

"Everyone regards only his dividends, seeing what he has got and not what the other person has got. every partner feels that his rupee equals ninety-nine paise. Partnerships break only when one person starts to feel that his rupee is equivalent to 101 paise."

- Sugalehand Jain



"We recognise and utilise each other's strength. We have faith and that the other partner has only the best interests of the company in all his decisions."

- G N Damani

"We believe in being transparent in the way we function. For a healthy business, difference of opinion is necessary. We do differ on many things, but arrive at a consensus after discussing the pros and cons in detail."

- P B Chheda

Cede, Concede

one rupee = ninety-nine paise



... the success story of a partnership

Jency Samuel

Cede, Concede

Sugal & Damani

Cede, Concede

Sugal & Damani

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First Published by Sugal & Damani 2013

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ISBN 978-81-904253-8-4

Photography, illustration & design by ST Photos, Chennai.

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Printed at Print Masters, New Delhi

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The birth of this book....

This book came into being as an offshoot of another assignment. While doing the profile of Sugal & Damani, I found the business philosophy of S&D partners very intriguing. The more I learnt about S&D's business approach, the more insight I got, given my non-business background. I was sure that their business perspective would interest and inspire others. It transpired that the partners had also been planning a book, tracing the twenty years of S&D. It was for the simple reason that some of the group's decisions were inspired by books. The company has had a phenomenal growth in the couple of years that the book was in the making. Hence, this book would be all the more an inspiration.

I took much delight in writing that the partners agree to disagree and consent to contradict to arrive at a consensus, as much as I delighted in learning it. It is one of the lessons in this book that anyone in any work situation could make use of.

Their success is attributed to one of the philosophies where they see themselves as a part of a whole, and not the whole in itself. If one person starts feeling that he is contributing more or is earning less, it does not bode well for the partnership. "If the partnership is doing extremely well in spite of a person not contributing at all, it is better not to disturb the foundation. You may call him or her as your guardian angel or a divine ambassador, whose very presence

may add some value to the partnership. Every partner should feel that a rupee to his name equals only ninety-nine paise". This perception of the partners is an entirely new thought. It is what gave the idea for the title of this book.

Talking to each of the partners and executives has been a rich learning experience. I hope S&D's success story teaches each one of you who reads this book, a lesson that will inspire you, thus initiating a ripple effect.

I thank all those who have contributed to the making of this book.

Jency Samuel
Chennai
March, 2013

It was a monsoon-soaked August in the year 2007. A sunny spirit prevailed in the offices of Sugul & Damani, despite the gray skies without. There was good-natured banter among the employees of Sugul & Damani as to who would be relocating to London when the bid for the UK's National Lottery was through. When people outside the S&D fold came to know of the project in the offing, each one wanted an introduction so as to becoming an agent for the UK lottery. The mood was upbeat and optimistic. There was reason to be.

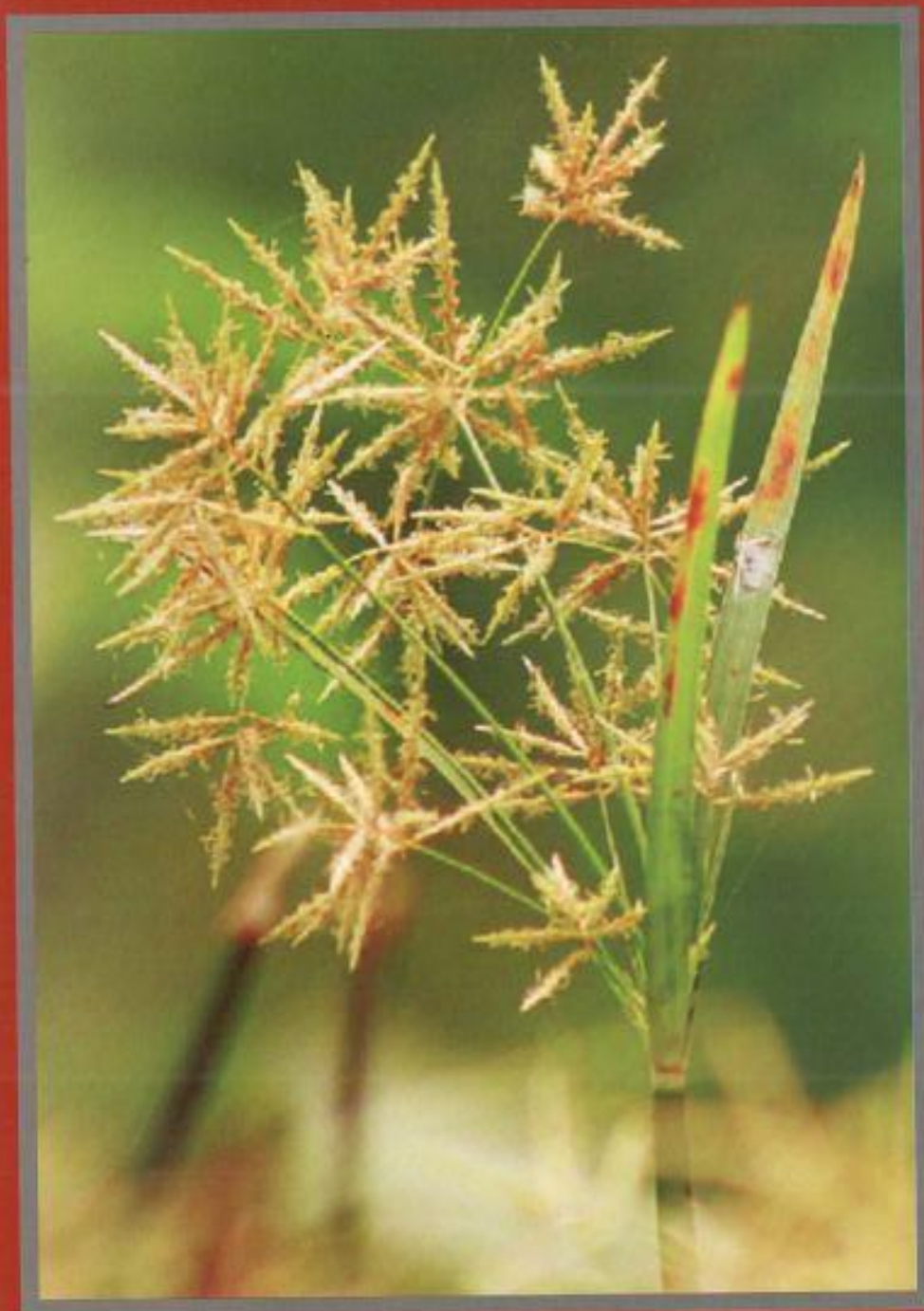
In a short span of twenty years since its inception, S&D had ventured out, besides bidding for the world's most efficient lottery. In the ensuing years, it consolidated its presence in the international arena and is well on its way to becoming numero uno. And to think that the Sugul & Damani alliance was one borne out of necessity! A temporary partnership created with the sole aim of completing a particular lottery scheme that teetered and needed to be propped up.



