may have a longer wait for the elevator as the number of people in each ride will be restricted. Meals will have to be planned and pre-booked—restaurants will work at reduced capacities and enforce social distancing measures (possibly eliminating the buffet altogether) but will work longer hours to accommodate all guests.

'Tourism', as we know it, is unlikely to make a resurgence this year. Hotels will have to become creative about how to engage guests—without communal facilities like the swimming pool, and minimising their need to go

The flying experience is set to change in the world after Covid-19

STEP 1 Grab a luggage trolley once you reach the airport, but only after it has gone through a disinfectant tunnel



STEP 2 Get your temperature screened before you are allowed to enter



STEP 3

Head towards 'contactless' check-in kiosks or CUSS machines. Don't forget to sanitise your hands first at the terminals.



STEP 4

Stand at the clearly demarcated social distancing spots when in queue for security, or face action from 'queue managers'. Wait until a tray has been disinfected before loading your carry-on luggage. Sanitise your hands



STEP 5

Proceed to immigration, and stand in the designated social distancing spots—or sit in fixed chairs that ensure no crowding. Sanitise your hands after



STEP 6

Order and pay for a pre-flight snack on an app. Pick up your order and be seated in lounge that will prioritise health, hygiene and physical distancing



STEP 7

Follow instructions from queue managers at boarding and bussing gates, stand at a distance from others within marked lines on travellers, elevators and escalators



STEP 8

Board plane, which is likely to have fewer passengers, dispersed throughout the aircraft



STEP 9

At your destination, your baggage will arrive through a disinfectant tunnel. You will stand at social distancing spots around the baggage belt



STEP 10

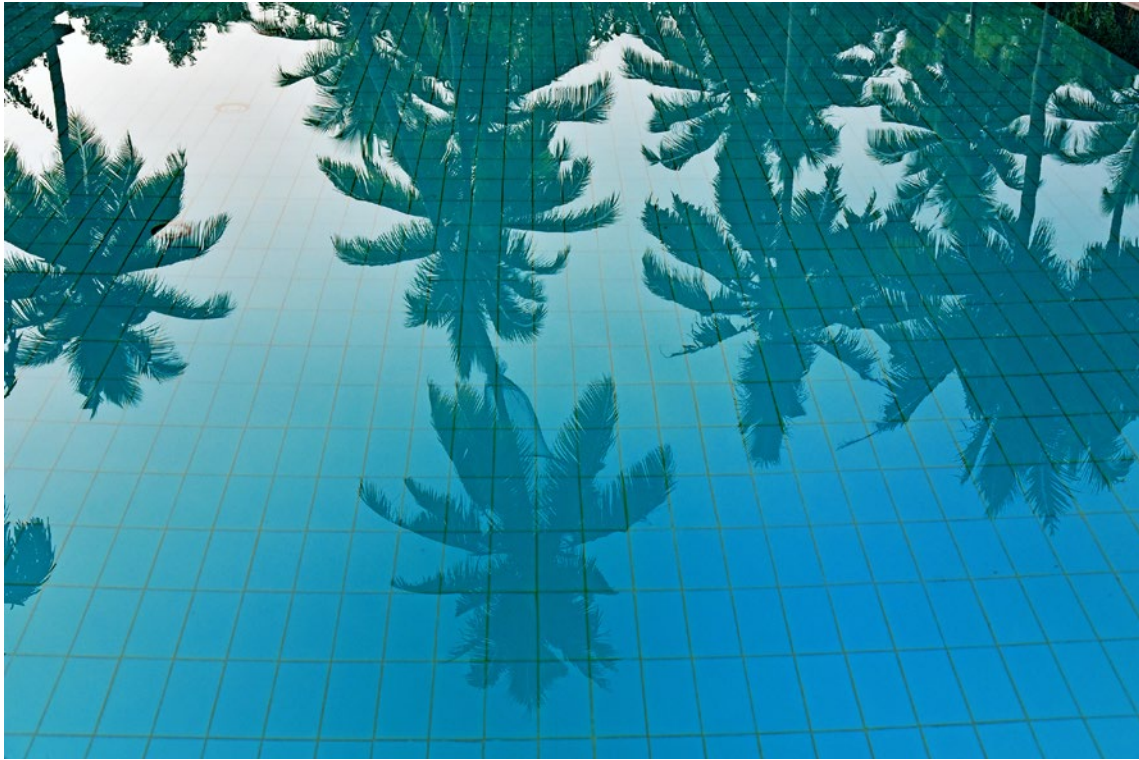
An SOP is being worked out for transport waiting areas, to ensure that cabs are sanitised before they can enter the airport. Similar SOPs are in process for metros and other public transport options. Visitors will not be allowed to receive guests for the time being



SOURCE GMR's Delhi Airport exit plan proposal



SHUTTERSTOCK



Even when hotels reopen, communal spaces like pools (seen in the picture) and spa areas are likely to stay off-limits

employees of large corporates to work peacefully while practising social distancing at our hotels. Several leading IT, consulting, BPO, and essential service clients have found value in it. This initiative saw lots of uptake before the lockdown, and we believe this will be relevant once the lockdown phases out,” says Aggarwal of FabHotels.

“We are officially

outside to explore—with innovative in-room experiences. These could be in-room dining features, videos or movies on demand, providing video games, board games and so on, says Sujit Banerjee, former union secretary, tourism, and secretary general, WTTCII (World Travel & Tourism Council, India Initiative).

“A holistic mix of digital and actual travel experiences will be a step in the right direction to maintain healthy, social and fun interactions,” adds Dharamveer Singh Chouhan, co-founder and CEO of Zostel, a network of hostels in India and Nepal. “We are working on a digital product where we intend to bring the entire Zostel experience online, where you can experience the vibe of our properties and interact with people you would meet in our common rooms on our online platform. With dedicated focus on art, culture and people, we are looking to make virtual socialising cool.”

HOW CAN HOTELS REINVENT?

Hospitality players will have to

conserve cash; cut down on non-essentials; plan newer revenue streams, while ensuring comfort and confidence of customers, says Gurbaxish Singh Kohli, vice president, FHRAI, and president, Hotel and Restaurant Association of Western India. One such initiative could be to offer socially distanced co-working spaces, as customers could trust managed hotel chains to follow norms better than the average co-working space.

“We launched the #WorkfromFabHotels campaign, where we provided safe spaces for

Hospitality players will have to conserve cash, plan new revenue streams while ensuring comfort for customers

in the ‘Move or be Moved’ era,” adds Rai of Preferred Hotels. “The speed of change has been drastic and will continue to be so. If we wait to see how it all pans out, we’ll be too late.”

Rai also expects consolidation in the industry, given the economic recession ahead. “There is a heightened need for clarity, simplicity and transparency in brand promise. ‘Me too’ players will be challenged to rethink their approach. I believe tomorrow’s market would provide an opportunity for individual, unique and authentic experiences,” he adds.

And when some of the dust settles, hoteliers are hopeful people will seek out travel experiences with as much passion as they did before the virus. “No amount of tech would be able to replace the human connections that can be built by meeting face to face,” Aggarwal says. “We have always been a mobile species and are fundamentally wired to discover, explore, and connect. That wiring will overcome any short-term disruption we face.” ¹

Every Drop Counts

Public health during the coronavirus pandemic depends on access to clean water for all, and as the summer intensifies, India needs to refocus on measures for long-term, sustainable water security

By **DIVYA J SHEKHAR**

JAY MATI @ PANI HAQ SAMITI



Local residents line up rows of large plastic bottles and jerry cans in Siddharth Nagar, Versova, in Mumbai to fill water from a tanker that visits the neighbourhood every alternate day. The coronavirus pandemic has made the need for clean water even more acute.

Sharda Shinde has fought for water all her life, but the last two months have been the toughest. She lives in a slum in the Ambedkar Nagar locality near Lower Parel in Mumbai, where a single pipeline supplies water to 150-odd households for about 2 hours every morning. Most homes, like hers, do not have space for storage tanks, and store water in utensils or drums. After she sets aside water for cooking and drinking, Shinde decides what she can do with the rest. There is only

enough water for one thing at a time. “So if I have a bath, my three children cannot, and we cannot wash clothes or utensils. If we decide to wash utensils or clothes, we can’t have a bath,” says Shinde, a single mother in her 40s who works as an ayah.

Shinde knows that she is at the epicentre of the pandemic in Mumbai: The number of people testing positive for Covid-19 in her municipal ward (G South) had crossed the 1,000 mark on May 10. As the outbreak intensifies and social distancing norms are enforced, Shinde cannot

even walk out of her home to fetch water from pipelines in Worli or other nearby areas like she used to earlier. Requests to the municipal authorities to provide another water tap in the slum have fallen on deaf ears. “The families I work for have not paid my salary this month. On most days, we get by with people from the nearby housing societies distributing food. But what will we do with food when there is absolutely no water?”

The World Health Organization (WHO) guidelines suggest that hand hygiene—washing hands frequently



with soap, or using a sanitiser—is obligatory to prevent the spread of the coronavirus. But for many people in India, both in urban and rural areas, handwashing is a luxury because the quantum of water they have access to is barely enough to meet daily basic requirements of cooking and drinking.

According to the report ‘On the Frontline: The state of the world’s water 2020’ released by non-profit WaterAid earlier this year, at least 7 percent of the 1.4 billion people in India do not have even a basic source of water close to home. Even as the Jal Shakti (water resources) ministry has set a target of providing piped water to every home at the rate of 55 litres per person per day by 2024, the coronavirus pandemic—where public health depends on access to clean water—has only further highlighted the urgency of long-term sustainable water security measures.

MIND OVER MANAGEMENT

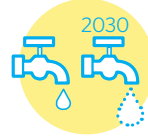
“People are overlooking the safety and quality of water just so that their households get some water supply during the pandemic,” says Eshwer Kale, senior researcher with the Watershed Organisation Trust (WOTR) that works with vulnerable rural communities across India. He explains that many villages do not have taps at home and an entire village relies on a single public tank in which water is supplied at a specific hour every day.

“Earlier, people used to queue up to collect water. Now, since they have to maintain social distancing protocols, we are handholding panchayats to make a schedule whereby one or two persons at a time can go to collect water in slots.” One thing working in favour of villages and farmers even as the summer intensifies, Kale says, is last year’s healthy monsoon that has helped them store more drinking water and reduce their dependence on private tankers that are both unsustainable and expensive.

In urban areas, where

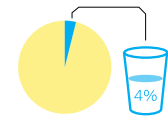
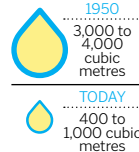
Slippery Slope

◆ By 2030, India’s water demand is projected to be twice the available supply, leading to an eventual 6% loss in the country’s GDP



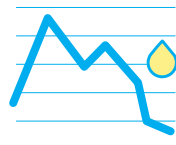
◆ As of 2018, about 163 million people in India were living without access to safe water close to home

◆ In 1950, India had about 3,000 to 4,000 cubic metres of water per person. Today, this has fallen by about 400% to around 1,000 cubic metres, largely due to population growth



◆ India is home to about 17% of the world’s population, but has only 4% of the world’s freshwater resources

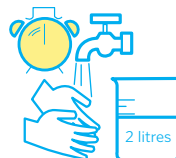
◆ About 2 lakh people die every year due to inadequate water, sanitation and hygiene



◆ Increasing groundwater depletion or contamination will result in water tables falling to critical levels in 60% of India’s districts in the next 2 decades, putting at least 25% of the country’s agriculture at risk

SOURCE The Water Gap, a 2018 WaterAid Report; World Bank; Composite Water Management Index 2019 by Niti Aayog

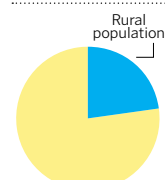
Handwashing, a luxury



◆ Experts suggest that a 20-second hand-wash requires at least 2 litres of water. To wash hands at least five times, a family of four would need at least 40 litres of water per day just for hand wash



◆ However, 40 litres per capita per day is the total water supplied to the rural population of the country for basic needs like drinking and cooking



◆ Specifically, 77% of the rural population receives 40 litres or more per capita per day of potable water; 20% is provided with less than 40 litres, while roughly 3% of people have access to only non-potable water

SOURCE Ministry of water resources, as on December 2019; IndiaSpend

intermediaries provide water in a lot of areas in the absence of municipal water supply, there are problems of a different nature. “During the lockdown, many intermediaries have started charging more. They look at this as an opportunity to make good money, and threaten to not supply water if people do not pay up,” says Sitaram Shelar, convenor of the non-profit Pani Haq Samiti, which works towards equitable distribution of water. “This results in people buying less water, which means usage is restricted only to basic necessities,” he explains. “In most cases, there is not even enough water to have a bath or wash clothes more than twice a week. This makes people more vulnerable... financially and health-wise.”

At the core of India’s water woes is depleting water reserves, particularly groundwater, which accounts for 40 percent of the country’s water supply. According to central government data, the water level of 171 billion cubic metre of water in the country’s 123 major reservoirs fell from 51 percent at the beginning of March 2020 to 43 percent as on April 23. The World Bank estimated that India accounted for 25 percent of all the groundwater extracted in the world as of 2019, and if the current trend continues, about 60 percent of India’s districts are likely to see groundwater tables fall to critical levels in the next two decades, putting at least 25 percent of the country’s agriculture at risk.

Experts believe that many states are yet to take data collection about water management seriously. The 2019 Water Management Index 2019 by government think-tank Niti Aayog made this observation too. “Poor data reporting by certain states and Union Territories suggests low investment levels in maintaining and recharging groundwater resources,” the report said. “This does not augur well with the fact that 16 percent wells in India are declining as fast as 1 metre per year, and states need to show stronger commitment towards conserving



their groundwater resources.”

Water is a resource under the governance of individual states, and Kale says most government efforts or schemes seem to work at a superficial level, focussing on improving just surface water availability. That outlook, he believes, must change. “Like Maharashtra’s ambitious Jalyukt Shivar Abhiyaan. The focus is more on making water visible [through widening of streams, construction of cement and earthen stop dams, digging farm ponds etc], and not on purposeful groundwater or aquifer recharge systems that are long-term solutions,” he says.

DECENTRALISE, LOCALISE

Experts believe that an important step in fulfilling both immediate and long-term water requirements is to re-examine how we demand and use water, and how we treat wastewater or sewage. There is need to mobilise community participation, decentralise implementation of water-related policies and use technology to monitor usage, says AR Shivakumar, water management adviser and scientist at the Indian Institute of Science (IISc), Bengaluru. According to him, cities resort to using long pipelines to bring water from far-flung sources, which has a high ecological footprint. This method, he says, also introduces inequities in water distribution, whereby only a few have access to municipality water (including those who get water on-demand by paying for it). The solution is simple, Shivakumar explains: Harvest rain wherever it falls.

