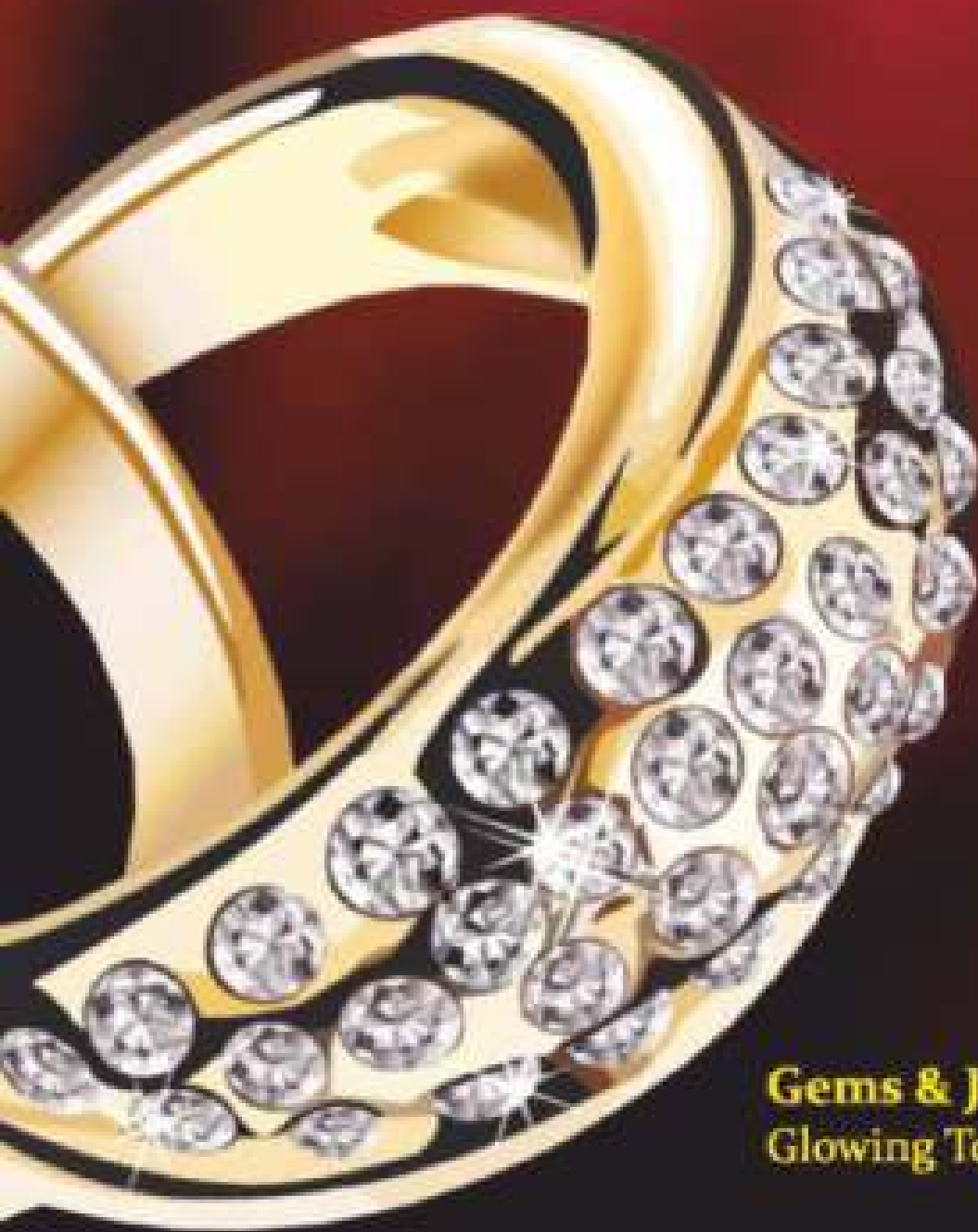




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Managing Change And Beyond ...

|| tapasya ||



**Gems & Jewellery Industry  
Glowing To Serve India**

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The gems and jewellery sector is fast becoming an important constituent of the Indian economy. At 7% of GDP it is now on the cusp of an aggressive push to also dominate the world market in the years to come.



### Why Elections Make Economic Sense

Elections have a way of taking over the mindspace of the people. Unless one has a sleep disorder that ensures one's complete insensitivity to the environment – political and otherwise – one cannot miss the fact that for the past few months the media has been having a field day predicting the outcome of the polls; telling us what politicians of various hues are saying about the opinion polls – and their views faithfully replicating their party's claim to fame on the basis of their (non) performance during the past five years; the Dance of Democracy taking on dangerous designs with many professing to be champions of one community or another; yet others making no bones about involving even the Armed Forces in their communal pitch.

One must acknowledge that our political forefathers have had enough foresight to provide for elections at least once in five years. They would surely have sensed the need for governments that do not deliver results to exit; and those that deliver (rare though it may be) to obtain the citizens' renewed mandate.

Governance involves various aspects. While each aspect – such as public administration, civic amenities, prices, security, law and order etc. makes for a conclusive impression on the citizen's psyche about the performance of the Government, perhaps nothing impacts him so decisively as the management of the economy by the party in power – since it decides whether he will continue in his job, how much he will take home by way of wages, and how much he will spend and save; and in fact the standard of living that will be his lot, whether the corporate world responds positively or rescinds its involvement with the Government's economic policy. And in a major way, the economy depends on the response of the corporate sector in a free market set up – the effect of Government policies, the recession, inflation, the tax regime etc. have a direct effect on the destiny of the corporate world and its performance.

One will have to be an unadulterated admirer of the outgoing Government to believe that it has left the economy in better shape than it inherited it, even from itself in 2009. Scarce resources of the country have been squandered and pilfered at will, for the most part, recession has been left unreined to create economic terror in the country, untamed inflation made an already poor quality of living for the underprivileged, well nigh unlivable, the tax regime was sought to be perverted with an unprecedented retrospective effect giving the foreign investors the scare of their lives .... Added to all this, the law and order situation in State after State has been deteriorating making it difficult for the corporate world to



The effect of Government policies, the recession, inflation, the tax regime etc. have a direct effect on the destiny of the corporate world and its performance.

function in peace and make a decent contribution to the economy. The elections give India Inc. a reason to hope for better conditions and to enable it to give the average Indian a better life.

While the mismanagement due to lack of application and appropriate policy measures may be a result of ill advised politico-economic thinking, and could be understandable, though not pardonable, there would hardly be any right thinking citizens who could look the other way, and ignore the brazen acts of malfeasance that characterized the performance of the UPA Government in the past five years. Massive erosion of public wealth, in scam after scam has left the citizen little room for economic shelter. The farm sector has been left to fend for itself in the face of all the vagaries of nature and Government, with the farmer suicides no longer becoming newsworthy. India Inc has not been impressed, the man in the street is far from pleased, the farmer is antagonized. And topping it all, the illadvised punitive actions against officers of the Government and industrialists of unquestioned integrity had raised a very pertinent question : Is this Government interested at all in the economy of the country? Does it have the competence to oversee India's growth? The graphic on page 43 tells the sorry tale of India's return to the pre-90s growth levels.

It is not merely the welcome thought of change that defines the public mood today. It is also the signal for renewed economic activity which elections signify because of the mercifully gargantuan levels of expenditure that is known to go into the making of a single politician's poll extravaganza. This is another reason why the common man welcomes elections. This also will be the longest and the most expensive general election in the history of the country with the Election Commission of India estimating that the election will cost the exchequer ₹35 billion, excluding the expenses incurred for security and individual political parties. Parties are expected to spend ₹305 billion (about US\$5 billion) in the election, according to the Centre for Media Studies. This is three times the amount spent in the previous election and is the world's second highest after the US\$7 billion spent on the 2012 US election.

The poster wallah, the travel company, the food business, the hotel industry, the advertising and media creations, the liquor business (not forgetting the bootleg variety too!) and in the badlands of various States – the gun running business too joins in in the economic revival of India, even if for a short time!

Viva elections! The polls are not such a bad thing after all. The all round mood of economic welfare that we see may actually prompt the common man to want to have elections more frequently in the country!

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*An election is coming. Universal peace is declared, and the foxes have a sincere interest in prolonging the lives of the poultry.*  
—George Eliot, Felix Holt,



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**Profiling Akshat Ghiya**

Co-founder and Director, Karma Recycling Pvt Ltd.

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The Editor, the Institute and the Publisher bear no responsibility for the same.





*This column focuses on and profiles individuals who, through the power of their achievements and the force of their personality have become success stories and created a niche for themselves in society.*

## Profiling Akshat Ghiya, Co-founder and Director, Karma Recycling Pvt. Ltd.,



Akshat Ghiya represents the NexGen of entrepreneurs in India. For this generation, finding new opportunities and exploiting them to the hilt with their entrepreneurial skills, is second nature. Combining an aggregated Western education with a love for all things Indian, and making a winning combination of sound business sense and common good for the country, the story is typical of so many young Indians making it their vocation; it tells us of an untapped energy so far that just does not want to make security their swansong. Instead, it is organized risk taking that invariably seems to ensure that Opportunities, Market, Resources, Management and Production Skills - all fall in line to applaud the one

skill that has now become evident among young Indians, that we were not witness to for over 50 years after independence - the ability to plough a new green field and the courage to stay the course in the face of challenges.

In this interview to Tapasya, Akshat Ghiya speaks on the impulses that made him furrow a lone farm when a successful family owned business was for his asking and what made him take up an unusual proposition to turn e-waste into a gold mine in India while making a positive contribution to eco conservation. Read on

### In conversation with P. G. Vijairaghavan

In 2012, Akshat founded Karma Recycling as an awareness foundation to tackle the growing mountain of electronics in India. Born from a social need, Karma Recycling has since turned into a turnkey manager of electronic waste or "e-waste", electronics trade-in programs, and return of product for the best companies in the world.

Prior to Karma Recycling, Akshat founded Glazetech Industries, a manufacturer and supplier of innovative and "green" building materials and metal facade solutions in 2006 in Jaipur, Rajasthan (India). Under his leadership the company has grown from 20 to 75 employees, has internally developed new product capability in aluminium, zinc, and titanium alloys, and currently has an annual turnover of \$5 million. In 2008 Glazetech Industries received a nomination as one of India's Hottest Startups by the TATA Group.

Akshat is a member of the Young Entrepreneurs Organization and National Entrepreneurship Network, with whom he regularly participates as a guest lecturer at Universities across the country.

Living between India and Italy, Akshat also works in his family business, procuring precious metals and stones from Asia, Africa, and South America and maintaining a supply chain to some of the finest jewelers of Italy. Akshat spent his childhood in Italy. He was schooled in Padua and attended boarding school at Aiglon College, Switzerland. He has earned his BA, Economics and International Relations from Northwestern University (Evanston, IL, USA) and is proficient in Hindi, English, Italian, French and Spanish.

**Q** You have been a successful serial entrepreneur. You have succeeded in both your earlier venture and with Karma Recycling. What according to you were the things you did right, or the right things you did?

Coming from a business family I always

wanted to have and run my own business. When I graduated from Northwestern University (Chicago) in 2005 India was booming and there was an air of confidence and optimism. Initially I was to join my family business in Jaipur, but the dynastic trend of joining a well-established business as an owner/manager at a young age did not appeal to me. I had just finished a course in entrepreneurship and decided to start something of my own. The fastest growing Indian industries at the time were banking and construction. I





found banking boring, and construction interesting yet messy. I knew I did not want to be a builder, but what if I could setup a business that supplies modern, environmentally friendly building materials to builders. After speaking to architects and builders, and researching the construction industry in China, Italy, and USA, I settled on the manufacturing of recyclable metal facades (made of aluminium, copper, zinc, and titanium) for building exteriors. Facades which were affordable, durable, eco-friendly, lightweight, tough, sound-insulating, weather insulating, 100% recyclable and had already started to replace paint and stone as a commercial façade material in the USA and Europe. Commercial construction in India was booming and the dozen or so builders/architects I spoke with were excited about using the product. I saw clear potential and started writing a business plan and financial model.

I graduated college in June 2005, finished up my business plan, and immediately applied for a Bank loan (which took six months). Once the loan went through I bought machinery from China, hired 30 people and started Glazetech Industries, a manufacturer of metal facades based out of Jaipur. From the very first day we kept out quality high, giving a 25-year warranty against decay and damage for our product when other Indian companies (who also started at the same time as us) were only giving 8-10 warranty. This meant that our product was more expensive and, due to its higher price, not many Indian architects/builders showed interest in purchasing from us. Foreign architects building in India did not trust an Indian product and also refrained from buying from us, sourcing only from American and German companies for high quality. The overall demand for the product was growing and other factories that had setup after us had started performing well by keeping their quality and cost low. I however refused to drop our quality and knew that sooner or later we would

get recognized and convert the high quality market. To make matters worse the machine bought from China broke down within the first year, we had a strike in the factory, and I was cheated and not paid by buyers several times in the first two years.

After struggling for four years, we got our first break when Indian airports started modernizing and rebuilding. The Airport Authority of India had money and was looking for an Indian company with a high quality product that would last. We were the only name most architects could think of. By then our other problems were over and the factory was running smoothly, but still not making enough material to break even. The airports gave us the demand we needed, and propelled our brand to one foreign architects could also believe in. We soon started converting the projects being lost to American and German companies, one order led to the next, and it's been an upward spiral since.

In 2013, eight years after starting Glazetech Industries, I hired a CEO for Glazetech, moved to Delhi, and started my second venture - Karma Recycling.

What I did right, and what I've learnt in the last eight years, is to be patient and to stick to my ideals. Being an entrepreneur takes a lot of perseverance and belief in your own self. The road is tough, yet very rewarding.

**A number of Indians who have studied abroad and were fired by the desire to return to India and contribute in the growth of India have found the environment hostile to new entrants - the bureaucracy, the red tape and corruption have discouraged them and many, in disgust have returned to their moors on foreign soil, giving up on India. What has been your experience?**

For anyone having studied in USA or Europe, India presents a tough environment. It's chaotic and unorganized. There's red tape, corruption, and no standard business practices. Approvals that should normally be coming in 8 weeks take up-to 8 months, bribes are demanded for it, competition sometimes plays dirty, and so on. It's not easy. I was lucky to have a support system - parents and friends who got me through the tough patches - and good fortune when I needed it most. Keeping a mental balance can be tricky. That said, starting a business

**For anyone having studied in USA or Europe, India presents a tough environment. It's chaotic and unorganized. There's red tape, corruption, and no standard business practices.**





anywhere in the world is tough, and one needs to have the ability to stick it out.

**Q Why e-waste as a business? Was it due to concern for the environment or you found an opportunity in it?**

To be honest, it was not a deliberate decision to go into Karma because of the environment. In retrospect, I observe that both my ventures have been connected to the environment, and (perhaps subconsciously) I have been drawn to businesses meant to help conserve nature. As a child and young adult I spent extensive time outdoors and living in open environments away from city-life. I grew up in a small town in Italy, attended a boarding school in a small village in the Swiss Alps, and graduated from a college on the lake in northern Chicago. Perhaps it's my closeness to and love for nature that has drawn me to these businesses.

I founded Karma Recycling with one of my best friends, Aamir. We had graduated from Northwestern in 2005 – he had moved to New York, and I to India. In 2010 Aamir, then working with a US-based private equity firm, discovered the world of electronic waste while considering an investment into one of America's largest independent eWaste recyclers in the USA. The education, science, organization, and scale of electronic waste in the USA made Aamir wonder about the situation in India, and what was happening to the mountains of IT equipment back home. He gave me a call to speak with me about the potential and opportunity for this business in India. I was intrigued by the idea and we spoke about it at length. A few months later Aamir took some time off of work and came to see me in India. By then we had done basic research and knew that 95% of India's eWaste was being handled by ragpickers and was being processed out in the slums. We travelled from Seelampur and Muzaffarnagar in Delhi, to Dharavi in Mumbai to see the waste

and understand the situation, first hand. What we saw was disturbing at multiple levels. An informal industry employing mostly children burning e-waste over small fires, in open air, and with no shoes, gloves, or masks. Sulphur fumes rising in the air, lead glass shards scattered on the ground, and mercury filled water trickling into nearby sewer pipes. The situation was a tough one to witness. We spent over a week out in the slums, speaking to "kabadis", and closely analyzing the eWaste collected and the way in which it was being dismantled. We were further intrigued and decided we wanted to learn more. We then signed up for and visited a recycling conference in San Francisco to get a global perspective on the problem.

San Francisco gave us a view of the scale and seriousness of eWaste a global problem, and how behind India was in creating solution for its safe handling and disposal. There was clearly a lot of re-use and resource value in electronic waste. This differentiated e-waste from other waste streams such as municipal solid waste, biomedical waste etc. The problems were a lack of awareness of the subject and channels for the Indian customer to responsibly dispose their junk. Solving this problem and harnessing the value of scrap electronics became the driving force behind Karma Recycling.

**Q What is your revenue model for Karma recycling?**

Our business model addresses both corporate and household waste. We help corporates understand India's new E-Waste Management and Handling Rules, study their organizations e-waste management requirements, draft internal e-waste policy, hold workshops and training camps for their employees, lay out country-wide logistics/collection plans for them, collect their waste, help them fulfill govt requirements, and provide them with certificates of responsible recycling. In addition, for electronics companies under the Extended Producers Responsibility, we can design countrywide take-back programs. Due to our close association with Safexpress, we have access to 580 warehouses and over 3500 containerized trucks. We can provide our services to companies (and their offices/factories) across India. We have signed MoUs with 34 corporates from across India in the last year of operation. For households we have launched an expansive e-portal offering a simple online electronics trade-in service. The service allows customers to trade-in over 700 models of working and non-working smartphones, tablets or laptops manufactured by technology giants such as Samsung, Apple, HTC, Nokia, and Blackberry. With a unique pricing algorithm devised for the complex "Re-Commerce" market





in India, the portal delivers instant quotes for devices, provides free shipping, quality customer care, and quick payment processing. We are currently offering pickup from Delhi - NCR, Jaipur, Ahmedabad, Chandigarh, Mumbai, Pune, Bangalore, Chennai, and Hyderabad.

We do the basic segregation of corporate waste in house, and sell this segregated waste to authorized recyclers whom we audit (quarterly) and get proof of destruction from. Household smartphones, tablets, and laptops go through an inspection, repair and refurbishment process in-house - conducted by ex-Apple, Nokia, Samsung, and Blackberry engineers. The "refreshed" devices are then resold in the seconds market as certified pre-owned electronics. What cannot be repaired is recycled by our recycling partners.

The household e-commerce portal comprises of a unique algorithm that generates an instant quote for over 700 models of smartphones, tablets and laptops. The algorithm and pricing is based on in-depth research which includes brand, vintage, features (such as display size, battery life, operating systems), the number of that model sold in the past years, MRPs (where applicable), and the cost and availability of spares.