In 1988, Sugachand Jain, Gunwant N Damani and Pravin B Chheda joined hands to stabilise the sinking sales of an Arunachal Pradesh lottery scheme. Though Damani and Chheda were existing partners, their knowledge of Sugachand did not go beyond the existence of his agency. Unacquainted though they were, the trio formed a partnership. They had no long-term association in mind. Yet the partnership sustained beyond the Arunachal scheme. In due course of time, the partnership was strengthened, with the partners' family members too joining in, Ramesh N Damani being the first to do so.

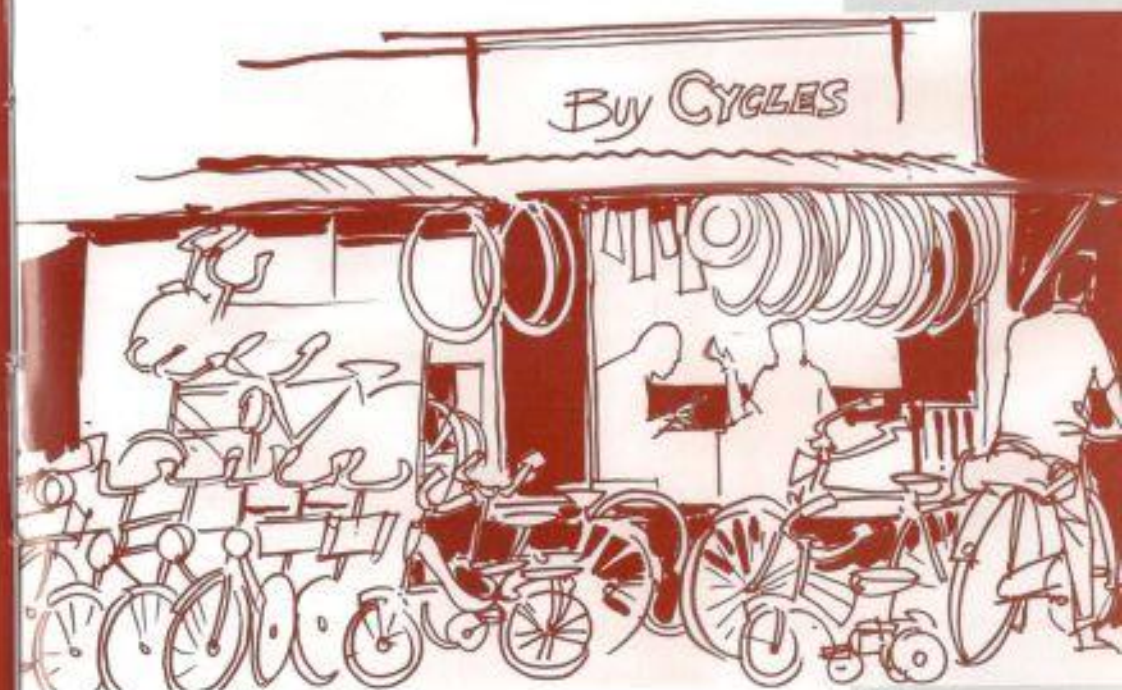
The three founding partners are candid about the fact that they merely sowed the seeds for Sugal & Damani. It was as if the company took root by itself. It is surprising that the S&D name that lends itself to diverse businesses including lotteries and diamonds happened more by default than by design. But once the seed sprouted, S&D has been nurtured into the tree that it is today, spreading its branches beyond the shores as well. Providence and prudence have given shape to the group that is on a voyage with a shared vision and mission.

But for their dedication towards work, the desire to grow and the zeal to be at the top, the three founding partners are as different as can be.



G N DAMANI

From Cycle Spares to Operating Lotteries



As a teenager Gunwant N Damani had decided that his business would have to deal with bicycles. Hailing from Dhari in Amreli district of Saurashtra, he wanted to learn the ropes of the trade in Madras. The idea was to set up shop in Dhari later. So he dashed off a letter to his paternal aunt in Madras, seeking her help. His aunt arranged for him to work with a relative to learn the basics of the business. In 1964, an eager 18-year-old Gunwant landed in Madras. Right away he started working for Mr. Sukhlal Parekh and the job earned him Rs 90 a month.

Not wanting to discontinue his studies, he enrolled himself in a tutorial college so as to appear for his SSLC examination. He was not far behind in learning the tricks of the trade as well. Soon it was time for wedlock.

However after marriage, he had to bide his time before he could bring his family to Madras. He did so two years later, when his father wound up his wholesale business of food grain supply. But the going got tough. When his request for a raise in salary met with a shake of the head, Gunwant pondered about his next step. With encouragement from his friend Kirit Kamdar, he decided it was time to strike out on his own. By then he had decided not to go back to his native land, but to do business in Madras.

Gunwant N Damani started his own retail outlet six years after he came to Madras. Six years of experience had made him wiser as to choose with care the products that he would sell. While his former employer sold every known spare part required for a bicycle, Gunwant stocked only those that were in constant demand. As Gunwant also laid a lot of importance on customer service, his business began to flourish right from the start.



**G N Damani
came to
Madras as
an apprentice
and later
established
a cycle
business**



G N Damani's success in life can be attributed to his firm belief that one can achieve anything through dedication, that minute details also matter and to an unshakable faith in God. G N Damani's words indicate clearly that he remains grateful to whoever lent him a helping hand. Each little nudge and every little encouraging word that helped him come up in life are acknowledged.

Without a reliable person to handle the customers, Gunwant's former employer Parekh's business started a downhill slide. Gunwant had always shared a very good rapport with his employer. He did not see him as an employer, but as a teacher and a leader whom he could learn from and emulate. So when he learnt of the latter's troubles, he volunteered to spend two hours every day at Parekh's Ideal Cycles on an honorary basis. Gunwant continued to volunteer for a few months till Mr Parekh passed away.

Gunwant Damani befriended Vasant H Shah, a lottery agent at this juncture. Though they spent their spare time together, Damani did not have any interest in lotteries. Even when Shah shifted to Bombay, Damani never imagined that some day he would be making a name for himself in lotteries. For it was a few years later when G N Damani met Shah while on a trip to Bombay, that the latter persuaded him to take up an agency. The year 1971 marked G N Damani's entry into the world of lotteries, when he started a lottery agency. Having entered the industry in spite of the initial reluctance, his belief and adherence to the adage 'work is worship' gave him great success.

When in 1980, Indian Cancer Society, Bombay was planning a charity lottery, G N Damani decided to bid for operating the same. He joined hands with his friends Pravin B Chheda, Jasmine Madhan & Om Prakash Chugh



**G N Damani
entered the
lottery
business and
started
operating
private and
government
lotteries
successfully**



and started Manav Kalyan Lotteries. With the Cancer Society's lottery, Damani became an operator and succeeded. This led to them bidding for and operating the Assam State Lotteries in 1984, followed by lotteries for the state governments of Manipur and Punjab. It was at this point of time that destiny brought Damani, Chheda and Sugalchand together.

