

BUSINESS OPPORTUNITIES IN GUJARAT

INTELLIGENT

Entrepreneur

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Network 18

THE FUNDING SPECIAL

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And
Where
To Get
It From.

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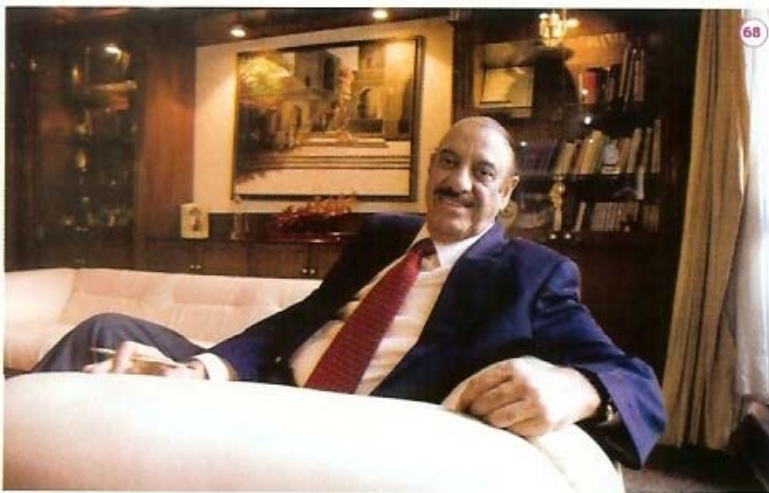
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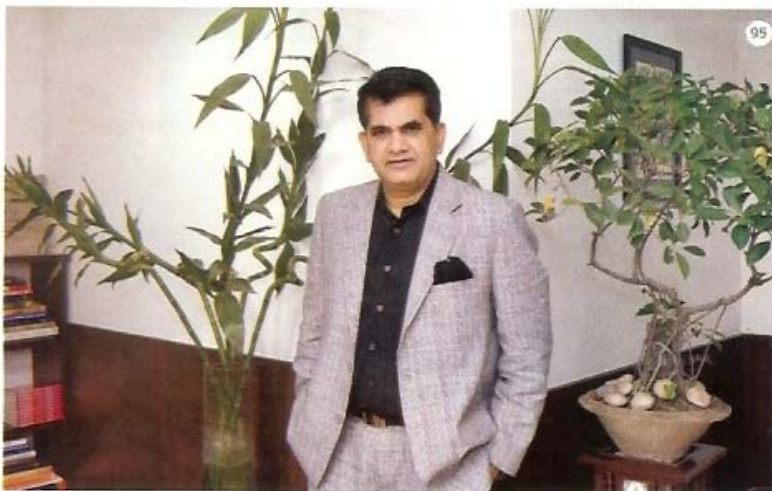


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RULING THE REALTY SECTOR

Even after building millions of houses in the country over four decades, there is no stopping Sushil Kumar Ansal when it comes to the expansion of his construction business.

By Sunita Mishra

His father did not want him to follow in his footsteps and join the contracting business. Chiranji Lal Ansal had greater plans for his son, an economics graduate from St. Stephen's College. He wanted him to prepare for the civil services. But the 21-year-old young man had already made up his mind. That was in 1960. What took shape in the years that followed is a story of empire building. Over a span of four decades, Sushil Kumar Ansal has changed the face of the realty sector in India.

STEPPING STONES

Set up in 1967, the company, with a net worth of above Rs.1,639.7 crore and a turnover of over Rs.1,290.6 crore, has land reserves of 9,343 acres at present. This includes land for residential, commercial, retail, hospitality and integrated township projects. The group expects to acquire 6-8 million sq feet in FY'12. Ansal API's profit after tax stands at Rs.101.7 crore now.

Ansal API's initiatives in the sector refuse to bottom out, the years spent notwithstanding. There is a lot more the group is planning to come up with. "We are building a township in Lucknow of over 4,000 acres. There are 35 villages in that area. We are adopting and upgrading those, from providing vocational training to developing infrastructure," says Ansal. "If I can train a carpenter at the site itself, there won't be any need to bring in costlier manpower from bigger cities. Such thinking would help the villagers. Rather than making them a party in a transaction by buying land from them, we are trying to make them stakeholders in our business. It is often seen that after selling their land and getting fat cash, a farmer does not know how to utilize the sum earned. It

gets squandered. We provide guidance on this through small workshops and try to get them sustainable employment. This is the system realty businesses should focus on," he adds.

SPREADING ROOTS

Established in 1967 as a family-run business, Ansal API today is among the top realty and infrastructure companies in India. It currently operates in business verticals ranging from integrated townships, condos, group housing, malls, shopping complexes, hotels, SEZs, IT parks and infrastructure & utility services.