**Q Is the revenue enough to sustain your business? Where is the market for these products?**

Absolutely. Our primary focus is on the personal devices side of the eWaste world. We specialize in the re-commerce and recycling of smartphones, tablets and laptops. India is the world's third largest mobile devices market in the world and is hungry for smart devices. There are 850 million mobile handsets in India today, and most people using them are replacing them every 12 months. There are many old smartphones, tablets, and laptops lying in people's

drawers that are re-usable or recyclable - with very few services collecting them for re-use and recycling. Karma provides a service and collects old "useless" electronic devices right from your home. We then re-use what we can by re-selling it in the market. What cannot be re-used is sold to one of the many eWaste recycling factories in India. Re-usable devices are repaired, refurbished, and re-sold through [www.karmashop.in](http://www.karmashop.in). Most devices are picked up from the cities and sold to Tier III-VII cities where people don't have much access to technology and very little money to buy brand new branded devices. It also gives them a chance to connect to the internet through cheap 3G devices. The Indian market for used electronics is massive, and growing fast.

On broad household and corporate eWaste the quantities are large yet the kabadiwala picks up most of India's eWaste as few people are aware of the harms of giving waste to the them. There's revenue there but it's a tougher channel to procure.

**Q How has the response been from corporates, who are huge consumers of electronic products?**

Corporates supply us with materials on which we can offer better value. We offer great value on smartphone, tablet, and laptops, as their parts can be re-used. We are not able to offer great value on general eWaste which has few re-usable components (like air conditioners or televisions). Recycling eWaste responsibly is expensive and formal recyclers like ourselves are not able to offer as much value for it as the kabadiwalas. It's been difficult to get corporates to give us their waste despite the environmental implications of disposing through kabadis. Government has passed laws banning sale of eWaste to anyone but formal authorized recyclers, yet these laws are not enforced and corporates are allowed to get away with unscientific disposal. Many are not even aware about the laws or the harm they might be causing to the environment! Our mission is to create awareness so more people can learn about the ill effects of improper recycling and then choose to do the right thing. My partner and I have been lecturing at schools, colleges, universities, and holding workshops and collection drives with business organizations like CII to get the word out.

The biggest challenge in e-waste recycling in India is awareness. People simply do not know about the

**We spent over a week out in the slums, speaking to "kabadis", and closely analyzing the eWaste collected and the way in which it was being dismantled.**





impact/effect of unscientific recycling and the new laws governing them, and therefore are not taking steps to prevent it from happening. As people are made aware of the hazards of irresponsible and unscientific recycling and of the penalties of non-compliance of the e-waste laws, and are offered services which help them dispose of the waste easily and lawfully, the e-waste burden will diminish.

**Q** You collect only tablets, smartphones and laptops from individuals but the entire gamut of electronic waste from corporate. Does this huge variety of products representing various degrees of electronic hazard pose any problem to you in prioritizing your recycle program?

The world of electronics is enormous. We specialize in smartphones, tablets, and laptops. When we collect from corporates we get desktops, printers, scanners, servers, modems, air conditioners, televisions and many other kinds of electronics. These are segregated in house upon arrival and sold to authorized recycles who have their own specialization in the re-use and recycling of each.

Each product is handled by someone who understands its engineering, refurbishment, break-down, and safe disposal best.

**Q** Do you offer consultancy to corporates?

We help corporates understand India's

new E-Waste Management and Handling Rules, study their organizations e-waste management requirements, draft internal e-waste

policy, hold workshops and training camps for their employees, lay out country-wide logistics/collection plans for them, collect their waste, help them fulfill govt requirements, and provide them with certificates of responsible recycling. In addition, for electronics companies under the Extended Producers Responsibility, we can design countrywide take-back programs. Due to our close association with Safexpress, we have access to 580 warehouses and over 3500 containerized trucks. We can provide our services to companies (and their offices/factories) across India. We have signed MoUs with 34 corporates from across India in the last year of operation.

**Q** Would you agree that not much has been done by way of educating the aam aadmi on the hazards of improper disposal of e waste and the facilities available to avoid them? Are you considering an exercise/campaign to do so through mass media or going to schools and colleges and corporates etc...perhaps a large no of NGOs would be willing to share your concerns on the environment and would like to partner you.....?

The biggest challenge they have had to face has been the lack of awareness about the importance of electronics re-se and Waste recycling. Over the years India has been extremely efficient at recycling paper, plastic and metals – all at low cost and with great yield. However, not many know that electronics contain hazardous toxic elements that, when recycled in the same traditional way as paper, plastic, and metal, can release toxic fumes into the air and pollute our air and water, as well as hurting the health of people working in the industry. Spreading this awareness through schools, colleges, and business organizations, as well as knowledge about the new E-Waste Management and Handling Rules enforced by the Ministry of Environment and Forests since May 2012, has been Karma's primary goal.

**Q** How does Akshat Ghiya unwind?

Travelling is my passion and whenever I get the time I like to explore new places – whether it's in the city I live in, or countries far away. I like the outdoors and take time out in nature, parks on the weekends, and mountains or sea during holidays. Before work I like to go for a swim and after a long day at work I like to meditate for 10-15 minutes.

*The problem with political jokes is they get elected.  
—Henry Cate, VII*

**My partner and I have been lecturing at schools, colleges, universities, and holding workshops and collection drives with business organizations like CII to get the word out.**



## Gold And Jewellery Industry

Aiming to be the Jewel in the Crown

P. G. Vijairaghavan

Gold and jewellery has occupied a very special place among the Indian diaspora for ages. Nowhere else in the world is the precious jewel as much a must have accessory to the female fashionista as it is in India. And what is more, the male too is following suit with a rage for the precious metal rarely before seen in India – be it for gold, diamond, platinum or precious stones.

The industry has earned its rightful place as a key contributor to the Indian economy with its share of upto 7% in 2013. Mr Mehul Choksi, Chairman, FICCI Gems and Jewellery Committee estimates that at over Rs 100,000 crores, this is equal to if not more than the contribution of most sectors such as apparel etc. which makes it a key player in the Indian market. The domestic market is expected to be of the order of USD 45-50 billion by next year (2015) and is seen to rise at over 15% per annum.

The rise of the G&J market in India can probably be related to the liberalization of the economy and the relaxation in the constricting norms for import of gold experienced during the mixed economy era. The appetite for gold in India is unparalleled in the world and clocks a whopping 30% of total consumption across the globe. However, over the last couple of years, the shadow of the Current Account Deficit has been resting on the demand for gold in the Indian market and restrictions on imports have begun to impact the industry. The fiscal deficit having been claimed to be reined in by the outgoing Government, it must be expected that curbs would be fully lifted and the industry allowed to flower to its full potential, and play its stellar role in the resurgence of India on the world economic stage.

Until recently, India's jewellery industry was considered a sector largely unorganized, with branded jewellery hardly making a dent. However, in the past few years, we have seen a rare rise of the branded market and the coming of some aspirational names onto the scene. Brands such as Tanishq, Carbon, Gill, Gitanjali are making confident strides in a market that was dominated by the traditional jeweler. The rising incomes and the aspirational desires of the younger generation constituting almost 65% of the population have created the space for sophistication in the product range and the craving for known names to adorn the youth. Yet, according to estimates, a whopping 96% of the market is dominated by the small family owned businesses. It will be too early to write off the small business in this sector. Like the retailer in consumer and fmcg products, it will have a definite say in the way the market moves considering the immense cost advantages that it holds to be able to fend off a determined bid by the organized sector to make inroads into their fiefdom.

This issue makes an attempt to understand and disseminate information on the growing gems and jewellery industry of India with the help of some of the most credible contributors from the industry and trade bodies representing the industry. For those uninitiated in the nuts and bolts of this sector, we hope it will be a precursor to a search for more information on an industry that is sure to go places in the years ahead. And for those familiar with it, we hope to start a healthy dialogue on ways to hasten the growth and rise of this industry to enable it to become one of the key participants in the India growth story.

*Democracy is the only system that persists in asking the powers that be whether they are the powers that ought to be. - Sydney J. Harris*



## GEMS & JEWELLERY INDUSTRY : AN OVERVIEW

By K. T. Ramachandran, F.G.A.,  
Chief Gemmologist, Gemmological Institute Of India

*K.T. Ramachandran is a qualified Gemmologist and Fellow of the Gemmological Association of Great Britain. He is the Founder Secretary and Chief Gemmologist of the Gemmological Institute of India, the pioneer Gemmological Institute and first Gem testing laboratory in the country, established in the year 1971. He has been instrumental for design and development of Gemmological studies in India.*

*He is the examiner and adviser to various gemological institutions in India and abroad as well as State Public Service Commissions.*

*He is the Executive Secretary of the Gem & Jewellery Exporters' Association. Mr. Ramchandran is a member of the Gemstone Committee of the Bureau of Indian Standards and the R & D Committee of the Gem & Jewellery Export Promotion Council. He is the specialist on the Audit Board of the ISO 9001 and was the Governing Body Member of the Indian Diamond Institute, Surat.*

*He has authored various articles on Gemmology and is a highly acclaimed gemologist of international repute.*

*He has also co-authored a book on "Gemstone Properties and Identification" along with Dr. Jayshree Panjekar.*

*Mr. Ramachandran is one of the founders of Forum of Indian Gemmologists for Scientific Studies and works for the propagation & promotion of gemology in India.*

### Introduction:

Gem & Jewellery Industry in India is as old as our civilization. It flourished as a cottage Industry in India and over the last 40 years the Gem & Jewellery Industry has carved a niche in the Indian economic development. Today the Industry is one of the most vibrant ones in this country.

Even in the midst of the world economic crises it has managed to hold its own. It not only provides vast employment opportunities, it also contributes sizable

amounts of precious foreign exchange earnings to the country's exchequer.

One of the most important aspects of the Indian Gem & Jewellery Industry is that it is one of the highest employment orientated Industry in India. The diamond sector alone provides employment to over ten lakhs of artisans.

In the jewellery sector employment potential and capabilities are sky-high and Lakhs of families in India are dependent on earnings from the Gem and Jewellery Industry.





Items	Target for 2012 -2013	Actual Export April 2012 / March 2013		Actual Export April 2011/M arch 2012		Percent Growth / decline over previous year	
		Rs. in Crores	US\$ in Million	Rs. in Crores	US\$ in Million	Rs.	US\$
Total C & P Diamonds	34540	84,894.16	17,458.80	111,108.78	23,355.50	-14.69	-25.25
Gold Jewellery & Gold Medallions	17,120	99,786.04	18,273.61	80,763.88	16,786.03	23.57	8.86
Coloured Gemstones	350	3,643.50	863.03	1,669.93	344.13	113.47	89.76
Pearls	2,800	28.03	4.79	16.82	3.50	54.76	38.86
SILVER JEWELLERY		5,028.33	822.77	3,686.23	761.21	36.41	21.22
Synthetic Stones		130.03	23.80	118.17	24.89	10.04	-3.60
Costume/fashion Jewellery		92.27	17.00	55.82	11.44	65.30	48.60
Sales to Foreign Tourist		306.93	56.23	303.37	63.31	0.84	-11.18
<b>TOTAL</b>	<b>54,910</b>	<b>203,898.29</b>	<b>37,416.03</b>	<b>197,703.00</b>	<b>41,348.80</b>	<b>3.09</b>	<b>-9.53</b>
Exports of Rough Diamond		8,592.05	1,579.34	8,513.73	1,772.43	0.92	-10.89
(Quantity - Lakh Cts)		(352.35)		(339.30)			
Rough Stones, Pearls & Other Roughs		803.65	147.73	431.39	88.94		
<b>Grand Total</b>	<b>54,910</b>	<b>213,291.99</b>	<b>39,137.10</b>	<b>206,848.12</b>	<b>43,211.19</b>	<b>3.17</b>	<b>-9.43</b>

During the last two decades, the Gem and Jewellery industry has witnessed a tremendous boost in its growth. From its earlier image of a 100% export-oriented sector, the industry started making deep in-roads into the domestic markets. Realising the increasing purchasing power of middle and upper middle-class sections of society, a number of branded jewellery items were initiated into the domestic market.

#### Review of Exports:

Exports of gems and jewellery from India during the fiscal year 2012-2013 amounted to US\$ 39137.10 million (Rs.213201.99 Crores)

The gem and jewellery export sector is one of the leading foreign exchange earners accounting for around 13.03% of the country's total merchandise exports estimated at US\$300274.12 million.

The cut and polished diamonds segment, at US\$ 17458.80 million accounted for 44.61% of total gems and jewellery exports. Exports of gold

jewellery (including gold medallions) for the relevant year stood at US\$18273.61 million and accounted for 46.69% of total gems & jewellery exports.

#### Challenges & Threats:

First and foremost the gemstones are the luxury products. After fulfilling all the needs of man, he thinks of buying gemstones and jewellery to satisfying his ego, social status, security and above all to adorn the loved ones.

America was one of the largest consumers of diamonds in the world. But the recession and economic slowdown has created a depression in the the consumer market for Gem and Jewellery in America. The impact of this recession has now started hitting the diamond producing & manufacturing centers like India. Simultaneously the increase in the Gold prices, rising prices of rough diamonds, increase in the cost of labour, etc. are other major challenges the Industry is facing in the recent years.

The stagnant or negative growth in demand, generally depressed profitability and a liquidity crunch are some of the hard realities that the Industry had to face.

Above all, the emergence of China as a major competitor to the Indian Gem & Jewellery segment is a potential and major threat to the Indian Gem Industry.



### Domestic Market:

All these years India was considered as a major manufacturing hub of diamonds and coloured gemstones. Studded jewellery was not a major commodity which India was known for. However the economic growth of India during the last 10 to 15 years has changed the mind set of Indian consumers. The plain Gold Jewellery has taken a back seat. Diamonds and Gemstones studded jewellery, which are again in the low budget bracket, i.e. say Rs. 5000 to 20000 per jewellery piece, are becoming popular amongst the youth. As a result the studded jewellery segment started growing in a fast mode and led India to a leading consumer of studded jewellery in the world.

This revolutionary change in the consumer pattern of studded jewellery has created a flutter in the domestic market giving rise to over 30 to 40 branded jewellery products emerging up in the country. This has in turn, created an added potential employment growth and also a large number of self employed small entrepreneurs making jewellery for the domestic market.

### Role of the Government and Laboratory:

Since the domestic market started gearing up, the consumer awareness becomes necessary. Consumers started searching for the product knowledge and the export promotion Council and many Trade Associations started propagating and promoting the knowledge of gemstones and jewellery to the traders and consumers. This has encouraged the growth of Gemmological Institutes and study of gemstones in the country. To encash the opportunity many foreign Institutions have also started pitching their tents in India.

Sensing the need of the hour, The Gem & Jewellery Export Promotion Council, alongwith the major trade organizations like Bharat Diamond Bourse, Mumbai Diamond Merchants' Association, Gem and Jewellery Exporters' Association and Diamond Exporters' Association Limited have decided to support the Gemmological Institute of India in developing and propagating the study of Gemmology and research in Gemstones and also certification of Gemstones in the country.

### Gemmological Institute of India

GII thus established one of the first Research Centers in the country at par with any sophisticated laboratory in the field of Gemmology around the globe.

GII Research Laboratory is a SIRO (Scientific and Industrial Research Organization) lab approved by the Department of Science & Technology, Government of India.

GII a non-profit organization setup by the trade in the year 1977, is the pioneer Gemmological Institute in the Country.

Institute issues certificates of identification of all types of gemstones, geographical origin of gemstones, various treatments and synthetics are some of the important services GII renders to the Industry. GII also offers courses in Gemmology, Diamond Grading and Jewellery Designing.

Government of India also realized the need for protecting the consumers of Gold and with the help of Bureau of Indian standards set up Hall marking centers around the country for Gold Jewellery.

### Conclusions:

Gem & Jewellery Industry is one of the fast growing industries in the country. As the country is moving into a developed state of economic growth from the developing economy, the luxury articles like branded Jewellery and costly gemstones are also emerging as a status symbol of the neo-rich and slowly finding its position as a necessity of life. Therefore the day is not far away that the diamonds and gemstones are going to play a very vital role in the Jewellery business in India and it will surely take over the traditional Gold Jewellery used for adornment.

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*Democracy is being allowed to vote for the candidate you dislike least. -Robert Byrne*





## CHANGING TRENDS: GEMS & JEWELLERY INDUSTRY

Onicra Credit Rating Agency of India

*The accompanying excerpts are from the Report of the Onicra Credit Rating Agency of India's study on the Changing Trends in Indian Gems and Jewellery Industry. Published in November 2013, the Report is an exhaustive study of the G&J sector in India and has provided a mirror view of the industry as it obtains today, and has prescribed the road map for it to making it the most important segment of the Indian economy. In view of the exhaustive nature of the Report, we are reproducing only specific sections which could impact the industry in the short term. We gratefully acknowledge the ownership of OCRAI over this Report.*

### Executive Summary

The Indian Gems & Jewellery Industry is the backbone of the economy by being one of the major contributors towards the export led growth of India. The industry has gained global popularity because of its talented craftsmen, its superior practices in cutting and polishing fine diamonds and precious stones and its cost-efficiencies.

The two major segments of the industry are gold jewellery (covers around 80% of the jewellery market) and diamonds. India is one of the world's largest manufacturers of cut and polished diamond with an aggregate contribution of approx. 60% of the world's supply in terms of value and 80% in terms of volume. The industry contributes more than 14% towards the total export in India and provides employment to 1.3 million people directly and indirectly. The global market for gems and jewellery is over USD 100 billion with major

contribution coming from India, Italy, China, Thailand and USA.

### Indian Gems and Jewellery Market

The domestic gems & jewellery market in 2012-13 is estimated to be USD 40 billion and is expected to grow by 13% per annum to reach USD 45-50 billion by 2015. India's gems & jewellery industry is one of the important contributors to the country's export-led growth. According to the provisional data by Gems and Jewellery Export Promotion Council (GJPEC), the total exports of Gems and Jewellery during April 2012 to March 2013 stood at USD 39.03 billion, including that of cut and polished diamonds at USD 17.41 billion, gold at USD 18.28 billion and coloured gemstones at USD 0.65 billion.

The demand for the gold ornaments comprises of more than 80% of the domestic jewellery consumption along with other precious metals. The financial year 2012-13 ended on a positive note with imports of rough diamonds going up by 12.65% indicating an increase in cutting, polishing and other manufacturing activities in India.

### With the rise in Organised Retail, Gems and Jewellery Industry is bound to get a boost

The Indian retail industry has experienced an exponential

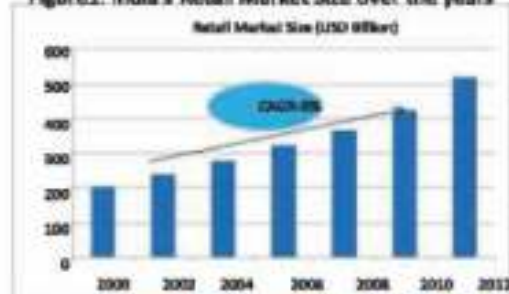




growth with retail development taking place in major cities and metros. India is expected to reach a total retail market size of USD 750-850 billion by 2015 from the current size of USD 560 billion.

Organised retail constitutes 8% of the total retail market and the same is expected to grow rapidly in the coming years in response to the opening up of FDI in multi brand retail. Gem and Jewellery constitutes 6% of the total organized retail.

