

# From the Editor

Sometimes India's economy resembles a rambunctious teenager brought up short by a finger-wagging headmaster. Our finance minister can now recite with his eyes closed a string of figures that seek to prove that India has not done badly at all in comparison with the rest of the developing – and indeed the developed – world. P. Chidambaram is as agile as a matador, blaming a “strong contractionary monetary response” and not the government's devil-may-care spending for the slowdown. He told the Asian Development Bank's annual meeting in Greater Noida the day we went to press that India “remained, even in 2012/13, one of the fastest growing large economies in the world”. Hark, the herald angels cringe. The reality is the IMF's warning that India is headed towards a “middle-income trap” if it does not reduce government involvement in the economy and take an axe to its ever denser thickets of regulation. But with a lock-jawed government frozen in the headlights of shame and scandal, significant financial reforms seem like a pipe dream. Shortly before Chidambaram spoke, RBI Governor Duvvuri Subbarao, after cutting the key repo rate for the third time in 2013, warned that “the Reserve Bank's assessment of the growth-inflation dynamic yields little space for further monetary easing”.

Financial reforms mean bridging the chasm for India's great unbanked masses. But as our cover story by M.G. Arun underlines (page 50) the inexorable urge to save, to invest, perchance to multiply one's money pushes many of our countrymen and women to subscribe to questionable schemes. Last month Sudipta Sen's Saradha Group imploded in spectacular fashion, turning money deposited by hundreds of



thousands of credulous people into vapour – not to speak of the sudden unemployment of hundreds of print and television journalists who had flocked to his newspapers and television channels. It turns out that India is crawling with thousands of chit funds and other dubious deposit-taking rackets, and cheat shops emerge from the shadows in examples like the 130 Kerala chit funds that set up office in one building in the industrial town of Faridabad in Haryana, as Special Correspondent Sarika Malhotra discovered (page 56). As always, Indian authorities are expert at wringing their hands in helplessness. State govern-

ments are supposed to regulate chit funds, while the Securities and Exchange Board of India has jurisdiction over variants like “collective investment schemes”. Little wonder that physical gold – coins, “biscuits” and even ingots – is increasingly popular. People obviously do not trust any institution or instrument with their money.

This issue we also profile Cipla, one of India's largest pharmaceutical companies. The Supreme Court's recent ruling denying a patent extension to a multinational drug company on the grounds of “evergreening” – tweaking a product's composition in order to extend the life of a patent – will now benefit many generic companies in India, including Cipla. Twelve years ago, Cipla shook up the global market for anti-AIDS drugs by offering to sell a powerful cocktail of three generic drugs for just \$300 a year. Cipla's enigmatic Chairman Yusuf Hamied has just relinquished his executive role of managing director and recruited Subhanu Saxena as CEO. Associate Editor E. Kumar Sharma met Hamied and several analysts to put together a compelling tale about management change at the 78-year-old company (page 42).

Change is good, but continuity is also precious. Senior Editor Anand Adhikari co-wrote and also shepherded this fortnight's special package on the oldest multinationals in India (page 59). These companies have been dependable brands in our lives – Glaxo, Standard Chartered, Castrol, Siemens, General Electric, Hindustan Lever, SKF and Philips. How and why they pitched their tents in India, and how and why they have endured, makes for a collection of great stories by the *Business Today* team. Sometimes it is worth remembering that you have to learn from the past “for managing tomorrow” – our magazine's sub-title.

*Chaitanya Kalbag*

[chaitanya.kalbag@intoday.com](mailto:chaitanya.kalbag@intoday.com)  
[www.busesstoday.in/editor](http://www.busesstoday.in/editor)

