

TOP IPOs

INC.
INDIA
500

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Going public is a big milestone for a business. The year 2010 was a hectic year for our honourees with 24 companies going in for an IPO. Our pick of some popular listings.

RAJESH AGARWAL | BS TRANSCOMM

Three Year Growth **38.1%** | 2010 Revenue **₹521 crore**

My ambition
doesn't
allow
me to
sleep

When we launched the issue on October 6 last year, JM Financial, our merchant bankers, had a very strong commitment from the funds. But what happened was that there was a rally of issues in September. All of them listed in the first week of October. In fact, there were five IPOs in three days. None of those issues did well. The people who had committed to us suddenly felt the valuations were very high. Till the evening of October 7, we had commitments. Next morning, those who

Rajesh Agarwal's apprenticeship began early. As a 15-year-old, Agarwal split his days between school and his family's steel plant in Nagpur. The happy balance didn't last long. Two years later, after his father expired, Agarwal dropped out of college, enrolled into a correspondence commerce degree, and shadowed his uncles to learn the business inside out. But his wings couldn't be accommodated in a tightly-knit family concern. In 2003, along with his two younger brothers, he opted out to voyage alone. With a few lakh rupees, they launched a steel trading business and an IT firm. Since then, Agarwal has dabbled in multiple businesses. He's hit the big league with BS TransComm, his four-year-old company. Hyderabad-based BS TransComm manufactures telecom and power towers and offers end-to-end turnkey solutions to manage this infrastructure for nearly 6,000 towers across India. In October 2010, it also went public. Contrary to their targets though, the listing wasn't the stuff of breezy business dreams. Agarwal talks about those interesting days and much more here.

AS TOLD TO **SHREYASI SINGH**

committed had stopped taking calls from our merchant bankers. We weren't able to push them. So, we extended the issue by three working days, and lowered our price band to ₹248 to ₹257 per share, from ₹257 to ₹266 per share.

It was stressful but I was very optimistic that things would be just fine. They'll end well. In fact, I had a good time in Mumbai because my wife had travelled with me, and my brother had come from Nagpur. We went out for dinner with friends every night and watched movies in the evening. During such stressful times, you have to detach yourself from the problem. Taking a break also helps your mind think up fresher ideas. There wasn't much I could do anyway. When the issue was extended by three working days, a weekend fell in between. Nothing could be done then, in any case. Obviously detaching yourself isn't all that easy. You have to try hard to make it happen.

The stock market is the craziest phenomenon possible. Things change very fast at the bourse. You can't blame your merchant bankers or start pointing fingers. Nobody can absolutely time this perfectly. Till the meter doesn't show, it doesn't show. Like I said, this didn't give me sleepless nights. I had faith things would end well. And they did. We raised ₹190 crore from our listing.

Yes, the listing has taught me one thing—you cannot just outsource this to your merchant bankers, or anybody else; you really have to lead yourself. There are no regrets but I feel we could've done more. Before the listing, people would call me to say they'll subscribe and we would say a straight no because we were so confident. We had just left it to our merchant bankers.

Getting listed felt good. It's like we have climbed another step. We had tried to list our family firm in 1993 but had to abandon



POPULAR LISTINGS

These are some of the most prominent IPOs from last year. They successfully navigated the stock markets. Between them, these 10 companies have increased their market capitalisation by ₹1,285 crore since their listing.

COMPANY NAME	SECTOR	LISTING DATE	OVER SUBSCRIPTION
Persistent Systems	IT&ITeS	4/6/2010	92.91
DQ Entertainment (International)	Media & Entertainment	3/29/2010	69.8
Man Infraconstruction	Infrastructure	3/11/2010	62.84
ARSS Infrastructure Projects	Construction & Real Estate	3/3/2010	51.32
Gravita India	Engineering	11/16/2010	42.24
Career Point Infosystems	Education	10/6/2010	41.24
Infinite Computer Solutions India	IT&ITeS	2/3/2010	36.05
Eros International Media	Media & Entertainment	10/6/2010	24.52
Tecpro Systems	Infrastructure	10/12/2010	20.26
Ashoka Buildcon	Engineering	10/14/2010	14.65



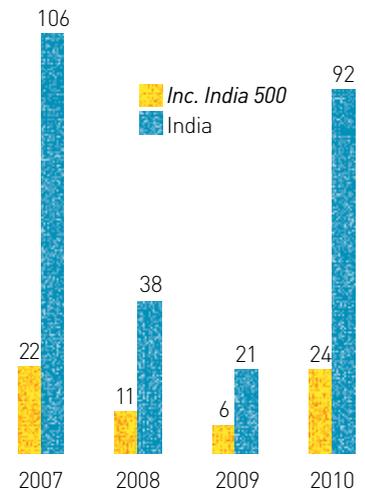
A Rare Contentment Going public is big, says Rajesh Agarwal. But it isn't really a leap, it's just one step forward.

those plans because of the Harshad Mehta scam. Today, I know going public is an important step but that's all it is, one more step. There's still a very long way to go.

