

NOTEBOOK

July 24, 2012 8:02 pm

An Olympic race from the bottom

By James Crabtree in Mumbai

The team at London 2012 hopes to break India's uniquely inept record, writes James Crabtree

Eighty-one proud Indian athletes will limber up for London 2012's opening ceremony this Friday, the country's biggest ever contingent. Each will have their eyes on individual successes. But some may have a larger prize in mind: losing, finally, their country's place atop the podium of global sporting underachievement.

India's is a uniquely inept record. It boasts only 20 medals from more than a century of participation, more than half in field hockey. In only two other disciplines – athletics and wrestling – has an Indian graced the winner's rostrum more than once. Athens 2004 produced just a single silver, in double trap shooting. Yet this was a considerable improvement over the previous three contests, which yielded none at all.

The question of why this nascent superpower, with its fast-growing economy and billion-plus population, is quite so athletically incapable remains unsurprisingly controversial here. Some feel their country is unfairly victimised, noting that neither Bangladesh nor Pakistan fare much better. Others veer uncomfortably towards physiology or social status: it is not uncommon to hear body size, or upper-caste views on physical exertion, as excuses.

Attitudes towards sport are more persuasive. There is a Hindi phrase – “Kheloge kudo ge banoge kharab, padho ge likho ge banoge nawab” – which translates roughly as “fool around and you'll be a flop but study hard to come out on top”. On this account, parents are to blame.

Then there is always cricket and the pull it exerts on the nation's sporting psyche. Indians often lament the lack of white outfits and red balls in the Olympics, as if the whole thing was designed to exclude events at which their country excels – a list to which one might add yoga, chess or algebra.

Yet in truth this most inglorious record probably flows from the same mix of grinding poverty and administrative bungling that dulls India's promise more generally. An academic paper a few years back made this point, noting that few here can “effectively participate” in sport, held back by everything from hunger and disease to dismal facilities.

The latter point rings especially true in Mumbai, a city of more than 15m with only a handful of municipal swimming pools. Things are said to be little better for the Olympians themselves, with plenty of stories about pistol shooters lacking practice bullets, or cyclists forced to pedal on streets outside crumbling velodromes.



Yet despite the frequently corrupt and feudal manner in which Indian sport is run, there are signs of hope. Four years ago in China the country won its first individual gold, in pistol shooting. This time, some whisper that India's largest contingent may turn out to be its best, with a female archer tipped for gold and a handful of marksman, pugilists and wrestlers competitive elsewhere.

"I think we might improve substantially," says Ayaz Menon, a sports writer based in Mumbai who is flying to London this week. "In Beijing we won three. So even if we win six it will be a big boost." The country's best hope of an athletics medal comes, appropriately enough, in the 20km walk. As India tries to move beyond sporting ignominy, it knows better than most that not every race is a sprint.

The flying Sikh

India's faint athletic hopes carry special poignancy for one man: 82-year-old Milkha Singh, known as the "flying Sikh". Born in Pakistan, Mr Singh lost his parents during partition in 1947 and fled to India as a refugee and orphan. There he set out, so the legend goes, on a mostly self-taught path to become one of the world's best 400m runners. His efforts culminated in heartbreak at the 1960 Olympics in Rome, where he came fourth after a photo finish.

Even in failure, however, he won the love of his countrymen, part of the reason his life story is now being made into a Bollywood movie. He recently said his "last desire" was to see an Indian come home from London with an athletics gold. And while the omens here are not all that promising, this is India – land of epic myths and improbable filmic endings, where there is always hope.

Shooting for his biopic was recently postponed for the summer, allowing actors to escape the midyear heat. But perhaps it was also the director hoping against hope that India's athletes could pull off a truly unlikely feat, sufficient to give this octogenarian hero his final wish. Bollywood movies always have a happy ending, after all.

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LUNCH WITH THE FT

December 14, 2012 5:51 pm

Chai with the FT: Ratan Tata

By James Crabtree

Over chai in Mumbai, the outgoing head of India's biggest conglomerate talks about how his job became a 'personal issue'



The dogs are the first thing you notice as you turn away from the hustle of downtown Mumbai and into Tata Group's modest headquarters. Two scruffy-looking specimens amble round the reception, while another lolls contentedly by the security X-ray machines.

The story goes that, one wet monsoon evening, Ratan Tata – head of India's largest conglomerate, one of the world's most influential industrialists and a keen dog-lover – decreed that any strays outside the complex be allowed to shelter. Some have never left.

The tale illustrates nicely why so many in India revere Tata, who at 74 is about to retire after more than two decades as chairman of the group, and whom I have come to meet for afternoon tea. He enjoys a perhaps unique status – part corporate titan, part secular living saint – a man with a reputation for decency and integrity in a country

where traditional moorings are thought to have been undone by corruption and rapid economic growth.

I mention the corporate slumdogs as we settle down to talk in one of the colonial-era building's private dining rooms. Tata, dressed formally in an elegant woollen suit and dark blue tie, smiles broadly and laughs. His face is tanned but lined, and he speaks with a gravelly American accent, a legacy of time spent studying architecture at Cornell University in the early 1960s.