“Municipal corporations have budgets earmarked to create public rainwater harvesting systems, but implementation is consistently poor,” he says. As part of this budget, local authorities are expected to create rainwater harvesting pits in buildings and available open spaces in cities, establish water pits to replenish groundwater levels.

“Implementation is poor at the

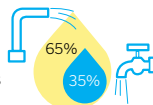


“Municipal corporations have budgets to create rainwater harvesting systems, but implementation is poor.”

AR SHIVAKUMAR,
WATER MANAGEMENT ADVISER AND
SCIENTIST AT IISC

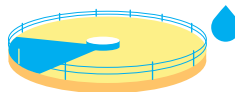
Cities Running out of Water

◆ Only 35% of urban homes have piped drinking water, others rely on tube wells and public taps



◆ As of 2014, no major Indian city has supplied water 24x7 to its entire urban population

◆ Only about 30% of wastewater is treated for reuse



◆ The demand-supply gap for domestic water use will be about 50 billion cubic metres in 2030

SOURCE Composite Water Management Index 2019 by Niti Aayog

Best Practices

What Gujarat and Andhra Pradesh, which lead in water management, do:

- ◆ Mobilise community participation
- ◆ Support experimentation by local policymakers
- ◆ Provide capacity building and technical support
- ◆ Combine technology with community efforts
- ◆ Conduct comprehensive impact assessments

local level because there is no political will,” says Shelar. “In Mumbai, for example, the Brihanmumbai Municipal Corporation has a good water supply network across the city. They also have pipes to provide water to all households. But they do not want to do it. There is often a collusion between local goons, corporations and politicians. There is a lot of politics that determines who gets access to water.”

Shivakumar suggests putting a cap on the water supplied to each household and monitoring usage with water meters. Treating wastewater instead of letting it flow back into our water bodies and contaminating them is also important. “Re-designing sewage management at the apartment level through small treatment plants would ensure that wastewater is recycled, and reused for purposes such as flushing and gardening,” he says, adding that this is an effective solution to adjust supply with demand and work toward equitable water distribution.

While waiting for authorities to act, what people can do in the middle of a pandemic is be conscious of how much water they are consuming, and how much water others need, says 26-year-old Sangita Fatangare, who has taken it upon herself to help promote water literacy in her village, Sarole Pathar in the Ahmednagar district of Maharashtra.

The 350-odd households in her village receive tap water once in four days, and supply is monitored by the panchayat. “A few days ago, the motor that supplies water broke down and it took five days to repair it. The villagers decided that whatever water has already been collected by households will be shared with neighbours so that we can all see through the shortage together,” she says. “Right now, that’s all we can do to ensure everyone has access to water: Stick together, use whatever we have, and come up with solutions among ourselves.” **P**



A worker undergoes thermal screening at Noida's premium Supernova project that is under-construction



House of Cards

The liquidity crisis of 2018 left the real estate sector floundering. Will Covid-19 be the last straw on the sector's back?

By **POOJA SARKAR**

It was February 2010. The Indian real estate community had congregated at The Atlantis in Dubai for the annual meet of the Confederation of Real Estate Developers' Association of India (CREDAI). The champagne flowed, people partied, dinners followed at the Burj Khalifa. It was just two years after the global financial crisis and developers thought they were back with a bang. They went on to raise prices, offer fancy loan schemes and build massive malls and commercial buildings. But over the last decade, the sector has crumbled and now the Covid-19 outbreak has left them gasping for air.

One look at promotional text messages from residential real estate developers reveals how prices are moving in the sector across the country. A developer who was offering

its 1 BHK at a starting price of ₹63 lakh in the central suburbs of Mumbai in January had repriced it to ₹51 lakh in the last week of April. In the times to come, residential prices will fall further, say industry experts.

"We see weakness in new bookings for FY21 due to deferral in purchases, and we also see a higher risk of cancellations in the near term for bookings done in the near past," says Mohit Agrawal, research analyst, IIFL Institutional Equity Research. He adds, "Our base-case assumptions have seen a 40-60 percent decline in new bookings, including a nearly 10 percent reduction in property prices over FY21, with a gradual recovery over FY23 and beyond."

Capital markets and investment group CLSA's Kunal Lakhan in his report released on May 11, too says that prices in Central Mumbai—Lower

Parel and Worli— have seen a drop of 12-15 percent post Covid-19 but prices had been falling even post receiving occupancy certificates as investors had been offloading their inventory holdings. According to the report, just these two micro markets have an overall unsold inventory of nearly 3,000 units worth ₹290 billion, which Lakhan believes will take 9-10 years to sell.

"The delay in sales conversion due to the Covid-19 situation is likely to affect business growth plans in the short term. But we do not anticipate major correction in prices given the high input costs," says Gaurav Sawhney, president, sales and marketing at Piramal Realty, adding that they envisage tactical offers from industry players to boost sales.

Arvind Subramanian, chief executive officer at Mahindra

Happinest, the affordable housing business of the Mahindra Group, agrees. "The Covid-19 will have a protracted impact on the sector and there will be a fundamental reset in the real estate business," he says. "While initially there was panic, residential is a durable category and we don't see that going away, but just a contraction of demand."

Mahindra Happinest is developing nearly 16 lakh square feet across Chennai, Mumbai, Bengaluru and Pune. It began construction on some of its sites after the partial lifting of the lockdown on April 20 and has nearly 1,000 labourers across its camps.

But more than demand side problems, Subramanian is concerned about the immediate supply side challenges that are cropping up across core infrastructure sectors in India. "While we have provided our workers shelter, food and wages, they are getting calls from their families and the mental frame they are in, the moment long-distance trains start they will go back. So the coming three to four months are going to be quite difficult," he says.

With the country having been under lockdown for nearly two months, lakhs of migrant labourers have been walking back to their homes thousands of kilometres away and it is unlikely they will return anytime soon, which will impact the completion of existing under-construction projects and newer launches.

The cascading effect of the same will be seen by developers in cash flows. Residential is a simple business—the financial closure is usually done in the form of the developer's equity in the project, a real estate private equity firm financing the project, and the sales to buyers with bookings and sales money received from the customer.

When a buyer buys a house and takes a loan, the bank releases the money to the developer on completion of every floor/other milestones. Which means if a developer is not

able to construct on time, it will result in a gap in financial closure.

"The focus in this period is that as soon as construction is permitted, we rejig some of these numbers in terms of asset pricing and also provide for additional working capital so that the construction does not stop and reaches a certain milestone where people will be able to see that the project is moving. It will provide credibility and we will also be in a better position to call for customer money," says Balaji Raghavan, managing partner and chief investment officer-real estate at IIFL Asset Management.

While lending had been on an upward curve since 2015, the sector found it difficult to raise money and complete projects

after the liquidity crisis of 2018.

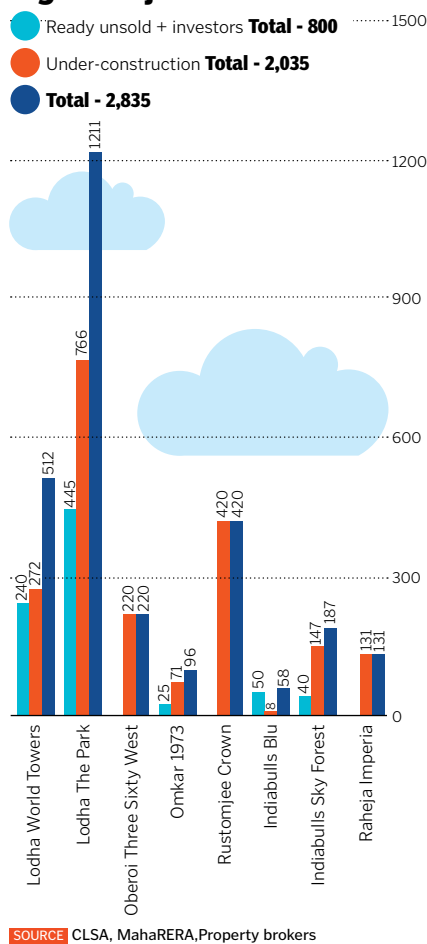
In 2019, bank lenders and NBFCs together lent ₹1.27 lakh crore to developers, the lowest in five years.

Now, while the Reserve Bank of India has allowed a moratorium on term loans by banks and non-banking financial companies (NBFCs), experts say the industry has reached a tipping point where lenders have no choice but to see loans being impaired.

The asset covers provided against these developer loans are 1.2x-2x and another 12 months of interest mounting on those loans will create a huge impact on the lending ecosystem. Fund managers say it's not just about a developer's ability to pay its finance costs, but in some cases their ability to pay the principal loan amount too.

But the situation is not all bad either, according to both Raghavan and Subramanian, who say that they are seeing some amount of sales happening in branded companies, and developments that are more sustainable and offer better community engagement.

Unsold Inventory in Top Eight Projects



Over the last decade, as the residential sector has faltered, the commercial sector has been a safe haven for global investors betting on rental yields in India.

Indian real estate has seen a heavy inflow of capital through real estate private equity (REPE) firms. According to property consultancy firm Anarock, REPE investments in India between 2005 and 2019 stood at \$25.6 billion, of which \$16.6 billion or 84 percent came in just the last five years with heavy investments from the likes of Blackstone Group, Brookfield Asset Management, and sovereign wealth funds like Canada Pension Plan Investment Board (CPPIB), among others.

Most of this capital has floated towards commercial office spaces, retail malls and warehousing facilities across the country. The year 2019, in fact, was the best year for commercial office space in India, with the country



being one of the best markets in Asia with a net absorption of 46.5 million sq ft, a jump of 40 percent on a year-on-year basis. With pressure on rentals now, even the crème de la crème of Indian real estate is under pressure for the first time.

“Q2CY20 will be a washout in terms of leases, so if we consider 9-10 million sq ft happens in the first half of the year, can new leases worth another 10 million sq ft happen during July-December?” asks Abhishek Kiran Gupta, chief executive officer of CRE Matrix, a data analytics firm.

Gupta says while individual landlords are ready to sit across the table and negotiate rentals, deals with institutional developers are still a little hard to come by. “Those tenants whose leases are expiring this year are in a better position as it will be difficult to find a new tenant and landlords are more likely to negotiate and offer discounts in the range of 5-20 percent,” Gupta opines.

In a webinar recently, Karan Virwani of WeWork India said it had given 70 percent rebate on rentals in the form of credit to its occupiers, for the period of the lockdown.

However, as far as institutional developers are concerned, rents are unlikely to go down. Global funds expect that supply of commercial space will shrink in the market as banks will not lend and only businesses with a strong balance sheet and deep pockets will continue to build and lease.

“Our occupiers have been able to operate their critical business infrastructure without interruption and understand their obligation to comply with the terms of their leases. Given our marque tenant roster, we have minimal impact on business,” said a spokesperson at Embassy REIT in an emailed response. Embassy has nearly 33 million sq ft of commercial office space and is the only Reit listed in India. In fact, with lower debt on their books, firms like Embassy are left with more room for continuing



“We see weakness in new bookings for FY21 due to deferral in purchases, and a higher risk of cancellations in the near term for bookings done in the recent past.”

MOHIT AGRAWAL,
RESEARCH ANALYST, IIFL INSTITUTIONAL
EQUITY RESEARCH

development and acquisition.

Some global fund managers also argue that most of their tenants are multinational clients for whom rentals constitute only 5-7 percent of overall costs. Effective rents for US companies are already effectively down 10 percent since July last year when dollar to rupee was ₹69 as compared to ₹76 today.

“Office spaces are largely occupied by MNC companies and they have paid rent. A majority of them understand that force majeure does not apply. The rent collection for April has been more than 90 percent in most of the properties,” says a fund head of a global REPE firm which has deployed over \$4 billion in India in acquiring office spaces.

The fund manager adds, “Vacancy is already low in India—especially in markets such as Bangalore and Pune. Hence rents cannot come down.”

While another school of thought says that space requirement per

employee might go up due to social distancing norms, that is unlikely given that companies under stress are resorting to layoffs. Besides, large IT firms, one of the biggest occupiers of office space, have been indicating that work from home can become a part of their culture.

One sector that has been worst affected is retail—from mall developers, retailers and cinema multiplex owners to food and beverage owners, the entire spectrum has seen capital turn pariah. A look at consumer spending data also suggests that in Q12020, the spending stood at 4.5 percent as compared to 5 percent in Q12019, so consumer spending had started to wane even before the Covid-19 crisis struck.

Agrawal says, “While mall owners believe that, contractually, rentals are payable by retailers, they have not raised invoices for April and they are looking at engaging with retailers nearer to the opening of malls.”

The real estate fund head quoted above adds, “Retail will take time to stabilise and even after the lockdown opens, they might need 12 months of handholding.”

The problem with mall developers is that they have raised money from banks through lease rental discounting (LRDs) and unless the holding company’s balance sheet is strong enough, there will be defaults, as payments are dependent on retailers paying their rents.

As per pre-COVID-19 Anarock estimates, around 8.4 million sq ft mall space was planned to be completed across the top seven cities in 2020. The planned new completions across the top seven cities might drop 30-50 percent overall in 2020 as there may be a minimal activity in H1 2020, and the second half may also remain fairly muted.

With social distancing becoming the new norm, the Indian real estate sector too seems to be facing social distancing of its own. **1**

A Bridge to Finance

Supply chain financier Finovate Capital is looking to tap into the demand for funds by small businesses post-lockdown

By **SALIL PANCHAL**

In early May and after four months of deliberations, fintech company Finovate Capital finalised a multi-billion dollar deal with the Indian arm of European tyre maker Continental. The Covid-19 lockdown influenced the way the deal was sealed by Finovate's co-founder and chief business officer

Aljo Joseph and its chief product officer Pavan Matai, a former banker at RBL Bank: Through video calls on Zoom, and a series of phone calls with Continental's financial controller and various lenders, as well as an exchange of detailed notes and presentations.

Providing finance to a tyre company during a period of economic

standstill—and when no cars were sold in India during April—can be a bit tricky. For Finovate, it involved a bit of thinking ahead of the curve. While the demand for new passenger cars, and consequentially tyres, is likely to be sluggish for several months, the demand from commercial vehicles and trucks owned by large fleet operators



Co-founders of Finovate Capital Aljo Joseph (left) and Akshat Birla are set for a busy business cycle in the coming months



INFOGRAPHIC: SAMEER PAWAR

is expected to pick up in May and June. Continental has been allowed to open its Modipuram plant in Meerut, Uttar Pradesh, and production is expected to start soon, if the infection spread isn't severe in the area.