I've also made sure that I monitor stock prices only once a day after 4pm. It's not like I have CNBC on all day. I'll only switch it on once a day for 15 minutes to get the news. It's important to keep this discipline because the stock market is the biggest distraction. One of my brothers is quite interested in it. But I tell him to stay away from the panel. I've told him to leave the company if stocks is what he wants to do. If you get too involved in the market, you won't be able to do anything else.

A Comparison

We journey back to track the IPO action over the last four years, for *Inc. India* honourees and India Inc, at large



At BS TransComm, I'm not just driven by growth in numbers—manufacturing volume or wealth creation. We want to really add value to the industry we're in. We made a recent acquisition of Sugan Automatics, a company which creates technology solutions for telecom, power and infrastructure, our main verticals. With Sugan Automatics coming into our fold, our R&D has got a fillip. My technology people are working very hard on solutions that will reduce distribution wastage in the power sector. Few people know that the telecom sector is India's second-largest consumer of diesel. There are 400,000 telecom towers in

India. We manage 6,000 of them. We are working on a green and fixed energy solution for these towers. Once we have it, we will be able to reduce costs by 10-15 per cent. We've also tied up with a solar cell company in Singapore. Trials with them are on right now.

I want BS Group, the main holding company for all my businesses, to grow to a billion dollars by 2013. I know it's just two years away but we'll get there. Last year, we did ₹871 crores of business. We are looking at over 40 per cent growth.

I might have built profitable companies in IT, steel, power and telecom but I'm actually just a Class XII graduate. I have a

Bachelor's by correspondence. But that wasn't real education. It's just a piece of paper. In business though, you don't need domain expertise. When we launched i-Vantage, I didn't even have an e-mail id.

I created my first e-mail account in 2004. That's also when I learnt how to use the computer. Till then, I was a steel trader. We only needed phones for our business. My environment changed 360 degrees. I had to adapt quickly.

I firmly believe that being on the learning curve is great. I tell my human resource people all the time—look for people with passion, not skill, when you interview. Yes, supposedly untrained people might not give you great deliverables in the first three to six months, but eventually you'll see the results. Somebody who thinks he/she knows it all, doesn't want to learn.

I think my restlessness helps when I'm in a new situation. I can't sit idle. I am made like that. A famous tarot card reader once told me that I'm somebody who'll make up a problem to create activity. I need action. I just enrolled in a Yoga Kriya course for one-and-a-half months and my energy levels have just shot up. People in my office are wondering how they'll handle more of me. Luckily for them, I'm not involved with operations any more. I only help in strategy, finance, relationships or looking at the future. If I get back into operations now, my team will run away.

I'm not afraid to follow my ambitions. Life will throw you ups and downs. But eventually, if you let it, it will take you forward. In 2006, after transitioning very successfully from i-Vantage, the IT firm I'd set up with my friend, I lost a huge amount of money in an iron shore shipment. I almost lost it all. But, I learnt again. I'm not afraid. I've seen a lot in the last six years. ●

TOP 3 PUBLIC LISTINGS

From the 200 listed companies on the *Inc. India 500* list, these are the top three blockbuster IPOs since 2007, our base year for company financials for this year's ranking.

COMPANY NAME	SECTOR	OPEN DATE	OVER SUBSCRIPTION
Everonn Education	Education	July 2007	145.57
Persistent Systems	IT&ITeS	March 2010	92.91
Simplex Projects	Construction	July 2007	83.96



“I think my restlessness helps in new situations.

I can't sit idle. I'm made like that. I need constant action.” —RAJESH AGARWAL

ON OUR RADAR

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Meet some exciting companies that we think are in the proverbial right place at the right time. *Inc. India* puts a spotlight on them.

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B. VENKATARAMANA | VUPPALAMRITHA
MAGNETIC COMPONENTS

Three Year Growth **157.8%** | 2010 Revenue **₹1,011 crore**

Imagination doesn't cost money

It was my wife who started the company with ₹3 lakhs. She had a Masters in physics from IIT Madras. At the height of the software boom in the late 1990s, she said she hated software. She didn't want to work in that sector, so she began designing transformers. She set up a small manufacturing unit and started building magnetic electrical transformers for power. This was her area of specialisation. If she hadn't married me, she would have gone and got a doctorate degree in magnetics. She had to give up her doctorate after marrying me. I never hear the end of it.

Vuppalamritha Magnetic Components (VMC) might make telecom and power products (think transmission equipment and power supply switchers) in its state-of-the-art manufacturing facilities in Hyderabad. But what it really fabricates best is pure entrepreneurial excitement. It certainly isn't usual for companies to grow at this pace. Sample this: VMC began commercial production in 2003. Sales totalled ₹2 crore in that fiscal. Within a year, they rocketed to ₹12 crore. Two years later, the company hit the ₹400-crore mark. By 2009, VMC was hitting big league numbers with ₹700 crore in turnover. Today, it is a ₹1,000-crore plus, telecommunications and power products powerhouse. Behind these numbers is an equally fascinating people story. Its three figureheads— V. Rama Rao, B. Hima Hindu and B. Venkataramana are father, daughter and son-in-law respectively. B. Venkataramana, the company's executive director, and its operational chief, gives us glimpses into how these dynamics have built a company that is wired to go places.

AS TOLD TO **SHREYASI SINGH**

Staring Success in the Eye
B. Venkataramana is driven by his dream of making his company a global player.



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