He apologises for our meeting being over tea rather than lunch, blaming the hectic schedule

of his final weeks in charge. We are seated in red leather chairs around a large oak table, decorated with yellow flowers, and he mentions there is a secret button underneath, to summon waiters from a nearby kitchen.

Two duly arrive to take our orders, dressed all in white, bar a blue Tata logo on their shirts. It is a logo seen everywhere in India, from tea bags and trucks to the many schools and hospitals supported by the group's charitable arm. But the emblem is increasingly well-known abroad, after two decades during which the conglomerate and India itself have followed oddly parallel paths.

In 1991 Tata, who had joined the family firm from university and worked initially on the shop floor, took over as chairman from his uncle, JRD, who had been in charge for more than half a century. This was also the year in which India opened its economy to the world and both country and company have grown hugely since, with Tata now operating in more than 80 countries. What began almost 150 years ago as a small textile and trading operation has become India's most important industrial business, with operations stretching from steel and cars to power plants and IT outsourcing. This year it earned revenues of over \$100bn, more than half of it abroad, while employing around 450,000 people.

Yet despite earning a place among the top tier of global companies it remains an unusual group, with a complicated ownership structure linking its main holding company, Tata Sons, with more than 100 operating companies below. Tata Sons, in turn, is two-thirds-owned by a charitable trust, which distributed more than \$100m in profits to good causes last year.

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Tata himself stands out from other Indian tycoons: he lives an unpretentious life, holds only a small amount of the group's stock, and conspicuously does not appear on the annual Forbes magazine list of Indian billionaires. Later this month he cedes control to Cyrus Mistry, his 44-year-old deputy, who will become the first non-Tata family member to run the group since it was founded in 1868 by Tata's great-grandfather Jamsetji.

I'm struck by the fatherly manner in which he describes the year-long handover process. "What I've been involved in is trying perhaps to be there, but to step back, to let Cyrus express his views more at meetings, and to say less, unless I feel very strongly about something, and to give him his space in his position," he says.

Recalling his own first decade in charge – a period during which he fought a series of fierce internal battles to centralise control of the group, and gradually improve its performance – he singles out one particularly trying episode: the sale of the detergent and soap arm to Unilever in 1993. "The backlash that I got, both in the media and the stock market, and from our own employees internally, was scary for a new chairman – and in an environment where we had first and second-generation employees, and Tata employment was said to be lifetime employment," he tells me. "After that, I was very careful about what I embarked on."

Nevertheless, his second decade was defined by an adventurous rush for global growth, as Tata pushed his company abroad, aiming to capitalise on India's rising economic heft. This was especially true in the UK, where the group is now the largest manufacturing employer, a legacy of a series of eye-catching takeovers, including the purchase of steelmaker Corus in 2007, and struggling British carmaker Jaguar Land Rover one year later.

It is an expansion he looks back on with satisfaction but he admits to a few regrets too. "Where I feel that we perhaps have not succeeded as much as we should have, has been in meeting some of the goals of the mindset change that I'd hoped we should have – a flatter organisation, more interchange between companies," he continues. "But, at the same time, we did whatever we did without sacrificing any of our ethics, or value systems, including efforts made to draw us into the morass at the time of the 2G scam."

I had intended to bring up India's problems with crony capitalism, although I am a little surprised he raises this episode without prompting. The scam in question involved the corrupt allocation of second-generation telecoms licences in 2008, which Indian auditors later suggested caused the country to lose billions of dollars in tax revenues.

The Tata group was not implicated directly but Tata himself was later drawn in, via an episode known as the "Radia Tapes", in which secret government recordings of phone calls made by lobbyist Nira Radia were leaked to the press. Radia sometimes worked for the group, and the leaked recordings included a few conversations between her and Tata.

The controversy clearly still pains him. "We were cleared by the investigative authorities of any involvement in the scam," he says, with an injured look. "Nira Radia was in the middle of it. Certainly, we had operations and telephone calls with her, because she was our PR company, and so undoubtedly we had interaction with her through this time, and before that time, but we never lobbied or politicked as the media tried to insinuate."

At this point the waiters re-emerge, carrying individual trays with silver teapots and slices of dark brown plum cake. Either Tata's tastes are known to the kitchen – the tea he pours is just about the weakest I've ever seen – or he is too polite to complain. It isn't an entirely implausible thought: those who know him speak of his elaborate courtesy; he warmly thanks the waiting staff.

He takes his tea plain, while I opt for the more typically Indian "chai" – milky, with plenty of sugar. The tea itself is Tetley, an appropriate choice, given Tata's purchase of the British tea maker in 2000 signalled the start of his global expansions.

Of the group's later landmark deals, carmaker Jaguar Land Rover has proved a great success, boosted by soaring demand in China. Corus, now the European arm of Tata Steel, has done less well, following a drop in global steel demand. In retrospect, I wonder, would he admit the deal was a mistake?

"No, I would not. What we had no way of knowing was the economic downturn that would

follow ... The timing was inappropriate but not of our doing.” What does seem to rankle is the \$13.1bn the group paid. “When I told Tata Steel that we should buy it, it was about \$5bn, it was the way the management dragged on, almost trying to push the acquisition away.” It is a telling remark, and one which illustrates the challenges of running the conglomerate, where a chairman must manage by persuasion and moral authority, as much as by direct control.