Finovate, a supply chain financing (SCF) firm, has multiple lenders such as large private banks, non-banking financial companies (NBFCs) and a small financial bank to service Continental and cover its entire dealer spectrum. Besides Continental, Joseph says Finovate has already finalised another 17 deals and has closed a pipeline with existing clients to the tune of ₹15,000 crore so far.

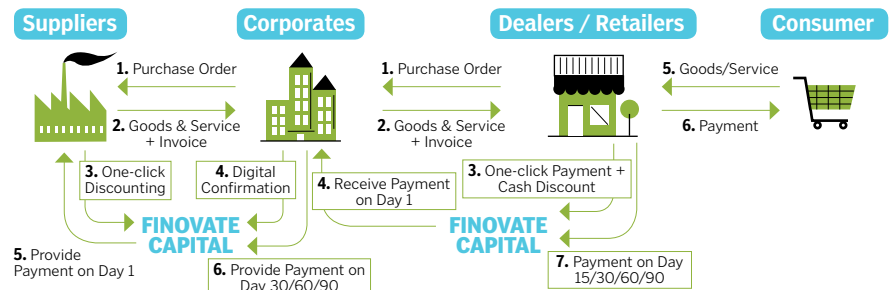
STARVED FOR CAPITAL

Prior to the revised government definitions of what constitutes a micro, small and medium enterprise (MSME), as announced in mid-May, there were at least 633.88 lakh such units in India employing over 11 crore people. According to the ministry of MSMEs, the enterprises contribute 30 percent to India's GDP.

Despite the wide reach, MSMEs have always struggled to get access to finance from large lenders. Prior to the introduction of the Goods and Services Tax (GST), voluminous paperwork and the need for physical verification of services to be provided meant that smaller suppliers were serviced by micro-finance companies and moneylenders, and rarely by large banks.

In India, small businesses were already starved for capital after NBFCs struggled to survive in the fallout of the bankruptcy of IL&FS in 2018. The lack of access to working capital for these businesses has become all the more critical since revenue from their clients stopped in mid-March. The SME credit gap—the difference between the total addressable demand for external credit compared to the total supply of credit from formal sources—is estimated to be ₹28 lakh crore (\$380 billion), according to the World Bank.

Supply Chain Financing Flow



SOURCE: Finovate Capital

By the most conservative estimates, the market potential for supply chain financing (SCF) is around ₹9 lakh crore, going with the assumption that 20 percent of credit availed will be towards working capital. Yet, SCF remains a hugely underpenetrated business in India, at 0.5 percent of GDP, while it is at 4 percent in China and about 9 to 12 percent in Spain, Italy and France (all pre-Covid19).

This is where companies such as Finovate come in. Through a technology platform it optimises cash flow by ensuring buyers can extend their payment terms to their suppliers and the SME (supplier) gets access to quick working capital from a range of lenders (see flowchart).

Though the micro segment of the MSME space has been among the hardest hit, experts believe it will be able to ride out the lockdown crisis. Baskar Babu Ramachandran, managing director and co-founder of

Suryoday Small Finance Bank, says, "Post Covid-19, I have reasonable confidence that post restoration of normalcy, the micro segment of MSMEs will bounce back and return to normalcy. This is because most borrowers in this segment are self-employed and have availed of loans for an economic activity."

For Suryoday, it has been business as usual on the liability (deposits) side; on the asset side, while lending broadly is currently at a standstill, it is expected to start gradually. With about 14 lakh customers, the bank has introduced a small working capital product besides the traditional ones. This is being offered as an overdraft limit for its microfinance customers during the current situation in two of its branches in Tamil Nadu and Odisha at lower interest rates to help revive economic activity. "We will scale up this product across 100 branches shortly," says Babu.

"It will get tougher when the lockdown is lifted, but it will also get better in terms of more business. The first thing that MSMEs need is working capital."

AKSHAT BIRLA,
FOUNDER AND CEO, FINOVATE CAPITAL

IN THE RIGHT PLACE

The constant demand that small businesses will have post-lockdown gives Akshat Birla, founder and CEO of Finovate Capital, the confidence that they are in a great place. "It will get tougher when the lockdown is lifted, but it will also get better in terms of more business. The first thing that MSMEs need is working capital. We will have to double down on the work we are doing now to ensure there are no leakages."

The correlated nature of their careers brought Joseph and Birla



together. Birla had worked with Samsung at its Seoul headquarters from 2013 to 2018 and had led the fintech programme for the launch of Samsung Pay in SE Asia and India. “But Samsung was still thinking like a hardware company and it was very conservative in a rapidly-changing payments space,” Birla says. He came back to India and identified SCF as a space that was underpenetrated and could be disrupted.

Joseph, who had previously worked at KPMG and EY, was already running his own neo-banking startup CredSaver, which offered loans to MSMEs. “We met at a coffee station at a shared workspace in early 2018 and discussed synergies we could draw on,” recounts Birla. But they never found a common client. When Joseph decided to move on from CredSaver, Birla urged him to join Finovate in 2019.

Being acutely aware of the problems finance companies face while building their own lending book in an uncertain environment, Birla was clear it was not the route forward. “We never wanted to become a bank or an NBFC, where the aim was to only acquire customers. We never saw the need to bring in own

“We had 16 lenders working with us pre-Covid, we now have seven. The large lenders are all still active.”

ALJO JOSEPH,
CO-FOUNDER AND CHIEF BUSINESS
OFFICER, FINOVATE CAPITAL

capital and build our own book when we could get partners to do that,” says Birla. Finovate makes money by charging a percentage of the processing fee (indirectly from the borrower) and a platform usage fee which they charge the lender.

As the Covid-19 storm has hit hard, some of Finovate’s lenders have stayed away. “We had 16 lenders working with us pre-Covid, we now have seven. The large lenders are all still active,” Joseph says.

Finovate is now exploring options to help a US-based pharmaceutical multinational to get finance for their diagnostic labs businesses. “This would be done by offering dealer finance solutions through

a small finance bank which will pay the pharma company on Day 1 and take exposures on each of these diagnostic labs,” says Joseph. Diagnostic businesses are seen as safe havens in the post Covid-19 world and lenders are keen to work with them. Finovate has identified pharmaceuticals, FMCG, chemicals, road and bridge construction, irrigation, seafood and milk products as the sectors they need to focus on.

Business confidence will continue to be difficult to assess in the coming months even as the lockdown is eased in some parts of India. “India cannot do business on the basis of zones. Lenders need to have that confidence,” says Aseem Bhardwaj, CEO (corporate finance) at Manappuram Finance.

Bhavik Hathi, managing director of Alvarez & Marsal (India), says for most sectors, the April-June 2020 quarter could see zero growth (compared to the same quarter last year), while Q2, Q3 and Q4 could see a 75, 50 and 25 percent drop, respectively, in sales compared to the corresponding quarter of the previous fiscal.

For Finovate, the business cycle will just get busier in the coming months. The company raised an undisclosed amount in angel funding in 2019 through its existing investors: Venture capital firm Singularity Ventures, Ravi Sud (former CFO at Hero MotoCorp), Naresh Naik (IREP Capital) and Sid Shanker (ex-Deliveroo Singapore general manager). Birla and Joseph are in talks with their existing investors to raise a small second round as “they do not want to slow down at this stage”. A broader Series A funding should not be ruled out by early 2021.

Finovate also aims to be an SFC neo-bank of the future. For this it will need to raise additional capital, build integration with some banks and bring in sectoral experts. It’s a long journey ahead and the company is well positioned for the ride. 

Institutional Lending Activity to MSMEs (In ₹lakh crore)

	Very Small <₹10 lakh	Micro-1 ₹10-50 lakh	Micro-2 ₹50 lakh-1 crore	Small ₹1-15 crore	Medium ₹15-50 crore	Large >₹50 crore	Overall
Dec'17	0.75	1.85	1.26	7.67	4.32	37.16	53.01
Mar'18	0.83	1.97	1.35	8.27	4.56	40.61	57.60
Jun'18	0.84	2.00	1.37	8.39	4.58	39.27	56.45
Sep'18	0.84	2.05	1.41	8.54	4.65	42.68	60.17
Dec'18	0.89	2.20	1.50	8.91	4.79	43.35	61.63
Mar'19	0.92	2.26	1.55	9.16	4.95	46.00	64.85
Jun'19	0.89	2.22	1.52	9.04	4.82	46.30	64.80
Sep'19	0.89	2.23	1.52	8.93	4.74	46.74	65.04
Dec'19	0.93	2.15	1.44	8.74	4.68	46.10	64.04
Y-o-Y growth	4.7%	-2.2%	-3.6%	-1.9%	-2.2%	6.3%	3.9%
Jan'20	0.88	2.17	1.46	8.72	4.51	46.72	64.45

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AirPod Aristocrat

Thirteen years ago, no one wanted to buy a money-losing hearing-aid battery maker. No one but Michael Tojner. Against all odds, Austria's 'Mr 300 percent' turned that \$40 million investment into a \$1.9 billion fortune (thank you, Apple!). Now he has to fend off the copycats

By IAIN MARTIN



Michael Tojner, CEO of Montana Tech Components, at a news conference in Vienna

In a grey-walled conference room on the outskirts of the medieval Bavarian city of Nördlingen, Austrian billionaire Michael Tojner is toying with a tiny battery. The coin-sized device is a technological wonder. Measuring just half an inch around, the gizmo packs a hundred times more energy than a household battery ten times its volume, can fully recharge in just 15 minutes and can last five hours on a single charge. A much earlier version powered Neil Armstrong's camera during the Apollo 11 moon landing. Some of the modern ones famously power Apple's popular AirPods Pro wireless headphones.

The batteries are also a financial wonder. Tojner bought Varta, the company that makes them, for just \$40 million in 2007. Two and a half years ago, he floated the company on the Frankfurt Stock Exchange; it now has a market cap of \$2.8 billion. Commerzbank estimates that Varta has a more than 50 percent market share for premium wireless headphone batteries, which boast extraordinary 40 percent margins.

AirPods Pro sales along with deals with Samsung, Jabra and Sony drove Varta's revenues up by 34 percent, to \$400 million, in fiscal 2019. Tojner's 56 percent stake plus his investment success—the Austrian press calls him "Mr 300 percent"—have landed the 54-year-old father of six on the *Forbes* Billionaires list for the first time.

"With microbatteries, we became the clear market leader in a segment which is growing at probably 50 percent to 60 percent per year," Tojner says. "In ten years, no one will have a phone without an ear application. There is enormous potential for growth."

Tojner's Varta is the surviving shard of a giant German industrial concern, also called Varta, which was founded in 1887 and eventually sprawled into pharmaceuticals, chemicals, plastics and, yes, batteries. After the end of the first World War, the billionaire Quandt family—best known as BMW's most powerful shareholders—acquired

most of the company. Nearly a century later, with the pharma and chemical business long since spun off, Deutsche Bank and the Quandt heirs were selling off the pieces. Rayovac and Johnson Controls bought most of the battery business, but the tiny microbattery business was the last to be sold.

“I was the only bidder left for Varta because nobody dared to buy Varta,” Tojner says. “They sold me a company with negative cash flow. But everything was supposed to be better because we had an Apple contract. After one year, one small battery exploded. We lost the Apple contract. The company almost went bust. The bank was nervous, and I was in the restructuring department because we couldn’t pay our interest.”

That exploding Apple iPod Nano battery forced Varta to scrap its \$60 million investment into lithium polymer batteries. Tojner and Varta CEO Herbert Schein doubled down on coin-style lithium-ion batteries, automating production to fend off low-labour-cost Asian competitors and spending on research to significantly boost power.

Longtime Varta board member Sven Quandt says his family considered bidding, but it took Tojner to transform the company into a world leader. “These companies were in a big business group,” he says. “People were not so focussed on profits, on reliability, on how to grow the company. Michael is a driver.”

The high-tech realm of microbatteries and lucrative Silicon Valley contracts is an unlikely perch for a peripatetic entrepreneur who got his start selling ice cream to tourists.

The 1,400-room Schönbrunn Palace was for 300 years the summer residence of Austria’s ruling Hapsburg family and is now one of the most famous landmarks on Vienna’s tourist trail. It was also the start of Tojner’s entrepreneurial career. In 1991, while studying law and business management at Vienna University of Economics, he secured the rights to run an ice cream stand inside the palace grounds.

Tojner used the profits from the ice cream stand to expand willy-nilly

Fattening Margins

Michael Tojner ran furniture stores, nightclubs and online gambling sites before he hit it huge selling tiny batteries. But his best business? Selling ice cream to tourists. No wonder—check out these prices!

Shop: Sugar Factory (Times Square, New York)

Signature treat: **Classic ice cream sandwich, \$8.95**

Shop: Bravissimo (Santiago, Chile)

Signature treat: **Dulce de leche sundae, \$6**

Shop: Glaces Glazed (Paris)

Signature treat: **Two scoops of “Black Sugar Sex Magic”, \$4.9**

Shop: Mousseline (Jerusalem)

Signature treat: **Two-scoop glass of saffron ice cream, \$4.2**

Shop: Gomaya Kuki (Tokyo)

Signature treat: **Two scoops of salted sesame, \$5.1**

SOURCE AirPod Aristocrat Cont



SUSAN KINAST / GETTY IMAGES

into a mail-order business selling kitchen mixers to post-communist Hungary, Vienna nightclubs and even a chain of furniture stores.

“Ice cream has an even higher margin than microbatteries, so it laid the foundation of my entrepreneurial life,” Tojner says.

After earning PhDs in both law and business management, Tojner sold the enterprises and launched his own venture capital fund in Vienna. He scored a big hit with Vienna-based online gambling portal Bwin, which he took public at a \$242 million valuation in 2000.

“Michael is to money what Mozart is to music,” says Manfred Bodner, who launched several ventures with Tojner, including Bwin, and was best man at his wedding. “He loves it, and has a hell of a lot of fun making more of it.”

The university friends didn’t speak for four years after Tojner sold his Bwin stake and launched his own gambling venture, Starbet. “Michael is extremely competitive,” Bodner continues. “It is not easy to partner with him... many people got burnt along the way.”

Tojner has been accused of defrauding taxpayers of \$43 million through deals to buy public housing on the cheap. He denies all wrongdoing, but the investigation has made him a fixture in the Austrian press.

The microbattery business also has

some shadows hanging over it, with reports that Samsung and other Varta clients have begun using batteries from Chinese battery makers Eve Energy and MIC-Power, rattling analysts and investors. Varta is fighting back with legal action, filing a patent infringement suit in Texas in February.

“I think German companies are sometimes quick to underestimate the potential of their Asian competitors, and this unfortunately seems to be the case with Varta,” says Commerzbank analyst Stephan Klepp.

