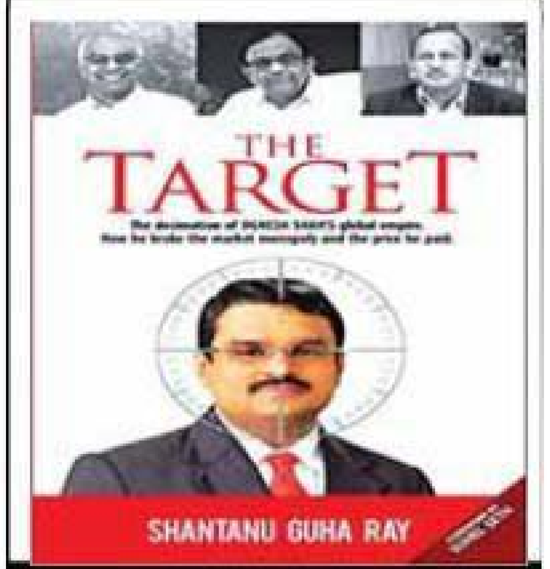
TWISTY ROADS IN BUSINESS

Jignesh Shah was a victim; it was clearly evident that the people who orchestrated his downfall did not want him to remain successful, writes SHANTANU GUHA RAY in his book. An excerpt:

Jignesh Shah, grew in fame in Mumbai, his home for many years, and created world-class institutions that were ideal examples of Make in India. However, right from the time he embarked on his own to create his empire, Shah faced umpteen challenges from his rivals, some of them backed by powerful ministers in Delhi. It was almost like the sinister plots hatched by the devious kings of Hastinapur in India's greatest epic, the *Mahabharata*, that culminated in the 18th day war of the Titans at the Kurukshetra. In Shah's case, the war was virtually one-sided, and he was victimised wrongfully by the Three Musketeers, who designed his downfall. Journalists failed to raise even the basic questions that they were taught to do in their formative years: Who? When? How? It is common knowledge that big growth and capacities instituted in the Indian subcontinent have always been viewed with a tinge of negativity, both by the party that ruled the nation and the parties that didn't. Shah was a victim; it was clearly evident that the people who orchestrated his downfall did not want him to remain successful.

His ascendancy had begun long before the start of the millennium. Shah had already made his mark as a brilliant entrepreneur, who grew up to become an engineer in a Gujarati family. Shah couldn't care less that his aspirations were the blight for many in Mumbai and their powerful political friends in Delhi. He wanted to shape some of the finest growth engines that would trigger mass employment, companies that would take India to new heights of economic growth. Shah's life, curiously enough, was almost like that of the patriarch, the legendary Dhirubhai Ambani, who had shaped his dreams in faraway Aden, a port town. Shah, who had a humble background, was a voracious reader and the autobiographies of industrialists and innovators were a huge source of inspiration to him. Even before he crossed class V, his ambitions had begun taking root. Incidentally, it's a surprising coincidence that the way Dhirubhai Ambani was harassed by the then Finance Minister, VP Singh, and his two bureaucrats, Bhurelal and Vinod Pandey, Shah too became a victim of decisions pushed by P Chidambaram, KP Krishnan, and Ramesh Abhishek. In 2003, Mukesh Ambani, who was also seen by many as defying obstacles to create structures of growth, placed a symbolic buy order for a gold futures contract, formally marking the beginning of trading at the Multi Commodity Exchange (MCX), one of the country's first electronic platforms for trading commodities such as metals and oil. Shah had started the MCX earlier in the same year, 2003 — the year considered lucky by millions in India because it saw the fortunes of the country's cricket team soaring under the leadership of a feisty Saurav Ganguly. Unlike other businessmen who routinely visited Delhi with agendas to meet lobbyists and ministers, Shah charted a new course. With an impeccable corporate image that made him the cynosure of many in the stock markets of India's financial capital, Shah, with his like-minded friends and colleagues who swore by entrepreneurship and tech-innovation, started creating growth and wealth machines. He created MCX with his 15 hours a day schedule; in his opinion, the hyperactivity in India's commodity markets justified the time he spent on the project. As a matter of fact, the *Financial Times*, London, had quoted him in the mid-nineties as saying that he wanted to be 'a billionaire at U-40 years of age from India, doing business in India'. Those acquainted with Shah from childhood knew him as a doer even before reaching his teens. In the stories of his childhood narrated to colleagues at FT Tower, Shah would recollect how he had made up his mind about what to do in life when he was barely eight. He wanted to study and start his own business in USA. Instead of travelling to the US for the popular choice of the time, a course in mechanical and electrical engineering, he opted for electronics and telecommunications, and joined the Bombay Stock Exchange (BSE) on a technology assignment, BOLT (Bombay Online Trading System), an ambitious ₹100 crore (₹1 billion) project to automate the exchange. The project was transferred midway to CMC, which is an end-to-end information technology solutions and services provider; but by then, Shah and Dewang Neralla, his eventual partner and executive director at FTIL, had completed stints at the Hong Kong and Tokyo Stock Exchanges and NASDAQ, learning about technological wonders in the stock markets across the world. What pained the duo was that India was not yet ready for it; almost like the vociferous protests that stymied the computerisation of Indian banks, the Indian stock markets were not keen to modernise, or trade on sleek, imported terminals. Technological marvels were tantamount to cuss words in Indian markets. As a result, the technology vision, which Shah had for BSE could not be realised. Shah and Neralla decided to move to a place where their pride and joy could be utilised effectively.

There were other options, including a super-duper offer from the Merrill Lynch New York Foreign Exchange trading platform. However, Shah was not keen to push pencils for others. In 1995, Shah, the dreamer, and Neralla, the builder, created a financial technology product company that would not merely restrict itself to trading systems for equity, but create products to penetrate all high transaction density markets, be it commodity, equity, currency or bonds. In a country where technology was tantamount to a skilled manpower supply story, Shah and Neralla turned the matrix upside down, creating products (IP) that were a means to an end, not an end in themselves. The basic idea was to set sights on the transaction markets. Shah was gung-ho, and raised ₹5,00,000. And the two worked 15-18 hours a day. Eventually, FTIL grew into a 5,000 plus strong workforce from just five work terminals and covered eighty per cent of the domestic base, powering practically every major Indian Internet site for trading in equity and commodity markets.



THE TARGET
Shantanu Guha Ray
AuthorsUpFront,
₹495

Excerpted from *The Target* written by Shantanu Guha Ray and published by AuthorsUpFront