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I ask about the project with which Tata is most personally associated: the Nano, an ultra-cheap car suitable for India’s poor. It was a pet project of the chairman, who is passionate about automobiles, but it has sold only modestly since its launch in 2009.

“I think there is no sense in saying that I’m satisfied. I’m very depressed. I think that we were too, how shall I say? Too satisfied. We had this terrific launch, a lot of global attention, the plant was almost ready,” he says, then explains with pleasing candour how production delays, along with problems involving the group’s car dealership network and advertising strategy undercut the project.

“When we had to go and market the product, we had been complacent,” he says. “But I still believe that it can be resurrected and it’s still attracting attention from countries like Indonesia and Malaysia, and we should exploit that.”

I take a bite of my plum cake. Tata hasn’t touched his but sips tea quietly as I ask for his views on India and its rapid recent changes. “I feel India is a country that really has an enormous amount of potential, has the human capital to succeed. But if you sit down and say, ‘Will it succeed?’, you see imbalances.”

He mentions various policy problems that hamper businesses, from energy shortages to land acquisition. Such things have been part of the reason his group has sought growth overseas, initially in Europe but, he says, in future more likely in Africa and elsewhere in Asia. “If we had the same kind of encouragement to industry ... I think India could compete definitely with China,” he says. “Certainly the political system in China could get more things done than a democracy might, but given even that difference, I think that India has a big market ... It has a rule of law, it has a common language. There are many, many things that stand in India’s favour.”

Our tea is now getting cold, so I ask about his own future plans. He has a reputation as a man who dedicated his life to his company; I ask if he now regrets not marrying and having a family. “They’re interrelated because, obviously, if I had a family, I could not have spent as much of my time involved with the group. And, things would be very different, in terms of eating, sleeping, living for your job,” he says. “And yet it hasn’t felt like a job. It’s been more like a personal issue. It hasn’t been for money, it hasn’t been for visibility. It’s just been the challenge and, to a great extent, the passion, in terms of how I have looked at my job.”

He is looking forward to his new role running Tata’s charitable trusts, in particular

developing projects on child nutrition, clean drinking water, and low-cost housing. “I don’t intend to have an idle time,” he says. Flying is another passion, and he mentions this may also occupy him more. “I fly in the company plane. Now that will have to change,” he notes, with a rueful smile. “So I’ve been looking at probably acquiring a small single engine plane, or a helicopter to keep my love alive.

“There are things like music and painting that I used to be involved in. We always miss something that we did at one time, and haven’t had the chance to do, and those kinds of things I probably want to try to get back,” he adds.

What about his own image? “I would hope that people would say that I was able to lead the group with dignity and that I tried to do the right thing. You never succeed, having that said, because you always have upset somebody or another, but I think that’s what I would like to be remembered for.”

With this rather modest statement, he says goodbye and heads off to meet a chief executive who has been kept waiting while we finish our discussion. As I walk out, the dogs are still sprawled out in the reception. I’m told later that their future in Tata’s lobby is secure, even after the man who granted them residency departs. They are unlikely to be the only ones sad to see him leave.

James Crabtree is the FT’s Mumbai correspondent

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Small Dining Room

Bombay House, Mumbai

Tea x 2

Plum cake

Total: Free

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January 13, 2012 9:28 pm

Elephant polo ... with the FT

By James Crabtree

When played in the Indian city of Jodhpur, the sport offers some exhilarating views

The risk of a lost ball is common to many sports, but few can be as unusual, or indeed quite as pungent, as that unfolding before me on the outskirts of Jodhpur.

I am standing on the edge of a playing field in a canary yellow polo shirt and Union Jack riding helmet, anxiously waiting to try my hand at elephant polo. The match in front of me, however, has come to a standstill – as an unfortunate official digs out a ball lost deep inside a large, yellowing pile of elephant dung.

The commentator seems unperturbed – “Ah, it’s got stuck in the poo ... well there really is nothing you can do about that, is there?” – and the ball is retrieved. But on-field droppings turn out to be the least of the hazards presented by this most lumbering of sports.

To its adherents, elephant polo is an increasingly mainstream pursuit. Tournaments have sprung up across south Asia. There is an annual world cup in Nepal, and even something approaching a governing body: Wepa, or the World Elephant Polo Association.

The rules seem straightforward too, and are explained in the pre-game briefing by Roddy Sale, an old-Etonian banker and longtime “ellie” polo enthusiast. He is to be our referee, and is dressed in khaki trousers, brown suede shoes and a pith helmet. There are three elephants per side, each carrying two humans: one rider, and one trainer, known as a mahoot. The latter steers the elephant; the former attempts to hit the ball.

Yet if these basics seem simple, other complications quickly become apparent. Even from the sidelines it is clear that making contact with a tiny white ball via a spindly 9ft mallet would be tricky, even were one not perched atop a 2-tonne animal. Communication is also an issue: the mahoots don’t speak English, so directing them is all but impossible.

There is a further, less obvious worry: class.