Figure1. India's Retail Market Size over the years



Until recently the trend that was followed in Indian jewellery market was of buying jewellery from the trusted neighborhood jewellers. However with the opening up of branded retail in

jewellery the trend seems to have evolved whereby increasing number of individuals are opting for branded jewellery. The change in trend is driven by a number of factors such as b r a n d consciousness, choice of designs, consciousness t o w a r d s

hallmarking and certifications of gold and diamond along with a growth in urbanization and increase in disposable income.

Indian gems & jewellery market is highly fragmented across the value chain with 96% of players operating in the unorganised sector, which are mostly family run labour intensive, and use indigenous technology. MSME's are forming major constituents of the unorganised Gems and Jewellery market of India. Organised players such as Tata with its Tanishq brand and Gitanjali, a pioneer in the branded jewellery segment have, however, been growing steadily carving a 4-5 per cent market share. As India's jewellery market matures, it is expected to get more organised.

In order to tap the tier 1 and tier 2 markets, organised retailers are expanding their reach and adopting product portfolio in order to suit local needs. Nonetheless, the traditional players continue to co-exist with the branded players; a trend which is more common with international markets where the independent jewellers still hold significant share of the market

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#### India's Position on the Global Front

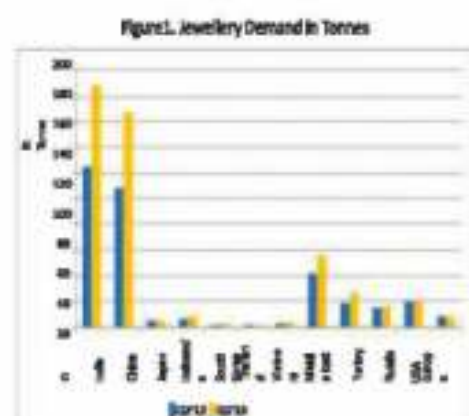
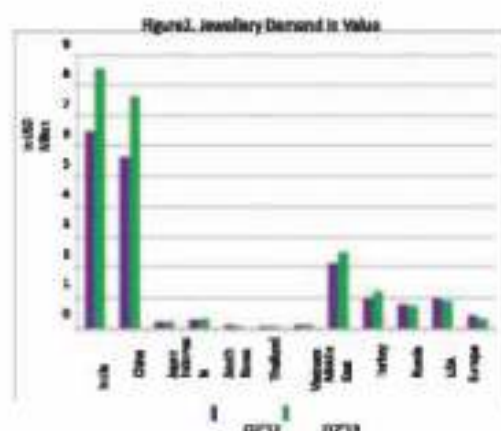
Indian gems & jewellery industry is the leading foreign exchange earner, as well as one of the fastest growing industries in the country. The market for gems and jewellery worldwide has grown steadily over the last few years but slowed down during the global economic recession in 2011-2012.

Globally, jewellery demand was up 37% in the quarter ending September 2013 (Q2 2013) to 576 tonnes (t) from 421t in the same quarter last year, reaching its highest level since Q3 2008. In China, demand was up 54% compared to a year ago; while in India demand increased by 51%. There were also significant increases in demand for gold jewellery in other parts of the world: the Middle East region was up by 33%, and in Turkey, demand grew by 38%.

Regionally, Asia Pacific holds the largest jewellery market in the world with more than half of the share being

The trend seems to have evolved whereby increasing number of individuals are opting for branded jewellery.





contributed by India and China alone. India and China are also the two largest gold consumers in the world followed by the Middle Eastern region. Other countries in Asia Pacific such as Thailand and Vietnam are also large consumers of gold and thereby driving the regional growth of the market. India and China together account for almost 60% of jewellery demand and around 50% of total bar and coin demand of the world.

Although retail sales of diamond jewellery slowed in the key consumption regions of China and India, the overall retail market continued its growth in 2012, extending its recovery from the financial crisis.

While a predominant portion of gold jewellery manufactured in India is for

domestic consumption, a significant portion of rough, uncut diamonds processed in the form of either polished diamonds or finished diamond jewellery is exported.

The diamond market's skyrocketing growth in the key developing markets of China and India moderated in 2013 amid economic slowdown. Due to continuing economic uncertainty, diamond sales in Europe suffered. However, the USA and Japan registered a growth in sales.

With its cut and polished diamonds, colored gemstones, gold jewellery, pearls, non-gold jewellery and fashion jewellery, India accounts for almost 50% of the supply in international market. The Gems and Jewellery industry of India contributes nearly 55% of the world's net exports of cut and polished diamonds in value, 90% in terms of pieces and 80% in terms of carats. Every 11 of 12 diamonds sold around the globe are processed in India, irrespective of where these are mined.

### Export and Import Trend

Table 1: Export of Gems and Jewellery

Year	Export of Gems & Jewellery (USD Billion)	% Share of Gems & Jewellery in India's total Export	Gold (USD Billion)	Diamond (USD Billion)
2008-09	24.49	15.36	8.61	14.80
2009-10	28.41	16.34	9.42	17.54
2010-11	42.99	17.40	12.88	28.25
2011-12	42.83	15.45	16.78	23.31
2012-13	39.08	14.57	18.28	17.43

The global market for Gems and Jewellery today is over USD100 billion with jewellery manufacturing dominated by a handful of countries like India, Italy, China, Thailand and the USA. It is one of the fastest growing industries accounting for 14.57% of the India's total merchandise exports during the financial year 2012-13.

\*Source: Gems and Jewellery Export Promotion Council

\* Gems & Jewellery: Includes cut & polished diamonds, gold jewellery, medallions and coins, colored gemstones, pearls, non-gold jewellery and synthetic stones

\* Gold: gold jewellery, gold medallion & gold coins and bars



\* **Diamond: cut & polished diamond**  
The India's export of gems & jewellery industry had been consistently growing till 2010-11; which was driven by increase in domestic demand as well as increase in the prices. However, it has moderated in the last two years i.e. 2011-2012 and 2012-2013 due to economic uncertainty, government regulations and fluctuation in the exchange rate. The imposition of 2% import duty on cut

diamond (C&PD) which evolved in the 2011-12 with India becoming major importer of rough diamonds.

However, after the imposition of the duty, imports of cut and polished diamonds dipped 70%. This sharp reduction and the subsequent low imports of cut and polished diamonds in the succeeding days till the end of the fiscal year also helped bring down imports of cut and polished diamonds for the whole year by 30%.

### Geographical clusters of Gems and Jewellery Industry

The hub of India's jewellery industry is Mumbai that receives the majority of the country's gold and rough diamond imports. Mumbai has a considerable number of modern, semi-automatic factories and laser-cutting units, the majority of which are located in the special economic zone(s). Most of the diamond processing, is undertaken in Gujarat, (primarily in Surat, Bhavnagar, Ahmedabad and Bhuj) and in Rajasthan (Jaipur) with Gujarat contributing to 80% of the total diamonds processed in India.

Jaipur in Rajasthan is a key centre for polishing precious and semi-precious gemstones both natural and synthetic, carving, bead-making, stringing, manufacture of art objects.

Surat in Gujarat is the world's major diamond processing center.

Mumbai in Maharashtra is the centre for machine made jewellery. The city is also India's largest wholesale market in terms of volume.

Delhi and its neighbouring states are famous for manufacturing silver jewellery and articles.

Kolkata in West Bengal is popular for its lightweight plain gold jewelry. This category of jewellery finds a large market in Tamil Nadu.

Hyderabad in Andhra Pradesh is the centre for precious and semi-precious studded jewellery. Nellore in Andhra Pradesh is a source for handmade jewellery that has been supplying the Chennai market for quite a few decades.

Belgaum in Karnataka and Nellore together, specialise in studded jewellery using synthetic or imitation stones.

Coimbatore in Tamil Nadu specialises in casting jewellery. Trichur in Kerala is another source for lightweight gold

Figure 3. Trend of Raw Materials Imports for Gems and Jewellery Industry



and polished diamond resulted in the decline of country's gems and jewellery exports.

As is apparent from the Table 1, export of Gems and Jewellery has maintained a steady rate averaging over 15% to the national exports during the period under study. In most of the years, Gems and Jewellery exports have maintained a high growth rate. But in spite of such a high growth rate, the export of Gems and Jewellery as a percentage to national total has remained more or less the same.

From the above graph it can be interpreted that till 2010-11, India was a major importer of cut and polished

India was a major importer of cut and polished diamond (C&PD) which evolved in the 2011-12 with India becoming major importer of rough diamonds.





jewellery and diamond cutting.

### Challenges Faced by the Industry

#### Dependence on Import

The gems and jewellery industry is highly dependent on import for meeting its raw material requirements and among the imported commodities rough diamonds account for almost 50% of the imports. India is also one of the largest importer and consumer of silver in the world.

#### Lack of Financial Support

The industry is also facing problems in terms of financial assistance from the banks, which is evident in the below table which highlights the gross credit deployment to the industry:

Year	Gross deployment towards gems and jewellery ('000 Cr)	Gross deployment towards gems and jewellery ('000 Cr)	% share of gross credit deployment to the gems and jewellery industry
2009	1564.32	255.32	1.6
2010	1211.32	238.55	1.9
2011	1246.32	337.32	2.7
2012	1874.32	513.32	2.7
2013	1780.32	481.32	2.7

\*Source: Reserve Bank of India

The gross credit deployment towards the gems & jewellery industry has been increasing in value terms; but still it is less than 3.00% during the last five years and stood at around 2.74% of the total credit deployment towards industry in 2013.

As the market is mainly constituted by small players, banks & financial institutions hesitate to provide them assistance or they ask for personal collaterals along with high rate of interest, which in turn jeopardizes the financial health and growth prospects of the entity and its owners.

### Fluctuations in Exchange Rate

Gems and Jewellery industry is influenced by the rupee/dollar exchange rate because it is export & import oriented industry. Any variation in the exchange rates affects the margins of the players.

**Changing Consumer Preference:** Global marketing requires keeping pace with changing fashion of Gems and Jewellery particularly in the context of very high prices of diamond, gold and silver. India is not having enough design development centers to provide feedback and to innovate latest designs to catch up with fashion needs of the foreign buyers. Manufacturers craft specific type of gems and jewellery products according to the market demand. But due to change of fashion, demand of that type of products starts decreasing and eventually it finishes. This situation blocks the manufacturer's capital and leads to inventory pile up.

**Competition Threat:** Presently India is the dominant player as a processing hub for diamond, but she faces future threats in terms of competition from various countries; one of them is China, due to cheap economic labour, infrastructure and a welcoming government. Technology is another aspect where the Indian gems and jewellery industry faces a major threat from China. Apart from China, Israel and Belgium are also emerging as diamond processing centers; these countries are technologically more sound and efficient than India. The diamond producing nations are also building infrastructure for diamond processing to gain economic advantages.

### Demand Drivers of the Industry

#### Important Savings and Investment Tool

The household savings have shown a continuous rise as depicted in the table below, the spending power of consumers is increasing, although the pace of growth has slowed down over the last few years due to high inflation affecting the consumer.

Year	Household Saving ('000 Cr)	% YoY growth in Household Saving
2008-09	13308.73	19.00
2009-10	15307.99	22.54
2010-11	18329.01	12.39
2011-12	20037.20	9.32





\*Source: Reserve Bank of India

If we see the population composition, this is also reflecting the favorable scenario in terms of spending.

India's affluent & rich is continuously increasing and India's young & earning population is one of the highest across the globe, who demands greater transparency and better service. At the same time they are also willing to pay justified premium for the right proposition and design. This would position jewellery as a lifestyle product.

The spending by foreign consumer has also shown improvement in particular, US economy is improving along with the country's employment scenario leading to increasing disposable income with the consumers.

The gems & jewellery, in particular gold's increasing attractiveness as an investment option has also acted as a catalyst in the recent times. Consumers are increasingly parking their surplus funds in gold, as other sectors like real estate and financial market were not able to generate consistent returns.

#### Penetration of the Organised Players

It is estimated that in the coming years, growth in the industry would be highly contributed with the development of the large retailers/brands. The leading brands are pulling the organised market and are opening opportunities to grow. Increasing

penetration of organised players provides variety in terms of products and designs. These players are also offering financing schemes to

consumers to further boost sales. However, the phenomenon is more prevalent in the tier-1 and tier-2 cities.

#### Government Initiatives/ Policy Support

The government has taken significant steps for increasing the gems & jewellery exports in terms of duties and taxes, infrastructure (SEZ, EPZ's) etc. The Government of India (GoI) plans to promote the Gems and Jewellery industry in a big way through its New Foreign Trade Policy (2009-2014). Some of the important components of the policy are discussed below:

The number of days for re-import of unsold items in the case of participation in an exhibition in the US has been increased to 90 days

Duty incidence on gold jewellery exports has been neutralised while duty drawback on such exports is now allowed

Duty free re-import entitlement for rejected jewellery shall be 2 per cent of free on board (FOB) value of exports



The value limit of personal carriage has been increased from USD 0.002 billion to USD 0.005 billion in case of participation in overseas exhibitions. The limit in case of personal carriage as samples for export promotion tours has also been increased from USD 0.0001 billion to USD 0.001 billion

The Government of India has allowed 100 per cent foreign direct investment (FDI) in gems and jewellery industry through the automatic route

In order to encourage more investments in the sector, gems

**The leading brands are pulling the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs.**





and jewellery SEZs have been set up of four are operational in Maharashtra, West Bengal, Rajasthan and Andhra Pradesh. Further, formal approval has been given to 13 SEZs in the sector — three have got in-principal approval and seven have been notified, as per the SEZ Board of Approval statistics

#### ONICRA'S Outlook on SMEs in India

The Gems and Jewellery industry in India, like other MSME industries, is a highly fragmented industry. This characteristic of the gems & jewellery industry leads to a high share of the unorganised sector as compared to the organised sector. The components of jewellery include not only traditional gold but also a variety of diamond and platinum. The industry also trades in various varieties of precious and semi-precious stones.

The gems and jewellery industry portrays an opportunity for MSMEs in India. Presently the unorganised players use indigenous technology with little opportunities for the growth and ability to compete in the global market.

With the improvement in the method of production, use of better technology and synergized representation of the unorganised players in global market can help them to grow and contribute to the economy.

#### Outlook

It can be said that the prospects of Indian gems and jewellery market is quite promising with increasing focus of the world towards quality of gems and jewellery products and better purchasing power of the people in India. The industry derives its strength from supportive government policies, availability of labour and strong demand from the domestic market. However due to highly unorganised structure and immense competition among the players the margins earned

by the players are less. India is one of the leading players in the Gems and Jewellery market but in order to maintain herself as a dominant player, she needs to adapt to the changing lifestyles and expenditure pattern through better quality products and adopting modern technology.

Over the long term, gold jewellery demand is likely to witness consistent growth driven by evolving lifestyle, anticipated recovery in economic conditions and expected improvement in demand from tier 2 and tier 3 cities and rural markets which account for a major chunk of the demand



*Politicians and diapers should be changed frequently and all for the same reason. —José Maria de Eça de Queiroz, translated from Portuguese*



## Platinum : The New Gold

Vaishali Banerjee, Country Manager - India,  
Platinum Guild International

*Since its inception in 2000, Vaishali has spearheaded the Indian operations for Platinum Guild International with the mandate of developing the platinum jewellery market in India.*

*Vaishali comes with a strong experience of market orientation, audience analysis and an understanding of the lifestyle, beauty, luxury categories in India and a passion for jewellery. Under her leadership, PGI India delivers the overall marketing, advertising, trade and business development strategies and programmes to grow the Indian platinum jewellery market.*

### Growth Prospects

The outlook for platinum jewellery in India is quite positive, despite the current churn in the economy. Fundamentally India's jewellery market is an integral part of its ethos and in addition it has a growing young population.

awareness for platinum is very high among younger consumers. They buy or gift platinum for special occasions; it is established as a precious gift of love.

India has a massive growth potential and headroom for further development, and it is coming from a low base. So we expect that type of growth to continue. Since 2008, the platinum market in India has grown over 600%. The awareness of platinum increased because of the very aggressive

marketing programme launched by PGI in 2009, which has continued into this year.

The network of the industry and PGI together has resulted in building the demand for the category. The programme is a national one, which reaches across the top 30 metros with the consumer demand growing across urban India. This will intensify going ahead across Tier 2 cities. Platinum retail presence has grown from 15 retailers to 900+ stores with all leading brands and all large national chain stores and regional chain stores retailing platinum.

Our consumer research and market reports suggest awareness for platinum is very high among younger consumers. They buy or gift platinum for special occasions; it is established as a precious gift of love. As the awareness and knowledge deepens, the market should see higher growth.

### "Extract from GFMS Platinum report 2012"

The Indian Platinum jewellery market has enjoyed a strong performance in recent years, with the last year's success of a two-thirds rise in jewellery consumption likely to be repeated in 2012. This outcome rests largely on the increasing acceptance in India of platinum as precious jewellery metal. The growing awareness of platinum is expected to continue as the retail landscape broadens, both through outright store expansion, more dedicated space in existing retail showcase and an increasing number of sales points.

The Indian office of the Platinum Guild international has played a key role in both generating consumer interest and





helping to develop the supply chain. Platinum Guild accredited stores have risen from 278 stores in 2009 to 900 in 2013 which has significantly helped in increasing jewellery manufacturing this year by more than 30% from 2011 levels.

#### Outlook for 2014

Although 2014 is expected to deliver further growth for the Indian platinum jewellery industry, there are still some important challenges that need to be addressed. This includes the retail pricing mechanism and, separately, an apparent lack of repeat customers from economic sections below the upper-middle class. Nevertheless, as the economic backdrop starts to improve and as average incomes rise further, this should help to sustain platinum jewellery demand from a new swathe of first time buyers, thus helping jewellery consumption to continue its upward trend. Our discussions with the supply chain have also revealed an upbeat sentiment towards the platinum sector.

From a retailer standpoint, we believe this will translate into increased showcase space being allocated to platinum, while jewellery manufacturers are expected to boost their utilisation rates or develop new capacity. In addition, we understand

that, further down the supply chain, an increasing number of licensed bullion banks and nominated agencies may become more involved in the import of unwrought and semi-finished products; until now, banks and nominated agencies have had little presence in this industry.

Overall, our current forecast calls for a rise in Indian

platinum jewellery consumption of around 40% in 2013, taking platinum demand at the retail level comfortably above four tonnes, compared with a little over one tonne just three years ago.

#### All about Platinum

Platinum is today the most popular metal for engagement rings and wedding bands. Platinum's naturally white sheen will never fade or change color, and accentuates the sparkle and brilliance of a diamond. Platinum will last forever, making it the ultimate symbol for true, enduring, and everlasting love.

#### Density and Durability

Platinum is durable. Its density makes it the most secure setting for diamond or precious gemstone. Because platinum is a naturally white metal, replating is unnecessary; it will always hold its beauty.

#### Platinum's Patina

Though it is the strongest of jewelry metals, platinum can incur a scratch and develop a patina of wear. The patina is considered by many to be a unique and often desirable attribute. However, the pre-patina shine and reflective luster can easily be revived by merely buffing it with a soft cloth.