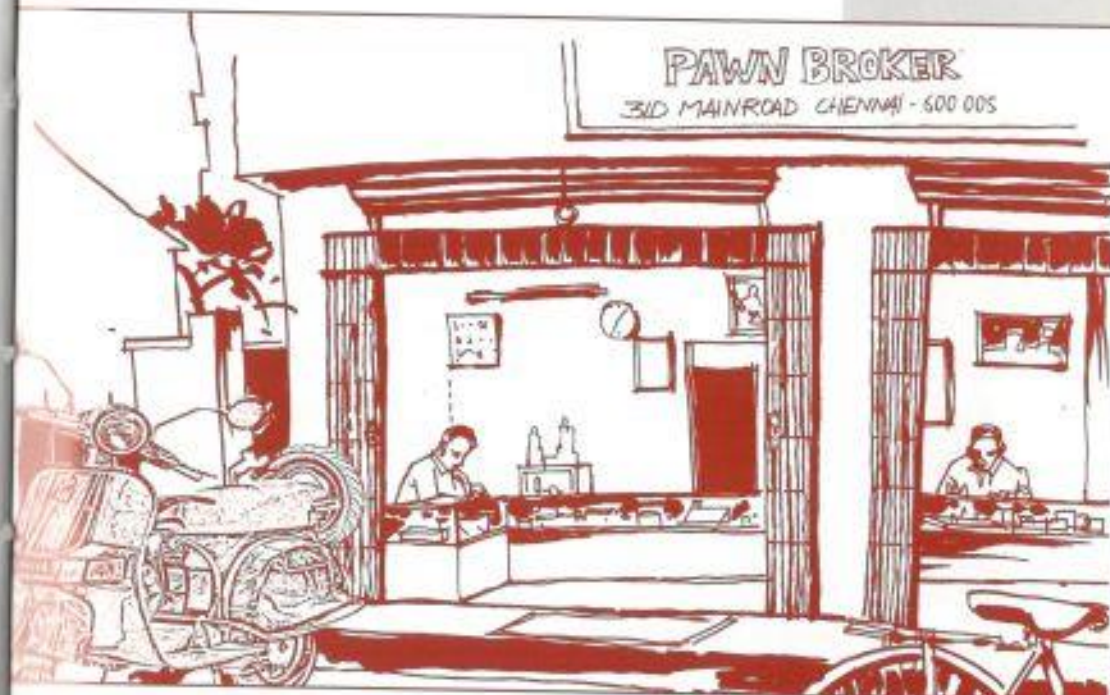
SUGALCHAND JAIN

Small Dreams, Small Goals and Success

Sugalchand Jain, based at the present day Chennai is a third generation migrant from Siyat of Sojat district in Rajasthan. As a young boy of ten, Sugalchand assisted his father Nathmal in his shop, which was in a busy locality of Madras. Besides his father, his father's assistant Rajagopal Iyer has had an enormous influence on him. It was the latter who taught him to keep accounts, calculate interest and how to run a business. Even while imbibing all these, Sugalchand became enamoured by lawyers and aspired to become one. When his dreams of college education went unfulfilled, he had no choice but to join his father's business.

Having assisted in his father's shop right from an early age, he had realised early on, that pawn-broking was not his cup of tea. He wanted something more challenging. While dabbling in various businesses, he observed people's interest in lotteries. So he tried his hand at marketing lottery tickets and got hooked. But it was hard work that brought success. For, he pedaled his way across the city, supplying tickets in bulk to retail shops.

A pawn
broker
by chance,
Sugalchand,
looking for
challenges,
chose to be a
lottery
operator

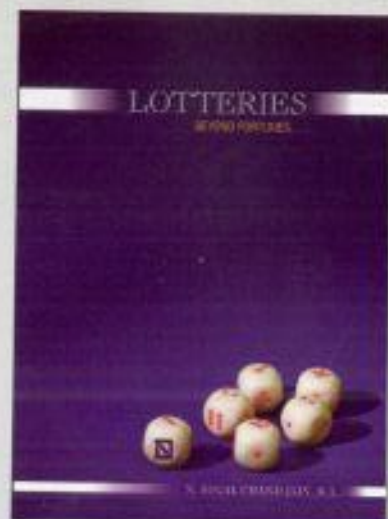


Through diligent planning and dedication, Sugalchand rose from his humble beginnings and became an operator. He lent credibility to the industry by raising it to corporate standards, even before corporate houses entered the field.

But operating lotteries was not in his mind, when he strove to get a foothold in the industry. Though business consultants of the present day might not concur, Sugalchand dreamt small when he started. His only aim was to provide for his family's basic needs. He had to start afresh in his business because of a misunderstanding with his father. But he worked hard. And it paid. Starting as a retailer, to becoming an agent, to being a sole selling agent for state governments he grew from strength to strength. It was in an instant when he was about to face failure that the present partnership was formed.



Sugalchand Jain found his calling in lotteries and wrote a book to dispel myths



In an attempt to remove the misconceptions about the industry from the minds of the public and the policy makers, he authored a book titled 'Lotteries - Beyond Fortunes'.



PRAVIN B CHHEDA



Ten Tickets Among Tons Of Coal



When it comes to the lottery business Chheda claims, with a grin, to be the one with the most experience among the three partners. It is doubtful that the others would dispute his statement since he started selling lottery tickets when he stepped into his teens.

Hailing from the Kutch region of Gujarat, Chheda's family moved to Bombay when he was in primary school. In Bombay, his elder brother opened a shop that sold coal which was the most common fuel used for cooking then. After school hours, young Pravin would go to his brother's shop and hold fort when his brother had to go out on errands.

When he was occupied thus, a client who was an agent for Kerala State Lotteries suggested that he sold lottery tickets. Heeding the client's advice, Pravin bought ten tickets from him. Their shop being in a busy locality with a lot of eateries and shops around, he sold the tickets in no time at all. What started with ten tickets in 1970 grew to a wholesale agency in four years. A few years later, he met G N Damani through a mutual friend. This meeting culminated in the two becoming business associates.


Pravin B
Chheda
started
selling lottery
tickets while
assisting in
his family's
coal business


A Stop-gap Solution – Damani & Co

In the late seventies, Sugalchand partnered with a few friends and started a company to operate Himachal Pradesh lotteries. As the partners had their own businesses, the partnership lacked requisite attention and the company failed. The administration base being at Delhi, Sugalchand could not change the situation and the company had to be disbanded.


Damani lent
Sugalchand
a helping
hand in the
form of a
partnership,
effecting
Damani & Co


After this experience, Sugalchand became wary of partnerships. But when a retired high-ranking official from the lottery department invited Sugalchand to be a part of his company Complott, he could not say 'no'. Because, this official through his honesty had ensured that Sugalchand's schemes were planned and executed well. While three partners were stationed in Delhi, Sugalchand looked after the sales in Madras. But things did not fall in place. The Arunachal Pradesh Bumper Lottery that Complott was selling started teetering on the brink.

