



BACK TO THE BASICS

Little gems that stud your diet and make you the healthiest you can be – Pankaj and Purnima Khandelwal talk about what it's like to become farmers and grow this most-sought-after crop.

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Growing rubies

Domestic goddess Nigella Lawson calls them rubies and certainly they're worth their weight in precious stones these days. But on weekends, you'll often find a gold medalist from IIM Kolkata toiling over them at his farm in Ahmednagar. Come April 2011, and Pankaj Khandelwal hopes to wear a big smile on his face when his first pomegranate crop will be ready.

Says Pankaj, "Pomegranate has become the ultimate health food. It's the anti-everything fruit. It's also one of the costliest fruits, as it takes three years for the first crop. We are looking to acquire a thousand acres of pomegranate farms across multiple locations in Rajgad and Khargone in MP and Ahmednagar in Maharashtra.

Asked about such distributed land holding, he says, "I wanted to de-risk it, but with the weather patterns changing, half of my hair turned grey when it rained last month." One of Pankaj's friends has created a weather

station that can be used by farmers at a micro level, for accurate weather prediction. Pankaj is setting this up at his farms along with insurance. "A weather risk management system," he says.

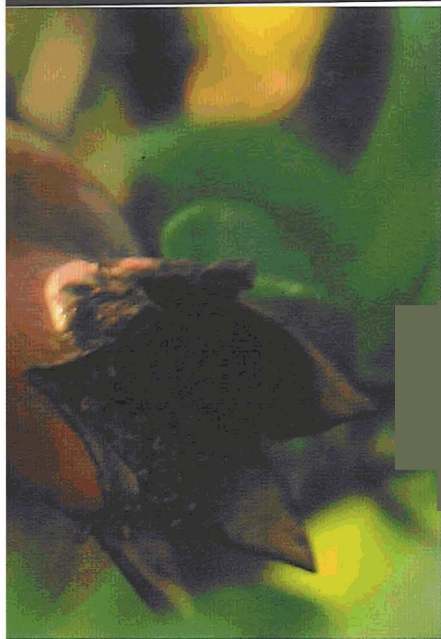
But Pankaj is not stopping at this super-fruit. "Over the next five years, we want to lease 10,000 acres. The second phase will be from September 2011 when we start growing Bananas and Pineapple as well. This way, we will have multiple commodities and all-year productivity."

There is a cocktail of expertise that Pankaj brings to his venture – INI Farms. The infallible instinct of his wife Purnima; the financial backing of two highly successful angel investors – Ashish Gupta and Pavan Vaish; the ability to understand and use technology according to his needs, learnt at IIT Kanpur; training at IIM Kolkata in financial structuring and funding; and, business planning and big-thinking from his stint at McKinsey.

The seeds for his own farm were sown while his firm took management control of a Gujarat based company and built a highly successful Contract Farming Venture. This started back in 2004, after he quit McKinsey to become an entrepreneur.

As to why he quit working for a blue chip, Pankaj says, "I traveled a lot, staying wherever my project was – Bombay, Calcutta, Delhi – they were three-to-six-month projects. We did this for three years from 2000-2003."

Strange are the reasons for becoming an entrepreneur. Says Purnima, "Our daughter, Stuti, was one and half year old then – we realized that we have 2 years to experiment with our career. It was either now or 20 years later. So we started, with no great idea and not much savings either. Just a belief, that we'll find our way." Pankaj smiles and adds, "There was no choice – she always wanted to be an entrepreneur!" And just like that, INI Consulting was started in April 2003.



With Pankaj having studied at an IIT and an IIM, they were in the unique position of knowing what innovations were taking place at the country's premiere academic institutions. And, having worked in the corporate sector which fed off bright, young ideas, they knew there was a marriage possible. So for a while, they helped IITians commercialize their ideas. Says Pankaj, "We had the opportunity to understand the language of both."

Consulting assignments followed. They did cost-cutting for a company in Kolkata and began to do market research for foreign companies who wanted to get into India. In Sep '04, a Swiss firm asked InI to do the due diligence for an agricultural company in Gujarat. Says Pankaj, "The Swiss investors acquired Desai Fruits and Vegetables and asked InI to provide management support to the farmer-entrepreneur. What started as a three month assignment ended up being a 3-year management outsourcing contract. It was a challenge but we ended up tripling the company's income and productivity (bananas). Desai became the largest exporter -- we had a very good run on that. In the two and a half years that we worked with them, most of the farmers became self-sustainable."

That was when Pankaj and Purnima realized that this was an amazing opportunity. Says Pankaj, "It took a year and a half to develop the business plan, work out the legal aspects and



get it right." They seem to have made the right choice – today everyone from Bharti to Reliance has a play in agriculture. Pankaj believes that they have advantage even in case of such stiff competition. He says, "Farmers have to be treated as partners, not suppliers. Productivity has to go up. Our work on the Desai case was significant. We set up R&D, educated them, supported them and even worked out their insurance. We had an early start on that model. You have to take care of the backend first."

On a parallel track, Purnima and Pankaj started working with a professor from IIT Bombay, who developed a system to assess old bridges for Indian Railway. Purnima had already done work with the railways at Rawatsons. Says Pankaj, "My in-laws do business with Indian Railway, so we saw the opportunity to make a match. Then the Railways decided to increase the limits each wagon can carry. This meant intense checking of infrastructure and we were the only commercial company in India who could do this. So suddenly, we had a multi-crore contract and we were covered for 30 people for three years."

Purnima says they have been fortunate. She adds, "We have had great support from an unbelievably

large number of people. Says Pankaj, "Even in terms of people working with us, we got the best talent. People from PricewaterhouseCoopers, Lehmann, Mindtree, BPCL etc agreed to work with us. They were happy to move from their cushy jobs to working out of a 400 square foot office."

So what do Pankaj and Purnima bring them? Definitely, a passion. And, says, Pankaj, "...independence, exposure to various areas of the business and hands on experience. A 24-year old guy was handling sales worth \$10 million and had much older people reporting for him. He was provided an opportunity to handle complex business operations from logistics to supply chain. So there is a very strong learning element and satisfaction."

Pankaj found himself turning to God much sooner than he had realized. "I learned to pray, so much is out of your control – you cannot force nature. I've learned to be patient. Earlier I wanted to live the entrepreneurs' dream – retire by 35! Now, I am happy doing this for the next 30 years; there is no exit strategy. There is no need to have one – the journey is great fun and making the difference on the way is what counts!" 🌟