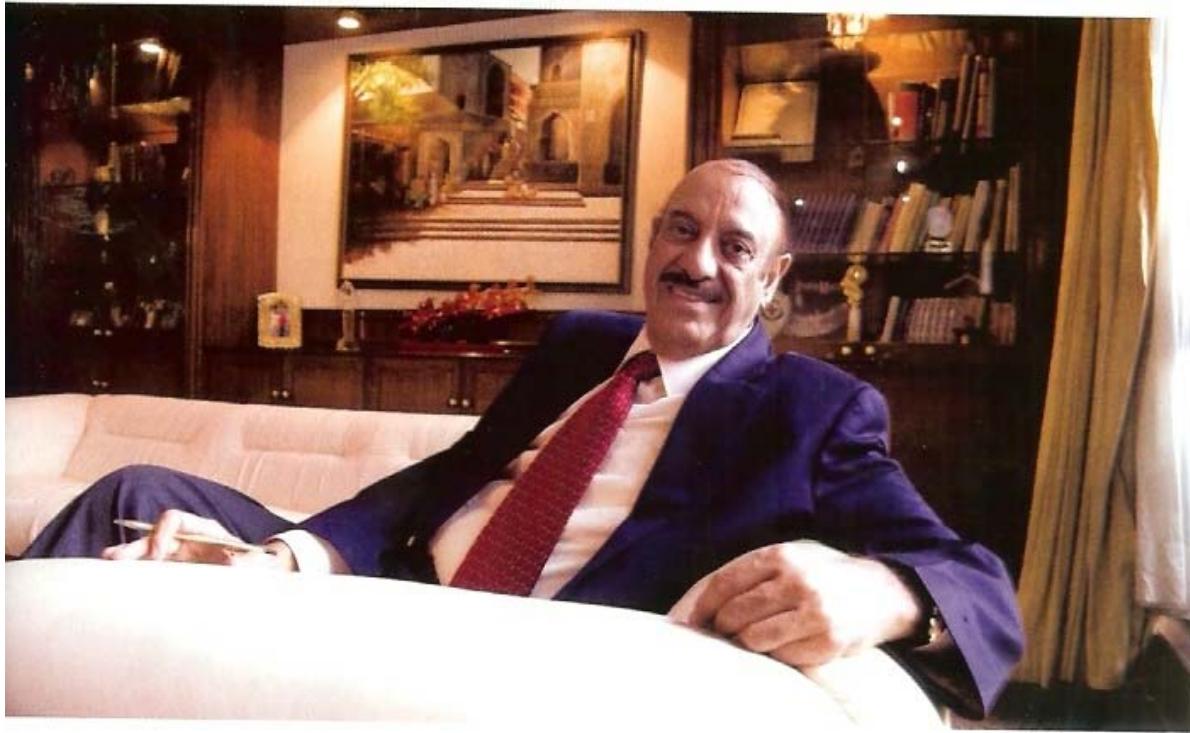
Housing being a safe area, this sector accounts for 80 percent of the group's total revenue. According to the Planning Commission, there still is a shortage of 25 million homes in India and it will take 15 to 20 years for this demand-supply gap to be filled. "Housing will remain our main focus. Also, along with the government, we are trying to decongest the metros and develop tier II and tier III cities. Our dream projects are based in Lucknow (4,000-acre project) and Noida (2,500-acre project). Our aim is to spruce up the lifestyle in these cities—from schools to medical facilities to multiplexes and playgrounds—basically create a composite life," informs the veteran realtor.

THE GOVERNMENT FACTOR

Ansal feels that the government should have a little more open approach towards the realty sector for it to see better growth in the future. "When it comes to rules and regulations, we have a set of age-old ones in place. If that doesn't change, we will be left behind as the world progresses," he says. Ansal also feels that new blood should be made part of the decision-making process. "The government has to take the initiative and private entrepreneurs should be inducted into thinktanks to give it a more practical outlook. It's not a given that only public servants or IAS officers can come up with ideas. Also, monetary help should be offered to new innovations," he opines.

CHALLENGES FACED

Providing homes to all citizens of a country like India is a daunting task. Many more initiatives are required from the government too, feels Ansal. At present, the government's focus areas are agriculture, export and industry, while housing comes at the bottom of its list. "Realty



Today is the second-largest employment generator after agriculture. However, the growth of the sector has been hit due to archaic laws. There are not many funding options in the sector. Unless the government relaxes its norms, it will be very difficult to fill the demand-supply gap in the housing sector," says Ansal.

THE DIGITAL REVOLUTION

With the digital revolution, India has witnessed growth in many fields, including realty. Because of the digital revolution, there has been a tremendous change in the way housing is looked at today, says Ansal. It has led to a phenomenal change in overall thinking. "Earlier, everybody wanted to find a job and migrate to a metropolis. Today, there are good opportunities in tier II and tier III cities too. People are outsourcing work to smaller centers. For example, as a company, we don't want people to work in offices alone. We want them to work from home to save office space. These smaller cities now have more planned and organized townships. People don't have to move to bigger cities for want of necessary amenities and infrastructure anymore. There, we provide them clean