#### Purity of Platinum

Platinum jewelry is very rare; in fact, 30 times more so than gold. Its purity makes it naturally hypoallergenic, ideal for those with sensitive skin issues.

#### How to Maintain Platinum's Metal Luster

It's easy. Simply soak platinum in a mild solution of warm soapy water, and then gently scrub it with a soft-bristled brush.

1. The qualities of the metal that make it so appealing to the consumer;

A recent qualitative and quantitative survey conducted across key metros in India shows very high awareness levels at 90%

Overall, our current forecast calls for a rise in Indian platinum jewellery consumption of around 40% in 2013, taking platinum demand at the retail level comfortably above four tonnes, compared with a little over one tonne just three years ago.

and high demand, with growing consumer confidence and positive sentiment for buying platinum jewellery. The younger generation identifies strongly with the precious white metal. The inherent properties of platinum, its eternal nature, rarity and modernity are the





key motivators for the young.

Platinum has high affinity for this TG as it stands for the "modern" values, expression of the young woman, who sees platinum as premium, high quality and exclusive and they consider themselves as ahead of the curve when choosing platinum. They also prefer platinum for its qualities of being eternal, rare, white, pure and unique. The designs in platinum jewellery are seen as clean, delicate and modern and hold special appeal for the younger age group.

Platinum is rare and a treasure coveted by influential individuals for centuries. Found in very few places around the world, it is 30 times more rare than gold. Its rarity makes it most precious and desirable.

Reasons:

- Platinum has been established as a symbol of deep everlasting love and today forms a significant part of the gift of love segment between couples, parent-daughter or child, siblings and other milestone occasions.

- Platinum provides an opportunity to

offer something new to existing customers and attracts new customers

who are keen to buy platinum jewellery. While retailers continue to sell platinum jewellery to their existing customers, a large part of the business comes from new customers.

- The platinum price today is a huge opportunity for the consumers who desire platinum and want to be able to own it. Platinum has always been of great value and today that is enhanced. Market reports suggest that consumers today want to upgrade to platinum. This is especially the case for their diamond or gem set jewellery. People are also now looking at plain platinum jewellery in chains, bands and bracelets, etc.

- The reducing price difference between the 2 metals has resulted in consumers wanting to upgrade to platinum. This is especially the case for their diamond or gem set jewellery. People are also now looking at plain platinum jewellery in chains, bands and bracelets, etc.

#### Qualities of Platinum

Platinum is pure and an expression of integrity. It has a pure white lustrous look, which is ideal for off-setting the brilliance of diamonds. In terms of purity, platinum jewellery is 95% pure, as compared to 18k gold which is 75% pure. Platinum jewellery does not fade or tarnish and keeps its natural white colour for a lifetime. Platinum is hypoallergenic, making it ideal for people with a sensitive skin.

Platinum is eternal and each piece is a reflection of perfection, whether it's a simple band or intricately designed jewel-encrusted ring, platinum is one of the most secure metals for your precious stones. Like most metals, platinum also scratches but the scratch is simply a displacement of the metal without any loss of metal. Platinum's innate strength ensures that your most memorable platinum jewellery can be handed down from generation to generation as heirloom pieces.

Platinum is rare and a treasure coveted by influential individuals for centuries. Found in very few places around the world, it is 30 times more rare than gold. Its rarity makes it most precious and desirable.

Platinum jewellery is exclusive, a statement of individuality, and is desired by the discerning.

Platinum is Versatile. Platinum is versatile, with remarkable qualities that have led to astonishing creations. From Fabergé to Cartier, the world's greatest jewellery designers have always preferred working with platinum. Its remarkable pliability allows it to be drawn out to a fine wire,





and enables the creation of the most intricate and breath-taking designs.

Platinum loves diamonds. Platinum and diamonds make the most perfect couple. Platinum with its naturally white lustre from deep within is able to reflect the fire of precious stones like no other metal. Your diamond will explode with brilliance if set in platinum. Platinum jewellery does not change shape or form. Because of its eternal nature and innate strength, precious stones are held firmly and securely for a lifetime.

Platinum jewellery is assured. In order to assure consumers of the purity of platinum jewellery across authorized retail outlets, Platinum Guild India Pvt. Ltd has appointed Underwriters Laboratories (UL Inc, USA) to audit and monitor its Quality Assurance Scheme. Under this scheme, all authentic platinum jewellery in India comes with a Quality Assurance Card and bears the purity hallmark of "Pt 950" stamped inside the piece. This also serves as an assurance of a 'buy back' programme. Customers find platinum jewellery an excellent 'store of value'. It has tremendous heritage value and definitely appreciates with time, therefore offers itself as a good opportunity for investment.

Platinum being extremely rare and precious is the favourite of celebrities and royalty the world over. Platinum jewellery is the perfect way to reward yourself or to commemorate the most important relationships in your life. It's the only choice for those who want the very best.



2. The challenge of marketing platinum jewellery to the Indian and to foreign aficionados;

• One of the biggest challenges is the understanding of the attributes of the metal. While the consumers know about platinum being a precious metal, she doesn't understand why it is a precious metal.

• Currently we are very dependent on the metal attribute education at a store level. However given that platinum distribution is selective and will remain so, it becomes imperative that we are able to deliver this message outside of the store to lower the

confusion or the chances of miscommunication as well.

3. Further steps required to be considered for the expansion of G&J business in platinum in India.

It was the strong jewellery culture, the growing diamond jewellery market and the changing consumer – emergence of the 'modern Indian woman' that triggered the interest towards the Indian market for platinum jewellery. Especially the urban woman who is more educated and aware of modern trends seeks options in jewellery metals and designs. Willing to try out newer looks and experiment with designs, she wants exclusivity in her jewellery.

Platinum provides an opportunity to offer something new to existing customers and attracts new customers who are keen to buy platinum jewellery. Platinum is purchased as a gift of love could be between couples, parent daughter or child, siblings, etc or as self-reward (self-purchase) and normally platinum is symbolic of milestones occasions in a consumers life. There are many occasions in a woman's life where she gets jewellery and platinum is meant for some of them.

The Indian platinum market has achieved a growth momentum and seems to be close to the tipping point. The real potential is yet to be realised, which will be done over a period of time. The market growth will be secure and substantive, if

Platinum being extremely rare and precious is the favourite of celebrities and royalty the world over. Platinum jewellery is the perfect way to reward yourself or to commemorate the most important relationships in your life.



platinum continues to remain an important part of the retailers and manufacturers business development strategy.

Platinum has been steadily growing over the decade since its launch in 2000 through Platinum Guild India (PGI) and there is a strong domestic market. The awareness of platinum increased because of the very aggressive marketing programme launched by PGI in 2009, which has continued into this year.

PGI initiatives in markets:

1. A Quality Assurance programme was launched to support 950 platinum and to assure consumers of high quality and pure platinum jewellery, following global industry standards.
2. Providing Sales Support and Retail Sales Training for over 30 years globally and for a decade in India since inception. The training ensures that sales staff has complete knowledge about platinum jewellery and can use it appropriately to help consumers by covering platinum facts and how to communicate its value to the customers
3. Platinum Day of Love Consumer Communications programme : 4 years ago, when reputed and large players within the Indian jewellery industry,

the key South African platinum mining companies and the Platinum Guild International looked at unlocking the real potential for platinum within India. The Platinum Day of Love programme was launched in 2009, which built a deep emotional-connect with the consumer and made platinum relevant in her life. The programme continues even this year with its second leg released last year

The campaign was supported by an excellent product, Platinum Love Bands and it has been successful in developing the gift of love market for platinum across India. Platinum love bands/ rings are very popular and seen as an expression of love to commemorate special occasions amongst young couples and is the largest selling segment.

### WHY IS PLATINUM BECOMING THE PREFERRED PRECIOUS METAL...?

Here's why...



*Politics is the gentle art of getting votes from the poor and campaign funds from the rich, by promising to protect each from the other. -Oscar Ameringer*





## India's diamond cutting and polishing sector : A Paradigm Shift

Aruna Gaitonde

*Aruna is currently attached to 'Rough&Polished' of Russia, covering India for the publication. Her focus is on the Indian Diamond / Diamond jewellery and Precious metals industry while authoring articles for Rough&Polished, a trade publication. Prior to this current role, she was connected to 'ADL International Magazine of ADL Group (Antwerp) as its 'India Correspondent'. She is also on the panel of Gerson Lehrman Group, USA, consulting as a Council Member. Aruna is basically from the mainstream media, having worked with financial and business magazines like 'Dalal Street Journal' and 'India Investment Opportunities' as well as a financial newspaper 'Investment Opportunities India' before joining the trade journal 'Diamond World' and moving on to represent 'ADL International Magazine', an Antwerp based magazine on diamonds and diamond jewellery. During her association with the Indian Gems & Jewellery industry, she also dabbled in Marketing for a Mumbai based Group (into manufacturing diamond & diamond Jewellery) for more than 7 years as Consultant for International and Domestic Marketing. She has tracked the Indian Gem & Jewellery industry for over 20 years.*

Few may know that the very first commercial discoveries of diamonds were in India in 4th century BC and that India was once the main producer of diamond, till it was discovered in Brazil and Africa. With changing times, rough diamonds were sourced from Africa, Belgium and other places. And today, most of the rough stones polished in India are mined in Angola, Botswana, Namibia and Russia. Talks are currently on with Zimbabwe on the Government level to regularise rough supply from the country, to feed the ever growing cutting and polishing sector. And most importantly, explorations for diamond have been initiated in India as well,

which augurs well for the Indian diamond industry.

Over the years, there has been a major transformation in the cutting and polishing industry in India. So much so, that the once cottage industry in remote areas of the country has now turned into a full-fledged cutting & polishing industry. In earlier days, the diamond cutters used polishing wheels and crude locally made instruments to shape the rough diamonds in India. There has been a paradigm shift in the sector wherein it could be called the fastest sector to absorb technology. Ofcourse, small pockets still exist in other parts of the country, but the major diamond cutting and polishing activity is almost centralised in the town of Surat in Gujarat State. This once sleepy town popular for textile, is now a manufacturing hub for diamonds. Numerous factories, big and small operate chock-o-block with very high-tech facilities, equipped with the most sophisticated technology available in the world.





Today, India is indisputably the leader in the diamond cutting and polishing industry of the world, out beating Israel, Antwerp, Hong Kong and USA. Being the main supplier of polished diamond to the world, it is not surprising that 11 out of 12 diamonds set in any jewellery in the world are cut and polished in India. Chances are that most of the diamonds, in the jewellery adorning royalties and famous celebrities you see on your TV screens or the fancy fashion magazines of the world, were invariably cut and polished in India. The progress and growth of this diamond cutting and polishing sector has been so rapid and successful that it was able to shift focus from the erstwhile leading Israel and Antwerp cutting centres to India. Surat, which was once known for processing small and cheap diamonds, soon consolidated itself into a centre having numerous

professionally managed manufacturing facilities that started using the latest technology to process hi-end larger stones...a know-how which Israeli and Antwerp could boast of. But, the enterprising diamantaires in Surat not only imported rough diamonds from various sources, but were able to bring

in cutters and polishers too, so that Indian cutters can train under them and acquire their knowledge. From here there was no looking back for the industry which never lies on its laurels. As of now, technology upgradation is an ongoing process in the cutting and polishing sector, and one can undoubtedly say that Surat's diamond cutting and polishing sector is one of India's most extraordinary success stories in recent times. The diamond cutting industry in India is still considered an unorganized sector, despite large scale corporatization of the businesses in recent times. There are more than 100,000 units, big and small, with a concentration of 90% of the diamond cutting companies in the single city of Surat. Now, Surat is the main centre for the cutting and polishing of diamonds of size less than 5 cents and up to 5 carat. More than half the diamonds exported from India originate in Surat and this cutting and polishing industry alone employs about 1 million workers and more. All in all, Gujarat alone is responsible for 80% of all the processing of diamonds produced in the country.

To touch upon the history of the modern Indian diamond industry, it can be traced back to the 1970s when India began cutting low-quality gemstones for export purposes, mainly to the US. The enormous demand for small and low priced diamonds from the US market paved the way for a robust cutting centre to thrive, as labour was cheap and easily available. However, it is important to add that it is not just cheap labour that allowed India to find a niche for itself in the diamond-polishing business. The main edge comes from the enterprising Palanpuri Jains of Gujarat, who turned the very scattered cottage industry to a robust Rs.80,000 crore industry of today. For the uninitiated, the Palanpuris are an enterprising lot who hail from the town of Palanpur in Gujarat. This is a close-knit community that thrives in the atmosphere of secrecy and informality. Till date, the Indian diamond industry is built on trust with no written contracts. Even today, this method of doing business is prevalent. Stones worth millions of dollars are traded on just verbal agreements and transported with virtually minimum security.

The Palanpuris have also successfully ventured over-seas,

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setting up family-run polishing centres and sales offices in Antwerp and Tel Aviv, USA and now in China. In addition, small and medium diamond makers from Surat have set up hundreds of units in tribal areas like Jhankhva, Mandvi, Vankal, Ahwa, Dang and border villages of Nandurbar in Maharashtra and Vansda, employing tribals, including women from these areas. Tribals are now processing Rs 1,300 crore worth diamonds of small sizes every year earning Rs.8, 000 to Rs.10, 000 a month as a diamond polisher. Another interesting development is creating jobs for women as well, as they were not part of the work force in the cutting and polishing sector in the past. So, your next purchase of diamond-studded jewellery may have diamonds which were polished by tribal women from Gujarat. In recent years, tribal women taking up diamond cutting and polishing in villages of Tapi, Surat and Dang districts has increased manifold. In fact, every eighth diamond polisher in these regions is a woman. Surat, the world's largest diamond cutting and polishing centre, has one woman polisher for every 12 workers. That's women empowerment for you!

Today, Surat boasts of numerous large factories that are equipped with the most sophisticated high-tech machinery, as well as utilising latest technology on par with or even better than other cutting centres worldwide. It is said that Surat's progression to process bigger stones better and at much cheaper price is considered to be the downfall of cutting industry in Israel

and Antwerp. Quick at absorbing newest technology into their factories, Indian diamantaires are always on the lookout for bettering their manufacturing process or training their workers. This is one of the major reasons for the success of the cut and polished sector... the sector's adaptation to new changes.

In the global scenario, India dominates the polishing business, despite having no diamond mines of its own, and controls 60% of the diamond cutting and polishing business worldwide. With nearly one million employees in its diamond manufacturing sector, India is today the world's largest manufacturing centre for cut and polished diamonds, contributing 60% of the world's supply in terms of value and 85% in terms of volume. Eleven out of every 12 diamonds set in jewellery worldwide are processed in India, according to India's Gem & Jewellery Export Promotion Council (GJEPC). It is said that India by 2015, India will have a 49.3% share of the world diamond roughs for processing in value terms, with 21.3% going to China, 7.1% to Russia, 5.5% to South Africa, 4.7% to Israel and 1.4% to the US.

Over the years, India, with its significantly lower labour costs and its fast and easy adaptation to new technology, has eaten into the chunk of the Israeli business, and totally taken over the production of the smaller, brilliant cut diamonds. The low-cost labour is one of the main factors behind India's success. According to research analysts, India spends US\$10 per carat on the polishing and cutting of diamonds, against China's US\$17 and South Africa's US\$40 to US\$60. The cutter/polishers' wages range from \$80 to \$100 per week depending upon other variables like experience, skill in various types of cuts etc. Some craftsmen are highly skilled and can cut/polish stones weighing a fraction of a carat into polished gem.

But, like any other industry, the Surat diamond industry has also been mired with problems due to the global meltdown. The slump in the developed economies hit demand drastically and resulted in business slowing. Rough shortage, Rupee slide etc too had its adverse effect on the factories and the diamond industry at large. But, the Indian diamond industry on the whole is known for its





resilience and market watchers feel it will survive, as it always did in the past. Of late, rough diamond shortage is showing signs of easing out a bit, but margins still seem to elude the businessmen. After EU's decision to lift sanctions on ZMDC, Antwerp firms can now sell rough to manufacturers in India and other centres. This development on the 'rough front' has brought some cheer to the Indians. It is said that only the diamond workers in Surat have the expertise of manufacturing Zimbabwe diamonds due to their size and colour. Therefore, most of the rough that would be imported by Antwerp from Zimbabwe will come to Surat for feeding the factories. Since January 2013, rough prices have increased by 10-15 per cent hike and when the rough diamond reaches the secondary market, the small and medium units owners have paying premium of 4-5 per cent. This has hit units' owners badly and as there is no

industry is well supported by Indian Government's policies and the banking sector is also facilitating nearly US\$ 3 billion of credit to the Indian diamond industry. Indian diamond manufacturing units enjoy an annual turnover pegged at about Rs 80,000 plus crore

India is facing stiff competition from China currently, mainly in matters of skilled manpower and lower manpower costs China is better-off and is therefore developing into an important polishing centre. In addition, there is a growing preference for polishing diamonds to be done in countries where the diamonds are mined... like in Africa. This is essentially a political pressure which will have to be complied, which means the Indian sector will have to face problems at home too as growth of the cutting and polishing sector will be curtailed. The new competition from China is undoubtedly a huge threat to India's diamond industry, which is currently at 60% of all diamond processing business.

As of now, the diamond industry is almost in turmoil, due to the problem created by lab-made diamonds or synthetic diamonds mixed with natural diamonds by some unscrupulous traders. The GJEPC and other trade organisations are taking all steps to solve this new challenge before them. Tools and machinery are being imported to detect synthetic diamonds, which in turn will help in retaining confidence of the buyers of loose polished diamonds as well as diamond studded jewellery at the retail level. Round tripping is another problem which has the otherwise 'clean' diamond industry in the bad books of the Central Government, so much so that it has banned imports of diamonds, especially by SEZs, which were allowed to import in the past.

For those who came in late, 'round tripping' in diamonds (or repeated export and import of same polished diamonds) is wherein traders undertake a series of exports and imports of the same goods for the purpose of receiving greater bank financing. Hypothetically, if a parcel made four round trips it means that for every \$1 million worth of polished goods, the exporter got \$4 million in financing. Sounds like a good deal provided the trader is able to get

**India is facing stiff competition from China currently, mainly in matters of skilled manpower and lower manpower costs. China is better-off and is therefore developing into an important polishing centre.**

profitability on polished goods, some small units are reported to have downed their shutters too. Incidentally, India imports rough diamonds to the tune of \$1 billion per annum. About 80 per cent of the diamonds are imported from big diamond mining companies, while the rest come from Antwerp. India's cutting and polishing





square with the bank ploughing back the money into the diamond business and not misusing it by diversifying into other businesses. But just 'bank financing' is not the only thing on the traders mind while indulging in 'round tripping'. The zero percent import duty on polished stones was also another attraction for the importer to indulge in this practise. Now, however, 'round tripping' is on the wane, thanks to the Government slapping import duty of 2% in January 2012 on polished diamonds ... clearly a step to stamp out circular trading.