Warburg Research’s Robert-Jan van der Horst says Varta’s juicy margins will be squeezed by the competition, but its heavy investment in robots will keep “Made in Germany” batteries rolling off its Bavarian factory floors. Van der Horst points out that in their old-fashioned hearing-aid business, “they employ just 10 people who produce a total output of 1.4 billion batteries a year.” Varta’s microbattery business is similarly efficient.

Whatever the future holds, Tojner seems confident that his technology will keep Varta ahead of the pack. “Our quality is better, so that is why we can ask for a premium,” he says. “With Apple and Samsung, these [headphones] cost a lot of money. The battery, the most important component, costs maybe €5, but you will go crazy if it doesn’t work after eight months.” **F**

The Oil Man and the Sea

Kjell Inge Rokke amassed a \$1.7 billion fortune by stripping the oceans of oil and fish. Now he says he wants to clean up the mess—from the deck of the world's largest superyacht. Meet the biggest contradiction on water

By NOAH KIRSCH

Off the coast of Brattvaag, Norway, just a few hundred miles below the Arctic Circle, the 600-foot

Rev looms in the North Atlantic. It is the shell of a ship: Forged but not yet outfitted, with a tan-and-black hull that makes it look like a dredged-up wreck. “I see myself spending two months of the year on the boat,” says its owner, Norwegian billionaire Kjell Inge Rokke.

Rokke stoops to inspect a blueprint. Each detail of the vessel requires his sign-off: The submarine, the helipads, the three pools and hot tubs. But this is not your typical billionaire plaything. Also onboard are eight laboratories and a remote operating vehicle that can descend to a depth of 19,000 feet.

Rev is a floating contradiction. On one hand, it is the largest superyacht in the world—the apex of self-indulgence—at a cost of about \$350 million. Yet Rokke prefers a different framing. Rev, he insists, is a research vessel.

The plan is simple. Rokke, 61, will let scientists use the yacht for free to plot oceanic garbage patches, assess fish stocks and test water acidity levels. When they aren't onboard, he'll use

it himself for pleasure, or rent it to the world's glitterati and donate the proceeds to conservation projects.

Rokke, like the yacht, is a contradiction. He amassed his \$1.7 billion fortune by extracting from the seas, from trawling to offshore drilling to commercial shipping. “I'm part of the problem,” he admits. Now, he says, he wants to clean things up. But not enough to divest himself from his portfolio of polluting companies.

“We don't need any credit,” Rokke says. “We only want the satisfaction from being a part of [the solution].”

Rokke grew up in Molde, Norway, in a family with modest means. His father worked as a cabinetmaker; his mother was an accountant who sold washing machines and dryers on the side. Burdened by dyslexia, Rokke dropped out of school in the ninth grade. “The teacher said to me in front of the class, ‘The day you get yourself a driver's licence, you should consider yourself a success,’” he recounts.

Rokke took a job as a deckhand on a Norwegian fishing boat, staying at sea for ten months of the year.

Then, in 1980, when he was 21, he moved to Seattle to work on a trawler. After his first season he had an existential crisis. “I had zero plans for the future,” he says. So he catalogued his aspirations: “I wanted independence—to live my own life—and I thought that was through getting rich. I was miserably wrong.”

First step: Saving money aggressively. “When my friends went to Mexico or Hawaii, I was home, making fishing gear for the boat,” he says. By 1982, he had the \$75,000 needed for a down payment on a boat of his own, a 69-foot trawler.

Two years later, the boat caught fire. He bought a second boat. It ran aground and sank. “I had to sit down and negotiate with all my



If you want to be a problem solver, by nature you're an optimist, believes Kjell Inge Rokke

vendors,” Rokke says. That process took more than seven years.

The perseverance paid off. Somehow, banks continued to lend Rokke money, enabling him to start anew. Over time, he amassed a small fleet of boats, which by 1987 had grown into a bona fide company, American Seafoods, which harvested pollock off the coast of Alaska.

With his finances shored up, thanks in part to subsidies from the Norwegian government, his boats caught huge quantities of fish. At one point, they pulled in 600,000 to 800,000 pollock per day, Rokke estimates, generating more than \$18 million in annual sales (roughly \$45 million in today’s dollars). The highest-quality fish were filleted and sold. The trimmings became fishmeal and fish oil.

“Eventually Rokke’s company controlled 40 percent of the American pollock harvest,” writes ecologist Kevin M Bailey in his book *Billion-Dollar Fish*. But as American Seafoods expanded globally, Bailey says, it “was involved in enterprises from Russia to Argentina that were accused of overfishing”.

In 1990, Rokke turned his attention back to Norway as the country reeled from an economic crisis. “Very few had excess cash,” he says. “I had that... so I bought as much as I could get my hands on.”

Among his acquisitions: A clothing company, a sporting-goods chain and large swaths of commercial real estate. “He came sort of out of nowhere,” says Knut Sogner, a professor of economic history at BI Norwegian Business School.

In 1996, Rokke bought a controlling interest in Aker, one of Norway’s largest conglomerates, concentrated in shipbuilding and offshore drilling services. (Aker is now the name of Rokke’s public company; his portfolio collectively generates \$9.4 billion in annual revenue.)

Then came a dose of hubris. In 2002, Rokke was struggling to

Once complete, Rokke’s yacht will be the world’s largest. Apologies to Sheikh Khalifa of the United Arab Emirates: The Azzam’s 590 feet no longer cut it



obtain a licence to operate his 56-foot yacht, Celina Bella. He skirted the law, paying Swedish officials \$10,000 for the permit. “I wanted to have the licence done in the least painful way,” he says, claiming he didn’t know the arrangement was illegal. Prosecutors discovered the payoff, and Rokke was sentenced to 120 days in jail. He served 23.

Once free, Rokke kept investing in energy, which makes up about a fifth of Norway’s economy. He established an offshore oil outfit, Aker Drilling, in 2005 and acquired Marathon Oil Norway for \$2.7 billion in 2014. But he worried about his legacy. “I haven’t invested in any infrastructure, I haven’t built a road,” he remembers thinking. “Basically, I’m a harvester.”

To that end, in 2017 he established Rev Ocean, the non-profit that oversees the superyacht. He sought out Nina Jensen, then the head of

World Wildlife Fund Norway, to lead it. The environmentalist wasn’t impressed. “Kjell Inge called me up and asked me if I wanted to work on the project with him,” Jensen says. “I said instantly, ‘no.’”

But the man who had spent years salvaging his company from fires and sunken vessels was not easily turned aside. Eventually Jensen signed on. Now she champions their unusual alliance: “At the end of the day, if a biologist and conservationist can team up with a capitalist and an industrialist, that must be magic, right?”

The superyacht is Rev Ocean’s first project. There is also a plastic-waste-reduction effort in Ghana and plans for software that will centralise data about the ocean.

Jensen’s group occupies the third floor of Rokke’s corporate headquarters in Oslo, which it shares with Aker’s energy division. It’s a coincidence that highlights a glaring tension: While Rev Ocean works to clean the seas, Aker continues to pollute them.

That dissonance seems not to bother Rokke. “If you want to be a problem solver, by nature you’re an optimist,” he says. The critics, well, “They’re not part of the solution.” **F**

Rokke skirted the law to obtain a licence to operate his yacht. He was eventually jailed

Meg Whitman (right) and Jeffrey Katzenberg. Their startup Quibi creates bite-sized shows for millennials

ROBYN BECK / AFP VIA GETTY IMAGES



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The Billionaire's Startup

The world is awash in streaming services, and Meg Whitman already had her fortune—but then Jeffrey Katzenberg came calling with a mobile-focussed startup. With nearly \$1.8 billion raised and America on lockdown, consumers may have no choice but to try Quibi

By DAWN CHMIELEWSKI

Quibi promises to deliver 8,500 quick bites from 175 shows in its first year

Minutes after Meg Whitman announced she was stepping down as CEO

of Hewlett Packard Enterprise in November 2017, her phone rang. It was Jeffrey Katzenberg, whom she has known since they both worked for Disney in the late 1980s and early '90s—Whitman was in strategic planning; Katzenberg ran the film studio.

“What are you doing?” Whitman remembers her friend asking. “I don’t know,” she replied. “I’m the chairman of Teach for America. I’ll probably do stuff with my husband and travel.” She continues: “He goes, ‘No. What are you doing tonight?’ And I said, ‘Knowing you, Jeffrey, I’m having dinner with you.’”

Katzenberg flew to Silicon Valley and, over dinner at Nobu in Palo Alto, pitched his idea for bringing high-calibre entertainment to mobile phones. For Whitman, the idea checked all her boxes: The potential market for the service was huge, prevailing trends were right and it occupied a unique niche.

“I ultimately said, ‘You know what? I think I have another startup in me,’” says Whitman, 63, who first got rich (she’s worth \$3.3 billion) working with another visionary founder, Pierre Omidyar. She helped build eBay from 30 employees and \$4 million in revenue when she joined in 1998 to more than 15,000 employees and \$8 billion in revenue when she left a decade later.

“We’re pioneering into a space that only exists because of two things: YouTube, and Steve Jobs and the iPhone,” Katzenberg says. “Those two things have now created a new piece of real estate, and that real estate is 7 in the morning until 7 at night. That’s the thing that’s exciting to me.”

Two years after that dinner, Quibi (an awkward portmanteau of *quick* and *bites*) is poised to launch its mobile streaming service

offering original movies, reality TV, comedies and news edited into bite-sized nuggets of 10 minutes or less, optimised for viewing on phones.

Many in Hollywood think it’s a terrible idea. At a time when viewers are awash in entertainment options, many of them free, who is going to pay for another? “If I’m going to watch *Game of Thrones* in eight-minute chunks, what’s the difference between what he’s doing and me hitting the pause button?” scoffs one powerful Hollywood insider, who requested anonymity because his clients sell shows to Quibi. Barry Diller, perhaps the greatest Hollywood visionary of his generation, recently called Quibi a “gutsy speculation” for his former protégé (Katzenberg, 69, worked for Diller at Paramount in the '70s). “He’s so naked out there with this.”

It’s not a new idea. Back in 1999, Katzenberg tried something similar with Pop.com, which was supposed to deliver short animated and live-action films across the internet. With the technology for viable video streaming still in its infancy, it was an uncertain notion at best. Despite being backed by Steven Spielberg, David Geffen, Brian Grazer, Ron Howard and Paul Allen, Pop.com was dead within a year.

This time around, Katzenberg raised enough money to play it out, including \$1 billion in August 2018 from the likes of Alibaba, Disney and Sony. It fortuitously wrapped up a \$750 million follow-on round in March, just days before the coronavirus froze the country. “I’ve never seen an environment change this fast,” Whitman says. “Every day is a new day, with new data and new concerns.” Luckily, Kevin Hart and Jennifer Lopez already finished work on their shows, and Spielberg

has a movie in the works, attracted by a “cash plus” deal that lets them retain rights to their material. After two years, they can stitch together their “quick bites” and release them as a full-length movie.

Inadvertently, America’s lockdown might have created the perfect moment for Quibi. Nielsen projects media viewing will spike by as much as 60 percent due to Covid-19. People will certainly know it’s available: Quibi is spending a gargantuan \$400 million to promote its new service and in mid-March announced that it will offer the service free for three months.

“This is a moment in time in which we have a chance to do something that is putting some happiness and some joy and some fun and some laughter into people’s hands,” Katzenberg says.

Quibi also has the advantage of being loaded with fresh content just as the production of all new shows and movies has been stalled by the pandemic. Quibi has been stockpiling programming since last September in anticipation of a possible writer’s strike, fearing a replay of 2008, when a union walkout halted new production for 100 days.

The service debuts with 50 original shows, including movies offered in cliff-hanger chapters such as the thriller *Survive*, starring Sophie Turner (*Game of Thrones*) and Corey Hawkins (*BlackKkKlansman*); 120 reality shows and documentaries; plus news, weather and sports. In all, Quibi promises to deliver 8,500 quick bites from 175 shows in its first year.

But the \$1.8 billion question remains: Will anyone pay to watch them? Some Hollywood players are adopting a “DBA Jeffrey”—Don’t Bet Against Jeffrey—attitude.

“Jeffrey has only taken a couple of big swings in his life, and he’s hit it out of the park,” says a senior executive at one of Hollywood’s major talent agencies. “If you had blindly bet on Jeffrey Katzenberg for the past 30 years, you’d have made a lot of money.” **P**

"They're like chameleons," says Tracy Maitland of convertibles. "One day they're green, the next day they're blue."

SYLVAIN GABOURY/PATRICK MCMULLAN VIA GETTY IMAGES



Winning by Not Losing

Even before the pandemic sent markets tumbling, Advent Capital's Tracy Maitland was prepared for the mayhem. In good times, his portfolio tracks the market, but during downturns it's a refuge from the storm

By ANTOINE GARA

It's a standard Wednesday morning at Wall Street. Tracy Maitland, 59, operates his \$9 billion (assets) investment firm via email and Cisco videoconference calls. His task this morning is to navigate a trading day in which the Dow Jones Industrial Average will open 5 percent lower, then plunge more, tripping a trading halt, eventually closing below 20,000 for the first time in over two years.

In normal times, Maitland leads

the 8.30 am research meeting of his firm, Advent Capital Management, from a Manhattan corner office on 57th Street. Today, he beams into homes across the New York metro area to check on traders and portfolio managers from his Southampton mansion, as his Cane Corso, Kenya, and two Olde English Bulldogges, Bailey and Tucker, frolic nearby.

When the coronavirus outbreak spread, Maitland's team of about 20 investors completed a "burn-down

scenario analysis" of their portfolio in search of companies lacking the cash flow to survive a pandemic-driven 10-60 percent sales crunch. They trimmed holdings in furniture retailers like Restoration Hardware, Guess, cruise-ship operator Carnival and Six Flags, and boosted positions in technology and health care.

Now, an hour into trading this March 18, he's comfortable enough to be philosophical about the losses. "When you have a market like we've had since 2008, with stocks consistently going up, people don't think about being defensive," says Maitland, a veteran trader. "It's kind of like if you had a house and nothing bad happened for 20 years, so you stop buying insurance."

At the March lows, Advent's biggest funds were down by 14-20 percent for the year because they specialise in convertible bonds, a hybrid fixed-income and equity security that offers some of that insurance investors seem to have forgotten. While there is nothing to celebrate, the losses represent far less pain than the 30 percent drubbing of the S&P 500 Index, and some of Maitland's convertible-oriented hedge funds gained 8-10 percent. That's a typical result. Since the mid-1990s, his two largest strategies (\$4 billion in assets), Advent Balanced Convertible and Advent Defensive Convertible, have returned after fees, about as much as an S&P 500 Index fund, with less risk.

Like a bond, convertibles pay coupons and get repaid in full at maturity, typically in five to seven years. If a company issuing a convertible soars, Maitland has the option to convert his notes into stock in the underlying company at a price set when the bonds are issued. During boom times, convertibles act like options, rising in value alongside equity valuations. But if the economy languishes or tanks, investors get the benefit and security of coupon interest payments and a fixed maturity value.