Mounting, mahoot style

I am a guest at “British Polo Day”, a series of weekend jamborees stretching from Dubai to Singapore. On this December morning the event is making its debut in Jodhpur, a picturesque Rajasthani town better known for its pretty blue buildings and stunning hilltop rock fort.

Founders Tom Hudson and Ed Olver, two amiable university friends turned polo entrepreneurs, make a decent fist of claiming that polo is an under-exploited weapon in modern Britain’s soft-power arsenal. Even so, an upper-crust, almost imperial tinge is undeniably part of the charm of the event.

My match-day breakfast, for instance, is disturbed by distant booming. Only later is the source revealed: a 21-cannon salute, in celebration of an heir, born overnight, to the son of the local Maharaja.

Elsewhere the weekend’s entertainment is heavy on establishment contests. Eton is set to face off against Mayo College (the “Eton of India”), followed by a match between the Indian and British armies. The elephant polo is also a military affair: Cavalry vs Guards. To participate I have been given temporary regimental affiliation, on the Cavalry side.

The spectators look minded to take their polo seriously, and so fearful am I of making a fool of myself that I walk over to the staging area on the far side of the field before the match, to seek tips from the trainers.



The match in 'full swing'

The waiting elephants are strikingly beautiful, with long, dark eyelashes and colourful match-day face paint. All are female (the males being difficult to control) and come with inappropriate names, such as Anarkali and Chamelli, after dainty Bollywood heroines. The

trainers describe the game in almost mystical terms, stressing the unknowable combination of rider, mahoot and elephant necessary for victory: “Only on the field will you know,” one tells me. This is hardly reassuring.

All this said, however, the most worrisome thing remains the most obvious: this is a sport that involves actually riding an elephant. Their vast, barrel-like bodies, in particular, seem quite unsuited for human passengers. This only becomes more apparent as I mount my own, with the help of a small wooden ladder propped up against its belly.

A subtle flick from the mahoot and the elephant rises up. We are airborne. I consider the situation. My feet are wedged wide apart, in stirrups dangling on the upper reaches of the animal’s flank. There is no saddle. Balancing precariously, and with one hand grabbing tight on to a rope wrapped round the elephant’s stomach, I take an exploratory swish and very nearly drop my mallet.

As the opening whistle blows, it is the acceleration that is most striking. Before the match a friend warned me gently that this was “not the most fast-moving of sports”. Her words come back to me as the animals lurch tentatively forward towards the ball, reaching it some 15 seconds or so later, before stopping in a clump.

The play that follows is what you might call uneven. The players lean off to either side of their mounts, hoping to catch sight of a ball hidden far below amidst a dense thicket of grey flesh. Mallets are wielded. Now and again someone even makes contact, and the ball is pushed a few feet forward. The elephants then lollop after it, stopping only occasionally to snack on a patch of grass.

Up on top it is an exhilarating experience. From the spectators’ point of view, however, I fear the proceedings provide just the visual excitement one might expect from a group of mostly stationary animals. It certainly proves testing for the commentators, and leads to much sub-Test Match Special musing, of the “oh what a wonderful sight they do make” variety.

Communication with my mahoot also proves awkward, but any grumbles on my part pale next to his own frustrations. Within minutes he has sensed my incompetence, and begins – subtly, at least at first – to grab my mallet and direct it towards the ball. Unhappily his efforts do not go unnoticed. I grimace as the commentator, grateful for a speck of intrigue, intones loudly: “Now then, not only is this one steering the elephant, he is actually helping James Crabtree steer the ball as well!”

My humiliation complete, the game is heading for a no-score draw until one of my teammates suddenly makes solid contact, and sends the ball sailing more than 20ft up the



James Crabtree with his mahoot: 'within minutes he sensed my incompetence'

field. Exhibiting what under the circumstances might be called a burst of speed, his elephant dawdles after it.

Two further palpable hits follow, both made with envy-inspiring 360° mallet swings. One further hit and the ball dribbles over the line – to jubilation among the players, and soft murmurs of approval from the crowd.

Ultimately the other side snatches a goal back, and the game ends 1-1. It is a creditable result, and the riders congratulate each other. I am content with my performance. I made contact with the ball on a handful of occasions, some of which were unaided. I also didn't fall off. As I dismount, aching from the legs, a nearby elephant signals its satisfaction by urinating expansively. Many litres hit the ground with a loud, sudden slap. The ball, thankfully, is nowhere nearby.

James Crabtree is the FT's Mumbai correspondent

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November 16, 2012 7:03 pm

Hooked on Bombay



By David Pilling

Jeet Thayil's 'Narcopolis', pipped at the post for this year's Booker, is a nostalgic and deeply personal evocation of the vanished opium dens of the city he refuses to call Mumbai



The first reviews of *Narcopolis*, Jeet Thayil's novel set in the opium dens of Mumbai, were not flattering. One Indian reviewer pronounced it the worst novel ever written in the English language. The prestigious magazine *Outlook* devoted the tersest of paragraphs to the book, which it dismissed as "sleaze" and an "Orientalist's wet dream".