The latest and disturbing news picked up by Media all over the world is the Financial Action Task Force's (FATF) latest typologies report that concluded that the global diamonds trade is subject to considerable money laundering and terrorist financing vulnerabilities and risks. Incidentally, the FATF is an inter-governmental body established in 1989 by the ministers of its member jurisdictions. It currently comprises of 34 member jurisdictions and two regional organizations, representing most major financial centres in all parts of the world. The FATF and the Egmont Group of Financial Intelligence Units collaborated on a typologies research project to identify the 'money laundering and terrorist financing' vulnerabilities and risks of the "diamond pipeline", which covers all sectors in the diamond trade: production, rough diamond sale, cutting and polishing, jewellery manufacturing and jewellery retailers.

This, by all means, is a very damaging report after 'blood diamonds' in the past, and the Diamond industry may as well take steps to convince the consumers of its clean business act or face bad days ahead.... Indian industry included.

Wrapping up, one can conclude that for many years now India has been striving to further lower manufacturing costs by securing direct sources of rough diamonds by striking deals with mining companies. The entire industry is dependent upon import of rough diamonds on a regular basis. De Beers and the open markets in Antwerp and elsewhere are the sustenance for India. A few years ago, Russia's state-owned diamond giant, Alrosa signed a three-year agreement with the company 'Diamond India', to supply rough diamonds. This deal secured a direct source of supply for local diamond companies, which until then had to import rough diamonds from centres such as Belgium and Israel, adding to their costs. This direct source of roughs leads to cost savings of at least 3% to 4% for the Indian manufacturing companies. In recent years, exploration of the Panna Mines, as well as Rio Tinto's projects in Bunder in Madhya Pradesh have been initiated, but it would be a while before mining of rough is undertaken. Having weathered many a storm in the past, the resilient Indian diamond and cutting industry is expected to get back on the fast track very soon.

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*We have plenty of Confidence in this country, but we are a little short of good men to place our Confidence in.*

*- Will Rogers*



## Indian G & J Industry : The Jewel in the Economy

Gems and Jewellery Export Promotion Council

The Gems & jewellery industry is the 2nd largest sector contributing to the Indian economy and is also a lucrative market for global gems and jewellery companies. According to a study conducted by AT Kearney in December 2013, Indian Gems and Jewellery (G&J) industry is poised to double in the next five years. It is an important contributor to the Indian as well as global ecosystem due to its ability to create best designs and value creation for its domestic as well as global customers.

Typically, India's gems and jewellery industry has two components—domestic and exports. In CY 2013, the industry's domestic business was worth US\$ 40160 million and exports stood at US\$ 36330 million. This sheer size shows that the gems and jewellery industry has shown stupendous growth in the last seven decades. From almost a non-existent entity in 1950 on the global landscape of gems and jewellery business, G&J industry has become a force to reckon with by having market leadership position in various segments of the global gems and jewellery industry. Over the last 45 years, G&J industry's exports grew at a 15% CAGR. One of the chief reasons for this growth is the industry's reputation of being a low cost but high quality manufacturer of diamonds and jewellery designs. For

instance, according to various estimates, out of every 12 cut and polished diamond sets globally, 11 are processed in India. India commands 60%, 85% and 92% share in terms of value, volume and pieces, respectively of the global polished diamonds.

### Gem & Jewellery Exports

G&J industry has got a strong presence in the export markets and it is a true global player. Countries such as the UAE, Hongkong and the USA are the largest importer from India by accounting for 40%, 27% and 13% of total gems and jewellery exports respectively from India for CY 2013. Diamonds account for 44.62 % of the total export basket of the industry with gold jewellery contributing 46.84% and coloured gemstones and others contributing 1.67% each. On the other hand, rough diamond contributes 4.05% of the total exports. This makes India one of the most sought-after markets for gems and jewellery.

### Gem & Jewellery Imports

India is also known for its large imports of gold and diamonds to cater to domestic demand for investment and consumption. The export orientation of the G&J Industry helps in balancing the trade bill of India. The achievement in the global market can largely be attributed to the Indian artisans and entrepreneur zeal to come out with something new and keep offering value to its global customers.

### Employment Generation

The industry has been providing direct employment to 2.5 million people in India. And according to estimates, it can also generate additional employment for 0.7 million to 1.5 million in the next five years. Indian entrepreneurs too have been taking special efforts to reach out to their global customers and make them aware of their abilities. The industry has been thriving on the two-pronged strategy –





technology to reduce costs and use of skilled artisans to increase designs and create value.

#### Cutting Edge Technology

Modern technologies have been introduced to boost both volume and quality in the business. For example, in the coloured gem stone business, the market leader, Jaipur, has already introduced state of the art semi-automatic polishing machines into their set up. No doubt, Indian artistry is among the best in the world. There is a conscious effort to enhance the end product that comes from these artisans. Artistry and creativity are given a technical edge with current CAD applications enabling young designers to conjure up creations that excite the imagination; state-of-the-art manufacturing facilities form a fitting environment to produce quality products with a touch of class. The range covers creations in white and yellow gold, platinum and silver; plain or studded with diamonds and coloured gemstones of every hue. Since this is a people driven industry, conscious efforts are taken to train artisans both in artistry, technical aspects of the business and technology by setting up dedicated institutions.

#### Global perspective

The G&J industry is also known for the customer centric approach it takes in its dealings with global customers. To familiarise the global customers about what the industry can deliver through Indian design houses, it has been conducting various industry meets and exhibitions to spread the awareness about the offerings from India. Entities

such as GJEPC are also instrumental in this space wherein the buyers and sellers come across each other, network and build long lasting professional relationship that culminate in further growth of the industry.

#### The Gem & Jewellery Export Promotion Council

Established in 1966, the GJEPC has over the years effectively moulded the scattered efforts of individual exporters to make the Gem and Jewellery sector a powerful engine driving India's export-led growth. With more than 5,300 members spread all over the country, the Council is primarily involved in introducing the Indian Gem & Jewellery products to the international market and leverage their international relationships to promote exports. To achieve this, the Council provides market information to its members regarding foreign trade enquiries, trade and tariff regulations, rates of import duties, and information about jewellery fairs and exhibitions. This apex body of the Gem & Jewellery Industry is continuously working towards creating and retaining a pool of artisans, designers that are trained as per international standards so as to consolidate the Indian jewellery industry and establish it as a prominent global player in the jewellery segment.

Sonam Kapoor, who is the brand ambassador of GJEPC since 2011, exudes the values of glamour, luxury yet rooted in Indian culture and offers the perfect brand fit.

(The above note has been contributed by GJEPC on the request of Tapasya)

Artistry and creativity are given a technical edge with current CAD applications enabling young designers to conjure up creations that excite the imagination; state-of-the-art manufacturing facilities form a fitting environment to produce quality products with a touch of class.

Democracy: The state of affairs in which you consent to having your pocket picked, and elect the best man to do it.  
—Benjamin Lichtenberg





## India's Gems and Jewellery Industry On the Upswing!

Sribash Dashmohapatra, - Executive Director,  
Gems and Jewellery Trade Federation,

*Sribash Dashmohapatra has spent more than two decades in this industry. With a management degree along with Foreign Trade Management and a post graduate degree in Economics, Sribash Dashmohapatra has seen the gems and jewellery industry in a truly multi-faceted manner. He has been with GJEPC (Gem & Jewellery Export Promotion Council) sponsored by Ministry of Commerce, Govt. of India for nearly 14 years and thereafter he moved to the Gem & Jewellery Industry and has handled a gamut of portfolios spanning export, manufacturing, PR, administration, events, trading in metals & minerals and after which he joined GJF. Today, he enjoys a vibrant and dynamic role at GJF in leading its operations.*

The gems and jewellery industry plays an important part in the Indian economy. In addition to boasting a large gems and jewellery market, India has a unique situation in terms of both demand and supply. The domestic gems and jewellery industry had a market size of INR 251,000 Cr in 2013, with a potential to grow to INR 500,000-530,000 Cr by 2018.

Today, India has a large domestic jewellery market. It is also the largest consumer of gold jewellery in the world with 29 percent share of the total global demand for gold as jewellery. Apart from being a large jewellery market, India also has a robust jewellery manufacturing industry.

The gems and jewellery industry is crucial to the Indian economy given its role in large-scale employment generation, foreign exchange earnings through exports, and value addition. The industry provides direct employment to roughly 4.6 million people and has the potential to generate employment of 1.5-2.0 million over the next five years. This is more than twice the employment provided by IT services

and four times that provided by basic iron and steel manufacturing and automotive manufacturing. In 2012-2013, the industry drove jewellery exports to the tune of INR 227,000 Cr, outperforming textiles and apparel exports by 25%. The industry also drove value addition of more than INR 99,000 Cr, which is comparable to several large industries such as apparel manufacturing.

The value chain for gold includes mining, imports, refining, trading, manufacturing, retailing, and the financial industry for gold-based products. The gold value chain has a distinct characteristic: it caters to both consumption-led demand and investment-led demand. As a result, there are two value chains with distinct drivers and needs; however, there is extensive intermingling of the players across the two value chains. The industry value chain is comprised of sourcing (mining and imports), refining, trading, manufacturing, and retailing. While some of the players cater primarily to consumption demand for jewellery and others cater primarily to investment demand, there are a host of players catering to both consumption and investment demand. For example, banks selling gold coins would serve the investment demand for gold, a branded diamond jewellery retailer would primarily serve the consumption demand, and a local jeweller would play a dual role by also serving as a money lender.

The supply landscape of the Indian gems and jewellery industry is different from its counterparts in the developed world. This difference is highlighted in the fragmented





supply base, variation across regional manufacturing hubs, and labor-intensive but highly productive industry.

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#### Consumption Behaviour in Domestic Market: Significant Investment Demand

Gold is a symbol of prosperity and appeals to both younger and older generations across social strata within the country. It has a unique position in the minds of Indians and is considered a source of social security for a large section of the society. Indians also attach a high emotional value to gold. It is often considered a social requirement for ceremonies and weddings and bestows a sense of pride and social status to its owners.

The demand assessment for gems and jewellery in India needs to distinguish the investment and consumption demand due to the significant importance of gold as an investment asset.

#### Consumption Demand

The consumption demand accounts for around 55 percent of the

total market demand. This demand is led by the need for gold and non-gold jewellery that caters to specific wear occasions and is essentially similar to that of a luxury product. The jewellery for consumption demand typically requires high value addition and intricate design-led innovations.

The fashion-wear segment that currently has 8 to 10 percent share but has gained importance with the increase in demand for diamond jewellery. The growth in this segment is being driven by rising income levels and the adoption and promotion of western concepts such as solitaire engagement rings.

Diamond-studded gold jewellery, non-gold jewellery, and pure gold jewellery for regular wear. The regular wear segment has around 25 to 30 percent share of the market. This segment includes comparatively lower value jewellery and gem-based rings.

#### Drivers of competitiveness of the Gems and Jewellery Sector

- Industry standards, certification, and hallmarking: By and large, the Gems and Jewellery industry in India has been indifferent to the adoption and establishment of formal or informal industry standards. However, as the industry has grown and more and more businesses have started transacting on a global basis, a need has arisen for establishing standards. However, in India, hallmarking is restricted to a minor portion of sales, with the bulk of the consumers unaware of the exact caratage of the jewellery they buy. It is expected that the industry will see an increasing level of adoption of hallmarking in gold and certification in gemstones and this is critical to its competitiveness.

- Processing of larger size diamonds: The Indian Gems and Jewellery industry has been built on polishing lower size and quality stones. Looking forward, since India already enjoys domination in the world CPD market in general, and for smaller-sized diamonds in particular, the scope for significant increase in market share and growth in the traditional small-size diamond exports is limited. Industry leaders are now seeking further growth through processing of larger size stones, and manufacture of diamond jewellery. Indian industry can now increasingly process the full range of sizes and qualities of stones utilising not only a cheap and abundant workforce, but also advanced technologies. Future growth is likely to be largely driven by the cutting and polishing of medium and large stones (currently dominated by Belgium and Israel), with consequently higher unit realisations. The Indian Gems and Jewellery GJ industry is already reporting increased growth in the larger-size segment. Export data from the GJEPC also reports a gradual shift in Indian exports to





higher value segments, reflected in higher per carat realisations. Larger-sizes command higher per carat realisations and profits.

- **Availability of labour at competitive wages:** Labour is a critical component in the value chain of the Gems and Jewellery sector. Labour in India, as compared to other countries, is cheap, and India thus stands at an advantage over its global competitors in this industry.

**Availability Human Resource and Skill Requirements in the Gems and Jewellery Industry**

Skilled manpower is a key strength that has enabled growth in India's Gems and Jewellery sector. India has a large pool of skilled artisans with vast traditional knowledge and expertise in jewellery making. It also has the largest resource pool in diamond cutting and processing. India also has a good blend of technically trained designers who are well-versed in latest 2D and 3D design software. India also has one of the lowest costs in diamond cutting.

- **Government Support:** The Indian Government has supported the Indian Gems and Jewellery sector with policies such as waiver of customs duties on the import of rough diamonds, permission for personal carriage of jewellery through Hyderabad and Jaipur Airport as well, in addition to Delhi, Mumbai, Kolkata, Chennai and Bangalore, establishment of Gems and Jewellery SEZs, etc. This continued support is critical to the competitiveness of this industry.

**Key Factors that will lead to Success**

- **Movement from unbranded to branded jewellery and increase in fashion dictated buying:**

Over 90% of the jewellery sold in India, is mainly sold by traditional "family jewellers" and the unorganised sector contributes to about 96% of the total jewellery sales in the country. Thus, currently the Indian market remains

highly fragmented. This scenario is seen changing, though slowly, with the entry of players such as Tanishq and Gitanjali, and the trend of supermarkets like Lifestyle and Shoppers Stop having jewellery outlets.

- **Hallmarking and Certification:** Increasing consumer awareness and need for certification by BIS and hallmarking have served as a means for firms to differentiate themselves in the market.

- **Increased use of technology:** The Gems and Jewellery business had traditionally involved a large content of manual labour. Though this still remains the case, a greater use of technology is seen in this industry. For example, factories have started using more machine-made designs, laser soldering is replacing manual soldering, investments in modern manufacturing and quality systems is increasing, etc.

- **Transformation from family owned businesses to professionally managed businesses:** Traditionally in India, the majority of India's diamond workforce is employed by small units that process diamonds on a job-lot basis. At the low-end, family units process diamonds/ make jewellery. Even at the retail end of the value chain, people in India generally buy jewellery from their 'family jewellers'. This structure makes it less possible to bring in professionalism into the industry, which will be key going ahead given the threats from other diamond processing/jewellery making nations. Thus for firms in the Indian Gems and Jewellery sector to prosper, a transformation from family owned businesses to professionally managed businesses is critical.

**Pragmatic solutions to create a win win situation**

**Role of industry**

- **Develop infrastructure and the skills to cater to specific needs of consumption demand**

The industry will need to increase focus on collaboration and the creation of shared facilities in the major jewellery manufacturing hubs of Jaipur, Surat, Mumbai, Coimbatore, Trichur, Hyderabad, Nellore, Kolkata, Delhi, and Amritsar in order to take advantage of modern technology. Skill development should also be a priority, and the industry should ensure the availability of infrastructure to provide vocational training to around 1 lakh students over the next five years.

- **Remove perception of opaqueness**

The industry has made progress in this regard with significant increase in share of organized sector.

However, it still needs to play an important role in increasing the enhancing the transparency in the industry. Also, strict implementation of know-your-customer norms and hallmarking will help improve transparency on the customer end.





- **Enable use of better financing options**

The industry needs to ensure a strong credit rating and repayment track record to enable financing from banks or other financial institutions. A continuous movement toward higher organized trade will further help the industry in this regard. Finally, the industry needs to work with financial systems to increase credit penetration of the sector.

- **Encourage recycling of gold**

The industry may educate the customers about schemes such as the gold deposit scheme to improve recycling. It should work toward achieving a target of 40 to 45 percent recycling from a current value of around 20 percent.

- **Role of the Government**

- **Support industry in infrastructure and skill development**

The government will need to play the role of enabler by providing adequate thrust for skill and infrastructure development through incentives, subsidies, facilitation of land allocation, and supply of utilities.

- **Enable transparency improvement for the industry**

- **Provide differentiated regulation for consumption and investment demand**

The government will need to differentiate between consumption demand and investment demand. While it will need to enable the consumption demand by reducing restrictions on gold supply (removal of 80-20 regulation and high import duty), focusing on quality control (ensuring nationwide implementation of hallmarking in three years), and enabling easy financing, it will also need to develop systems to cater to the investment demand through better regulations.

- **Enable alternatives to investment in physical gold**

The government will need to take proactive measures to enable investment in alternative options for

gold through better financial access and education, and supporting industry in the development of m-banking and UID-based platforms. In the long term, it may consider limiting the sale of bars and coins in jewellery shops.

- **Role of RBI and the financial sector**

- **Monetize existing investment and recycling schemes**

The RBI and the financial systems will need to develop innovative means to encourage better recycling of gold in order to meet the target of 40 to 45 percent recycling by 2018.

- **Provide better financing options to the industry**

The financial sector will need to work with the industry to ensure access to better financing, such as asset-based lending. Also, it will need to make the gold (metal) loan available to domestic jewellers.

- **Provide differential regulations for consumption and investment demand**

The RBI and the financial systems need to ensure minimum restrictions to the consumption side of the demand for jewellery by easing regulations on imports and financing. However, a market for the investment demand needs to be developed by introducing gold-based financial products and ensuring a higher share of this demand be met through financial systems.

- **Develop alternate investment options and supply infrastructure**

RBI and the financial systems need to ensure that attractive alternative investment options are developed and made available through better access to banks, including the use of platforms such as m-banking. They will need to ensure higher availability of gold coins and bars in banks and also

develop and promote gold-based financial products such as gold-linked accounts, gold accumulation accounts, and gold pension accounts.

In addition, industry associations and academia will also have an important role to play. Industry bodies will need to participate in driving consultations for policy making and highlighting issues and requirements of all stakeholders. Universities and other research institutions need to be an integral part of initiatives focused on innovation and capability building.

Given these challenges, it is crucial to drive a comprehensive transformation

of the industry to ensure sustainable growth and greater contribution to the Indian economy through higher exports and value addition. While several initiatives would benefit the industry, there are six broad themes that can

**The industry needs to ensure a strong credit rating and repayment track record to enable financing from banks or other financial institutions.**





form the basis of action for the industry, Government, RBI, and other stakeholders. The various stakeholders can draw learning from Turkey and Dubai where the gems and jewellery market has witnessed significant transformation.

- Monetize existing investment through recycling. Focus on higher recycling of gold available within the country through gold deposit schemes and other similar schemes and allow banks to buy domestic gold.

- Liberalize regulations affecting the consumption value chain. Enable consumption demand by reducing restrictions on gold supply, focusing on quality control (hallmarking), and introducing easy financing options.

- Develop and regulate the investment value chain. Develop the market to cater to investment demand for gold by facilitating gold-based investment products. Also, effectively meet investment demand by increasing access to banking systems and increasing financial education and confidence particularly in non-urban areas. Ensure availability of gold coins and bars primarily through banking systems and develop other gold based financing options

- Offer easy financing options. Ensure better credit ratings and develop easy financing options such as asset-based lending. Also, re-introduce gold (metal) loans for the domestic jewellers.