Sugalchand being at Madras did not help matters and he decided to seek G N Damani's help. Damani agreed to help him market the same, but laid a condition. He declined to take over from Sugalchand; instead he suggested that they became partners. Twice bitten, Sugalchand was very reluctant. But Damani's help being the only possible course of action, he decided to go in for a

partnership again. For want of a better solution, Sugalchand's partners gave their consent to this new partnership that did not involve them. But Damani's partners at Manav Kalyan could not understand this decision of his. His explanation was, "I'm lending a helping hand to someone in need. At the same time, I cannot afford to lose a lot of money if the scheme fails". It was not that he was averse to taking risks. For Manav Kalyan Bumper with 100 series made a record of sorts with the sale of 10 million tickets. It was simply that Damani



wanted the risks to be equally distributed; which meant that his partners were welcome to share the benefits as well. As Damani's idea of 'sharing the risk' was agreeable to Sugalchand, the two along with Pravin B Chheda formed Damani & Company and completed the Arunachal Pradesh bumper scheme successfully.

As Damani & Co was considered a temporary entity to run the Arunachal lotteries, the partners continued to operate and sell lotteries independently as well. After a while, they decided to close down their individual lottery

operations. As a first step towards this, the brand name of a lottery scheme was transferred to the new company. Sugalchand was originally operating the lottery for Cancer Institute, Madras. When Cancer Institute's lottery scheme was over, Hanuman Lottery, the name under which it was being operated was transferred to Damani & Co. Later helping hand to someone in need. At the same

*Individual
companies of
the partners
evolved
into a single
entity
called Sugal
& Damani*

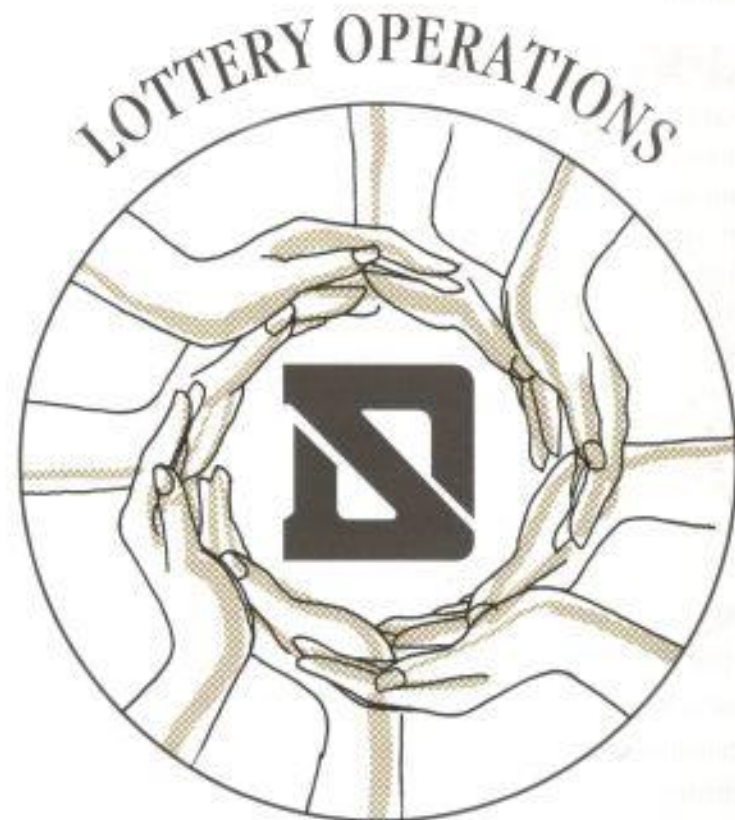
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lottery for Cancer Institute, Madras. When Cancer Institute's lottery scheme was over, Hanuman Lottery, the name under which it was being operated was transferred to Damani & Co. Later the same name was used for the schemes of some Northeastern states. But the decision to have a single identity was taken



only regarding lottery operations. The partners were free to build on the present partnership either by diversifying the group's activities or diversifying by collaborating with other people or to have their own business establishments.



LOTTERY OPERATIONS

SUGAL & DAMANI - The Seed

The spring of 2008 saw protests from retail shop owners' associations against the entry of corporate giants into the retail industry. One of the partners mentioned that it was inevitable. "Corporatisation is here to stay". The verdict is



Sugal & Damani, the brand was born, to utilise each partner's potential in tandem



that the corporate retail outlets and small petty shops that cater to the lower income group would not be affected. "The mid-level shops would bear the brunt of corporatisation of the retail industry". He even suggested a solution for the mid-level shops. "Since people are brand-conscious, a few small retail shops selling the same product should form an alliance. If five shops in different localities come together and establish a name and start selling the same standard and quality products, they become a brand with five outlets".

Obviously that is exactly how S&D came into being. Sugalchand, Damani and Chheda fell into a comfortable companionship while trying to make a success out of the Arunachal Pradesh Lotteries. They discovered the strength each one had while doing business together. They decided that they would form a formidable team and together they would perform better if each one's potential was utilised in tandem. If one was adept at marketing, another was good at coordinating with various agencies and the third one looked after the administration. The shortcoming of one was offset by the strength of the other.

As then, they still believe and go by the adage 'Unity is Strength'. They pooled

in their resources, talents, abilities and even families to formally launch Sugal & Damani in December in the year 1990.

G N Damani's younger

brother Ramesh Damani

is the first of the

family members to

join the fold. After

completing his

studies, he went

to Yavatmal in

Maharashtra in

1968 and trained

with his uncle. His

uncle Dwarka Das Sah

was also in the cycle

business. His uncle's shop

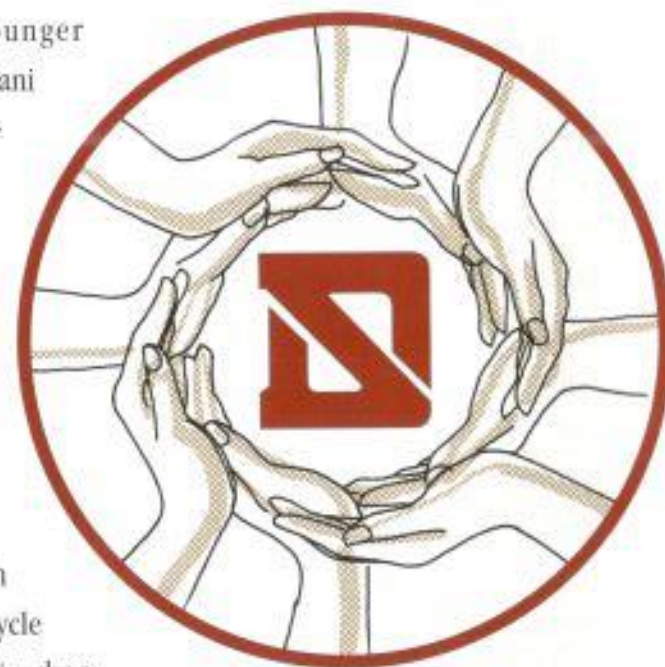
Lakshmi Cycles became the

training ground for the youngster. After training for a year he joined his

brother Gunwant Damani in Madras in 1969. Be it their cycle or lottery

business, the brothers toiled together and their businesses flourished.