It was only when Thayil's debut novel was longlisted, then shortlisted, for this year's Man Booker Prize that reviews turned favourable. (The book eventually lost out to Hilary Mantel's *Bring up the Bodies*.) Indians, 53-year-old Thayil could not tell anyone elsewhere about what to appreciate in their own culture. "I hope one day there'll be some kind of confidence in our culture," he said at Hong Kong's Literary Festival.

Narcopolis is not sleazy. Its language has a languorous, poetic beauty. There is plenty of the rough-and-ready street language that flows on the streets of Bombay (Thayil refuses to use the name Mumbai, for reasons I shall come to later). The novel rescues literary virtue from even the coarsest of language. The first seven pages are written in a single, snaking sentence, mimicking the dreamy experience of smoking opium.

The protagonists inhabit a squalid environment of drugs, brothels, thuggery, sexual violence and poverty. Thayil's achievement is to conjure from this world something humane and, like the marginalised characters of Dickens or Dostoevsky, to make us care. "There's brutality but also beauty, I hope," he says.

That applies above all to Dimple, the central character of the book, a hijra or "female eunuch" sold into transgender prostitution and castrated as a young boy. "She's based on somebody I saw two or three times in a den on Shuklaji Street," he says, referring to a street once lined with opium dens. "Then she disappeared, as people in that world often did. I remember watching her as she made the pipes. She was absolutely self-possessed, quiet, elegant, attractive and very polite. I only spoke to her maybe once, but she always stayed in my head."

Even more central to the novel than Dimple is Bombay itself. Thayil rejects "Mumbai", which he calls the "M-word". The new name, he says, was forced on the city by Shiv Sena, the rightwing Hindu nationalist party. For Thayil, that change in the mid-1990s symbolised a loss of tolerance. "It's always been a place where you find Hindus, Muslims, Christians, including Catholics from Goa and Protestants from south India, many Parsis and Buddhists. You can find Buddhist temples all over Bombay, including Japanese Buddhism," he says. "That is the great Bombay tradition: tolerance and open-mindedness. If you had talent, ambition, money, beauty – that's where you went. It was a magnet."

The rise of militant Hinduism changed all that, he says. In the 1970s, an effort was made to turn opinion against south Indians. When that didn't work, Muslims became the chosen object of mistrust. "They clicked that switch on," he says about prejudices, previously contained, within the city's kaleidoscopic community. In 1992 and 1993 anti-Muslim riots erupted in which 900 people died. They were followed by retaliatory bombings, allegedly with gangland support.

Thayil says Mumbai's loss of forbearance reflects a nationwide trend. His father once told him about a street in Kerala, the southern Indian state where Thayil was born, that is supposedly the loudest in the state. It has a temple, a mosque and a church in close proximity, each blasting its message through loudspeakers, each trying to drown out the other. If the religious gap has widened, so has the wealth divide. "The rich have become inconceivably richer and the middle class have become richer too. But the poor are the great majority and they have not become richer by any means. And the minute you step out of the cities, nothing has changed in 300 years in those villages." The term "India Shining", once used to describe an India that was supposedly rattling towards prosperity, was nothing but an advertising slogan dreamt up by a Bombay advertising agency, he says.

Narcopolis, set in the 1970s and 1980s when Bombay was Bombay, has a nostalgic feel. In the opium dens, at least those of Thayil's imagination, people from different communities got along. "It was a slow, romantic, beautiful world," he says of those who gathered to smoke from 500-year-old

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Chinese opium pipes smuggled out during the cultural revolution. Not that he shies away from depicting the violence that he says is endemic to Indian cities. "We're supposed to be this peaceful, non-violent, vegetarian race. Are you kidding me?" he says. "You live with the knowledge that life and death are entirely random occurrences. The kind of traffic accidents you see – a guy lying by the side of the road, with nobody stopping. The only way to live in some Indian cities, and especially Bombay, is to have a strategy to deal with the horror you see every day."

Yet Narcopolis manages to be a love letter to Bombay. "I arrive. I get off the plane and I know I am in one of the great cities of the world," he says. "It's a hell of a life ... and addictive too. You live there for a while and you get hooked."

In Thayil's case, getting hooked in what he calls "The City of O" was more than a metaphor. As a 16-year-old boy, he was dispatched to Bombay from Hong Kong where the family had been living. Thayil had run into trouble at school, as well as with the police, over drugs, and his parents sent him back to India to straighten him out. Little did they know that the place they had found for him to live was within a 15-minute walk of Shuklaji Street, home to the city's notorious opium dens.

Thayil lost 20 years to addiction. After five years living in Bombay the opium dens were closed and gangs started pushing even harder drugs. "All the people who had been living fairly healthy lives smoking opium switched to heroin. It was deadly. Very soon, they were dying." Thayil managed to stay alive, holding down a steady job as a journalist, both in India and New York. But his writing ambitions were lost in an opiate fog. "I feel it was 20 wasted years. I did no real work."

Only when he finally kicked the habit a decade ago did he begin to work seriously as an author. He has since written and edited several books of poetry and produced a libretto for an opera, Babur, about the ghost of India's first Mughal emperor wandering modern-day Britain. Narcopolis took many years to write. While poetry came to him in a flash, struggling through prose was a joyless slog, locked in a room from nine to five.

