

The highs and lows of Indian business



BOOK REVIEW

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The casual observer looking at the book cover of *Unfinished Business* may think it is about four prominent businessmen who took a lot of loans from banks and then could not repay their debt. That would be a mistake because Nandini Vijayaraghavan is aiming for something altogether more ambitious in this book. She is trying to chronicle the evolution of business in India through the rise and fall of these four gentlemen.

Frankly, there is little in common between these four men — V G Siddhartha, Naresh Goyal, Vijay Mallya

and Anil Ambani — except that they all ended up as big defaulters to the banks from which they had taken loans. As men and as business tycoons, their ideas were very different. In terms of personality, too, they were as different from each other. Vijay Mallya is flamboyant, Anil Ambani, too, was associated with glamour in his heydays, the late V G Siddhartha was an introvert who did not like too much limelight, while Naresh Goyal was known for shunning the limelight and preferring to operate in the background.

Even in terms of default, they cannot quite be compared — Siddhartha's total borrowings would be considered quite small when compared with the total debt of the companies that formed part of the Anil Ambani group.

Mr Mallya was unfortunate in running up huge losses in his airline before the Insolvency and Bankruptcy Code (IBC) came into being. He fled the country and the government is trying to get him back but the assets that he had pledged with his

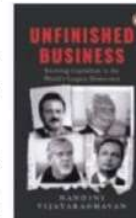
lenders or the ones they took over after his flight to the UK repaid not only the entire principal he had borrowed, but also most of the interest accumulated in the first few years after the default by Kingfisher Airlines. However, as Kingfisher never went into bankruptcy proceedings, its debt continues to pile up interest.

Mr Goyal's Jet Airways, on the other hand, took advantage of the bankruptcy law and its lenders took a huge haircut. A new set of owners are trying to get it airborne once again but that is proving difficult. In all probability, banks took a bigger hit from Jet than from Kingfisher but it is Mr Mallya who is considered the poster boy of defaulters who absconded.

As mentioned earlier, this book is not about these four men alone, though their business trajectories are recounted in great detail to make the overall points the author wants to make. It is more of a hard look at the business environment and culture in India, warts and all. In some parts, the author needed to point

to some things and let the reader come to his or her own conclusions rather than saying things explicitly. That is perhaps to ensure that she does not fall afoul of the defamation and libel laws. But for any reader who is not skipping pages, the author's allusions are easy to figure out.

The author has an easy narrative style that makes the book an enjoyable read. She also often begins the stories of the *dramatis personae* by delving deep into history of either the business empire or the sector itself. This makes it easier for readers who have not followed Indian business closely, though the background is well-known to those who have been tracking the country's business news regularly.



Unfinished Business: Evolving Capitalism in the World's Largest Democracy

Author: Penguin Business

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At the same time, she backs up her stories with hard data from balance sheets. This can be slightly tedious to the lay reader but adds immensely to the value of her analysis for anyone seriously interested in the subjects.

In the view of this reviewer, Mr

Ambani should perhaps not have been

chosen as part of the quartet. Though the story of Dhirubhai Ambani and Reliance and the subsequent split after his death is told well, the problem is that the business empire that the younger Ambani presided over during his

peak was huge. A close examination of the rise and fall of each of his businesses from telecom to power to financial services would probably merit a two or three volume work by themselves. Individually, each business got some bad breaks. But they also suffered due to over ambition, poor execution and excessive optimism.

Some portions of the book make you confront the unpleasant reality of business rivalry in India. The East-West Airlines story culminating in the assassination of Thakiyudeen Abdul Wahid is one of them. As the author points out, there have been rumours that the hit job was commissioned by one of his rivals in the aviation business.

The author also discusses some of the bad government regulations and why it is difficult to do business in India in bits and pieces.

The stories of the four men who are used to illustrate the author's points end very differently. V G Siddhartha died by suicide. Vijay Mallya lost his profitable liquor empire as well as other profit-making group companies in a bid to repay his debts. He is trying to avoid getting extradited to India. Anil Ambani has lost almost all his companies and the fight with bankers is not fully settled yet. Naresh Goyal maintains a low profile after Jet's bankruptcy.

The reviewer is former editor of Business Today and Businessworld, and founder of ProsaicView, an editorial consultancy



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