Their business chronicle, as related by Ramesh N Damani, includes retail



and wholesale cycle outlets namely Senior Cycle Company and Super Sales Corporation and lottery agencies Ganga and Shiv Shakthi. Among their lottery ventures, Manav Kalyan Lotteries finds pride of place, given their grand scale and success.

The partners believe in the adage 'Unity is Strength', pooling in their resources and reinforcing S&D



When the S&D partnership was well on its way, as is his habit, Ramesh Damani pitched in along with his brother. Ramesh Damani was then inducted formally as a partner.

The first assignment that S&D received was one of the private lotteries that were common then. Private lotteries were operated with government approval to raise money for good causes. In this instance, it was for the construction of buildings for Mediciti Hospitals at Hyderabad.

During preliminary consultations with the hospital administration, the latter grilled the S&D team about how they would go about the work. One of the questions that Manik Arke of Mediciti asked was why S&D did not resort to unfair practices. It was obvious that the hospital authorities had done their homework and found S&D's work honest and transparent. When one could earn millions by fair means, why resort to unethical practices was the candid response. S&D later learnt that Arke had suggested to the Mediciti Executive Board that S&D should be awarded the work, even if theirs was not the maximum revenue quoted. Even today S&D looks at the hospital building with pride as it stands testimony to the fact that they had procured more than they promised. The partners delight in the fact that they played a part in laying the foundation for a hospital that has progressed to establishing a medical college.

What followed Mediciti Lottery was a string of other charity and government lotteries. Long-serving employees like Rangaswamy recall the festive atmosphere that pervaded the S&D office in Madras. More

than a hundred people worked there so that everything functioned smoothly without a hitch. Back then there was no security press in

Madras. The single digit lottery tickets were printed in five different security presses. The other series tickets were printed mostly in Manipal and sent to the administration centres for distribution. And S&D had close to 100% sale always. Be it checking of the

printed tickets, consolidating the numbers of unsold tickets or verification of the prize-winning tickets, everything had to be done manually. As some lotteries had more than fifteen series, it was back-breaking work. But a spirit of bonhomie enveloped the office in spite of the hard work. Rangaswamy does not remember anyone ever

complaining about the amount of work involved. They were also times when Sugarchand periodically met his employees en masse to find out if they had any grievances. Pressure at work also meant prosperity. The company did well and employees recall the years when they received even six months' salary as bonus. More than the magnanimity, they treasure the trust that the management had in them and the equal respect that they accorded to all the employees.

In lotteries run by the government, the operator had to market the scheme, publish the results after the Lottery Board conducted the draw, verify tickets and distribute the prize money. Private lotteries meant more responsibility as the operator was in charge of the entire operation. But the excitement was in designing the scheme. The team had to decide the sale period of the lottery, the prize structure and the print design of the ticket among other things. Each member delighted in doing his part and contributing to the making of the moment. The moment was not the draw, nor the prize distribution but the handing over of the revenue for the good causes for which the lottery was operated.

The occasional comical moments showed the employees the reach of their



Mediciti
Hospital in
Hyderabad
stands
testimony to
S&D's
transparent
and fair means
of operation



The brand's reputation drew demands for tickets and results from other states

brand Rajshree Lotteries. When non-Tamils from the northern states asked for RS in Hindi, the calls were connected to Rangaswamy, whose name had been shortened to RS. When it took a while for the staffers to understand that the callers were asking for the results of Rajshree, they were filled with pride that their brand in its own way was breaking boundaries. Rajshree continues to possess pride of place in S&D as well as among the public to this day.



THE QUOTE THAT SEALED THE DEAL

When the Madhya Pradesh government floated tenders for a number lottery scheme, Sugul & Damani decided to quote for it. After the formation of the partnership, this would be their first tender for a government lottery. By this time, they had learned that the lottery revenue was being used by the government for various developmental works. This spurred them on to think of ways to increase revenue for the government, besides their income. After much



brain-storming and exploring the pros and cons of various possibilities, they zeroed in on a way of quoting that which would be profitable to the

government. They quoted Rs. 4.20 crore or 0.5% on the sale of tickets, whichever was higher. The competitor had quoted Rs. 4.25 crore. In the absence of any such precedence, the finance secretary felt that the work should be given to S&D's competitor. The then Finance Minister Mr Ramhit Gupta could however see beyond the lakhs of rupees that weighed the option in favour of the competitor. "Quite interesting", was his candid comment on the ingenuity of the scheme suggested by Sugul & Damani. He was convinced that this mode of

payment would rake in more money for the government than the guaranteed amount of Rs. 4.25 crore. The competitor was not convinced and approached Lok Ayukt, the local court. S&D was able to convince the court too. The S&D team



S&D's
innovative
offer earned
good revenue
for state
governments



that pioneered this was elated that the government had absolute faith in them. Needless to say, they consolidated the government's faith by earning more than the guaranteed amount. The transparency and fair dealing with agents and customers generated abundant faith and goodwill for lotteries and the name of Sugul & Damani became a symbol of trust and confidence.

S&D's novel way of quoting that resulted in increased profits for the Madhya Pradesh government made news. This led to the Punjab government inviting S&D to operate their lotteries, without calling for tenders.

THE PUNJAB PRESENCE

The Punjab government prevailed on S&D to operate lotteries in their state. Never one to back away from a challenge, S&D readily agreed. When S&D entered the Punjab lottery market in 1992, they ruled the roost. There was absolutely no competition. But over the years other operators entered the field. The partners proudly add that they brought in competition wherever they went.



Whichever state they started functioning in, they laid a foundation, on which others could build upon. Rather than viewing this competition as a threat to their business, they feel happy that they are trendsetters. They opine that a healthy competing field augurs well for the industry.

Premraj Bamboly, Sugalchand's relative ran a jewellery shop in Madras. As the lottery business had more growth potential, Bamboly shut down shop and shifted to Ludhiana, at Sugalchand's behest. S&D was successful in establishing a strong base and earned immense goodwill and respect for not only bringing in more revenue for the government, but also for the transparency in its operations. Presently Punjab is the highest revenue earning state in India. S&D, with the approval of the government started selling the tickets as computerized ones. This has been received well by the lottery players. In Punjab, with S&D appointing scores of agents, who in turn have thousands of point-of-sale computer terminals distributed among them, the lottery tickets are sold through these computers.

S&D's
pioneering
work in
Punjab has
augured well
for the
government
and the
industry

SECOND GENERATION SIGNS UP

The partners laid a lot of importance on their children's education. They firmly believed that education would help their wards take more of a professional approach and would give them an edge in an increasingly competitive scenario. Sugalchand was not too keen on his children Prasanchand and Vinodh coming to the office, lest they lose interest in their studies. So young Prasan used to sneak into the office, cautious not to be caught by his father. He admits to being more interested in his father's business than his books. With the Jain residence literally sandwiched between the administrative and back-end offices, it was natural that Prasan got sucked into the swirl of activities. The teenager endeared himself to the employees by helping them with the packing and despatch of tickets and doing all odd jobs, never putting on airs.