Now living in Delhi, he is close to completing a second novel in which one of the characters who fleetingly appears in Narcopolis takes centre stage. The new novel has nothing to do with drugs or Shuklaji Street. That part of Thayil's life is over. Still, he harks back to those times. "When I think of the opium days I am filled with nostalgia," he says. "Opium fills a hole, perhaps a God-shaped hole. And I have to say, I do miss it."

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David Pilling is the FT's Asia editor. 'Narcopolis' is published by Faber and Faber

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November 16, 2012 4:01 am

India's billionaires club

By James Crabtree

Hear the views and taste the lifestyle of some leading members of India's growing elite



Rakesh Jhunjhunwala, self-made stock market tycoon, in Mumbai

Five hours in, and I'm beginning to understand the warnings: an evening on the town with Rakesh Jhunjhunwala is not to be taken lightly. A night that began over a \$450 bottle of whisky, on the 15th floor terrace outside his office in the heart of downtown Mumbai, has wound on to a local watering hole, and now to a favourite Chinese restaurant nearby. I am much the worse for wear. He is just warming up.

Often known as "India's Warren Buffett", Jhunjhunwala is a colourful financier with outspoken views to match his stock market acumen. He says he started investing with just \$100 of start-up capital. Now he has \$1.25bn, according to the latest Forbes rankings, the first to join India's growing band of billionaires by working the markets alone. He cuts an outsize figure too. This is partly physical: Jhunjhunwala is a large man, with a rotund face and a protruding stomach that gives his white shirt a tent-like appearance; his bulky diamond ring is

sufficiently sizeable to distract from the many cigarettes he smokes. "I only manage my own money, not for anyone else," he tells me as the night gets going, a generous glass of Johnnie Walker Blue in hand. "I like my freedom, boss. I don't want to be answerable to anyone. F*** 'em. That is why I can say what I want."

Even more than this plain-speaking, however, Jhunjhunwala has won recognition for his relentlessly upbeat views about Indian growth. Known as the "big bull", he made his fortune spotting undervalued companies which went on to prosper as the country's economy leapt forward over the past decade. "The factors that drive India's growth," he says, "are irreversible – the democracy, the demographics, the entrepreneurship. Much more is going

to come in the future.”

It was these investments that in turn propelled the 52-year-old investor from a modest middle-class background into his nation's burgeoning billionaires club. Ten years ago this group was not yet half-a-dozen strong; today it has grown to 61, with a combined worth of \$250bn, which on some measures places India second only to Russia among major economies for concentration of wealth among its very richest citizens.

This is the story of modern India, one in which huge fortunes are amassed as the country's old system of soggy socialism and international isolation is overturned, and sectors from banking and media to telecoms and financial markets are transformed by international investment and increased competition. As a result, growth rates rose ever-higher, coming within a whisker of 10 per cent in 2010 and prompting talk that India might soon roar past China to become the world's fastest-growing major economy.

But it is a story with a darker side too. Some of those who prospered in this heady moment, including Jhunjhunwala himself, made money with their reputations intact. But others rose less cleanly, building fortunes off the back of their country's lethargic but graft-ridden political system – part of the reason why the country's growth has flagged badly over the last year. And it is this second group, the beneficiaries of a nexus between India's government and its tycoon class, that lead many to worry that an era of crony capitalism is now undermining the country's hopes for future growth and development.

“It really is a remarkable change, which has happened mostly over the last 10 years or so,” says Ashutosh Varshney, an academic at Brown University who has compared contemporary India to America's “Gilded Age”, the late 19th-century era of robber barons and rapacious industrial capitalism. “Any economy that grows as quickly as India's has is bound to generate enormous human temptations. These very rich people have started buying politics, and the great churning in India you see against corruption is essentially about the purchase of politics by the wealthy.”

So who are India's new business elite, and what do they think about the wealth amassed by their peers? I decided to meet a handful of them, as part of my attempt to answer a more simple question: is this extraordinary rise in the power of the hyper-rich harming their country?

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I step into Rakesh Jhunjhunwala's office on a sweaty October evening, just after the end of the monsoon rains, to find him parked behind his desk, watching data whizz by on five computer terminals. He seems glued to the screens, stopping only occasionally to grab the phone and bark “buy” or “sell” instructions in Hindi. I can make out only the amounts, which appear to involve millions of dollars.

The terrace outside provides a pleasing view over India's financial capital, with glimpses

between the nearby tower blocks to Malabar Hill, the elite neighbourhood over the bay where Jhunjhunwala lives with his wife and three young children. A little further to the north stands Antilia, the 27-storey home of Mukesh Ambani, India's richest man. This grandiose building, completed in 2010, came to symbolise the excesses of India at that time: a residence that probably cost more than \$500m, standing atop a city more than half of whose residents live in slums.

Yet while Ambani inherited the basis of his fortune, a trait he shares with most of his fellow billionaires, Jhunjhunwala came from more modest beginnings. "The Ambanis and all these big industrial houses, they are empire builders. They have inherited legacies. I inherited no legacy," he tells me. Instead he picked up an early interest in stocks from his father, a minor government official who talked about markets with friends in the evening, over a drink. "I was a very, very curious child," he says, and a teenage interest in markets soon led him to become a full-time trader and investor. "It was the Wild West," he says of Dalal Street in the early 1980s, the equivalent of Wall Street in a city still then known as Bombay. "But I always thought India would shed its socialism, and if there were new temples in India, they would be its stock markets."