- Improve perception of industry opaqueness. Ensure that the industry image is enhanced through increased registration of enterprises, higher discipline in financial reporting and tax payments. This is especially important given the fragmented nature of the industry.

- Develop infrastructure and skills to cater to specific needs of consumption demand. Facilitate adoption of new technology and designs—particularly by the fragmented part of the industry—through creation of shared

facilities, and develop an adequate talent pool through modern skill development initiatives.

We expect that these steps can help transform the industry and positively impact key industry metrics by 2018:

- Lower imports of gold of INR 620,000-630,000 Cr from a base case of INR 660,000-680,000 Cr, with greater recycling and wider use of alternate investment options reducing the import burden to balance the increase in import requirements to cater to around INR 90,000 Cr of additional exports.

- Higher recycling of 40 to 45 percent of domestic demand compared to 20 percent base case.

- Additional employment opportunity of 0.5-1 million compared to scenario if import restrictions and other challenges continue.

- Higher consumption demand for gold jewellery of INR 390,000-410,000 Cr from a base case of INR 370,000-390,000 Cr due to increased value addition by the industry, leading to a 4 to 6 percent increase in consumption demand.

- Reduced investment demand of INR 110,000-120,000 Cr from a base case of INR 130,000-140,000 Cr for jewellery and of INR 135,000-145,000 Cr from a base case of INR 180,000-190,000 Cr for bars and coins due to the wider presence of and greater access to alternate financial options, resulting in a decrease in imports of 8 to 9 percent.

- Higher gold exports of INR 240,000-250,000 Cr from base case exports of INR 150,000-160,000 Cr, a result of a more competitive industry with better designs, quality, and manufacturing, making exports equal to 40 to 45 percent of domestic jewellery demand and 40 percent of imports post transformation.

- Greater value addition on jewellery manufacture and retail of around INR 165,000 Cr from a base case of around INR 140,000 Cr, led by better infrastructure and enhanced exports.

- Higher share of organized retail of 30 to 35 percent compared to a base case of 25 percent due to initiatives undertaken to enhance transparency and improve infrastructure with a higher adoption of modern technology.

*(P.S. All the information given in this document has been collated and interpreted by AT Kearney. All that glitters is gold: whose contribution is gratefully acknowledged.)*

In order to become the master, the politician poses as the servant. -Charles de Gaulle





## IN A NUTSHELL

*Often enough, we tend to take basic concepts and thinking on most human endeavours and issues for*

*granted. This includes Management and its many hues. Some of the principles and concepts of Management subjects like Marketing, Organizational Behaviour or Human Resource Management would do well to be reignited in our minds and jog our awareness, so as to make our functioning in the workplace more effective and rewarding – both for the organization as also for ourselves. With this in view, through this column, Tapasya brings the thoughts of eminent writers on Management related subjects back on stage, which could remind us of the basic purpose of management – to get the best out of every stakeholder in the business and bring satisfaction in the process through better results for one and all.*

### Product Design and Development Identifying Customer Needs

Existing products used to drive screws: manual screwdrivers, cordless screwdriver, screw gun, cordless drill with driver bit.

A successful hand tool manufacturer was exploring the growing market for hand-held power tools. After performing initial research, the firm decided to enter the market with a cordless screwdriver.

After some initial concept work, the manufacturer's development team fabricated and field-tested several prototypes. The results were discouraging. Although some of the products were liked better than others, each one had some feature that customers objected to in one way or another. The results were quite mystifying since the company had been successful in related consumer products for years. After much discussion, the team decided that its process for identifying customer needs was inadequate.

This chapter presents a method for comprehensively identifying a set of customer needs. The goals of the method are to:

- Ensure that the product is focused on customer needs.
- Identify latent or hidden needs as well as explicit needs.
- Provide a fact base for justifying the product specifications.
- Create an archival record of the needs activity of the development process.
- Ensure that no critical customer need is missed or forgotten.
- Develop a common understanding of customer needs among members of the development team.

The philosophy behind the method is to create a high-quality information channel that runs directly between customers in the target market and the developers of the product. This philosophy is built on the premise that those who directly control the details of the product, including the engineers and industrial designers, must interact with customers and experience the use environment of the product. Without this direct experience, technical trade-offs are not likely to be made correctly, innovative solutions to customer needs may never be discovered, and the development team may never develop a deep commitment to meeting customer needs.

The process of identifying customer needs is an integral part of the larger product development process and is most closely related to concept generation, concept selection, competitive benchmarking, and the establishment of product specifications. The customer-needs activity is shown in Exhibit 4-2 in relation to these other front-end product development activities, which collectively can be thought of as the concept development phase.

The concept development process illustrated in Exhibit 4-2 implies a distinction between customer needs and product specifications. This distinction is subtle but important. Needs are largely independent of any particular product we



might develop; they are not specific to the concept we eventually choose to pursue. A team should be able to identify customer needs without knowing if or how it will eventually address those needs. On the other hand, specifications do depend on the concept we select. The specifications for the product we finally choose to develop will depend on what is technically and economically feasible and on what our competitors offer in the marketplace, as well as on customer needs. Also note that we choose to use the word *need* to label any attribute of a potential product that is desired by the customer; we do not distinguish here between a want and a need. Other terms used in industrial practice to refer to customer needs include customer attributes and customer requirements. Needs, therefore, can be understood as the requirement of product(s) by customers with desired features or attributes which will be able to provide a solution to the work in hand.

Identifying customer needs is itself a process, for which we present a five-step method. We believe that a little structure goes a long way in facilitating effective product development practices, and we hope and expect that this method will be viewed by those who employ it not as a rigid process but rather as a starting point for continuous improvement and refinement. The five steps are:

1. Gather raw data from customers.
2. Interpret the raw data in terms of customer needs.
3. Organize the needs into a hierarchy of primary, secondary, and (if necessary) tertiary needs.
4. Establish the relative importance of the needs.

5. Reflect on the results and the process.

We treat each of the five steps in turn and illustrate the key points with the cordless screwdriver example.

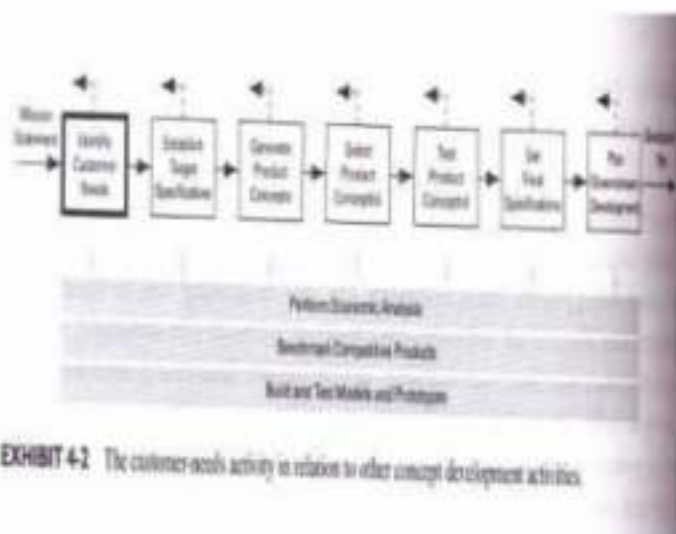


EXHIBIT 4-2 The customer-needs activity in relation to other concept development activities.

We chose the screwdriver because it is simple enough that the method is not hidden by the complexity of the example. However, note that the same method, with minor adaptation, has been successfully applied to hundreds of products ranging from kitchen utensils costing less than \$10 to machine tools costing hundreds of thousands of dollars.

Before beginning the development project, the firm typically specifies a particular market opportunity and lays out the broad constraints and objectives for the project. This information is frequently formalized as a mission statement (also sometimes called a charter or a design brief). The mission statement specifies which direction to go in but generally does not specify a precise destination or a particular way to proceed. The mission statement is the result of the product planning activities described in Chapter 3, Product Planning.

The mission statement for the cordless screwdriver is shown in Exhibit 4-3.

The cordless screwdriver category of products is already relatively well developed. Such products are particularly





well suited to a structured process for gathering customer needs. One could reasonably ask whether a structured method is effective for completely new categories of products with which customers have no experience. Satisfying needs is just as important in revolutionary products as in incremental products. A necessary condition for product success is that a product offer perceived benefits to the consumer.

Products offer benefits when they satisfy needs. This is true whether the product is an incremental on an existing product or whether it is a completely new product based on a revolutionary invention.

Developing an entirely new category of product is a risky undertaking, and to some extent the

indication of whether customer needs have been identified correctly is whether customers like the team's first prototypes. Nevertheless, in our opinion, a structured method for gathering data from customers remains useful and can lower the inherent risk in developing a radically new product. Whether or not customers are able to fully articulate their latent needs, interaction with customers in the target market will help the development team build a personal understanding of the user's environment and point of view. This information is always useful, even if it does not result in the identification of every need the new product will address.

In case of entirely new products, benefit proposition understanding is very important. If exact needs become known for new products, then the information like usage criteria, usage time can be very helpful.

(For further reading we recommend *Product Design and Development* by Karl T Ulrich, Steven D Eppinger and Anita Goyal, published by Tata McGraw Education Pvt Ltd.)

Mission Statement: Screwdriver Project	
Product Description	<ul style="list-style-type: none"><li>• A hand-held, power-assisted device for installing threaded fasteners</li></ul>
Benefit Proposition	<ul style="list-style-type: none"><li>• Drives screws more quickly and with less effort than by hand</li></ul>
Key Business Goals	<ul style="list-style-type: none"><li>• Product introduced in fourth quarter of 2006</li><li>• 50% gross margin</li><li>• 10% share of cordless screwdriver market by 2008</li></ul>
Primary Market	<ul style="list-style-type: none"><li>• Do-it-yourself consumer</li></ul>
Secondary Markets	<ul style="list-style-type: none"><li>• Casual consumer</li><li>• Light-duty professional</li></ul>
Assumptions	<ul style="list-style-type: none"><li>• Hand-held</li><li>• Power-assisted</li><li>• Nickel-metal-hydrate rechargeable battery technology</li></ul>
Stakeholders	<ul style="list-style-type: none"><li>• User</li><li>• Retailer</li><li>• Sales force</li><li>• Service center</li><li>• Production</li><li>• Legal department</li></ul>

EXHIBIT 4-3 Mission statement for the cordless screwdriver.

A politician thinks of the next election; a statesman thinks of the next generation. –James Freeman Clarke, Sermon





## The Writing On the Wall

**Rupee at 8-month high of 60.48 on FII inflows**

**SpiceJet orders 42 Boeing 737 Max worth \$4.4 bn**

**Inflation eases to 9-month low of 4.7%**

THE HINDU BUSINESS

**New Delhi:** The inflation rate slowed to a nine-month low of 4.7% in February as prices of vegetables eased significantly in yet another sign of easing inflationary pressures in the economy.

Economists said this may enable the Reserve Bank of India (RBI) to ease rates in the near future.

### VEGGIE PRICES COOL



	Jan	Feb
Rice	11.7	11.4
Wheat	8.5	7.1
Pulses	4.1	4.1
Vegetables	3.9	3.6
Potato	8.4	11.7
Onion	10.1	9.8
Brinjal	8.9	9.3
Apple	8.2	7.1
Meat, Fish	9.7	10.1

current period upwards the data for December to 6.4% from the previously reported 6.2%.

Vegetable prices rose 3.3% year-on-year in February, slower than previous month's 16.1% increase. Food inflation, which has been a source of constant worry for policymakers, rose 6.1% in February, slower than previous month's 8.1% and lower than the double-digit rates of over 10% in the last few months.

**Lower CAD helps offset Fed taper blow**

**India Most Attractive Emerging Market As RBI Measures, Govt's Gold Curbs Pay Off**

**Breather for banks as Basel III deferred**

**RBI Extends Deadline By A Year To March '19**

THE HINDU BUSINESS



pressure on banks to raise sufficient amount of capital

**Factory output flat, retail inflation slows**

**GDP Grows 0.1% In Jan While CPI Eases To 8.1 Feb | Demand Shows No Signs Of Revival**

**Forex kitty above \$300bn after 2 years**

THE HINDU BUSINESS

Needled continuously by the

### Bank NP

Monday: Government has to plan up the banks for a re and their new and old NPAs in the second

**Whats Up**





# The Writing On the Wall

## Employment growth dwindles in third quarter

## Imports fall 2% in March, exports see 3% decline

12% fall in non-oil imports indicates continued slowdown in industrial activity

### Monsoon likely to be below normal this year: Skymet



The southwest monsoon is likely to be below normal in 2014, at 94% of long-period average, because of the evolving El Niño, a warming of the Pacific Ocean that upsets weather patterns globally, shows a forecast issued on Tuesday by Skymet, a leading private meteorological agency. The official monsoon forecast by the India Meteorological Department is due on April 25.

TV



### AUTOMOBILE SALES IN SLOW LANE...

Hit by a demand slowdown, India's top carmakers have seen a drop in sales in 2013-14. A snapshot:

Company	March '14	Chg (%)*	FY14	Chg (%)**
Maruti Suzuki	102,269	-5.2	1,053,689	0.3
Hyundai	35,003	3.4	380,253	-0.9
M&M	23433	-9.3	229,155	-18.0
Tata Motors	12,640	2.4	138,455	-37.7
Honda Cars	18,426	83.5	134,399	82.8
Toyota	8,206	-57.8	128,811	-22.0
Ford	6,358	20.6	84,471	9.4
<b>TOTAL</b>	<b>193,695</b>	<b>-4.3</b>	<b>2,010,710</b>	<b>-0.96</b>

\* Compared with March 2013; \*\* Compared with FY13

Source: Skymet

### AUTO SALES POST FIRST DROOP IN OVER A DECADE

#### FALLING SHORT



Source: Ministry of Statistics and Programme Implementation

## IMF projects FY14 growth at a low 4.6%

BY REPORTER  
New Delhi, April

The International Monetary Fund (IMF) on Tuesday projected growth for India at a low 4.6% for FY14, down from 4.9% in FY13. The IMF also projected 4.2% growth for FY15. The IMF's latest report, released on Tuesday, says the government's fiscal consolidation measures have helped to reduce the fiscal deficit, but the projected growth of 4.6% is still low.

### ...MANUFACTURING ALSO SLOWS

The Purchasing Managers' Index (PMI) for manufacturing stood at 51.3 in March

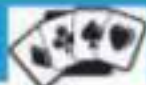


\* Fig. is preliminary and subject to revision. Source: IHS Global Vantage

### MANUFACTURING PMI PLUMMETS IN MARCH

Whats Down





## Eco Echoes

## Infografix

## Business Standard

Volume: 36th Number 172

MUMBAI | TUESDAY, 15 APRIL 2014

## In deep trouble

Change of guard alone won't automatically spark recovery

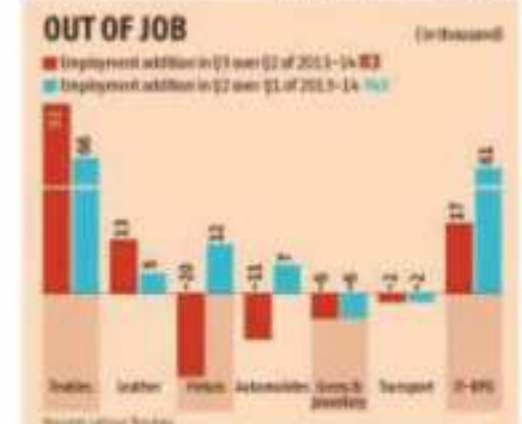
**M**acroeconomic indicators coming out over the past few days undermine any confidence that may have been there about the economy beginning to stage a recovery. Both the trade and industrial production numbers that were published last week tell a story of the slump prolonging, hardly a green shoot in sight on both fronts. While it is possible to argue that monthly data are full of noise, relatively volatile and that too much shouldn't be read into them, the trouble is that other data tend to strongly support a more pessimistic outlook on the state of the economy. Take automobile production, for example. In large economies with significant domestic production, this sector is seen as a bellwether for the state of the economy, given its multiple backward and forward linkages. According to the data published last week by the Society of Indian Automobile Manufacturers, the sector has had another disappointing year, with all major vehicle segments, barring two-wheelers, showing a decline from their levels of 2012-13. Passenger vehicles fell by over six per cent, with volumes dropping even below the 2010-11 level. Commercial vehicles, a very significant business cycle indicator, declined by over 20 per cent, falling to below their 2010-11 level. Even though two-wheeler volumes increased, at seven per cent, growth was nowhere near the soaring rates of a few years ago.

Tales of stagnation abound in other sectors as well. Demand for electricity grew by just about 0.17 per cent in the first 11 months of 2013-14, compared to over five per cent growth in the previous year. Consumer durable sales too are down. Even the much-vaunted public-private partnership model has not lived up to expectations as far as closing the infrastructure gap is concerned. Many companies executing projects under this framework are in deep financial distress, with several of their projects stuck even as they run up costs. A collateral consequence of this is the rising burden of bad assets on the balance sheets of banks. But, that aside, the question has to be asked: how are more funds, desperately needed, going to be brought into the sector? These companies certainly cannot borrow more and private investors would be foolish to infuse equity into them unless there are dramatic changes in the business models. In a business-as-usual scenario, sluggish growth can only be considered even more so because of a persistent infrastructure gap.

In the absence of any spontaneous signs of recovery and with the heavy bank of India focused on the other significant problem, inflation, the compulsion on the new government to get to grips with this frightening situation is enormous. But, given the depth of the problems, it would be naive to expect a mere change of guard to immediately set the recovery ball rolling. The government will need to address the issue at a number of levels to prepare the ground for a sustainable turnaround. In its first communication, it will have to put forward a credible strategy and time frame for dealing with the problems. Soon after that, it will have to announce specific actions that directly tackle some critical contributors to slowing growth and stubborn inflation. To reinforce these, it will have to demonstrate commitment by having credible people in key positions to champion and execute the reform agenda. All of these are risky, complicated and messy processes. Unfortunately, there is very little margin for error in the current economic scenario.



Source: RBI, IMF, and other sources. The rupee's recent strengthening after the US Fed's first round of QE was not overdone.







### WALKING THE TALK ON PUBLIC HEALTH

*Health and Grooming has periodically been looking at the alternate systems of medicine, which are renowned for their simplicity in application, effectiveness in healing and more often than not, helpful in preventing illness. Ayurveda is the science that has been occupying the mindspace of millions who have come*

*to view the overnight cures of certain systems with suspicion because of the trail of side and after effects they tend to leave behind in their wake. In our effort to showcase some of the people and institutions that have blazed a trail in Indian systems of medicine we bring this brief introduction to the KottakkalAryaVaidyaSala, a venerable century old organization that is rightly considered the fountainhead of modern Ayurveda. The common man owes it to the founder Vaidyaratnam P.S. Varrier and the present Managing Trustee Dr P K Warriar for their tireless pursuit to revive a nearly forgotten system of medicine which had fallen victim to the claims of "modern" medicine.*



KottakkalAryaVaidyaSala (AVS) is a century old Charitable institution engaged in the practice and propagation of Ayurveda, the ancient health care system of India. AVS offers classical Ayurvedic medicines and authentic

Ayurvedic treatments and therapies to patients from all over India and abroad.