The progeny
of the
partners
built on the
foundation,
adding a new
dimension

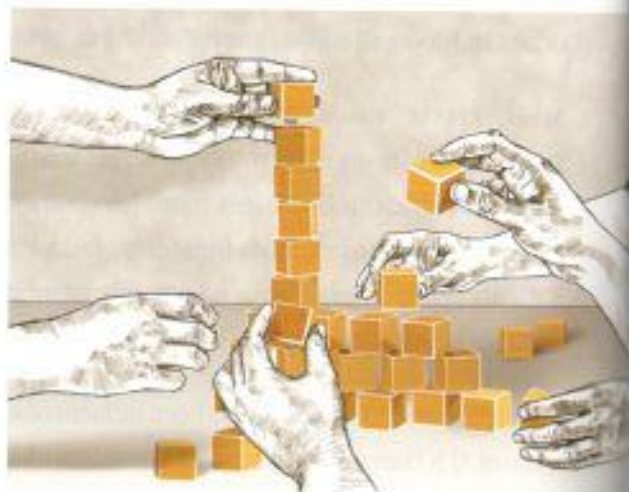
At 21, Prasan was formally inducted into the company. Employees are appreciative of many of his workable suggestions and ideas to make their work easier and efficient. Employees recall his contributions in the form of novel ideas and simplified methods for tedious tasks even during his student days. With his hands-on experience he not only advocated changes in the working methods but also in rewarding employees in recognition of their contribution.

Prasan's business perception has been influenced equally by his father and G N Damani. G N Damani's commitment towards work sees him always at the scene

of action. So he shifted base from Chennai to Delhi in 1989 and then again to Mumbai where his presence was required. Prasan has imbibed this trait of sincerity from Damani. He hopped from Madras to stop at Bangalore and then at Bhopal, moved from there to Benares, establishing and enhancing the company's business activities and finally finding a base in Delhi. He takes after his father in interpersonal relationships.

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In the early 90s, S&D had an infinitesimal share in the Bombay lottery market. The partnership was gradually evolving as a family business. Rajen Chheda, nephew of founding partner Pravin Chheda joined the company as a trainee. As Rajen's family had different businesses, he was undecided about the choice of his career. So he spent a few months each in the S&D offices in Bhopal, Punjab, Delhi and Benares. As he imbibed the nuances of the lottery business, it became clear to him that his professional life would revolve around the wheel of fortune. It was around the same time that Bhavin Doshi, G N Damani's nephew joined the company as a trainee in Delhi.

When the company recruits staff members, they do so, for them to carry out specific responsibilities. But when the second generation from the founding partners' fold



THE DELHI DEBUT

joins the company, they need to be well-versed with each and every aspect of the business. With all the founders having sweated it out in their early days, they believe in hands-on experience for their protégé. So the youngsters had to start at the bottom of the rung, work at despatch, accounts, technical division and coordination among others and work their way up. They also need to gel well with the existing employees, especially the ones who have been with the company for a long time. As the youngsters spend time in each of the branches, they interact with executives and employees and the barriers are broken down.

When one of the three founder partners inducts a family member, he allocates a percentage only from his share. This is done so as not to disturb the original measure they assigned to themselves.

S&D's Delhi operations began in 1988. Kishor Ajmera, as the chosen one of Damani & Co, had come to Delhi the year before. After the merger, he could consolidate the business.

Ajmera was doing his graduation in 1981 when he received a letter from G N Damani, offering him a position in the dyes and chemicals business he was about to start. Making an instant decision, he packed his bags a week later, his collegiate education left halfway through. His father, a contractor building dams in Gujarat was not worried about his son's unfinished education and saw him off to Madras.



With Ajmera relocating to launch it, the Delhi debut was S&D's first step towards a pan-national presence



After his stint in the dye-chem and cycle businesses of the Damanis, Ajmera switched over to lotteries. His responsibility was to liaison with dealers. As dealers were the bridge between the end users and S&D, he established a close rapport with them. This enabled him to think of ways to improve sales and change schemes according to the customers' tastes.

G N Damani wanted him to establish an office in Delhi and then come back to Madras. Ajmera did not find the idea appealing. The challenge of running an establishment single handedly was too much to resist. Damani agreed to Ajmera's suggestion of him staying on in Delhi. He recalls the early days in Delhi, making jokes out of difficulties. "You can not only live out of a suitcase, but work out of it. And I carried my office around", he reminisces with a chuckle.

G N Damani too moved to Delhi in 1989 and looked after the company's operations there till 1997. Then he shifted to Mumbai. It is at Delhi that S&D started developing a professional approach by recruiting professionals. This professional approach not only helped in converting new opportunities into successful businesses, but allowed it to operate more efficiently in different parts of the country as well.

Ajmera was instrumental in starting the Ludhiana office as well. In recognition of his contribution to the company, he was made a partner in 1992. When questioned about how he felt when he was made a partner, he says he always thought of himself as a partner. "From the beginning I worked as if S&D was my own company. So I did not feel any difference. When you get a fixed salary there is no risk involved. But this has an element of risk. And risk is an integral part of doing business. Without that one cannot prosper", is his candid response. "From a suitcase, I got promoted to a single table and a chair, in the borrowed space of a courier company", he adds, presently occupying an aesthetically designed swanky office.



It is not only the office that has metamorphosed. In the initial days, they had government and private lotteries, eight in all. Each lottery scheme would have two lakh tickets and so the employees handled 16 lakh tickets every day. With the checking and accounting being manual, it was a daunting task. Later with government approval, the schemes came to be sold through computers.

Ajmera's
hardwork
was
rewarded
with a
partnership
in the
company



A BRIEF SOJOURN IN BHOPAL

The Madhya Pradesh State Lottery was started in the seventies. It was banned after a few years and started again in 1992. When the first call for tenders came in 1992, S&D did not participate in the bid. Surprisingly there were no takers

barring one operator. This resulted in the government reissuing tenders. This time S&D participated and won the bid. To operate the Madhya Pradesh Lotteries, Sugachand established an office in Bhopal. Later Prasan joined him. The duo brought about operational and administrative changes and improvised the software used to track sales. But their operation was cut short when the MP government banned lotteries a second time. In November '95, S&D filed an application for arbitration with the Law Secretary, who was the sole arbitrator. The arbitrator awarded S&D a compensation

of Rs 55 lakhs - nearly one seventh of what the company had claimed. The value of the award was immaterial as it proved that it was unbecoming of the government to rescind on the lottery agreement.

