

Entrepreneurship for jobs

Kiran Mazumdar Shaw, chief of India's Biocon Ltd, suggests Bangladesh government support women's education, social entrepreneurship

SUMAN SAHA

THE youth, especially women, should focus on social entrepreneurship as it will enable them to show their creativity and help the country generate more jobs, says a leading woman entrepreneur from India.

"We have to nurture job-creating activities by establishing small companies rather than only focusing on starting big companies," says Kiran Mazumdar Shaw, chairman and managing director of Bangalore-based biotech giant Biocon Ltd.

Big companies have some limitations, such as when they grow big, they focus on automation, hence squeezing new job opportunities, she adds.

"A new entrepreneur can create at least 10 jobs. So, don't be a jobseeker, rather be a job-creator," urges the leading Indian industrialist while talking to The Daily Star in an interview in Dhaka on Thursday.

She came to Bangladesh to attend a meeting of the board of trustees of Asian University for Women (AUW).

Located in Chittagong in Bangladesh, AUW provides world-class education to promising young women from diverse cultural, religious, ethnic, and socio-economic backgrounds from across South and Southeast Asia and the Middle East.

Kiran says the power of an entrepreneur is huge as it can have a great impact on socioeconomic development by creating new jobs and urging young people to set up small enterprises.

The world is passing through a difficult time as some countries are facing religious conflicts, some economic challenges, and some are faced with jobless growth, while the Asian countries are now focusing on inclusive growth, says Kiran.

So the youth should come forward to handle these challenges, she says. "Each challenge brings an opportunity for you."

"I call myself an accidental entrepreneur as I would never have thought



Kiran Mazumdar Shaw

about being an entrepreneur. I always looked for a job."

"I suddenly found that my gender came against me. People kept acknowledging the fact that I had very good technological capabilities but they weren't willing to risk having a woman in their management cadre."

There were a lot of prejudices about women, says Kiran, who has been awarded the Padma Shri and Padma Bhusan by the Indian government.

"The question of whether women could play a certain role, could be a good manager and carry out job responsibilities kept bothering me a lot," says Kiran.

"But I have proved that women can run businesses successfully as my company has now turned into the largest biotech company in Asia," she adds.

She was 25 in 1978 when she started Biocon by investing only Rs 10,000, the market capitalisation of which now hovers around \$2 billion. The company has operations in 75 countries and has global sales worth over \$1 billion.

"If I can do it, then all women can do it," says Kiran.

She says there is no short-cut technique to becoming an entrepreneur; one needs to have passion, determination, commitment and self-confidence to be a successful entrepreneur.

"Only a good idea can help a person step into the entrepreneurial world," she adds.

She says an entrepreneur's life is not always smooth as they have to face a lot of challenges; some unforeseeable challenges also force an entrepreneur to bear losses.

"But don't give up hope. You should know that failure is part of entrepreneurship."

"Today my big challenge for the company is to make healthcare facilities more affordable for the poor people all over the world," says Kiran.

Today, healthcare facilities are available for the affluent people only as healthcare costs are still too high, and therefore, the poor are yet to enjoy essential facilities, she adds.

One of the biggest healthcare problems in India and Bangladesh is infectious diseases. It can be prevented to a considerable extent only if we can provide better hygiene and clean water, she reiterates.

"Half of the infectious diseases can be prevented if we can ensure two things -- good sanitation and clean water."

In India, around 50 percent people defecate in the open as they do not have toilets, which causes many health hazards and infection, she deplores.

"We always think healthcare infrastructure means only building hospitals. Actually, it includes other issues such as installing good sewerage systems, building toilets and providing clean water."

Biocon has a number of partners, such as with Incepta Pharmaceuticals, Square Pharmaceuticals and Renata, to sell its insulin, anti-cancer and cardiovascular products in the country, she says.

Kiran, who is also a trustee board member of AUW, had a meeting with Prime Minister Sheikh Hasina along with the other board members to get support from the government to help women's education and social entrepreneurship flourish.

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Infosys woes prompt calls for change at top

REUTERS, Bangalore/Mumbai

THE conservatism that served Infosys Ltd so well for three decades is now stunting its growth, prompting calls from investors for new blood at the top of India's show-piece outsourcer.