AVS was established at Kottakkal in Kerala State of India in 1902 by the visionary physician and philanthropist,

the late Vaidyaratnam P.S. Varier. Started essentially as a village clinic, it has now grown into a multi-unit, multi-disciplinary and multi-core organisation. It has operations in different areas of Ayurvedic practice.

AVS manages Ayurvedic Hospitals at Kottakkal, Delhi and Kochi. All classical

Ayurvedic medicines, therapies and expert medical advice are available there. AVS has two modern medicine manufacturing units, has well equipped quality control labs, has fullfledged research activities, publishes Ayurvedic periodicals and books, cultivates medicinal plants and conducts educational programmes. AVS also runs a Kathakali academy where the classical theatre of Kathakali is taught and performed.

#### The beginning

Sri P. S. Varier, scion of an illustrious family of Kottakkal in the Malabar region of Kerala, was an extraordinary man. He was a multi-faceted personality: a renowned Ayurvedic scholar and academician, an able practitioner; a successful entrepreneur, and a genuine philanthropist... all at the same time!

Sri Varier studied Ayurveda under the classical Gurukula system. He also acquired proficiency in the practice of Allopathy.

In late 1902, Sri Varier founded the AryaVaidyaSala, Kottakkal, for the preparation of authentic Ayurvedic medicines.

The rest is history. Today, KottakkalAryaVaidyaSala is a name synonymous with Ayurveda. A name that offers a new lease of life to the suffering humanity.

#### Recognition

In 1933, in recognition of his valuable services to humanity, Sri P. S. Varier was conferred the distinguished title of 'Vaidyaratna' by His Excellency the Viceroy and Governor General of India.





Sri P. S. Varier

Sri Varier wrote text books of students of Ayurved. One of them, Ashtangasiriram, won a certificate in 1932 from the National Organisation of Physicians.

Present Managing Trustee



Dr. P. K. Warriar

Managing Trustee & Chief Physician Aryavaidyan P.K. Warriar became the Managing Trustee on the demise of his brother P.M. Varier. He is leading AryavaidyaSala for more than half a century. Dr. P.K. Warriar serves also as the Chief Physician ably assisted by other senior and experienced physicians. Under his leadership AryavaidyaSala has grown into a multi-core, multi-unit, organization and has been recognized as the premier centre of Ayurveda in the country. AryavaidyaSala became the destination of ailing patients, rich and poor alike, students and scholars from India and abroad. He made Kottakkal the synonym of authentic ayurveda.

P.K. Warriar made his imprints as an able administrator, educationist and academician and above all a physician of international repute. Dr. Warriar is the

person most sought after in national and international conferences. His most important works are Padamudrakal – a collection of scientific papers and Smrtiparvam, his autobiography.

#### Honours / awards

Dr. P.K. Warriar, a fellow of Academy of Indian Medicine, is the recipient of many honours in the national and international level.

The All India Ayurvedic conference gave him the title of Ayurveda Maharshi in 1997.

The President of India bestowed on him the title of 'Padmashri' at Rashtrapatibhavan on 23.3.99.

The Calicut University conferred on him honorary degree of D.Litt. on 22.05.99.

ChillaPratibhaPuraskar was presented to him on 16.1.2000 by the Hon'ble Governor of Tamilnadu.

The reputed Bhoopalan Singh Karki special honour was awarded to him at a glittering function held at Kathmandu, Nepal on 15.5.2000.

He is also the recipient of the Dhanwantari Award instituted by the Dhanwantari Foundation, Mumbai for outstanding medical men. This was presented to him on 4.11.2001.

Dr. Poullose Mar Gregorios Award was awarded to him by the Rashtrapati in New Delhi on 27.11.2001.

The first AdisammanPuraskar instituted by the Academy of Ayurvedic Doctors in India was awarded to him in Calcutta on 29.11.2001.

The Kerala Management Association conferred on him the Management Leadership Award for the year 2002.

Pandit Shiv Sharma Oration Award was presented to him in Delhi on 13.2.03 by Indian Association for the Study of Traditional Asian Medicine.

JamiaHamdard Deemed University, New Delhi conferred on him degree of D.Sc. (Honoris Causa) on 14.01.2005.

Honoured with Padmabhooshan in 2010.

#### Positions held / holding

Project Officer, Clinical Research Unit (CCRAS) at Kottakkal.

Member, Governing Body and Executive Committee of the Kerala Ayurvedic Studies and Research Society, Kottakkal.

Member, Ayurveda Advisory Committee and Committee on Drugs Control, under the Government of Kerala.

Member, Task Force on Ayurveda & Homeopathy under the State Planning Board and Kerala Bio-diversity Committee.

Member, Commission on WTO concerns in Agriculture constituted by Govt. of Kerala.

Member, Kerala State Management Association, All India





Management Association, etc.

Member of the Panel of Ayurvedic and Other Systems of Medicine, constituted by the Government of India.

President of All India Ayurvedic Congress.

President, Kerala Ayurveda Mandalam.

Member of the Central Council of Indian Medicine, Central Council for Research in Ayurveda and Siddha.

Pharmacopoeia Committee member.

Member, Scientific Advisory Committee under CCRAS.

Member, Ayurvedic Pharmacopoeia Committee.

Member, Ayurveda, Siddha and Unani Drugs Technical Advisory Board under Govt. of India.

Member of the National Academy of Ayurveda, New Delhi.

Member, Standing Committee for Health, Sewerage and Water Supply and Nutrition under the State Planning Board.

Vice President of IASTAM (International Association for the Study of Traditional Asian Medicine).

Dean, Faculty of Ayurveda & Chairman, Board of Studies in Ayurveda for the University of Calicut twice.

Member, Travancore-Cochin Medical Council.

### **Kottakkal Arya Vaidya Sala - An Overview**

A Charitable Trust of Public nature having two production units, one at Kottakkal, Malappuram Dist and another at Kanjikode, Palakkad district for the manufacture of about 500 genuine ayurvedic medicines.

Ayurvedic Hospital & Research Centre at Kottakkal has 160 rooms with necessary amenities.

Provide Panchakarma and other Kerala special treatments under the guidance of expert ayurvedic physicians. These treatments are found effective for various ailments like Paralysis, Arthritis, Spondylosis etc.

P. S. Varier started his Vaidyasala in 1902 in this building



AVS also runs a charitable hospital where deserving poor patients are given both ayurvedic & allopathic treatments, medicines, accommodation and food free of cost.

Hospitals at other locations across the country other than Kottakkal to provide ayurvedic treatment, to patients from northern parts of India as well as abroad.

Branches at New Delhi, Kolkata, Mumbai, Secunderabad, Chennai, Coimbatore, Madurai, Trivandrum, Kottayam, Ernakulam (Kochi), Aluva, Calicut, Kannur, Palakkad and Tirur and over 900 authorised dealer network for the sale of ayurvedic medicines.

The Late Vaidyaratnam P.S. Varier founded an Ayurveda Pathasala in 1917 for effective propagation of the system of Ayurveda. This Pathasala later became the Vaidyaratnam P.S. Varier Ayurveda College affiliated to Calicut University. The college has Degree and Post Graduate Degree courses in Ayurveda. Provide financial support to the college as per the provisions of the "WILL" of the founder.

AVS has undertaken the task of planned cultivation of medicinal plants in its various herbal gardens as part of a project of conservation and sustainable use of medicinal plants.

The Research & Development Department of the institution is actively engaged in research work for modernization of production and quality control of ayurvedic drugs. An Ongoing Research Programme with CSIR-DST-IICT (Govt. of India) is intended to evolve modern standards for materials, processes and products.

*(The above Information has been obtained from AVS and their website [www.aryavaidyasala.com](http://www.aryavaidyasala.com))*

During a campaign the air is full of speeches - and vice versa. -Author Unknown



## Indira College of Engineering & Management (ICEM)

### 3 I Summit

- The 7th Indira International Innovation Summit was successfully organized this year at the Indira College of Engineering & Management.
- IIS showcases the innovations of individuals in the fields of engineering, & social welfare each year.
- This year the function was held at the Parandwadi campus of ICEM on the 11th January 2014.
- A galaxy of luminaries was present to be welcomed by IGI Chairperson Dr. Tarita Shankar and Group Director Prof. Chetan Wakalkar.
- The evening saw a grand entertaining 'Excellence awards' distribution ceremony where Director – ICEM Dr. R. V. Kulkarni welcomed the dignitaries.
- The Lifetime Achievement honor was bestowed upon Mr. Suresh Shirke.



### The following were the winners

Winner	Designation - Company
<b>INNOVATION EXCELLENCE AWARDS</b>	
Mr. Sudhanshu Pandit	VP-HR, Symantec
Mr. Neeraj Singh	GM-Sales, Vodafone
Mr. Shailesh Agrahari	Director-Innovation, Philips Electronics (I) Ltd
Mr. Bobby Kurikose	Director- HR, Forbes Marshall
Mr. Sudeshan Gurnain	Dy. GM- Training, Bridgestone
Mr. Ajit Nayak	Director – India SI, HCL Technologies Ltd
Ms Ashwini Deshpande	Founder, Director – Elephant Strategy Design

<b>ENGINEERING EXCELLENCE AWARDS</b>	
Mr. Vijay Deshpande	Director-HR, Skoda Auto (I) Pvt Ltd
Mr. Karthik Mulakaluri	Dy. GM – HR, IBM (I) Pvt Ltd
Mr. Shirish Sabnis	AGM- Adv Tech & Innovation, John Deere (I) Pvt Ltd
Mr. Sheerang Tarte	VP-HR, Webonise Lab Pvt Ltd
Mr. Sanjay Khorate	Sr. Director – NTT Global Delivery Services Ltd
Mr. Arun Advirekar	Corp QA Head – Kirloskar Pneumatics Co Ltd Pune
Mr. David Sunderrdas	Director- Strategic Business, Siemens (I)
<b>SOCIAL WELFARE EXCELLENCE AWARDS</b>	
Ms Neela Onawale	Deep Griha Society
Ms Sheetal Jadhav	President – Paryavarn Sursaksha Samiti

The award ceremony was anchored by Mr. Sagar Naik. The talent pool from Indira presented three lovely entertaining acts including a welcome carnival dance, a medley with the theme innovation in love & a fusion musical treat 'Swaraaroha'. Director – Development & Technology Mr. Shankar Harinarayan, concluded the ceremony by giving the vote of thanks.







#### Value ADVENTURE PLUST® Outdoor Management Training MULTITHIRU STUDENTS (January 2014)

As a part of the Career Development Program, IGBS MBA students went to Outdoor management training at Adventure Plus, Mar. Dlac-Pinar. Outdoor management training was planned as a part of experiential learning. The students enjoyed activities like Rope Bridge, Rock Climbing, Air Rifle Shooting, Archery, Army Obstacle Course etc. It was a day with lot of memories and joy for the students. Not only students but family members also participated in every activity.



### **Indira Global Business School (IGBS)**

#### **Induction 2013**

Team IGBS had planned a Grand Welcome to the juniors. The theme was TRANSFORMATION. Entire Campus was decorated in the thematic representation of Transformation by the Students' Council. Transformation in the areas like Business, Sports, Culture, Automobile, Telecommunication, Technology, and Education was shown using several collages.

The 7 days long Induction Program was inaugurated by Dr. Radhakrishnan Pillai - a renowned author of the book "Corporate Chanakya" which uses the Philosophy of Chanakya in Corporate World. He is also the Trainer to various Industries and Academia. The inauguration was also graced by the presence of Dr. Tarita Shankar, Chairperson, IGI and Prof. Chetan Wakalkar, Group Director, IGI.





## **Indira Global Business School (IGBS)**

### **Dr. Sundeep Waslekar on India – In Search of a New Direction**

Dr. Sundeep Waslekar spoke elaborately on the current changes occurring in India with respect to the global scenario. Dr. Waslekar, highlighted five challenges which India need to tackle in the coming year. The first challenge he spoke on was 'How to get out of the 800 million trap'. Presently 800 million people of India are living on the periphery, means they are deprived of the physiological needs and are below poverty.

The first challenge, emphasized by Dr. Waslekar was on reducing the gap between rich and poor people. India as a country needs to focus on uplifting of this population and reduce the gap from 800 million to 500 million and keep on reducing it further.

The second challenge highlighted was 'how to respond to 4th Industrial Revolution happening in Physics & Biology. Dr. Waslekar said, with the research in Physics conducted by CERN in the Large Hadron Collider (LHC), the scientist have been successful in accelerating the neutrons close to speed of light. Once the barrier of speed of light is broken the entire laws of physics are bound to change. The process mapping of the entire human genome is already completed in the year 2001. This means it will be possible to clone an entire human being. India needs to focus their research on these two fields was the point highlighted by Dr. Waslekar.

The third challenge focused was to create citizenship equivalence. India being a democratic country needs to treat all of it citizens equally. This will only lead to growth in future. Citizen equivalence is the prime factor which differentiates an emerging economy and a developed economy.

The fourth challenge for India is related to creating creative collaboration between communities in India. All the population belonging to various communities in India must work together in a creative manner to bridge the gap between disparities and build a new roadmap towards prosperity.

The fifth challenge was regarding the synchronization between destiny and determination. Dr. Waslekar emphasized that every individual is destined to reach some or the other goal, but if the individual is determined to achieve a said goal, then the destiny will definitely take him/hertowards it.

The session was followed by question and answer session in which the students asked various questions related to the Brahmaputra river crisis between India and China, Biological warfare, India Pakistan relations, Syria war amongst other.

The session was concluded by felicitating Dr. Sundeep Waslekar at the hands of Dr. Tarita Shankar Chairperson of Indira Group of Institutes.







## Indira Global Business School (IGBS)

### **Mr. Chandrashekhar Tilak**

The afternoon session was conducted by Mr. Chandrashekhar Tilak, Executive Vice President, National Securities and Depositories Limited (NSDL). Carrying forward the theme of the day "India – In Search of a New Direction", sir spoke from the viewpoint of Indian economy and the affect of Politics on it. Mr. Tilak elaborately explained the concept of currency devaluation vis-a-vis the present downslide of Indian Rupee. Also explained to the students was the difference between the above two concepts and what it means for India and the common man when the Rupee is on a downslide.

Mr. Tilak opened up new avenues for the students, related to services sector and how the various companies are surviving it and measures the young generation can take to look at the present economic situation as an opportunity. Various other issues which India is tackling for the past many years were focused and also shed light on the various policy measures taken by the Government and Reserve Bank of India.

The session was followed by question and answers by the students. Mr. Tilak answered questions related to the gold deposits, the political scenario in India, the downturn in agricultural contribution towards India's GDP.

Dr. Chandrashekhar Tilak was welcomed by Prof. Chetan Wakalkar and felicitated by Dr. Tarita Shankar.







## Indira Global Business School (IGBS)

### **Convocation**

It was yet again a moment of pride mixed with nostalgia for the alumni of 11-13 batch of Indira Global Business School, Indira Institute of Management and Indira School of Business Studies, as we conferred the diplomas on them on 8th March, 2014.

The convocation ceremony was presided over by honorable Chief guest Mr. Vijay Deshpande, Head HR JK tyres accompanied by Prof Chetan Walkalkar, Group Director IGI and Directors of respective institutes.

The ceremony commenced with the procession led by the current and past presidents of the student council holding the flag of respective Institute, followed by the Chief Guest, Directors and Faculty members. The flags were handed over by the past president to the current president as a ritual for the convocation ceremony.

Dr. Renu Bhargava, Director ISBS delivered the welcome address to the enthusiastic passing out students. With deep emotions and a feeling of nostalgia, she said "The students of Indira are ambassadors of 'responsible citizenship'. They have been molded to exhibit the highest levels of integrity, commitment, loyalty and responsibility in doing their duty to corporate India, the world and by extension to society at large. I wish our young graduates success in all their endeavors and urge them to make us proud in every walk of life. Work with passion in your hearts so that success not only becomes a matter of course but incidental and work becomes its own fulfillment".

Prof Chetan Wakalkar was delighted to address the passing out students of Batch 2011-2013. He congratulated the students for accomplishing something very few people do – the gift of quality higher education. "As you step out into the world equipped with the ability to make this happen, it is time to step up and be counted. Be fearless and the door opens". He assured the students that the doors of INDIRA were always open for all guidance and support they might need at any phase of their life.

Gracing the Occasion, Chief Guest Mr. Vijay Deshpande was very inspirational in his words. He equipped the students with the powerful success mantra - "To have clarity of vision of goals in Life"

After the Convocation address the felicitation ceremony started with individual awards for excellence in performance.

The ceremony concluded with the conferring of diplomas to the graduates of batch 11-13.

## Indira Global Business School (IGBS)

### **CARE CLUB**

Wellness is a lifelong, interactive process of becoming aware of choices and making decisions, creating balanced fulfilling and successful life." Brahma Kumaris, Raj yoga centre.

Keeping above in mind, Dr. Tarita Shankar, Hon. Chairperson, Indira Group of Institutes has initiated and launched the Care Club at Indira Global Business School for the students and employees of Indira Group of Institutes, Pune. CARE stands for:

C= Counsel  
A= Advise  
R= Rise  
E= Evolve

### **ABOUT CARE CLUB:**

As per the Chinese Proverb, "Where mind goes, the body follows." Status of mind affects the body of the individual and may lead to physical health problem. Individual attitude is the imperative factor of thinking process. A positive attitude







creates positive thoughts and results.

In today's time everybody is exposed to environment full of complexities on personal as well as professional front. Managing personal and professional relationships has become a critical challenge since expectations on both these fronts are enormous.

This obviously leads to tremendous stress and if this stress is not handled carefully leads to loss of relationships causing intense damage in individual's life.

Social scenario has also changed with nuclear families significantly dominating a concept of a family. This is resulting in loneliness for children at home. On the top of it, parents have less time at their disposal to interact with their children and discuss their personal problems.

People are finding it tough to cope up with issues like work-life balance, occupational stress and career progression.

With this above background the Care Club has objective to contribute positively towards emotional wellness of students and employees at Indira Group of Institute, Pune

Following aspects are involved in "Emotional Wellness" on an individual:

- Expression of Emotions.
- Coping up with stress, failures and success.
- Adapting to a new environment, culture and people.

In such situations, a person needs proper counseling from someone who is caring and still gives a practical advice.

In CARE CLUB sessions Dr. Tarita Shankar personally extends the individual counseling to all the students and employees of Indira Group of Institutes, Pune



#### EXECUTION OF CARE CLUB

The Care Club sessions are held on Tuesday or Thursday of every week. Dr. Tarita Shankar Personally interacts and counsels students and employees. The CARE Club is nothing but the Concern About Relationships and Emotions. Care Club session is one on one interaction and counseling. The session has three steps:

- 1) **Listening:** The protégé talks and vents out his or her problems in personal life.
- 2) **Interaction:** Interaction between the Chairperson and protégé.
- 3) **Solutions:** Chairperson provides the solutions to individual problems and challenges based on her practical experience and philosophy.

Students find this interaction with the Chairperson as a golden opportunity to get practical advice on various issues faced by them in their life.



