

# From the Editor

On June 1, as the mercury hit 47 Celsius and turned Delhi's roads – or what passes for them in most parts – into pancake griddles, the government released a report that feebly tried to suggest remedies for the human-resource mess in Air India. The same day there was bad news about very weak export growth in April. Data released a day earlier showed the economy had grown at its slowest pace in nine years. That coincided with a nationwide strike called by opposition parties to protest a swingeing rise in petrol prices. The rupee had fallen for nine consecutive weeks. At this rate, one rupee looks like it will equal one Japanese yen in a few weeks, and some pundit in India is sure to declare that we have achieved parity with the Japanese economy. Prime Minister Manmohan Singh, fresh back from Myanmar, is really concerned – on that Friday evening he chaired a meeting of his economic ministers to discuss exports of skimmed milk powder.

That same morning a visiting American think-tanker told me that many US companies in India who had “hung in there” were readying exit plans; new investors who wanted to come in were looking instead at Brazil, or the newly attractive CIVETS group – Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa. “There is a feeling that foreign investors are being actively harassed in India,” the visitor said. Retroactive taxation, harsh and hubristic talk by politicians and bureaucrats, and a near-certain halt to all reforms until the 2014 general elections added to the gloom that has hung over Incredible India. Not forgetting the craven rollback of the decision to permit foreign direct investment in multi-brand retail earlier this year.

That decision has had some serious repercussions, as Kishore Biyani admits in his candid and honest interview starting on page 64. When Biyani, a true-blue entrepreneur who built a retail empire, had to sell a controlling stake in his flagship Pantaloon Retail store chain to the Aditya Birla Group, it must have been a very tough choice to make. But debt at his Future Group was rising inexorably and foreign collaborations – and the funding they would bring with them – had been snatched away by a weak and indecisive government. High interest rates, slowing consumer spending, and the thicket of licences that a retailer needs to hack his way through all combined to drive Biyani into Birla's arms. That embrace is not a hostile one, Pantaloons is just one part of his operations, and Biyani is a gutsy, quick-thinking man who has very big plans in the food sector. In his autobiographical *It Happened In India*, Biyani wrote five years ago: “Entrepreneurship is about thinking big, believing in your own ability and going ahead with huge risks even if you are aware that some of the ventures may not be successful.” Senior Editor Suman Layak wrote the main cover story on the snake-pit of Indian retail. But here's the thing – with the right combination of cash, charm and chutzpah, you can be a very successful retail biggie.

You will find a lot to chew on in this edition of *Business Today*. Don't miss the tale of the telecom *chakravyuha* on page 56; or the feisty conversation with Microsoft's Steve Ballmer on page 80; or Photo Editor Vivan Mehra's trawl through the innards of IndiGo Airlines from page 84. Our Focus section, starting on page 16, is chock-a-block with stories on whistle-blowers, the government's white paper on black money, GDP data, the petrol price hike, and much more. We give you enough information “for managing tomorrow” as our logo's subtext says. I hope tomorrow's a better day.

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