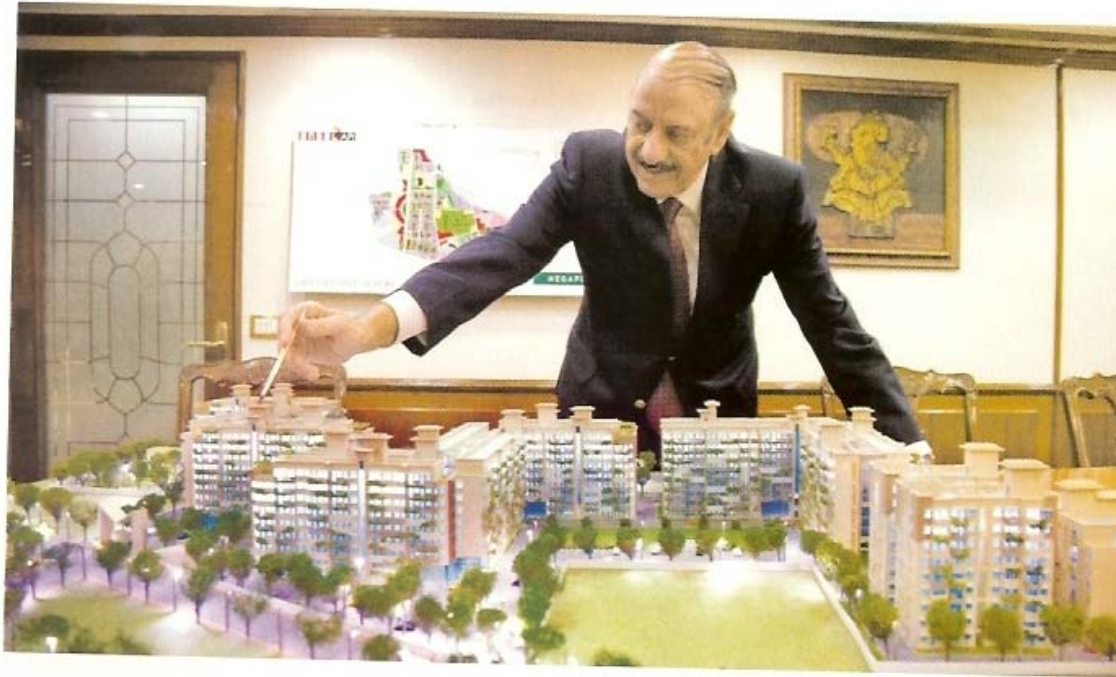
water, better electricity and good housing network. We have brought about better connectivity. With the country getting digitized, there has been a change in the way people function. Today, customers can book flats online. The changed overall climate is conducive for growth and should be made use of," says Ansal.

LOW-COST HOUSING

Affordable housing, according to Ansal, is the need of the hour. Working on this, the group plans to construct 4,000 such houses in Rajasthan. These houses would cost between Rs.3 lakh and Rs.8 lakh. "It has been possible for us to come up with the low-cost housing plan in Rajasthan because the land there is cheap. The government should partner with private players to construct low-cost houses where land prices are high. Private players may not be able to make bumper profits but they will certainly reach breakeven point. It can be part of our CSR," adds Ansal.

THE REALTY MOGUL

"I have not achieved anything great in life," says the man responsible for changing the skyline



of Delhi and converting Connaught Place into a contemporary business hub in the 1970s.

"When we built the first high-rise building, Aakashdeep, there were a lot of apprehensions about it. When we built our first residential apartment, Ashadeep, initially it would take 15 days for us to sell a flat. Things have changed now because of the goodwill that we have created over the years," says the realtor. "We had to convince the government a great deal when we built our first shopping mall. Same goes for multiplexes too," he adds.

The only thing Ansal is proud of is his long-term perspective and the fair business he does. That's what his advice is to future entrepreneurs too: have a long-term perspective, be honest with your staff, vendors and the customer.

The Stephenian, who shared his college bench with the likes of NK Singh and Mani Shankar Aiyar, is an early riser. He gets up at 6:30 every morning. A fitness freak, he works out for 45 minutes daily at the gym. By 10 am, he is in his office. And, after a day's hard work, he starts for home at around 6:30 pm. He loves spending time with his family and doesn't entertain work-related calls at home. His love for his family is more evident when you look

at a painting hanging in his office—made by his granddaughter Anushka. Apart from his work, Ansal has three other passions in life—reading, travelling and golf. He loves reading non-fiction and self-help books and plays golf on weekends. He is a lover of bhajans, too. The Gayatri mantra is very close to his heart.

When you talk about what kept his four-decade career rolling, Ansal mentions his commitments and delivery. "Once I commit to something, I stick to it. Also, I'm very frank about my problems," he says. He has his weaknesses too. Impatience is one of them. "I depend on my hunches more than practical things."

Ansal, who has many feathers to his cap, counts changing the skyline of Delhi and the face of Connaught Place as his greatest achievements. The Uphaar tragedy, on the other hand, has been the greatest setback of his life and career. "The capital crunch and the Uphaar tragedy, followed by the demerger of the company, have hindered our growth," he rues.

The realtor has fought all odds and promises to continue to do so in the coming years too. After all, there is a lot that needs to be done in 'building lifestyles'—the tagline Ansal API goes to town with. ■