## Indira Global Business School (IGBS)

### IGBS WINS DHRUV 2014

Indira Global Business School, Parandwadi, Pune has won "DHRUV 2014" OVERALL CHAMPIONSHIP TROPHY. DHRUV is the event organized by the Department of Management Sciences, Pune University on 27-29 January 2014. SPORTS, CULTURAL AND MANAGEMENT EVENTS are the categories of the event in which INDIRA GLOBAL BUSINESS SCHOOL emerged as an OVERALL WINNER FOR THE CHAMPIONSHIP TROPHY by scoring HIGHEST POINTS. All the Management Institutes in the Pune region participate in this prestigious event every year.

Following are the details of participation:

NO	SPORTS EVENT	Participants	Result	Points
1	Tug of War	Boys : Suhail Shaikh, Ali Hyder, Najaf Parker, Sachin Bhole, Amit Belbhandare, Nikhil Wadkar, Dayanand More, Sharad Shrivastav, Sibin George, Umesh Waghmare, Abhijit Agawane, Vishal Patil.	Winner	5
		Girls: Bhavna Batra, Ketaki Mandhare, Bhagyashree Bagde, Deepika Sawant, Geetanjali Punia, Chaitrali, Roopal Goyal, Huma Ansari, Nikita Agarwal, Gazala, Anjali Sharma,	Winner	5
2	Table Tennis	Abhit Vetal	Runner Up	2.5
			<b>TOTAL</b>	<b>12.5</b>
NO	MANAGEMENT EVENT	Participants	Result	Points
1	JAM	Bhavna Batra	Runner-up	5
2	Marketti	Shreyas Chandak, Deepika Sawant, Bhumi Bhardwaj, Pallavi Zende	Winner	10
3	Feyof's Fantastic Four	T1) Shridhar Kadam, Vishvajest Patil, Rinky Soni, Nikhil Singh Wavare T2) Kiran Kad, Kamlesh Jagdhale, Mahesh Alhat, Ajit	Winner Runner-up	10 5
4	Olympus	Prashant C Katrabadi, Shridhar Kadam	Winner	10
			<b>Total</b>	<b>40</b>
NO	CULTURAL EVENT	Participants	Result	Point's
1	Fashion Show	Sonali Waghmare Viraj Deshmukh	Winner Runner-up	10 5
2	Drama	Rohit Ujagare, Sukesh Hadkar, Bhavna Batra, Saurabh Thakare, Rishabh Ranjan, Devduttalakhote, Darshana Goyal, Pankaj Guhser, Nilesh Vad, Himanshu Shekar, Sudhir Kumar Ghanshaym	Winner	10
3	Street Play	Saurabh Thakare, Rishabh Ranjan, Rinky Soni, Darshana Goyal, Pankaj Guhser, Nilesh Vad, Himanshu Shekar, Sudhir Kumar Ghanshaym	Runner Up	5
4	Collage	Bhagyashree Bagde,		5
5	Snap hunt (Photography)	Shreeprasad Gadkar	Runner Up	5
6	Ad-Zap	Aniket Aher, Sukesh Hadkar, Saurabh Thakare, Pankaj Guhser, Nilesh Vad	Winner	10
			<b>Total</b>	<b>50</b>





### Corporate Events Organized by IGBS

#### Finance 2020: The Next Best Practices for a Better India

Finance 2020 – the first finance summit of the Indira Group of Institutes, Pune was held on 26th October, 2013. Indira Global Business School was the host institute for this summit. On this occasion the top professionals in Banking, Financial Services, IT, Shipping, Mutual Funds and Manufacturing sectors were honored with the Indira Super Achiever Award in Finance. These awards were presented at the hands of Dr. Tarita Shankar, Chairperson, IGI, Prof. Chetan Wakalkar, Group Director, IGI and Ms. Madhuri Sathe, Exe. Director, Corporate Relations, IGI. The awardees shared their views on the next best practices for a better India in Financial Reporting, Mergers & Acquisitions, Risk Management and Financial Inclusion. Following corporate executives marked their presence in the summit as speakers:

1. Mr. Abhay Bongirwar – MD & CEO, IDBI Capital
2. Mr. Sandeep Gokhale – President, JSW
3. Mr. Milind Kulkarni – CFO, Tech Mahindra
4. Mr. Milind Barve – MD, HDFC AMC
5. Mr. Vinaykshirsagar – Senior VP – Accounts & Systems, Indian Register of Shipping
6. Mr. Raghavendra G S – CFO, ThoughtWorks
7. Mr. Ajay Desai – Senior President, Yes Bank
8. Mr. Dilip Apte – GM (Ret.) HDFC
9. Mr. Vikrant Ponkshe – MD & CEO, Cosmos Bank





## Indira School of Business Studies (ISBS)

### NATIONAL CONFERENCE 2014 - "ABHINAVAN"

"Emerging Frontiers in Management- Next Best Practices"

Successfully Concluded-On 18th Jan, 2014

An influential and intellectual group of management experts, thinkers and researchers were brought together by an initiative taken by ISBS through a one day National Conference held on 18th Jan 2014. This conference was the 2nd National Conference organized by ISBS.

With significant achievement in research learnings from last year's conference themed - "Sustainable Strategies in Dynamic Business Environment", the 2nd National Conference's objective was aimed to generate new ideas, to encourage discussions on emerging frontiers in management, and to foster an interest in innovations and best practices in management. It successfully accomplished this objective through the theme- "Emerging Frontiers in Management - Next Best Practices".

The conference was inaugurated by Dr Pravin Dange, Deputy Director ISBS.

Dr Deepali Raheja, Professor at ICEM was the key speaker. She commenced her keynote address by highlighting the theme of the Conference to be logical and a well deliberated choice. She enlightened the audience on "Innovation as the key element" to be adopted for next best practices in management.

There was a rigorous and focused exchange of ideas at the conference and out of these 3 papers were selected as the best ones and were rewarded with cash prize.

1st prize was given to the paper titled- "A Study on Consumer Behavior towards Modes of Shopping" presented by Prof. Srishti, Kevin Pereira and Arti Pawar

All the participants were given the certificate of participation along with the conference proceedings with an ISBN No- 978-93-81791-28-8. The best papers were further sent for publication in Indira Management Review Journal with an ISSN No. 0974-3928.

The conference concluded with a vote of thanks given by Dr. Bidyut Gogoi, HOD (Research and Marketing) after an indepth and well attended discussion on the thoughts, ideas and issues presented by the eminent speakers and researchers in relation to the theme of the conference.

The conference provided food for thought through different themes that emerged from each contributor.







## Indira Institute of Management Pune (IIMP)

### REFLECTIONS' 14 (INDIRAALUMNIMEET)

Reflections' 14 - An annual Alumni Meet of Indira Institute of Management was held on 1st Feb 2014.

During a day long event, Alumni participated in Panel Discussion in the morning on the topic "What Business Schools don't teach?" Students were benefited by the valuable insights shared by the Alumni.

Chief Guest for the evening session was Mr. Karthik Ramamurthy-Head, Business Consulting, Africa-India - Middle East, IPSOS Business Consulting. He shared a simple formula for living a cheerful life. He said, Ethical behaviour, Risk taking ability, Entrepreneurship and Positive attitude are the pillars for successful & happy life.

Dr. Tarita Shankar, Chairperson - IGI, shared with the audience, "Journey of Indira since 1994". She also expressed her gratitude for the valuable contribution made by the Alumni to their almamater. Dr. Pandit Mali, Director-IIMP said, time has come to 'Take a Pause and Think (TPT)'. Instead of running in a rat race, one should take a pause, relook, reflect and then move ahead happily.

As per the tradition of IIMP, distinguished students from IIMP were conferred Awards for Brand, Star and Asset of IIMP on this occasion. This wonderful session of nostalgia was concluded with cultural program presented by the students of IIMP.

### CURIOUS

A National Level Case Study Competition has proved it to be a platform par excellence for the aspiring managers to showcase and prove their problem-solving and analytical mettle.

'CURIOUS 2014' was organized by Indira Institute of Management for Post Graduate Management Students on Saturday, 15th February, 2014. The Grand Finale was attended by entrepreneurs Mr. S. M. Deo (Founder of Deoraj Enterprises and a pioneer in Pune on Industrial House Keeping Services business.) & Mr. R. C. Deo (CEO of Deoraj Enterprises.) who were on the panel of Industrial Judges including Mr. A. B. Chitnis (Ex-Vice President Operations, Bajaj Auto Ltd.) in presence of Director, Indira Institute of Management, Dr. Pandit Mali, Prof. Emeritus, Dr. D.M. Sarwate; Dr. S.P. Singh, Dr. Poornima Tapas, Faculty members and the students.

Curious 2014 witnessed a change in the format of the Competition. Unlike previous years, this time the competition was split in two phases. The 1st phase was an online round, wherein a live case was sent online and analyzed by the participants. Twenty top teams were shortlisted and the final round i.e. the 2nd Phase was conducted at 'Tapasya Campus' on Saturday, 15th February 2014. A different live case study was given to the twenty shortlisted teams. Round 1 i.e. the written case analysis of the Grand Finale was evaluated by academic judges viz. Prof. Rajesh Mudholkar, Business and Socio Economic Analyst, Dr. Daniel Penkar, Dean, S. B. Patil Institute of Management, Dr. Ashutosh Misal, Director - Novel Institute of Management Studies, Dr. Manickraj, Associate Professor, NIBM - Kondhwa. Top 10 teams were then shortlisted. These teams then their presentation of the case analysis in the presence of the Industrial Judges. Finally the winners were declared by Mr. S. M. Deo, Founder of Deoraj Enterprises.

Participants from over 40 renowned Management Institutes from all over India participated in Round One. The live case, written by renowned Consultant & Author Dr. D.M. Sarwate, inspired by the incredible true life experiences of entrepreneur, Mr. S. M. Deo & Mr. R. C. Deo and their enterprise 'Deoraj Enterprises' was given to participants for written analysis.

### THE WINNERS OF CURIOUS 2014:

	INSTITUTE	STUDENT'S NAME	REWARD
Winner	Symbiosis Institute of Management Studies, Pune.	Bhanu Pratap Singh Vinay Karthik	Rolling Trophy & Cash Prize of Rs. 51,000. (Sponsored by Mission Apollo)
1st Runner Up	Indian Institute of Management Raipur	Abhishek Tinalkar Shaily Agarwal	Cash Prize of Rs. 21,000 (Sponsored by Ozone Education Consultants Pvt. Ltd)
2nd Runner Up	MES Institute of Management and Career Courses	Ameya Potnis Arati Bulkar	Cash Prize of Rs. 11,000 (Sponsored by Rajesh Copiers Pune)





## Tapasya Gyanganga Lecture Driving Passion For Entrepreneurism

**DILIP CHHABRIA EXHORTS YOUNG GENERATION TO 'LIVE ON THE BRINK'**

**"SIMPLICITY IS THE BEST FORM OF SOPHISTICATION"**

**"THE DIFFERENCE IS DISRUPTIVE USP"**

**"OBSESSIVE PASSION IS THE SECRET OF OUR SUCCESS"**

**SUCCESS MANTRA - DON'T GIVE YOURSELF CHOICES, LIVE ON THE BRINK...**

The Tapasya Gyanganga Lectures of the Indira Group of Institutes saw the final event of the academic year this week, when Mr Dilip Chhabria, Managing Director, DC Design Pvt Ltd., gave away his mantra for success while speaking on Driving Passion for Entrepreneurism. If the students had expected the man who has put India on the world auto designers' map to be in-your-face, hyper-confident, flamboyant and a high-flier, they were in for a disappointment. For, Dilip Chhabria turned out to be quite the opposite - by his own admission shy, reticent and almost reluctant to talk about himself as he held forth to an audience of over 500 business management students. And so his session with the students was more an interactive and involved exercise, and less of an address to them. And the students hung on to every word he said, for every other sentence was laced with a message for the youth of today to eschew mediocrity, to aim high and 'follow your dream with 100% "obsessive" passion as opposed to mere passion that could be graded at 50% or 70% etc. Obsessive passion it was that set up Dilip Chhabria on the road to the top as ace auto designer in the world today. He explained the term with his own example - when early in his life he made up his mind about wanting to design cars, not engineer them and made it his life's



mission to prepare for the Big League - getting a Degree in Transportation Design from the Art Centre in Pasadena, California and then, quitting General Motors in a year because he felt 'stifled' in an environment that had 500 designers and he was confined to designing door knobs - an insult to his talent and yearning! Following his dream he returned to India and started off in a small way as a car accessories maker, and was already a leader in this field when he gave it all up and took the definitive first step towards realizing his "obsessive" passion for realising the mega dream.

What was the secret of his success? "Disruptive USP" which set him miles ahead of his contemporaries elsewhere as he gave his customers an aspirational product that was not available anywhere else in the world - at a price, in a time frame, and a quality - that was every customer's dream come true! How did he manage to impress the big automobile companies with his brilliance when he was still a small player, to take him on as a OEM





partner – and pat came the reply,” because we could make them feel stupid with the kind of product that we could roll out which they had not even thought about! Another home truth was his assessment that while huge corporates went the bureaucratic way about introducing a new line of product which could take anything upto 2 to 5 years to even come to the Board level for a decision, his was an enabling organization minus the bureaucratic trappings, since decisions were possible expeditiously and without a fuss... His advice to the young generation that aspired to replicate his example was – live on the brink, don't give yourself any choices because the availability of choices makes one complacent, and one does not give 100% to the dream, take calculated risks – and in the worst case scenario one might end up in failure, but cannot go hungry in today's world. And never let go of the fire in your belly. When asked by a student what he learnt from his biggest failure, matter of fact was his response, “I have never tasted failure..because each product we have brought into the market has excited us at DC design, enough to differentiate it from the rest of the products in the market... and this has been a single most important factor that customers find their aspiration being achieved in this product...”

His presentation included a session on his



portfolio of avant garde cars and a video representation of his latest creation that seduced the young crowd with its sleek, slinky and sexy lines and left them panting for more! That left no doubt in the minds of the students about why DC Design never had to face the recession or the vagaries of a business cycle!! Motivation is not something he needs to formally practice, as it percolates down from the top – and in his own words, every employee (over 600 strong) comes to work in the morning with adrenaline charged up to do what he did not do the previous day... And surprise of all, the company has had 0% labour turnover in its 20 years – anyone who joins DC stays back to enjoy the daily adrenaline rush!!





## Tapasya Gyanganga Lecture Youth At The Cross Roads : The Road Ahead.

When Dr Subramanian Swamy speaks, you can be sure there will never be a dull moment, and so it was as he held the audience spell bound in his hour long discourse on YOUTH AT THE CROSS ROADS: THE WAY AHEAD with a mix of humor, history, economics, spirituality and philosophy. His erudition and sheer depth of understanding of what ails India today came through as he deftly made his views known on the best way for the youth of today to harness technology and sophistication to uplift their lives – not just material but for a holistic and complete living.

Dr Subramanian Swamy is not the quintessential parochialistic, West-baiter who derides everything Western, but one who knows how to filter the chaff from the grain. He made a clear distinction between “modernization” and “Westernisation”, which are both often, mistakenly used interchangeably. Blindly aping the West at a time when the West was looking to India to lead it away from the spiritual darkness that it finds itself in, was not going to make a positive difference to our youth. Material comforts are okay to a point but beyond reasonability materialism becomes counterproductive and can be a precursor to decadence in society. For this reason, he prescribed that youth should adopt modern thinking to suit the Indian way of life; and quickly scale up to the 21st century by jettisoning centuries old baggage of superstitions, blind beliefs and dogmas – such as discrimination against women, casteism, resistance to advancement in science in technology, etc. Once India awakens to the virtues of modernizing its thinking and the value of its traditional living, it will become the envy of the world and the leader the world is looking for to provide peace and succor at a time of unrest and disquiet all over.

As an example of the West's losing the way in the rush for comforts, he quoted examples of the desperation with which Europeans and Americans are turning to Indian systems such as Yoga, Meditation, Vipassana etc to rid them of the cobweb of high living; how some of the biggest names in American film industry, politics, business etc are making a beeline for Ashrams in the US and in India to seek spiritual calm. His was a fervent plea to retain India's preeminent role in shaping the sensible thinking of the rest of the world from the beginning of civilization. Youth of India had a special responsibility in preserving our vast natural resources and harnessing them for







the common good of the population was the prime need of the hour, when irresponsible leaders have been squandering away our valuable and rare resources for personal pelf and gain. The blueprint for reconstructing India's crushed economy was almost ready with a new government likely to take over in June and his confidence showed up in the background of the authentic information he produced to substantiate it.

The interactive session that followed truly lived up to the reputation of Dr Swamy as a ready wit and intellectual par excellence, as he took on questions on a divergent list of topics that concern the youth of today.

Ms Tarita Shankar, Chairperson and Prof. Chetan Wakalkar, Group Director, welcomed Dr Swamy and Prof. PG Vijairaghavan, Editor, Tapasya and Convenor, Tapasya Gyanganga Lectures, introduced the Series and the guest to the audience. Prof. Pranav Vyas, HOD, PGDM, IIMP proposed a vote of thanks.





## Indira Institute of Management Pune (IIMP)



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### ATHLON 2014

Sports day of Indira Institute of Management was organized on the 22nd and 23rd February 2014. Athlon 2014 is an effort to inculcate leadership and team spirit amongst the students.

The event saw a participation of all the students from MBA first year and Second year. The event had sports like Cricket, Football, Badminton, Table Tennis, Chess, Carrom and Tag of War and a total participation of two hundred students overall.

A grading system was put in place and each team was graded accordingly. Further, the best athlete of Athlon 2014 will be awarded with an appreciation certificate and a Medal.







### BLOOD DONATION REPORT

The blood donation camp was organized on Friday, 14th february, at media centre, with the help of Poona Serological Institute Blood Bank. It began at around 1:00 pm and continued up to 5:00 pm, with a steady stream of donors throughout. The corridor of the floor of the college was abuzz with young guys and girls chatting with each other, happy to be able to play their part in lending a helping hand to people in the region.

The room was utilized for a thorough medical check-up of potential donors, as well as the donation itself, while on the other side donors could lie down and recuperate for a while before they leave venue. They were provided with water, biscuits and tea. It was great to see more people than pre-registration numbers turning up in the venue. This stretched the capacity of the blood bank, as a result of which the contact details of the donors were taken.

The samples were carefully sealed and transported away, while the volunteers and college staff helped in the clean-up of the area. There were smiles and laughter all around - a true embodiment of what we believe in - selfless service with a smile. The donors received certificate of recognition.

We thank Poona Serological Institute Blood Bank for coming forward for this great cause. IIMP is honoured and feel privileged to make Blood Donation an event of celebration.



**THIS VALENTINE'S DAY  
GIFT A GIFT TO LIFE!**

**CONTRIBUTE TO THE  
BLOOD DONATION CAMP**

**PLACE- MEDIA CENTRE,  
1<sup>ST</sup> FLOOR, TAPASYA BUILDING**

**DAY & DATE - FRIDAY, 14 FEB 2014  
TIME - 1 PM TO 5 PM**