This is not the first time Advent's

convertible strategy has been put to the test. Maitland's team performed "burn-down" portfolio reviews during the September 11 terrorist attacks as well as the 2008 financial crisis. He credits these fire drills for helping his firm avoid notorious dotcom flameouts like the convertibles of JDS Uniphase and DoubleClick. In both routs, Advent's funds fell far less than market indices and recovered faster.

"The idea is winning by not losing," says Maitland, who's yet to see a convertible holding go belly-up in Advent's 25-year history. "Right now," he booms, "in our defensive portfolio, the yield is approximately 5 percent with four years to maturity on companies we've done a burn-down analysis on. That's a wonderful way to be in this marketplace."

Raised in the Bronx, Maitland is the son of one of the surgeons at Harlem Hospital who operated on Dr Martin Luther King Jr when he was stabbed at a book signing celebrating his narrative of the Montgomery bus boycott. The surgery saved King's life, and Maitland's father, Leo, became chair of Harlem's Sydenham Hospital and the doctor to celebrities, including Miles Davis.

In 1978, Maitland matriculated to Columbia University but instead of medicine ("I didn't like blood or diseases," he says) pursued finance and took a job at Merrill Lynch after graduation, eventually landing in the firm's Detroit offices.

His big break came in 1985, when Merrill invented a hybrid zero coupon bond that could be converted to cash or stock called "liquid yield option notes", or LYONs. For issuers, the interest was tax deductible, even though they didn't have to make cash payments until maturity, and if markets rose and investors converted the LYONs to stock, the bonds never had to be paid back. LYONs were a big hit for Merrill, and Maitland became a top producer, selling them to major clients like billionaire investor Howard

Convertible Therapy

Crazy markets inflict trauma on portfolios. Look to the convertible notes of underleveraged tech and health care firms for relief

COMPANY (MATURITY)	BUSINESS	COUPON	CURRENT PRICE	CONVERSION PRICE
Akamai (9/2027)	Web content delivery, cloud security	0.375%	\$90	\$116.18
Workday (10/2022)	Cloud HR and payroll management	0.250%	\$136	\$147.10
Twitter (6/2024)	Social media, news, advertising	0.250%	\$25	\$57.14
Nuance Communications (12/2035)	Voice-to-text AI for doctors	1.000%	\$16	\$41.45
ConMed (2/2024)	Medical equipment	2.625%	\$55	\$88.80

SOURCE Advent Capital

Marks, then at Trust Company of the West. "You could make money and you couldn't lose, as far as I could tell," says Marks of LYONs.

Eventually, Maitland returned to Merrill's New York offices in 1987 and became head of convertible sales, a backwater at the firm. "Even though we were the most profitable unit in the firm for many years, we were still a sideshow," he says.

In 1995, he spun out his operation, dubbed it Advent, and began to forge a reputation for weathering turbulent markets. His strategies range from defensive convertibles to riskier high-yield bonds and hedge funds. Each has returned between 7 percent and 8 percent annually since inception. His small publicly traded closed-end fund, Advent Convertible and Income, has underperformed, in part because of leverage—it's down by 27 percent year to date, erasing its 2019 gains, and sells at a 10 percent discount to its net asset value.

Maitland, now worth an estimated \$250 million, has made gossip pages as a Wall Street booster for former US President Barack Obama, though he's no bleeding heart. He calls Queens Congresswoman Alexandria Ocasio-Cortez "financially illiterate" for her attacks on Amazon. "Demonising people who are successful is not in the nation's best interest," he sniffs.

Currently Maitland is loading up on the convertibles of unleveraged technology and health care companies. Advent's conviction buys include Akamai Technologies, which sells cloud infrastructure to web and streaming businesses; Workday, a payroll provider; and Twitter.

Akamai's cloud-networking infrastructure will benefit from rising web traffic by stay-at-home workers, and it carries minimal debt. "For many tech companies, the convert is only debt on the balance sheet," Maitland points out. Workday might be an even safer bet. The software firm has \$1 billion in net cash and reported 30 percent revenue growth last year. Given the recent market slide, all of Maitland's holdings have significant conversion premiums—meaning their underlying equity sells for a price well below the notes' designated conversion price.

Twitter's convertible, issued in June 2018, trades at just 87 cents on the dollar, but Maitland sees little risk. "Twitter has a fortress balance," he says, citing its \$3.8 billion in net cash. Twitter's stock needs to rise above \$57 from its current \$25 for its convertible to be worth exercising.

Says Maitland, "If you're disciplined and you're able to evaluate credit, this is creating real opportunity." 

The Startup Seers

By providing data and insights to both startups and venture funds, RedSeer Consulting has emerged as one of the top homegrown consulting firms in India

By SAYAN CHAKRABORTY

Anil Kumar owes it to two people, whom he declines to name. People who jumped the ship even before it set sail, leaving Kumar to navigate the turbulent waters alone. Frankly, he had little choice.

Early 2009 was all about gloom and doom. The global economy was reeling under recession and Kumar, somewhat disillusioned, had quit his consultant job at Zinnov. He was contemplating whether to take up an offer from a global consultancy, a dream job of sorts, especially when times were tough, as he believed that large firms could be restrictive. Kumar believed that he was better off navigating the wilderness than being a caged bird.

Two of his seniors at IIT-Delhi, both executives at global consultancies, mooted an idea: That the trio float their own consultancy. They felt capable of winning a turf war with a bunch of homegrown competitors such as Zinnov, Technopak, Feedback Consulting and Evalueserve among others, apart from global peers like KPMG, Deloitte, PWC, EY, Booz, Bain & Company etc.

Excel sheets were drawn. A turnover of a couple of crores in the first year was projected. RedSeer Management Consulting, as they

called the firm, was ready to roll. Kumar would lead the charge until the other two quit their jobs.

"Most of the people I discussed with said not taking up the job was a bad idea," says Kumar.

The well-wishers were possibly right. Through their lens of caution, they foresaw a downward spiral—hiring consultants was, after all, a discretionary spend that companies were unlikely to indulge in during an economic downturn—that Kumar completely missed. In the first few months, RedSeer could muster only one project, worth a couple of lakhs. The excel projections looked like a pipe dream and Kumar's colleagues indicated their aversion to board a rocky boat. Kumar was caught off guard. "My idea was, people would start and I would join them. I never saw it as starting my own company. Mentally, I was not prepared to run the ship alone," he recalls.

Fast forward to 2020, neither is Kumar that reluctant CEO nor is RedSeer the minnow waiting to be trampled by hefty rivals. Kumar has identified a sweet spot—startups and venture capital firms. RedSeer, he says, is sitting on tomes of data, based on primary research. Market size, market share, net promoter score or competitive intelligence, Kumar claims that RedSeer knows it all with

reasonable accuracy, thanks to its elaborate data collection mechanism encompassing tele calling, mystery shopping, web crawling etc.

The overarching idea is to offer high quality "actionable insights" to its clientele.

"The biggest value-add of RedSeer is its startup-first approach. For large consultants, working with startups is both a mindset and a ticket size issue, but RedSeer has offerings across the board. You can either use its reports, which are extremely useful, or do a custom engagement with them," says Ankit Nagori, co-founder of Curefit.

In the process, Kumar has built a bootstrapped and profitable company. Kumar says RedSeer will clock about ₹80 crore in revenue in FY20, with margins hovering around 30-40 percent. In fact, revenue has doubled over the past year. At the heart of it is RedSeer's quest to do much more than strategy consulting.

"I tell my clients that we are the SOS button. Press us whenever in dismay," says Kumar with a laugh. "We now call RedSeer a solutioning firm. We faced this challenge a lot of times in explaining what we do. We do market research, competitive intelligence, slides, analysis, high quality financial modelling, we have started doing due diligence. We do everything," says Kumar.

Anil Kumar, CEO, Redseer Consulting, chases ubiquity with a single-minded devotion



RedSeer has evolved from a one-man show in 2009 to a 200-odd member team in 2020, from a nondescript office in Koramangla to occupying three floors, replete with chic decor, in Bengaluru's startup corridor HSR Layout, from working for free to commanding a price.

What hasn't changed is Kumar's willingness to "do everything" and do it fast, a spirit that has constantly opened new doors, including RedSeer's foray into primary research and subsequently, championing startups, its biggest differentiators.

Until September 2010, RedSeer was mostly executing strategy consulting projects, based on secondary research. Then, Anip Sharma from Parthenon Consulting (now acquired by EY) called.

Kumar was soaking in the sun on the beaches of Gokarna with a friend, celebrating RedSeer's survival, thanks to projects he bagged from the likes of Base Batteries and Saint Gobain. The reverie was short-lived. Sharma, who had called on a Saturday, wanted RedSeer to start work next Monday. It was a lucrative project, but RedSeer didn't have enough resources to execute it. Then a barely three-member team, Kumar didn't even have enough people to get the job done. But, he also wasn't the one to say no to work.

"I took a bus to Bengaluru that very night. I also called Ujjwal (Chaudhury, RedSeer's first full-time employee) to put together a team," says Kumar.

On Monday morning, Kumar walked into an office of 10-odd people. "Ujjwal went to all the job portals and picked up the phone numbers of job seekers. His first question was, do you have a laptop? Only if someone said yes, he would carry on the conversation. We couldn't afford to give laptops," says Kumar.

Being scrappy is a badge Kumar wears with pride. At RedSeer, they have bought a momo vendor's entire stock to coax him to take

calls for RedSeer since he spoke Chinese. Kumar struck a similar deal with an elderly couple, who ran a small restaurant, because they spoke Portuguese.

The Parthenon project, says Kumar, went well. It significantly stepped up its engagement with RedSeer. And, along came a realisation. It was tough to ignore the might of the likes of a Boston Consulting Group (BCG) or a McKinsey.

"You don't want to be the third best or fourth best in a game. It doesn't matter how well we try, we will always be a second or third tier consulting firm," says Kumar. "You need to put up something where you can service the needs of the industry in a different manner. Parthenon came to us because anybody else couldn't do it. The rates we were charging them were 4-5x of what others would. That Parthenon engagement was the trigger for us to shift focus from strategy consulting to market research."

Instead of locking horns, Kumar chose to partner with the high and mighty of consulting. While such engagements didn't set the revenues soaring immediately, the ripple effects were felt in a few years, starting 2014. This was a time when startups were booming. In an attempt to strengthen their top deck, well-capitalised internet companies started hiring people from the likes of BCG and McKinsey among others. And all of them knew RedSeer from their previous jobs.

Going Strong

YEAR	REVENUE (₹ cr)
FY12	4
FY13	5
FY14	9
FY15	11
FY16	19
FY17	25
FY18	24
FY19	42
FY20	80

SOURCE Company

Ever since, RedSeer has slowly and gradually woven itself into India's startup fabric. In the process, the firm has courted controversies. For instance, Amazon, without taking names, denounced RedSeer's market share reports that put Flipkart ahead of Amazon. People also question its data collection techniques.

Kumar is unfazed. "Data authenticity is not the thing that we want to put across as the main point. The ability to take a nuanced view of the industry is what we bring in and data is only one part of it," he says.

Essentially, Kumar wants to leverage the lack of authentic data on private companies. The pitch is simple—investors can use RedSeer for a bird's eye view of how their portfolio companies stack up against competition, as well as how the overall market is panning out while startups can engage with RedSeer on business strategy.

"Problems which we have solved for the past 7-8 years for the big management consulting firms is the exact skillset we are leveraging to solve the problems of the startup world. In a data-deficient market, we give hard-to-find insights and competitive intelligence," says Kumar. "One cannot be in the dark for so long about market realities and their portfolio performance," he adds, tacitly referring to the WeWork fiasco.

Kumar's idea has takers. RedSeer has expanded operations to the Middle East and Southeast Asia. Last September, it entered into a revenue-sharing partnership with London-headquartered consulting firm OC&C, where the two businesses will share resources and infrastructure to service clients. Is a takeover by OC&C on the anvil? "Not at all," says Kumar, who is chasing ubiquity with a single-minded devotion. "Every diligence report should have a note from RedSeer, irrespective of whether we have prepared the report or not." **F**

● THIS FEATURE WAS WRITTEN BEFORE THE COVID-19-TRIGGERED LOCKDOWN BEGAN

Angels Wear Prada

How Indian Angel Network has balanced the devil's appetite for risk with an angel's benevolence to emerge as a major early-stage investment platform

By RAJIV SINGH

PHOTOGRAPHS: AMIT VERMA



(From left) Padmaja Ruparel, Saurabh Srivastava and Raman Roy co-founded the Indian Angel Network in April 2006

In a sudden turn of events in Kolkata in 2013, Padmaja Ruparel tore the term sheet offered to her by Sagar Daryani, chief executive and co-founder of Wow! Momo Foods. The reaction was a result of the entrepreneur turning down a funding offer from the co-founder of Indian Angel Network (IAN) after initially expressing interest. He wanted to run his business without taking external money. “I told him, ‘Please go ahead,’” recalls Ruparel. Daryani’s intent of making it big before hunting for funds impressed her. What matters, says Ruparel, is the relationship you strike with an entrepreneur. “You have to first invest in him,” she explains.

Two years later, IAN became the first investor on board when Daryani raised ₹10 crore from India’s largest angel networking and investment platform (in terms of scale and investment) led by Sanjeev Bikhchandani, Saurabh Srivastava and Ashvin Chadha. “Well, there’s a streak of devil in every angel,” says Ruparel. The devil, she explains, comes into the picture in terms of mitigating the risk. “When to enter [into a deal] is important, but most crucial is to know when to exit,” she says. “It’s good to be a devil because at the end of the day, the devil makes money,” says Srivastava, former chairman of Nasscom.

Last year, IAN provided 11 exits to its investors at an average multiple of 11x. Overall, it has had 34 exits since 2006 when it was founded. “We might be ‘angels’, but we need to make money,” says Srivastava, busting a widespread myth around angel investing that such a risky form of investment does not give returns. He takes a contrarian stand. “If you want to avoid risk, you can put your money in fixed deposits. The lesser the risk, the lesser is the money,” he says.

Srivastava and his team know how to make good money. Take, for



“It’s good to be a devil because, at the end of the day, the devil makes money.”