A few glasses later, I ask about his approach to investing, and am given an early taste of his ribald sense of humour. "Markets are like women," he says: "Always commanding, always mysterious, always uncertain, always volatile, always exciting!" He then asks me to turn off my recorder before launching into a bawdy (and clearly frequently repeated) soliloquy on why markets are also like sex, which I pledge not to repeat.

The prior line was one I'd actually heard him use before, during a bravura, finger-jabbing performance at a conference the previous week, when he conducted a screaming argument with a fellow panellist, and won laughs for claiming that Mumbai would never succeed as a global financial centre until it had better strip-bars and nightclubs. This is the flamboyant side to his character: one confirmed by the Bentley he keeps at home, the private jet he says he plans to buy, and the 50th birthday party for which he flew more than 200 friends to Mauritius.

Yet a capacity to shock and a taste for luxury aside, it was Jhunjhunwala's eye for equity market bargains that truly brought him to prominence, and in particular his predictions of a boom at the start of the last decade. In 2002, he wrote an article arguing India was "at the threshold of a secular and structural bull market", as government reforms bore fruit. "I am shouting at the top of my voice in 2003," he recalls, as we move on towards dinner. "Buy, buy, buy! Sell your bloody wife's jewellery, and buy!"

It was a prescient call. India's markets went on a five-year tear, and a number of the companies in which he invested rose in value many times over. The country flourished too, with a jump in growth rates buoyed by a flood of international money and record corporate profits – and the list of dollar billionaires grew ever more crowded, Jhunjhunwala now among them.

Other fast-growing emerging markets have witnessed comparable expansions among their wealthiest citizens, of course. Yet beyond the rise in the number of billionaires and the absolute size of their riches, India's boom was also remarkable for the sharp rise in the share of the country's wealth this tiny group held – a fact confirmed in research by Michael Walton of Harvard University and Aditi Gandhi of Delhi's Centre for Policy Research. Their analysis shows a striking increase in these holdings, relative to the size of the economy. In 2003, the billionaires' share stood at just 1.8 per cent; five years later it had ballooned to 22 per cent. Much of this flowed from the rocketing stock market, which bumped up the equity the tycoons held in their own companies. This in turn explains why the figure has since fallen back in the aftermath of the global financial crisis, to around 10 per cent.

Even so, some of those who prospered during India's great opening up say such increases in wealth are not a special cause for concern. Take B.K. Modi, a charismatic industrialist who also often turns up in Forbes' rich lists, who made his fortune by tying up with western companies like Xerox, as they sought entry into India's fast-growing markets.

"There was always this affluent lifestyle in India," he tells me, sitting in his plush and recently refurbished residence overlooking Mumbai's exclusive Juhu beach, wearing his usual straw-coloured hat. "It is not something especially new. Some people say business people have become the new Maharajas," he says. "But if someone has created wealth through growing share value, that is accepted as OK."

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This is a sentiment I also hear from Subhash Chandra, the head of ZeeTV, which 20 years ago opened up as India's first satellite television station, kicking off a raucous media revolution in a country that, until then, had just one stodgy government-backed station. Over the next two decades, Chandra has become arguably his country's most prominent media tycoon. He is now also its 23rd richest man, worth \$2.9bn.

"Our country has come through 400 or 500 years of slavery, right from the Moguls to the Portuguese, then to the British," he tells me in his office in midtown Mumbai. He's dressed in a sharp suit, with a distinctive, elegant stripe of white hair above his forehead. "Our people were suppressed for maybe 800 years. That is changing."

Others see the last decade as a less positive period, where wealth has become increasingly



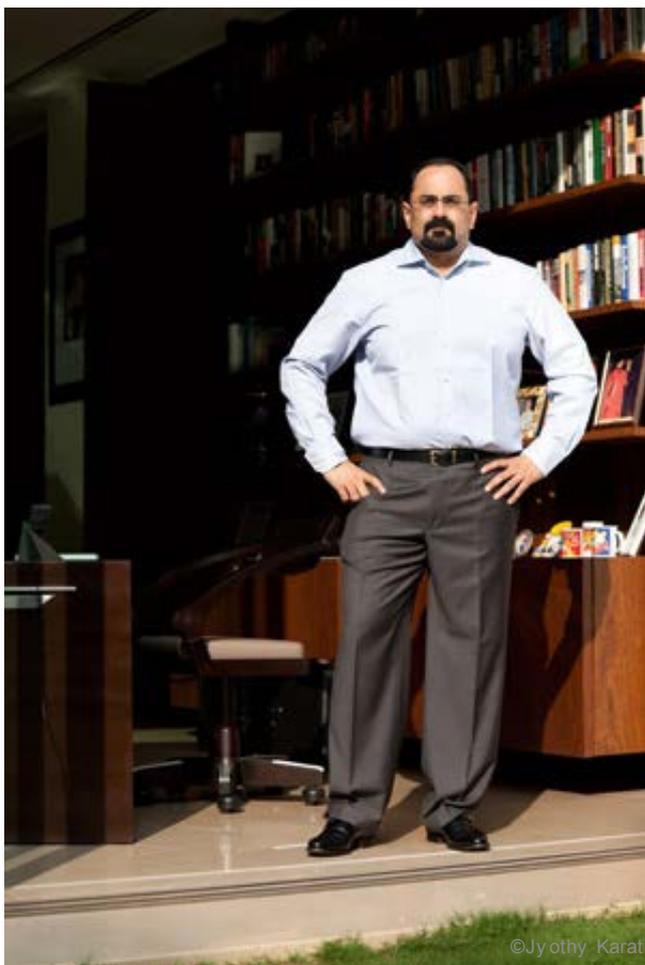
bound up with another of the country's most vexing problems: corruption. One is Rajeev