S&D's operation in MP was cut short by a government ban, winning S&D an arbitration

FOR A FOOTHOLD IN MAHARASHTRA

When the company decided to have a stronger foothold in Maharashtra, the onus fell on Rajen Chheda. Maharashtra's lottery world watched with interest, when S&D's office was established in Dhobi Talao in August '93. The reason was that, the lottery market was a stronghold of a handful of operators, who had a network of loyal distributors throughout Maharashtra. Though S&D was interested in selling Punjab and Arunachal Pradesh lotteries, the marketing methods that worked in other places did not work in Maharashtra. For two years S&D barely managed to survive. Then they sought help from their marketing personnel in Bhopal, Benares and Ludhiana. The marketing team started selling at individual retail counters. It did not show expected results. As no support was forthcoming from distributors, S&D helped individuals set up retail outlets and had their own personnel man the counters. This too failed.

Maharashtra lottery had been in existence for more than thirty years and had entirely different schemes. They were traditional 3D and 6D lotteries, whereas Punjab and Arunachal lotteries sold by S&D were single digit lotteries. The lottery playing public was used to the traditional lotteries and hence did not take to the other state lotteries. Incidentally, S&D was the first to introduce single digit lotteries in the country.

As the lottery players were more in number in Pune, S&D made an entry there.

As a new entrant in Maharashtra, S&D found it an uphill task to establish its presence

Persistence paid and with scratch tickets, S&D garnered a fair share of the market in Mumbai

The other operators in Pune who worked as a syndicate with distributors did not take kindly to the new entrant. When a few existing distributors agreed to sell the other state lotteries marketed by S&D, the competitors stopped supplying the Maharashtra lottery tickets to these distributors. This affected the livelihood of these distributors and they withdrew their support to S&D. The handful that stocked S&D's tickets did not try to market them of their own volition. Nor did they display the tickets prominently for fear of incurring the wrath of the other operators.

Had it not been for the lottery operations in Punjab and Uttar Pradesh that were doing well, S&D might have had to abandon their Maharashtra operations. The success of the lotteries in those two states offset the now-and-then debacles of Maharashtra. Rajen who was at the helm of affairs, found the period stressful and despondent and he almost quit. Especially when what was thought of as a



well-planned idea backfired the very first day. S&D had taken all the distributors of Pune into confidence and offered an attractive commission for a particular period of time. The condition was that they should not sell any other lottery in that period. The distributors agreed and the product was launched. But on the day of the launch the distributors reneged on their promise without an explanation. It was an important lesson that everyone at S&D learnt. That adopting an unfair method practised by the competitor would not only fail, but would not bode well for the company in the long run.

In the mid-90s, S&D started selling scratch tickets. As they were the first to introduce game-based scratch tickets, the lottery players took a liking to the schemes. Attractive prize schemes, visually engaging tickets and an improved distribution network helped the company establish a stronger presence. The prize pay-out varied between 80% and 91% for different schemes. Though the prizes in terms of value were less - below ₹5000 to be exact - the chances of winning were more. Hence people preferred scratch tickets. Though the success of the schemes brought in more competitors into the fray, S&D garnered a fair share of the market, which they could retain.

In the late 90s, S&D shifted its entire operation from Bombay - by now Bombay had become Mumbai - to Pune for various reasons. The syndicates that resisted S&D's entry earlier still existed. This time a different marketing ploy was adopted. The company set up shops to sell S&D's products exclusively. The company took up shops on rent, brought distributors from other states and

New tactics
and
technology
enabled S&D
establish
new markets
around Pune

made them sell those state lotteries that were marketed by S&D. The consistent efforts of Rajen and his team paid dividends. The good rapport that Pradeep Lunkad established with the agents helped S&D establish markets in areas around Pune as well. Besides, the idea of selling paper lotteries through computers worked in S&D's favour, helping it get a strong foothold in Maharashtra.

A BRIEF RUN IN GUJARAT

Concurrent to Bombay operations, in 1993, S&D began marketing lotteries in Gujarat also. It was an exacting effort to establish their position. The existing players offered stiff competition and resistance. However, with Bhavesh Sangrajka from Rajkot playing a vital role, S&D's work was a breeze. But the success was short-lived as the Gujarat government banned lottery operations in the state in 1997.



Surmounting Setbacks

"If there are no problems while running your business, it means something is wrong somewhere", is Pravin Chheda's adage. Sugalchand seconds him. Business is all about taking chances, more so if it is a business dealing with games of chance. Besides the sceptre of ban dangling over their heads, the company faces various other setbacks.



The very first lottery that the partnership operated ran into rough weather. The company was operating weekly lotteries for Bharatiya Vidya Bhavan (BVB) of Hyderabad. When there was a proposal to construct an auditorium, it was decided to have a bumper lottery. S&D decided on a five-series, twenty lakh ticket scheme, totaling a crore of tickets. As is the trend in paper lotteries, they released ten lakh tickets initially for sale. The sale was not as expected. The company was undecided about phasing the printing and release of the rest of the tickets, as the draw was already drawing near. It was brought to the notice of

the BVB by a handful of lottery players. The BVB officials were unhappy about the situation, for it seemed to project BVB in a bad image. As S&D had always operated in a legitimate manner, had always been prompt with paying the revenue and in disbursing the prizes, they could convince the BVB officials. They promised to hold the draw for ten lakh tickets, but pay BVB the agreed amount. This would mean a loss to S&D. Not one to renege on a promise, they decided to bear the loss. Their determination made BVB relent and they conveyed that S&D could phase their payment to BVB. So S&D disbursed the prize amounts without any delay and paid BVB in a phased manner. The auditorium is a reminder to the founding partners of the faith BVB had in them, given S&D's integrity.

Business is about taking chances, more so in a game of chance

In the 80s, when technology was not what it is today, errors occurred while printing tickets. There have been cases when players with twin tickets bearing the same number have blackmailed the company. The company did not pay much notice to these blackmails, as it was an error and unintentional. But if the same had been the prize-winning number, they would have had to pay the prize twice.

When S&D outlets in MP started selling Deepavali Bumper draw tickets brought out by the tourism department of Karnataka, it was business as usual for two


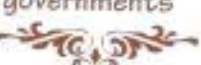
days. But on the third day, Sugalchand was surprised to see a posse of men, numbering about three hundred at his doorstep. They demanded withdrawal of the Deepavali tickets from the market. When Sugalchand asked for an explanation, they said they were Jains and it was not right to have Bahubali's picture on the tickets. They said it would be a sacrilege if the tickets got trampled upon, as they were likely to be, once the draw was over. Sugalchand reasoned that the tickets were designed by Karnataka's tourism department and not him. He explained that it was done to attract more people to the Jain shrine at Shravana Belagola. As the

Some lottery ticket designs brought disapproval from unexpected quarters



partners were also Jains, the men understood that the company or its partners meant no ill will. Still, to appease them, the company issued a public apology in the dailies.