SAURABH SRIVASTAVA,
CO-FOUNDER, IAN

The Journey So Far

Co-founded in **APRIL 2006** by **SAURABH SRIVASTAVA, PADMAJA RUPAREL** and **RAMAN ROY**

Has over **500** investors from **12 COUNTRIES**

First Investment: Knowcross in **2006**; invested **₹2 CRORE**

Total investment so far: **₹500+ CRORE**

Smallest ticket size: Lonali and Nithya **₹2.5 LAKH** each in **2012**

Biggest ticket size: X-Prime, **\$3.5 MILLION (₹25 CRORE)**, in **AUGUST 2016**

First exit: **DRUVA** (partial exit). **IAN** invested **₹3.8 CRORES** and exited at **₹16.7 CRORE** in **MARCH 2013**

Total exits since inception: **34**

TOP 5 with maximum returns: Faballey, Box8, Kwench, Jigsee, Stayzilla

Investment written off: **₹50 CRORE** in over **30 STARTUPS**

instance, when Kolkata-based QSR chain Wow! Momo raised \$23 million from New York-based hedge fund Tiger Global Management at a hefty valuation of \$120 million (or about ₹860 crore) last year, up from its previous valuation of ₹300 crore in 2018. IAN, then, pocketed a seven-fold return.

With over 500 investors from 12 countries, IAN invested around ₹160 crore across 44 deals last year. Its total investment since inception has been over ₹500 crore and it has now set itself an ambitious target: ₹5,000 crore infusion in 500 companies over the next 10 years. Backing fledgling startups and fuelling the aspirations of entrepreneurs during the beginning of their journey have kept IAN in the business, but it has flourished because of a ‘method in the madness’ of ensuring lucrative returns to investors. Ruparel attributes the success to a relentless focus on investors. “If you take your eyes off, you will lose the game,” she says.

The failure rate has been modest: A ₹50 crore write-off in over 30 startups. “We will have failures,” says Srivastava. Success, he emphasises, only makes you arrogant. “It’s failure that makes you smarter,” he says.

The co-founders are now busy shattering another myth around angel investment: That angels can only fund angel rounds. Late last year, the trio closed IAN Fund—an early-stage venture capital (VC) fund—at ₹375 crore. They are now turning VCs.

IAN’s report card has attracted the attention of several VCs. “They have done a good job,” says Vikram Gupta, founding partner at Mumbai-based IvyCap Ventures. Angel investment is a highly risky asset class. IAN, he points out, was one of the first angel networks to master the art in an organised form. “Their new fund is a natural progression to what they have been doing,” he says,

but adds a word of caution. With the new VC fund, it might become operationally challenging for IAN to manage angel investment and VC rounds at the same time.

But challenges are what Srivastava and his team have battled and thrived on for over a decade. In 2006, angel funding was not an organised industry; raising starting money from 'family and friends' was not uncommon and the notion that anybody can become an angel was widespread. "Initially we struggled... one of our early investments took a decade to give us an exit," says Srivastava. The struggle led

The Process

Over 10,000

Funding applications received every year

Over 2,500

Those shortlisted

250-300

How many get to pitch

35-40

Those getting funded

2019 was a Busy Year

Infused over **₹160** crore into the startup ecosystem across **44 DEALS**;

Provided **11 EXITS** to investors at an average multiple of **11X**;

Closed **IAN FUND**, an early stage VC fund, at **₹375 CRORE**;

Fund has Institutional investors like **SIDBI'S** Fund of Funds for Startups, **IIFL** and **HYUNDAI**

Idea is to enable entrepreneurs raise **₹25 LAKH** to **₹50 CRORE** from a single platform



'You are an angel because the entrepreneur has not been able to raise money... the devil comes into the picture in terms of the risk'

PADMAJA RUPAREL,
CO-FOUNDER, IAN

to mistakes and learnings. "The biggest learning was to back an entrepreneur and their team, and not their business," he says. No one gets seduced by the market size, excel sheet or opportunity. These might be necessary conditions for success, but not sufficient ones, he adds.

Ruparel speaks of a second learning. An angel or investor is a



The Vision

To invest

₹5,000 crore

in over **500**
companies over the next
10 years

coach, not a captain. "You have to be like Ravi Shastri and not Virat Kohli," she says, adding that a coach-captain relationship is something that many still don't understand. Handholding, mentoring and standing by the entrepreneur during tough times are some of the qualities that make a good angle or investor.

Raman Roy, one of the three co-founders at IAN, agrees. "Anybody can write a cheque, but that doesn't make them an angel," he says. "I prefer working with entrepreneurs who are not solely driven by valuation." Getting a billion-dollar valuation, he adds, can't be the primary driver of business.

Serial entrepreneur Kunal Shah, who founded FreeCharge in 2010 and is now the founder of Cred, a financial services platform, explains how angels helping entrepreneurs grow advances the entire ecosystem. The first generation of successful startups, he says, helped the entire ecosystem prosper by making resources available to more entrepreneurs in the form of angel investors who have often been founders themselves. "Entrepreneurship is tough no matter how many times one has done it," says Shah, an active angel investor who has mentored and made investments in companies such as Unacademy, RazorPay, Go-Jek, Innov8 and Zilingo. "Angel investing is how I pay forward the support I've been fortunate to receive," he says.

While Shah is giving it back to the community in his own way, the team at IAN is clear that it wants to play a dual role. The angel part comes from investing and mentoring entrepreneurs who are in need of money and guidance. The devil part comes from taking care of the interests of investors who have put in precious dollars in one of the riskiest financial assets. The angels seem to be doing a fine balancing act. **F**

● THIS FEATURE WAS WRITTEN BEFORE THE COVID-19-TRIGGERED LOCKDOWN BEGAN

‘India is not a Single Market’

Dominiek Frees, the top honcho at UK-based wood flooring brand Havwoods, on lessons learnt from the Indian market ahead of a country-wide expansion

By RAJIV SINGH

MEXY XAVIER

When Havwoods, the biggest wood flooring brand in the UK (in terms of revenue), decided to roll out a pilot launch in Mumbai in April 2017, its local partner sounded a word of “humorous caution” to Dominiek Frees. “India is still living in the stone age,” said Aashish Poojari in a lighter vein. The director of the Indian operations for the company was alluding to how people here strongly prefer stones instead of wood for flooring. Almost three years later, Frees, the export sales director who is also responsible for international operations at Havwoods, reckons that the brand has been strongly pushing to crack the Indian market. “It [wood flooring] has started to work, touch wood,” says Frees, who was in Mumbai in January to roll out the brand across the country.

The biggest among a bunch of lessons learnt from the country, Frees says in an interview with *Forbes India*, is that the understanding of foreign brands that India is one single market is flawed. Edited excerpts:

Q Have you cracked the ‘stone versus wood flooring’ dilemma in India?

Frees: Being a tropical country, India has inherently been a stone, tile and ceramic market. While this constitutes over 80 percent of the flooring market, real wood flooring is a paltry 1-2 percent. Imagine the



Aashish Poojari, director of Indian operations for Havwoods, and Dominiek Frees, who is also responsible for international operations at the company

headroom for growth... it’s massive. The fact that Havwoods is fanning out across the country after almost three years of extensive pilot in Mumbai tells you that wood is growing.

The Indian flooring industry has been experiencing an exciting period due to the influx of newer materials, technology and specialised machinery. Project scales, especially with respect

to industrial and commercial flooring, have increased dramatically in recent years. Moreover, wooden flooring is now considered a status symbol. As a result, we have seen a significant adoption rate over the last few years.

Ease of installation and relatively lesser-skilled labour required for installation compared to other alternative flooring materials are factors that have favourably impacted the wood and laminate market growth. Several multinational companies have started forming strategic alliances with domestic players to address logistics and transport issues which deterred them from foraying in the India flooring market in the past. The market is mostly run by some organised players but there are many unorganised ones available too.

Q What have been the top learnings from the pilot in Mumbai?

Frees: The biggest learning is that India is not a single market. Forget the country as a whole. Tastes and preferences differ vastly even inside the cities. Take, for instance, Mumbai, where we had a pilot. Our first big learning was that one size doesn't fit all. As a premium brand, our offerings were catering to a niche. To make it big in India, one needs to cater to a vast population. So we rolled out a budget offering, which has picked up brilliantly. One also needs to come up with different colour options.

The second big learning was that in spite of awareness about wood and its appeal, Indians were still reluctant to go with wooden flooring. And the reason lies as much in lack of awareness about the available options as about making them realise that what was so far being peddled in most of the Indian market as wood was not wood but laminates, vinyl, bamboo flooring or wood-look tiles. While they have their own utilities, they can't beat natural wood when it comes to flooring. So educating consumers about the differences proved to be a challenge.

Poojari: Another crucial learning

“Forget the country as a whole... tastes and preferences differ vastly even inside cities. Our first big learning was that one size doesn't fit all.”

DOMINIEK FREES,
EXPORT SALES DIRECTOR, HAWWOODS

is that India is getting aspirational, and for any foreign brand to flourish, it needs to expand to Tier III and beyond. One can't remain confined to the top cities. The big growth is going to come from smaller cities and towns. And here lies the big opportunity. There are some big international brands but not much has been done in expanding and building the market, which is still largely unorganised.

Q So rising aspirations find reflection in wooden flooring...

Poojari: A powerful trend has been playing out not only in top cities but also smaller towns. Rise in disposable income has whetted the aspirations of Indians, egging a change in consumption pattern toward branded products and an affluent lifestyle. We also saw a strong awareness among people about foreign brands. The consumers are not only educated about brands but also familiar with the pricing. They follow brands that align with their thoughts and lifestyle.

Q What has been the global picture when it comes to the use of wood?

Frees: Let's first talk about India. The wooden flooring market here is predominantly in the commercial sector, accounting for more than half the consumption. The rest comes from the residential sector. The majority of the demand comes in renovations,

and a small contribution from new construction activity. Product sale is mainly driven by a recommendation from architects, installation personnel and contractors. It is expected that the market will more than double in five years with the rise in dominance of Indian companies. We aim to increase the brand's visibility using innovative marketing techniques and improving distribution network and product visibility.

The global market is a mixed bag and consumption pattern varies. While some European regions—Germany, Austria, France, Poland and Spain—have shown an increase in consumption of parquet wood floor, there has been a slight decline in Italy, Switzerland and Benelux.

The US, in contrast, has seen a rise in wood flooring in hospitals and clinical institutes owing to it being a more hygienic product, with low microbial contamination along with the ability to keep aesthetics intact. Also, workspaces, offices and business centres have now started evolving with reference to design and appeal. In Asia-Pacific, Japan has shown an increase in the use of engineered wood.

Q Would your expansion in India be gradual or aggressive?

Frees: One doesn't need to rush in. Wood flooring is still niche and it will take years for it to become mass. The process has gathered pace but it will take time. Any attempt to expand at a fast pace would turn to be counter-productive. Once Indians are more comfortable with the options, taste and prices, the wooden flooring will take off. Right now, it's at the runway.

Poojari: In terms of strategy, apart from having our own flagship stores in Tier I and II cities, we will have local partners in smaller towns and cities such as Kolhapur, Nashik, Nagpur, Pune and Ahmedabad. We would also be creating a lot of awareness regarding maintenance and correct installation. 

● THIS INTERVIEW WAS CONDUCTED BEFORE THE COVID-19-TRIGGERED LOCKDOWN BEGAN

TIME OUT

For many Indian athletes, especially Olympians, 2020 would have been a crucial year. But with tournaments cancelled, they're learning to cope

By **KATHAKALI CHANDA**



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In an alternate non-Covid-19 universe, Rohan Bopanna, the highest-ranked Indian doubles tennis player, would have been revving for the French Open, beginning May 24. Between the Grand Slam and the clutch of tournaments before and after, he would have hoped to qualify for the big-ticket event in July: The Olympics. Instead, Bopanna is at his family home in Coorg, trading his racket for the butter churner, and dishing up chocolate eclairs rather than his booming serves. His year-old daughter is in charge of his daily fitness regime, ensuring the squats, lunges and footwork stay sharp as he chases the young one crawling around the bungalow and outside. The only time he gets a code violation warning is at night, when she is put to bed. "That's when she needs her mother. I am yet to figure out how to get in there," says Bopanna.

▲ Tennis player Rohan Bopanna's year-old daughter keeps him on his toes at their family home in Coorg

Like Bopanna, the schedule for wrestler Bajrang Punia, among India's biggest medal hopefuls in the Olympics, has turned topsy-turvy thanks to the pandemic. If the outbreak hadn't spread across the globe, Punia would have packed his bags to, first, Russia, then the US, and finally to Japan, where he would have been training hard to peak for his first bout in early August. Now, the former World No 1 in the 65 kg category merely has the ticket to jog around his building compound in Sonapat, which is under the strictest lockdown for being marked a red zone.

With marquee events like the Euro, the Olympics and the T20 World Cups—besides the usual Grand Slams and IPLs—2020 was meant to be a high-octane year for sports. Until it wasn't. As the likes of the Euro and the Olympics were

rescheduled to 2021, IPL “indefinitely postponed” and Wimbledon called off for the first time since World War II, there’s no certainty over whether the year will get to see any high-profile events.

If at all it resumes, sport may only continue behind closed doors or in empty stadiums—as the French Open has been planning at a deferred date of September 20—till a definitive treatment or vaccine for the novel coronavirus emerges. This year has turned into a black hole for many athletes looking to make a mark: Commonwealth Games gold-medallist shooter Manu Bhaker who, at 18, had qualified for her first-ever Olympics; Yashasvi Jaiswal, the player of the tournament at the recent Under-19 cricket World Cup, who was eyeing a big-bang IPL debut with Rajasthan Royals; or footballer Sandesh Jhingan who was raring to hit the ground running after a ligament tear benched him for much of the previous season. Which is why if you ask Bhaker if she’s disappointed at the Games being called off, she says, “Please say postponed, it sounds so much better than saying cancelled.”

WORK FROM HOME

Bhaker, as well as other athletes *Forbes India* spoke to, though, are unanimous about the need to suspend the 2020 season till the outbreak is tamed. PV Sindhu, the silver medallist from the 2016 Olympics and the reigning badminton world champion, says, “Yes, we were all preparing hard for the Olympics and would now have to carry on the hard work for another year, but rescheduling is a good decision because of the massive surge of the virus. Life comes first.”

But some do feel the postponement has upset their roadmap for the future. Palak Kohli, the para-shuttler whose world rank of 5 in the SL3/SU5 doubles category would have earned her an automatic qualification in the Paralympic Games, rues the bureaucratic conundrum the pandemic has put her in. Kohli had skipped her class 12 board examinations as the dates clashed with the qualification events in Brazil and Peru. “But since the Games and the rest of the qualifying events were postponed, the official announcement hasn’t been made. That’s kept me in limbo,” she says.