Critics say Infosys also must shed its aversion to acquisitions, change its premium pricing strategy and make better headway in higher-end businesses like consulting to compete with global rivals IBM and Accenture.

"It's one thing to get to the top and it's another to stay there. Infosys is clearly struggling to stay there," said Eric Mookherjee, a Paris-based fund manager for Shanti India, which holds Infosys shares.

"In this scenario, what would you lose by bringing in someone from outside who would not be infatuated with the Infosys culture?" he said.

The first signs all is not well at Infosys came a year ago with a disappointing sales forecast and the unexpected resignation of an executive many had expected to be its next CEO and the first from outside its fabled group of seven founders.

Last month, the company most identified with jobs being "Bangalored", or moved to India to be done at a fraction of the cost elsewhere, missed its annual sales guidance, gave a lacklustre outlook and froze salaries.

"For years, we loved Infosys for consistently delivering more than they promised and now we are seeing just the reverse," said Mads Kaiser, a fund manager in Denmark at JI India Equity, which holds \$200 million in Indian shares including Infosys.

"They are having real problems and it is not just external because it hasn't impacted its rivals much," he said.

The story of Infosys's founding in 1981 -- seven engineers pooling together \$250, mostly scraped together from their wives - is the stuff of corporate legend.

The seeds of Infosys's current woes may well be the unwritten pact that each of its core founders get a shot at running it.

Chief Executive SD Shibulal, known in the informal Infosys style as "Shibu", is the company's fourth, having taken the helm last year from fellow co-founder Kris Gopalakrishnan. Shibulal, 57, was previously chief operating officer.

"The company has had two operational leaders and operational leaders tend to make a company very inward focused," said a senior executive at a technology company who previously worked at Infosys and declined to be identified.

Infosys, India's most widely-held company and the first to list on Nasdaq, played down concerns about its recent performance.

India delays tax move after investor backlash

REUTERS, New Delhi

INDIA delayed by one year the introduction of measures to crack down on tax evasion on Monday, moving to mollify overseas investors whose panic has led to a dramatic exodus of funds and hammered the rupee.

The proposals aim to target tax evaders through a general anti-avoidance rule (GAAR), cracking down on the abuse of tax havens.

The vagueness of the plan, which was unveiled by Finance Minister Pranab Mukherjee as part of India's budget for the fiscal year beginning in April, caused uncertainty among foreign investors and put an already weak government on the defensive.

"To provide more time to both the taxpayer and tax administration, to address all related issues, I propose to defer the applicability of GAAR provisions," Mukherjee told parliament on Monday.

He said the burden of proving tax evasion would lie with the authorities rather than with overseas investors, and added that a government panel would come up with recommendations for application of GAAR provisions by the end of this month.

Stocks cut their losses and the rupee strengthened on Mukherjee's announcement.

"These comments should provide short-term relief to the domestic markets," said Radhika Rao, an economist at Forecast Pte in Singapore.

"However, the decision to put the onus on tax authorities to prove liabilities could infuse some extent of ambiguity and subjectivity into the propos-

als. For now, the markets will cheer clarity on the provisions and deferment of the implementation date."

Last month, Finance Ministry officials met top foreign institutional investors (FIIs), including Morgan Stanley, JP Morgan, CLSA and Goldman Sachs in a bid to convince them that tax proposals were not targeted at investors with a "substantial commercial presence" in Mauritius.

About 40 percent of nearly \$247 billion foreign direct investment flows to India over the last 12 years have come from Mauritius, and tax authorities believe a large part of it is routed by Indian companies to evade taxes.

Mukherjee also said a move to amend income tax laws retrospectively would not override the provisions of double taxation avoidance agreement India has signed with 82 countries, including Mauritius.

The proposed change was expected to tax already-completed mergers of foreign companies with Indian assets, potentially putting Britain's Vodafone back under the taxman's spotlight for more than \$2 billion in taxes even after Supreme Court of India ruled in its favour.

"It would impact those cases where the transaction has been routed through low or no tax country with whom India does not have a double taxation avoidance agreement," Mukherjee said.

He said a clarification would follow the passage of the finance bill.

India has said it may review its tax-break treaty with Mauritius, the East African island country through which the majority of foreign portfolio inflows are believed to be routed through.

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