

Lalit Jalan

CEO & DIRECTOR, RELIANCE INFRASTRUCTURE; CHAIRMAN, BSES RAJDHANI & BSES YAMUNA

Born: 23 September 1956

Education: B Tech from IIT Kanpur with distinction, 1979; MBA (Finance) from Wharton School, University of Pennsylvania (Deans List, Director's Honour list) and MS (Computer Science) from Moore School, University of Pennsylvania (Dean's List, Director's Honour list), 1981

Career: Joined Reliance Industries as CEO, polypropylene business division, in 1995. Since 2003, Jalan has been transforming BSEs from an electricity distribution company into the biggest infrastructure company, with additional interests in metro rail, roads, bridges, airports and construction.



SUDIPTA BANERJEE

Building foundations

What would an aspiring 25-year-old MBA give to learn the ropes from Jack Welch at his peak and rub shoulders with Anil Ambani as a fellow student at Wharton School? Almost anything? Well, Lalit Jalan, that lucky guy way back in the early 1980s, is today still on the right side of Anil Ambani, as chief executive of Reliance Infrastructure Ltd, the biggest company in the Anil Dhirubhai Ambani Group.

But the journey was not event-free and smooth for the Kolkata-born Marwari. What saw him through was his above-average academic career at St Xavier's School and the graduate degree in engineering from IIT Kanpur in 1979, where his scores were consistently in the top 2 per cent of his batch.

Hard work pays hefty dividends. It also begets more work to those who enjoy it. Success at IIT catapulted Jalan to Wharton School in Pennsylvania, where he got the opportunity

to do double masters – MBA in Finance and Masters in Computer Science in two-and-a-half years, and about 18 months of work experience in strategic planning at General Electric in the US.

"Jack Welch had an infectious enthusiasm and plenty of knowledge about everything," says Jalan, from his Mumbai office that gets a lateral view of aeroplanes taking off from the nation's busiest airport. "It was a treat to watch and later emulate Welch motivating people through his art of communication and calling a spade a spade, whenever he saw one."

Instead of doing the expected – joining a multinational corporation or top Indian company, Jalan headed back to Kolkata to pamper his entrepreneurial ambitions. He worked at his family business that included distribution of electronic goods, construction and software under the name of Jalan Brothers for about a decade, before friend Anil Ambani persuaded him to

join India's biggest corporation. In 1995, he joined Reliance Industries as head of polypropylene business, the youngest at 39 years to get such a responsibility at RIL.

"The vision, scale and size of the opportunity were huge. It was a double challenge of not having worked at a company and knowing little about petrochemicals businesses. All I knew was basic principles of business and finance," says Jalan. "There was a lot of resistance from colleagues and other divisional heads initially. But I am a natural team player and I let my work speak for itself. So, over a period of time, everyone's focus shifted back to work."

Ramping up the petrochemicals capacity to more than 1 million tonne from nothing was a key challenge, which Jalan achieved within four years. It was also the fastest scaling up to a billion dollar mark by an Indian company. He was awarded the prestigious distinguished alumni award by IIT-Kanpur in 2002 and

was also showcased as one of the 15 achievers at the first pan-IIT event in California in 2003. The next challenge came in the form of an emerging opportunity from e-business including broadband and telecom. The sectors were then seen as the next hottest growth area for industry and the country.

He initiated e-business practices such as e-procurement and SAP within the Reliance group itself during his short stint. But before he could plunge himself whole hog, the group made a swift move to acquire the electricity generation and distribution company BSES Ltd in 2003.

"Transformation of the erstwhile BSES and its integration into Reliance group and culture was difficult," says Jalan. "There were unions to deal with. We had to build trust and convince them of the need to grow into other areas and be the best in all of them."

So, for someone brought up in a languid Kolkata, would dealing with 5.2 million retail customers in Delhi and Mumbai seem like an obvious challenge? His experience of interacting with Kolkata retail clients would stand him in good stead, as Jalan thought confidently. But the coming few years were not easy, including getting all his Delhi consumers to pay up on time.

Dealing with retail customers in Mumbai was not as difficult, since they had evolved with the work culture and discipline that comes with a financial capital. It's the national capital that brought with it all the trappings of politics and power. For instance, clients caught stealing electricity would often use the tried and tested method of initially trying to bribe. If that didn't work, succeeding steps could include threats, name-dropping or invoking an influential official or politician of any hue, among various others.

"Those two years were the toughest of my career," says Jalan. He had to be stationed in Delhi for two years, after the company was selected for electricity distribution in the capital. Staying without his family freed him

up for the almost round-the-clock challenges that the nascent liberalisation posed. Today, the company serves two of every three electricity consumers in Delhi and Mumbai, and in all distributes 5,000 megawatt of electricity.

Transition from a socialistic economy to a market economy is never easy, as consumers usually don't find any associated costs palatable. Also, they have higher expectations from the private sector.

Among some of the measures the company had to take included video recording of the process of meter checking to be able to defend itself from power-thieves eager to turn the tables to avoid paying up. Allegations

involves getting multiple approvals and dealing with several parties," says Jalan. "It helps to have good vendors, IT systems and also empowering colleagues by delegating to them and ensuring that the work environment is conducive."

Different states and cities present their own sets of challenges. In Delhi it's easier to build a metro because of wider roads and availability of land, while Mumbai has a much more dignified culture in retail interactions. His company is building about 66 km of metro rail network in Mumbai and Delhi, connecting Mumbai's north-west to central and eastern areas, and linking Delhi airports with the heart of the city.

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of faulty meters had to be countered with government teams checking on the spot thousands of instruments. The hard work finally paid off and distribution losses were brought down to almost single digit from more than 55 per cent and also helping Delhi administration save ₹25,000 crore.

"It was like coming out of an *agni pariksha* (fire ordeal)," says Jalan describing his tenure. Once the erstwhile indolent but systematic BSES was fully integrated, next steps were to identify new opportunities and move into infrastructure – building roads, metros, bridges, among others. Opportunities and challenges are often two sides of the same coin in a country that's unable to realise its growth potential because of inadequate infrastructure. Today, besides electricity generation and distribution, Reliance Infrastructure is also into building roads, bridges, airports and metros, to emerge as India's biggest infrastructure company.

"Infrastructure is messy business, since it involves working with several stakeholders. People have to go through a lot of pain, as it often

Treating every person as an individual, putting them at ease and remaining humble are some virtues Jalan believes are critical in connecting with people. His 11 hours a day, six-and-a-half day a week, routine leaves him with limited time to enjoy Jagjit Singh's ghazals or indulge in his college-time sporting activities of cricket, swimming or a game of bridge. He does listen to FM radio whenever he can, to keep the atmosphere lighter.

Both his sons, also Wharton graduates, are involved in his family business in Kolkata. A family man, who likes to take vacation with them all, Jalan lives with his parents and wife Anita, who's a fashion designer. A vegetarian at home, Jalan like most Rajasthanis, loves his ancestral kachoris and other namkeens as also Kolkata sweets. As a professional, his ears are close to the ground and he gets to know everything relevant to his industry. Colleagues marvel at his understated persona but concede that it's best to let performance be your best publicist.

♦ SUMIT SHARMA