The rescheduling of the Games has also pushed boxer Vikas Krishan Yadav—who put his professional career on hold to turn amateur to represent India at the Olympics—to rethink his plans. A Commonwealth, Asiad and World Championship medallist, Yadav will now have to take up professional boxing once sport restarts, fight a couple of bouts, and come back to the national

JSW SPORTS



▲ Wrestler Bajrang Punia (above) trains at his Sonapat home with the same intensity as before; Shooter Manu Bhaker paints the walls of her house during the lockdown

camp for amateurs around January to prepare for his final unconquered frontier, he says. But till he gets back into the ring, he’ll stay put at his home in Bhiwani, Haryana, and teach his family how to play chess. “My parents were unable to catch on to begin with and I used to get frustrated. Then I realised even I would make mistakes with boxing when I started off and got better only over time. Now both of them have learnt the game and we play a few rounds almost every day,” he says.

While he gets his dose of cardio exercises playing

RAW KISHAN BHAKER

SANDESH JHINGHAN



NILESH



with his three kids, and allows himself a bit of leeway with his sleep—waking up around 8 instead of 5 am at the national camp—Yadav does maintain a daily fitness routine. “The training schedule isn’t clear yet, but I train at least two hours a day—once in the morning and once in the evening. I do strength exercises and those that increase my forearm speed,” he says. “Besides, my city is in the orange zone, which allows me to step outside for a jog.”

Not only does the schedule help Yadav stay in shape, but it also gives him a semblance of a routine that’s essential to stem a downward spiral through crises. It’s something Bopanna can’t emphasise enough. Every day, at 5 pm, he logs on to Zoom, where over 30 tennis players join him for a session on core exercises. Sindhu hasn’t hit the court in nearly two months, but works out in the corridors and the terrace of her house in Hyderabad, monitored by her father PV Ramana, an Arjuna awardee volleyball player. Bhaker, who holds the junior world record in 10 m air pistol, practises 3 to 4 hours a day at the electronic target range at her home in Haryana’s Charkhi Dadri. And Jhingan, who was expected to join the national team in March, has a mix of mental and physical conditioning through meditation, breathing

▲ Footballer Sandesh Jhingan (left) continues to train at his home gym in Mohali; para-shuttler Palak Kohli has bought equipment so that she can exercise during the lockdown

exercises and strength training at a small gym in his Mohali house, apart from playing against the wall, an old-school skill-enhancement technique.

“For athletes, training is everything. If you don’t train, you feel bogged down,” says javelin thrower Neeraj Chopra, an Asiad and Commonwealth gold medallist. The 22-year-old, who qualified for the Olympics in January after struggling with an elbow surgery last year, rushed back from Turkey in mid-March, before the closure of international flights, and was quarantined at the National Institute of Sports (NIS) in Patiala. While the gym and the javelin are still out of bounds, Chopra and his colleagues at NIS are throwing themselves little challenges during the evening training sessions—“like, how far can one go on a handstand”—to keep things interesting. “If you train and sweat every day, you can stay positive,” he says.

“Sportspersons are not used to staying cooped up at home for so long. The thing I’ve missed most is the sound of the ball meeting my bat. And I was most excited to play in the IPL,” says cricketer Jaiswal, who lived in a tent in Mumbai and sold pani puri to make ends meet before being spotted by his coach Jwala Singh. “So, when the lockdown started, I thought it would be tough. But I have managed



JSW SPORTS

it well through exercises prescribed by my trainer and conditioning my mind through lessons from the Bhagavad Gita.” It also helped that, just before the lockdown, Jaiswal attended a camp conducted by the Rajasthan Royals in Nagpur. “I realised what I need to work on in terms of my batting skills. I am preparing myself, so that when normalcy resumes, I should be game-ready,” adds Jaiswal.

At Lucknow’s Omaxe City, where the Jalandhar girl lives and trains, para-shuttler Kohli and her colleagues have set up outdoor courts at a local park within the colony, and bought gym equipment for their homes to simulate a regular, pre-lockdown training day. “Outdoor badminton is more challenging than indoors because of the wind. If we master our skills outdoors, we should be able to do it easily indoors, when we get back to our training centre,” says Kohli.

Most athletes are trying to sniff out the opportunity in adversity, using the time to focus on their Achilles Heel. Slacking off isn’t an option and some, like wrestler Punia, are going at it as hard as before. The 26-year-old’s world fell in place about two weeks ago, when he set up a mat in his apartment in Sonapat. “Now, I train just like I used to before the rescheduling of the Olympics. For me, nothing has changed and nothing will. I will keep improving my skills in the extra time I’ve got so I stand an even better chance of winning a medal next year,” he says.

▲ Yashasvi Jaiswal’s (above) IPL debut with Rajasthan Royals will have to wait, but a camp in Nagpur before the lockdown has given the youngster a taste of what’s to come; boxer Vikas Yadav has taught his family to play chess

TAKING A BREAK

Not just in his sport, but Punia has taken a leap of faith in life too, picking up a book for the first time during the lockdown. “*Kabhi shauk nahi tha* [I was never interested before]. In fact, I used to go to the *akhada* just so that I could bunk school,” he says. “But my coach and doctor told me if one has to achieve something in life, one has to read and gain knowledge.” Between his two practice sessions and cooking, Punia began his reading journey with Devdutt Pattanaik’s *Bhartiya Pauranik Kathaein*, and is enjoying the ready reckoner on Indian mythology and culture.

Reading is on the agenda for Bhaker as well, but with a far more academic focus. A first-year student of political science at Delhi’s Lady Shri Ram College, the shooter is using this break to brush up her studies for her annual examinations. “I couldn’t study before due to tournaments. We’ve been told that we may have online exams in July. I’m preparing for that,” she says. While Bhaker has reduced her training by a few hours to give her stiff shoulder and arm muscles a break, she’s also picked up the brush, painting parts of the peeled-off walls in her house. “It’s a good time to reboot mentally.”

Footballer Jhingan is an avid reader, with tastes bordering on cerebral. A big fan of novelist Paulo Coelho, Jhingan is now caught up with Marcus Aurelius’s Stoic philosophy. Even through the rigours of a season, Jhingan would read and often sit down to write fiction: He’s already written a few short stories and would love to compile more into a book. “But writing’s an intensive exercise where you take a backseat and turn into the character you are writing about. It can be draining emotionally, so you need to step back at times,” says the defender. “But I still write poems as they help me relax.” On the field, he may be busy sweeping the defence line, but at home, Jhingan can spend hours doing nothing. “I don’t get bored easily.” And then there’s the indulgence of lying down with his head on his mother’s lap, “something that I don’t get to enjoy during my long absences from home”. “Even though I’m 26, at heart I’m like a 10-year-old kid,” he says.

When sport does resume, though, they are all ready to spring back to their feet and look at 2020 as a tiny blip of months in years-long careers. Start off with the domestic circuit maybe, shake off the rustiness and launch into the international tour, when travel picks up with minimal restrictions. As Bhaker says, “I’ve been training for the Olympics for two years. I’m prepared mentally and will keep up the focus. For me, this is not a break.” **F**

PHOTO FEATURE

HOME ALONE

A look at how international athletes are keeping themselves fit in times of isolation and social distancing

Curated By **AMIT VERMA**

Pugilist Tommy Ward trains at his brother's garden at Rainton in the UK. The boxer's crack at the super-bantamweight title has been held up as bouts have been suspended due to the pandemic



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Desiree Henry, British sprinter and a 4x100 m relay medallist at the Rio Games, practises at a golf course in Edmonton, Canada

TOM JACOBS / REUTERS



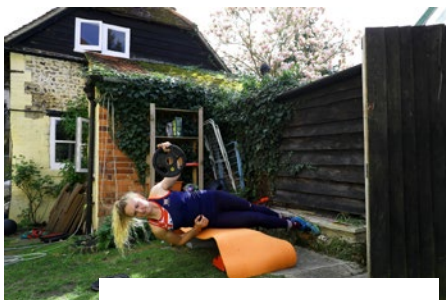
With gyms and training equipment out of access due to the lockdown, Jordanian judoka and Olympics hopeful Hadeel Alami uses ingenious methods to strengthen her legs at her home in Amman

PHIL WALTER / GETTY IMAGES



New Zealand weightlifter David Liti trains on his driveway at Te Kauwhata in April, when his country imposed one of the strictest lockdown measures to escape community transmission of Covid-19

NAOMI BAKER / GETTY IMAGES



In the early days of the lockdown, with the British government limiting time for outdoors, Team GB rower Jess Leyden stays in shape at her home in Wallingford

CHRIS HYDE / GETTY IMAGES



Aussie Rules player Touk Miller trains in isolation at his home in Gold Coast, Australia. Some states in the country are easing lockdown restrictions and are opening up sports training in small groups



German epee fencer Alexandra Ndolo trains with a self-made puppet in her apartment in Cologne

LARS BARON / GETTY IMAGES



DYLAN MARTINEZ / REUTERS

With gyms shut in London, long distance runner Mo Farah competes with a gang of deer as part of his training for the Olympics. Farah, a double gold-medallist in 2012 and 2016, is yet to qualify for the Tokyo edition

DENIS BALIBOUSE / REUTERS



Louis Delétraz, reserve driver for Haas Formula 1 team and F2 racer, trains on a simulator at his parents' home in Veyrier near Geneva in Switzerland

PEDRO VILELA / GETTY IMAGES



With cases soaring in his country, Brazilian swimmer Miguel Valente trains alone at his home in Belo Horizonte



PEDRO VILELA / GETTY IMAGES

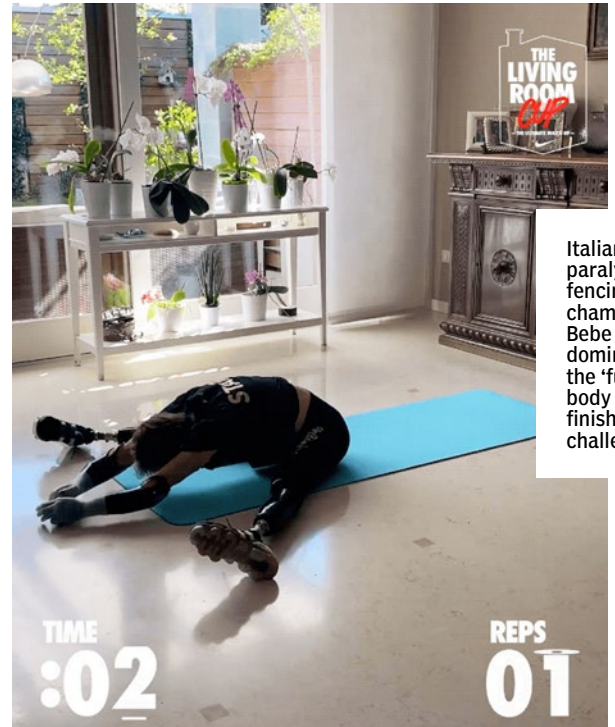
Brazilian national volleyball player Evandro Guerra trains with wife Bruna Lecardelion in Belo Horizonte

ACING IT

Many sportspersons are taking part in a weekly, in-home 45-seconds fitness challenges as part of Nike's 'You Can't Stop Us' campaign



Young German star Leroy Sané pacing through the 'side-step shuffle' challenge



Italian paralympic fencing champion Bebe Vio dominating the 'full-body finisher' challenge



Portugal and Juventus captain Cristiano Ronaldo powers through the 'toe-touches' challenge



British sprinter Dina Asher Smith bossing the 'mountain climbers' challenge

INTERMISSION

By KUNAL PURANDARE & ANJAN DAS

With movie theatres closed and film shoots cancelled, filmmakers are using the time to revisit scripts, plan new projects and introspect

On May 6, amid the lockdown, actor Amitabh Bachchan wrote on his blog that he had shot promos for the 12th season of *Kaun Banega Crorepati* and some social messaging videos after taking necessary precautions. He added that work that was scheduled for two days was completed in just one day. A day before that, Hollywood filmmaker Manoj Night Shyamalan tweeted that he had begun casting for his new film, which will be shot as soon as it is safe to do so. "I have been overwhelmed by the auditions. Recorded in homes all around the world. With such staggering numbers," he wrote.

The Covid-19 pandemic has resulted in heavy losses for the film industry globally, as theatres remain shut and shoots cancelled. The fate of films that were ready for release remains uncertain, while some producers are contemplating releasing them on over-the-top platforms. Director Shoojit Sircar is releasing *Gulabo Sitabo* on Amazon Prime Video.

Several filmmakers, however, are confident of the industry emerging stronger from the crisis. And they are doing their bit towards this by scouting for locations from their homes, editing content that has already been filmed and refining scripts, among others. *Forbes India* spoke to four filmmakers about the future of the industry in a post-Covid-19 world. **F**



'Cinema will bounce back'

ADITYA DHAR

Director, *Uri: The Surgical Strike* (2019)
Upcoming Project: *The Immortal Ashwatthama*

For the last 10 to 12 years, I was mostly involved in writing; it is a job where isolation is involved. You are in a room for 8 to 10 hours a day, imagining or thinking of stories. During this lockdown, I have been working extensively on the script of my next film, *The Immortal Ashwatthama*, and the pre-production. Given the scale of the movie, the more we work on pre-production, the better it is for the film; we'll waste less time once we go on the floors. Most of my days are spent on Zoom calls, discussing some aspect of the film. We are location-hunting and are in talks with various companies around the world.

Given the current situation, we are keeping all options open. If we have to shoot parts on a studio floor, we'll do that. We are supposed to start shooting in March 2021. We still have time, but because of the lockdown there will be some ripple effect. Lead actor Vicky Kaushal's dates may have to be readjusted if *Takht* [the film he is doing before *Ashwatthama*] gets pushed ahead; our schedule may have to be reworked.

Business is likely to be affected for the next six months at least. There will be a lot of support from the digital media for films and we are seeing that already. Some films are scheduled to release

directly on OTT platforms, which are benefiting from the lockdown. The normalisation of the theatre experience will take time. Filmmakers will keep digital options open because we don't have to spend on marketing and PR. The profit is on the table and the risk is lower for the producer, especially in an uncertain environment like now. As an industry, we'll have to relook at budgets and the cost of production. We'll have to cut down on overheads and put our energies and monies into making a great film. We may have to forego staying in the best hotels or taking the best flights. **F**

• AS TOLD TO KUNAL PURANDARE

'The theatrical experience will come back sooner or later'

NEERAJ PANDEY

Director, *Special 26* (2013), *MS Dhoni: The Untold Story* and *Special Ops* (2020) on Hotstar

Upcoming projects: Untitled films and web series



The situation unravelled rapidly... within a couple of weeks we had a lockdown and were exposed to the enormity of the virus. We had just released *Special Ops* and there were multiple projects on the floor—both digital and films—that had to be put on hold. It was a tough call with lots at stake, but we had no option. The priority was to tide over the crisis. Work can happen only if we see through this. While we are in for a long haul... we are putting our heads together on what could be our next step once we get back to normalcy.