Editor-in-Chief: Aroon Purie

Group Chief Executive Officer: Ashish Bagga

Group Synergy and Creative Officer: Kalli Purie

Editor: Chaitanya Kalbag

Managing Editor: Josey Puliyenthuruthel

Executive Editor: Suveen K. Sinha

Deputy Editors: Debashish Mukerji, K. Sai Srinivas, Alokesh Bhattacharyya

## CORRESPONDENTS

Senior Editors: Anand Adhikari, N. Madhavan,

Shammi Pande, Sanjiv Shankaran

Senior Associate Editors: Sebastian PT, Mahesh Nayak

Associate Editors: K.R. Balasubramanyam, Shweta Punj,

E. Kumar Sharma, Goutam Das, Ajita Shashidhar,

Suprotip Ghosh

Assistant Editors: Manu Kaushik, Sunny Sen

Special Correspondents: Taslima Khan, Anilesh Mahajan,

Sarika Malhotra

Correspondents: Manasi Mithel, Dearton Thomas Hector

## COPY DESK

Senior Editors: Uma Asher, Rishi Joshi

Senior Associate Editor: Sugita Katyal

Associate Editor: Sumit Upadhyaya

Chief Copy Editors: Gadadhar Padhy, Roopali Joshi

Copy Editor: Basudha Das

## PHOTO DEPARTMENT

Group Photo Editor: Vivan Mehra

Deputy Chief Photographers: Shekhar Ghosh

Principal Photographer: Rachit Goswami

Senior Photographers: Aditya Kapoor, Nilotpal Baruah

Photographer: Nishikant Gamre

Photo Researcher: Palak Neb

## ART DEPARTMENT

Assistant Art Directors: Anita Jaisinghani, Anand Sinha,

Vanita Arora

Chief Visualiser: Santosh Kushwaha

Senior Visualisers: Vikas Gupta, N. Ravishankar Reddy

Visualiser: Srusti Bhatt

## PRODUCTION DEPARTMENT

Chief of Production: Dinesh Sachdeva

Production Coordinators: Narendra Singh, Rajesh Verma

Senior Supervisor: Rajkumar Wahi

Senior DTP Designer: Mohammed Shahid

## RESEARCH DEPARTMENT

Librarian: Vijaylakshmi Vardan

Assistant Librarian: Satbir Singh

Senior Research Associates: Jyotindra Dubey, Niti Kiran

Group Business Head: Manoj Sharma

Associate Publisher (Impact): Anil Fernandes

## IMPACT TEAM

Senior General Managers: Kaustav Chatterjee (East),

Jitendra Lad (West), Head (North): Subhashis Roy

General Manager: Shailender Nehru (Bangalore)

Deputy General Manager: Velu Balasubramaniam (Chennai)

Marketing: Vipul Hoon, General Manager;

Intekhab Aslam, Brand Manager

Head-Consumer Services: Poonam Sangha,

Senior General Manager

Newsstand Sales: D.V.S. Rama Rao, Chief General Manager;

Vinod Das, Senior General Manager (National); Manish

Shrivastava, Senior Manager (North); Joydeep Roy, Senior

Manager (East); Rajesh Menon, General Manager (West);

Deepak Bhatt, General Manager (South); Rakesh Sharma,

General Manager (Operations)

**Vol. 22, No. 11, for the fortnight May 13-26, 2013.**

**Released on May 13, 2013.**

● Editorial Office: India Today Mediaplex, FC 8, Sector 16/A, Film City, Noida-201301; Tel: 0120-4807000; Fax: 0120-4807150 ● Advertising Office (Gurgaon): A1-A2, Enkay Centre, Ground Floor, V.N. Commercial Complex, Udyog Vihar, Phase 5, Gurgaon-122001; Tel: 0124-4948400; Fax: 0124-4030919;

Mumbai: 1201, 12th Floor, Tower 2 A, One Indiabulls Centre (Jupiter Mills), S.B. Marg, Lower Parel (West), Mumbai-400013; Tel: 022-66063355; Fax: 022-66063226; Chennai: 5th Floor, Main Building No. 443, Guna Complex, Anna Salai, Teynampet, Chennai-600008; Tel: 044-28478525; Fax: 044-2436942; Bangalore: 202-204 Richmond Towers, 2nd Floor, 12, Richmond Road, Bangalore-560025;

Tel: 080-22214480, 080-30374106; Fax: 080-22283335; Kolkata: 52, J.L. Road, 4th Floor, Kolkata-700071; Tel: 033-22825398, 033-22827726, 033-22821922; Fax: 033-22827254; Hyderabad: 6-3-885/7/8, Raj Bhawan Road, Somajiguda, Hyderabad-500082; Tel: 040-23401657, 040-23400479; Ahmedabad: 2nd Floor, 2C, Surya Rath Building, Behind White House, Panchwati, Off: C.G. Road, Ahmedabad-380006; Tel: 079-6560393, 079-6560929; Fax: 079-6562529; Kochi: Karakattil Road, Kochi-682016; Tel: 0484-2377057, 0484-2377058; Fax: 0484-370942 ● Subscriptions: For assistance contact Customer Care, India Today Group, A-6, Sector-57, Noida (U.P.) - 201301; Tel: 0120-2479900 from Delhi & Faridabad; 0120-2479900 (Monday-Friday, 10 am-6 pm) from Rest of India; Toll free no: 1800 1800 100 (from BSNL/MTNL lines); Fax: 0120-4078080; E-mail: [wecare@intoday.com](mailto:wecare@intoday.com)

● Sales: General Manager Sales, Living Media India Ltd. B-45, 3rd Floor, Sector-57, Noida (U.P.) - 201301; Tel: 0120-4019500; Fax: 0120-4019664 ● 1998 Living Media India Ltd. All rights reserved throughout the world. Reproduction in any manner is prohibited. Published & Printed by Ashish Bagga on behalf of Living Media India Limited. Printed at Thomson Press India Limited, 18-35, Milestone, Delhi-Mathura Road, Faridabad-121007, (Haryana). Published at K-9, Connaught Circus, New Delhi-110 001.

● Business Today does not take responsibility for returning unsolicited publication material. All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only

For reprint rights and syndication enquiries, contact [syndications@intoday.com](mailto:syndications@intoday.com) or call +91-120-4078000 [www.syndicationtoday.in](http://www.syndicationtoday.in)