Subhash Chandra, media mogul, founder of India's first satellite TV station

Chandrasekhar, a former technology entrepreneur. In 2005 he sold BPL Mobile, his telecoms business, for Rs44bn (\$817m), taking his own place in the upper echelons of India's monied class, before moving into politics as an independent member of the country's upper house of parliament.

"Until roughly the year 2000, becoming a billionaire was something that everybody saw as a good thing in India. They saw it as a coming of age," he explains, as we sit in his home in a fancy neighbourhood of New Delhi. "Now being wealthy has been given a bad name."

The generation that rose in the period immediately after India's reforms in the early 1990s amassed fortunes in areas such as information technology and outsourcing, he contends. However, recent times have seen a more troubling economic trend. "In the last decade, almost all of the billionaires created in India have been created because of the proximity to politics," he says. "They have been created in specific areas where government policy determines whether you make a billion or you don't, which includes land, real estate, infrastructure, and natural resources."



Rajeev Chandrasekhar, venture capitalist and independent member of parliament

It is a claim at least partially backed up by Walton and Gandhi's research, which found that nearly half of India's billionaires have made their money in sectors that the duo describe as "rent-thick" – ie where profit is dependent on "economic rents" for access to scarce resources, such as land or the telecoms spectrum, which are typically only available via government permissions. Such sectors can be lucrative, but they also often provide a Petri dish for corruption.

"I don't come from the school of thought that creating a business is bad, or that having a jet is bad, or that having a Lamborghini is bad," Chandrasekhar says. "I have a Lambo, I have a jet. I enjoy all of that." But he suggests that India's trend towards cronyism is worsening, and that it has taken an even more malevolent turn of late, as politicians find ways not just to extract money from the wealthy proprietors of businesses, but also to become such themselves.

"We have a completely unique phenomenon in India, which I call political entrepreneurship, that has taken root in the last five to six years," he says. "They [the politicians] are saying: 'We don't want briefcases full of cash and Swiss

bank accounts and all that any more. We want to own businesses ourselves. We want equity stakes.’ ”

The result is a cadre of Indian politicians who are thought to have quietly amassed gigantic fortunes by helping companies they themselves own, either directly or indirectly through their families or associates. A small number, Chandrasekhar hints, would take their place on Forbes' billionaires list, had they not cleverly disguised the true extent of their gains.

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Such claims cast a shadow over India's economic rise. The country has become more prosperous over the last decade. Its elite has become much richer, and is set to become wealthier still. A recent report from Kotak, a Mumbai-based brokerage, suggested that some 62,000 Indians had a net worth of at least Rs250m (\$4.6m) last year, and that group is set to grow more than threefold by 2015.

But the nation has become less equal too, and the benefits of growth seem to have flowed disproportionately to those at the very, very top. It is a development that leads some to issue stark warnings. “If you don't make sure that the wealth is distributed to a wider group of people, if you are amassing the wealth to yourself more and more, I'm telling you, a day will come when people will take you out from your houses, and throw you out,” says ZeeTV's Chandra.

Others are more phlegmatic, believing that public anger will ultimately force a response from the political system. “Democracy is being corrupted and subverted in India,” says Brown University's Varshney. “But democracy has a way of self-correcting, just as it did in a similar period in America more than a century ago.”

As my evening with Jhunjhunwala comes to an end, he offers me a lift home and I flop unsteadily into the back of his Mercedes, while he ponders the same issue. The business empires, the industrial conglomerates and inherited family dynasties that dominate his country's business landscape will decline in time, he says after some thought. He goes on to cite an old Hindu saying, that wealth will always peter out by the time it reaches the seventh generation. For himself, he says he avoids such troubles simply by steering clear of politics.

“I have no dealings with the government. I haven't taken any licences, I don't own any coal mines, I have no politicians as friends, I never go to a government office.” And last year he also announced plans to give a quarter of his fortune to charity, a move inspired by the investor to whom, in India at least, he is so frequently compared – Warren Buffett, who has cajoled many of the world's wealthiest into handing out more of their money.

“Maybe I'll make it half, who knows?” he says. In the meantime, his ambition remains the same. “I want to earn the greatest wealth in the world, but with the greatest practical integrity.” It is an ambition that many of his countrymen might wish others like him would share.

James Crabtree is the FT's Mumbai correspondent

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