Everyone in the industry understands it's going to be tough for the theatrical business. But that's our first love and we will support it. Cinema is the preferred format... the community experience is so embedded in

our lives that we look forward to it and there will be no substitute for such experiences. Once production starts, people will eventually start making content and normalcy will be restored. A movie will open up somewhere or the other and there will be learnings from there.

People worldwide will react differently to lockdown restrictions. The smarter nations will be the quickest to recover. My recommendation would be to fill your mind with positive thoughts. Read, watch (anything that you like) and if you have the gift of doing nothing, do that. Apart from developing new projects, the writer in me is always thinking... it's a way of life. I am spending a lot of quality time with my family. I am reading and listening to music. I have been collecting Vinyl records over the years, but not had the

time to listen to them. I am listening to SD Burman and Shailendra—rediscovering my everlasting love for their incredible compositions.

Our industry has been a neglected stepchild. There is little respect for the work we do and the levels of employment we generate. The loss in recent months has been enormous. There is a lot of pain and suffering, and I don't see it improving soon despite the help we have been providing. I hope we come to a situation where people resume work, but I don't see it happening soon. I am not a pessimist, but it's going to be a tough road ahead.

We have to get back to doing what we do best and therein lies the answer to most of our problems. We are born with a survival instinct and the ability to adapt. The show must go on and it will. Cinema on its own has survived anything and

everything. You will see a small bump here or there, but the theatrical experience will come back sooner or later. There are some experiences, which will always be exclusive to cinema.

Of course, there will be a rush towards OTT to showcase content that's ready. Some mid-sized films will release directly on OTT... these are business calls. I am sure most of these platforms are planning to start productions in controlled environments with limited crew. It's all about adapting to new ways of customising content. But once people are able to travel, we will return to the bigger stories. OTT can never be a substitute for the cinema experience, but would certainly be a game changer.

For storytellers, these are exciting times with multiple platforms at our disposal. Often, we shy away from a theatrical release because of the marketing and publicity costs involved. As it is there is so much clutter [with multiple films releasing on the same day]. So it's better to recoup the cost by putting it on OTT. Small and medium scale production houses who are facing the brunt of this pandemic would definitely be approaching these platforms. But let's not look for shortcuts and abuse this medium. It's a fantastic opportunity for new age storytellers and technicians to tell stories in the most risky fashion to an international audience.

I am more than eager to shoot once the opportunity presents itself. But if the situation demands we have to shoot with VFX, we will have to take that call. The world will certainly take some time to heal. Movies are slightly down in the pecking order. **F**

• AS TOLD TO ANJAN DAS

'All of us should take a pay cut'

RENUKA SHAHANE

Actor-director, *Rita* (2009)

Upcoming Project: *Tribhanga* on Netflix



The lockdown came as a complete shock. I was fortunate that I had completed shooting for my film and most of the editing work. However, a lot of my peers had to cancel their shoots and incur heavy losses.

Although I am confined to my home, I am totally immersed in my project. The entire post-production of *Tribhanga* is yet to be completed. It took me some time to adjust to working from home. Netflix stepped in and ensured that the technicians got computers at home. We kept talking over video calls and worked around the editing process. There is a lot of VFX involved and that process has

also started. It gets a bit tedious at times because in a studio, you can immediately correct and discuss things. But we have made significant progress. The sound and other technicalities can be completed only after the studios open. In fact, if we manage to complete everything, we may showcase the film earlier—in end-2020 instead of early 2021, as scheduled. Because it's one of the projects on its way to completion unlike others which are stuck.

In terms of the industry, it's going to take longer for us to adjust to the new normal. We shoot in congested locations, so it's difficult to maintain social distancing with a unit of 150 people. Safety precautions can

be adhered to, but actors can't wear masks and perform.

It's going to be extremely difficult for theatre owners to make a profit for a long time and so, as an industry, we need to help each other, including our technicians and those who work on daily wages. All of us, especially the big stars—I shouldn't be saying this on their behalf—should take a pay cut. It will take a long time before normalcy returns. We'll also have to take a relook at the cost at which we make and sell a film. We'll have to rethink this model and work in a viable manner so that everybody earns money.

It's possible that some filmmakers will opt for the

digital medium, and won't wait for theatres to reopen. Of course, if it's a film made for the masses and the makers have the capacity to wait it out, they will see how the situation evolves.

I am using this time to do a lot of writing. I am revisiting the script that I had started before *Tribhanga* went on floors. It has been with me for three years, and I haven't had the time to dwell upon it. I am also working on a web series, though it hasn't been commissioned yet. I used to feel handicapped because I hadn't seen certain films. I have seen a lot of Malayalam films in this phase and have been blown away by many of them. **P**

● AS TOLD TO KUNAL PURANDARE

'The impact will be felt next year also'

RS PRASANNA

Director, *Shubh Mangal Saavdhan* (2017)

Upcoming Project: *Untitled film*

I attended a meeting in Mumbai in mid-March when I realised a lot of people were wearing masks and many thought I had done a brave thing by flying in from Chennai. Eventually, I learnt that offices were closing and people were being told to work from home. The seriousness hit me only then. I had another meeting the week after, but I held it online.

I am still writing my film, so the lockdown has not affected

me that much. But a lot of people who had started production or were on the verge of completing their films are badly stuck.

This time has helped me go back to the drawing board, but not having face-to-face meetings and missing the human element in communication made me uncomfortable. But actors are available for narrations, which is good. Even OTTs are looking

at greenlighting a lot of projects. People who were earlier snobbish about the medium are now willing to embrace it.

My writers, however, took a lot of time to adjust. They work from home otherwise too, but this time they couldn't. Suddenly we were talking about the gravity of the situation and whether the film will even get made. Now we are doing calls and Zoom narrations. We have realised work can go on. At least

we are privileged to have work.

To make the most of the time on hand and keep away from the gloom, I started giving online lessons on filmmaking with 15-minute videos on YouTube for two weeks. I am also extensively developing projects across the web. I am looking forward to debuting on the digital medium. I also got back my reading habit, which I had lost for a long time. I have gone back to my favourite authors who taught me cinema.

I've heard that some studios in Los Angeles have announced social distancing while filming. I don't know how that will work out. I am sceptical, because film sets are completely unregulated.

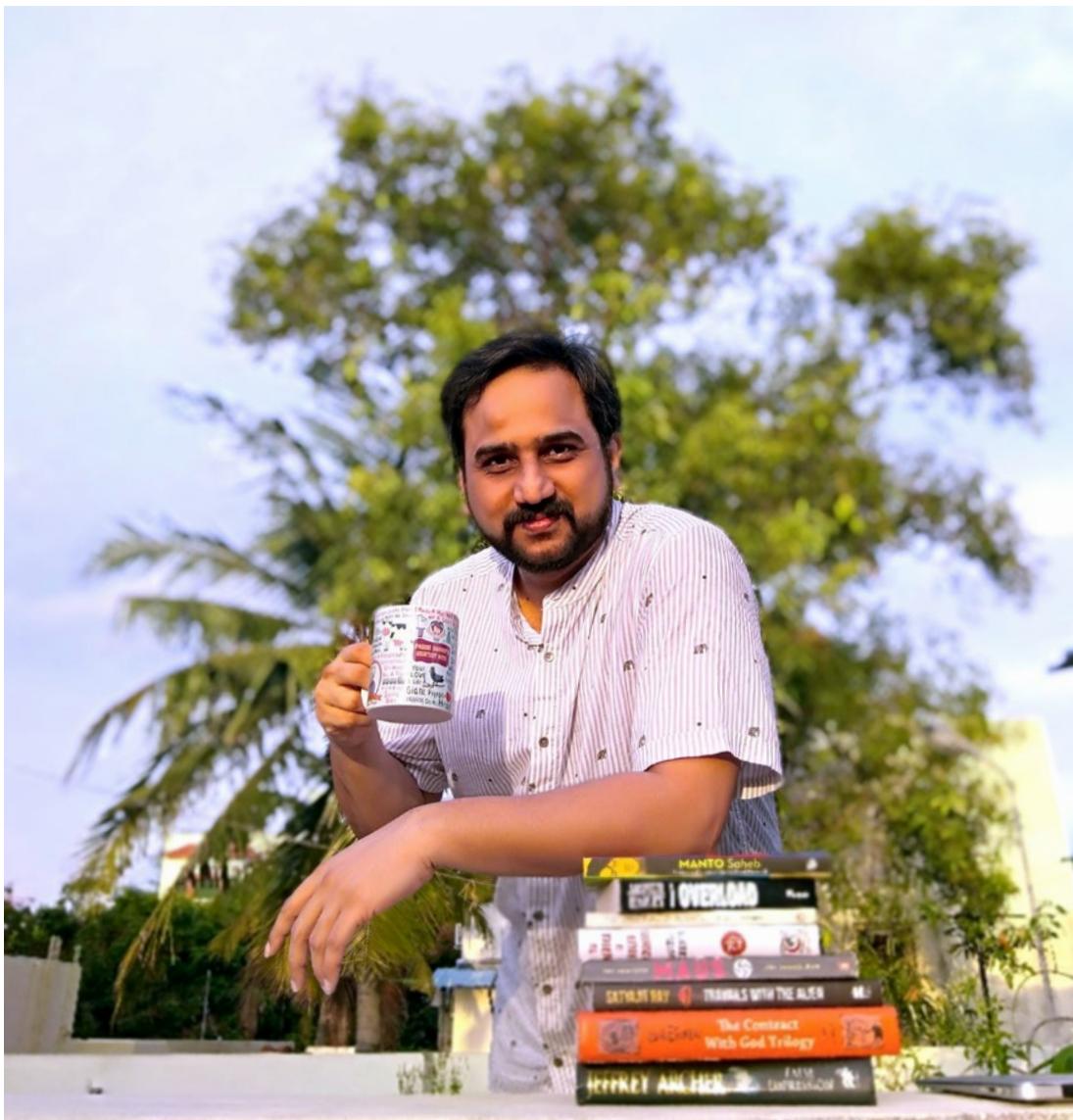
Filmmaking and safety don't usually go hand-in-hand. Yes, some production houses will take care, but we are not a regulated factory where there can be checks. At the same time, you have to earn money... people will have to go and work. It is scary.

Most people will hold back till there is clarity. But people will want to throng theatres whenever they open. The theatrical experience will never go out. People will give you lots of revenue, but if you have 'socially distancing seats', theatres won't break even.

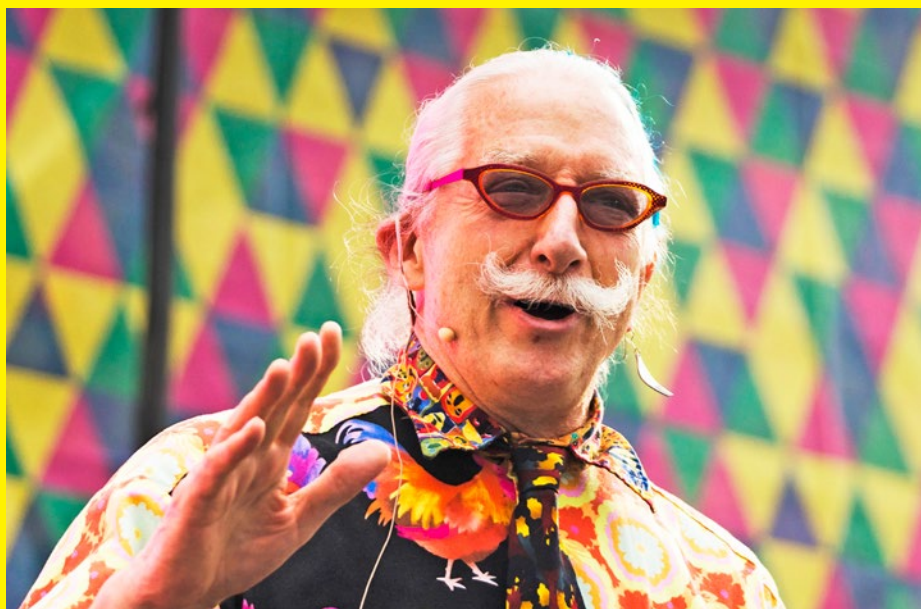
There is going to be a huge shift towards digital because it's going to take longer to make movies and screen them. The impact will be felt largely next year also. I don't think we have begun to understand the enormity of it.

Digital platforms will get more eyeballs in the immediate future, but they will be under pressure to create content. Nobody has a library ready for six to eight months. Also, I don't understand this theatres versus OTT... it's just a different form of storytelling. It's like having to choose between a Friday night party and a romantic date on a Sunday... why does one have to choose? Both will coexist. 

● AS TOLD TO KUNAL PURANDARE



SEBASTIAN VIVALLO ONATE / AGENCIA MAKRO / LATINCONTENT VIA GETTY IMAGES



Humour is an antidote to all ills.

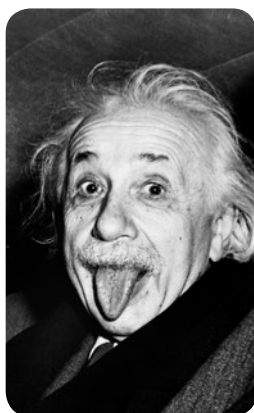
—PATCH ADAMS

Science is the great antidote to the poison of enthusiasm and superstition.

—ADAM SMITH

The number one antidote to fear is preparation.

—DON HUTSON



There is no vaccine against stupidity.

—ALBERT EINSTEIN

Vaccines are the tugboats of preventive health.

—WILLIAM FOEGE

I try to have each book be an antidote to the one before.

—COLSON WHITEHEAD

If everything is God's will, then so is the invention of the vaccine, just like the seatbelt.

—ELS BORST

Writing is an antidote for loneliness.

—STEVEN BERKOFF

Nature in one of her beneficent moods has ordained that even death has some antidote to its own terrors.

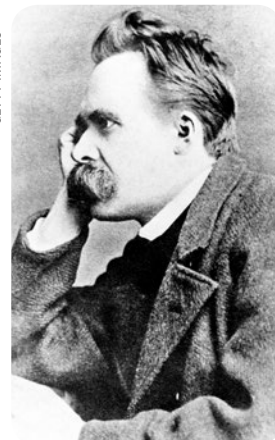
—BRAM STOKER

Vaccines are the most cost-effective health care interventions there are. A dollar spent on a childhood vaccination not only helps save a life, but greatly reduces spending on future health care.

—EZEKIEL EMANUEL



GETTY IMAGES



No one dies of fatal truths nowadays; there are too many antidotes.

—FRIEDRICH NIETZSCHE

I don't think there is any philosophy that suggests having polio is a good thing..

—BILL GATES

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You can't save kids just with vaccines.

—MELINDA GATES

Courage is the antidote to danger.

—EARL STANLEY GARDNER

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