Following the Supreme Court order in 1994, state governments either banned or started scrutinising other state lotteries, which resulted in a slump in the market. This resulted in S&D losing Bihar, an important market. The Lotteries

 Lottery industry faces uncertainties due to occasional bans by state governments 

(Regulation) Act, 1998 restricted any scheme's draw to one per week and the number of bumper draws to six per year. Later the lottery industry went into a period of uncertainty when in 2002, a bill to ban lotteries was introduced in parliament. But the Standing Committee of the Ministry of Home Affairs recommended to the government to reach a consensus if it proposed to ban lotteries. Following this recommendation, some of the state governments continue to allow operation of lotteries to fund their developmental projects.


Occasionally the S&D team at Mumbai faces problems because of illegal private lotteries. Some retailers who sell S&D's lottery tickets also sell tickets of illegal private lotteries. At times it leads to S&D's executives being questioned and some of the retailers selling S&D's lottery tickets being taken into custody by the police and released. As one of the partners puts it, such small setbacks are taken as an inherent part of running a large-scale business. In spite of such problems, the lottery industry survives because of its strong legal character, opine the partners and executives.

To Continue or to Close Down

Decision-making is an integral and important part of business. While the lottery business was doing badly in Bombay, it flourished in Benares and Ludhiana. It floundered on in Bombay for a few years till it found a foothold.

In 1993, S&D was operating Punjab Lotteries. In Benares, they were selling Punjab Lotteries' tickets through a few agents. Envisioning a good market, they decided to have a full-fledged office there. It was the first time Prasan stepped out of the shadows of his father to take complete responsibility of establishing a base. Even before S&D arrived on the scene, their brand product Rajshree was well entrenched in the minds of the people there. Once the office was set up, advertisements in dailies brought in more customers. Given the background of the commercial scene in Benares, S&D decided not to give tickets on credit to agents and retailers. In spite of the 'cash & carry' system - to which the agents were not used - many experienced and new entrants to lotteries wanted to market the Rajshree merchandise. The reason was that the brand name stood for credibility. Rajshree continues to spell integrity.

With trade came trouble too. The office premises being close to a famed university did not help matters. Anti-social elements in the guise of students would knock on S&D's office every other day for donations purportedly for the institution. The locals being used to it could dodge them. An unyielding Prasan earned the wrath of

 A book sparked the idea for a national presence, during the Benares setback 

the miscreants and started receiving threats. Reticent that he was, Prasan did not reveal this to anyone. Notwithstanding the external disturbances, internal irritants cropped up in the form of misunderstanding between junior and senior level employees. Prasan could not assuage the antagonistic attitude of the employees who numbered more than a hundred. Deciding to let the experienced intervene, he asked his relative Premraj Bamboly in Ludhiana to sort out the matter. However things came to a head when the employees struck work. Being non-natives of UP was a disadvantage and law enforcers had to be brought in.

It was at this juncture that Sugarchand gave his son a book to read. 'Management Ideas in Action', written by Promod Batra changed Prasan's outlook about business. He pondered about the company's and an individual's growth a few years on. He realized that growth did not just mean an increase in turnover, but overall development too. At the next meeting, he voiced his views and it was decided that Prasan would move to Delhi to work out



expansion plans. A year after Kishor Ajmera and Naresh Mangal took over from Prasan, the Uttar Pradesh government banned lotteries. The Benares operations were closed down following the ban.

Looking back, the Benares operations gave Prasan an opportunity to handle complex yet unique issues, thus preparing him for the challenges ahead. Whereas in Mumbai - Bombay having become Mumbai by then - it was more of a challenge for S&D to tackle the stiff competition head on. It was about finding a workable marketing solution that would bring in results. And it was about finding the right tactic to reach the top and retain that position. Tackling the situation in Benares might have taken the company to the top slot in a few years. But for the restless situation and Batra's book, the question of 'What next?' might not have come up. It was only when pondering over that question did a broader perspective emerge. It was as well that the company decided to utilise its resources on expansion than on a sinking cause.

The setbacks prepared Team S&D for the challenges ahead as they entered the national arena

Business Expansion Plans

The initial plan of S&D was to have a dominant national presence. Each of the big names in the business of lottery at that point of time was concentrating only in a state or two. There was no player at the national level with operational bases across the country. As a precursor to realising their dreams, Prasan and his team at Delhi went about meeting policy decision makers in a bid to convince them. They did not have much of a success on that front though. Yet they were successful in placing S&D in all the states where lottery operations were allowed.



As the next step in business development, they increased the number of agents and retailers in the existing markets, improved retail distribution by creating new markets and improvised schemes. The team's view is that it is a routine business and that there is not much to do once it is established. So they tried to be innovative about the schemes they marketed. The small or pattewali ticket is the brainchild of the company. It was S&D that introduced two-digit lottery scheme, the most successful till date. Some of the states had 3D and 6D lotteries, but not 2D.

S&D also pioneered the method of clubbing ten tickets in one sheet and the customers' response was overwhelming. The company then tried out variations in the selling price. The MRP was Rs 11 everywhere, and S&D



brought out tickets for Rs 8, Rs 33 and the like. In a similar fashion, the company introduced a number of schemes. Some schemes found favour with the players but some failed. Prasan quotes one scheme that failed miserably. Normally, the prize payout for a eleven-rupee ticket is Rs 100. In a particular scheme, they halved the prize and gave it to two winners, by drawing two numbers. This meant more number of people would get lesser amount of prize money. The team was confident that this too would do well; but there were no takers for such a scheme. The sale went lamentably low that the company had to stop the scheme.

S&D pioneered the two-digit lottery scheme, besides many innovative schemes

The company then introduced schemes for agents and retailers so as to encourage them. A special draw was conducted for them and rewarded with appliances, gadgets or consumer goods. The company continues to have these special draws for their agents and retailers.

The Changeover and the Corporate Outlook

With a dream to go global, the younger brigade took a conscious decision to corporatise their way of functioning. When the Sugal & Damani partnership

S&D's
changeover
in business
approach
and use of
technology
have
facilitated
streamlining
of works

was established, it was a union of two different companies. Each had its own way of functioning and it was a bit chaotic initially. If loyalty was high, so was attrition. The partners ensured that the loyal and long-serving employees knew a bit about everything, so that they could fill in if and when somebody left. But the younger generation believes in more of a professional approach. The functioning has been systematised and streamlined in such a way that anyone will be able to take up matters where the other left it.

The changeover began when Kamlesh Vijay and a few other professionals joined S&D Lotteries in 1992. Vijay got to know of the position through a friend. The brief that he got was, the position was in a big company with a considerable turnover, and it needed to be fine tuned as a corporation. Vijay realised the potential when he met G N Damani. He knew then that the company could do much better with a professional touch. Initially most of the members of the management team were not sure about working with professionals in the company.

Vijay's initial challenge was to streamline the way the administrative and financial wings functioned. The partners encouraged computerisation from the

beginning. Employees remember the massive computers that took up a lot of space. They still sheepishly admit that they did not take to the computers immediately. They

were wary of the computerised functions and did not rely on the same. As a result there was duplication in every documentation, one done manually and the other using



computers. Though Vijay faced resistance from the staffers initially, he succeeded in winning over their confidence and in computerising the procedures.

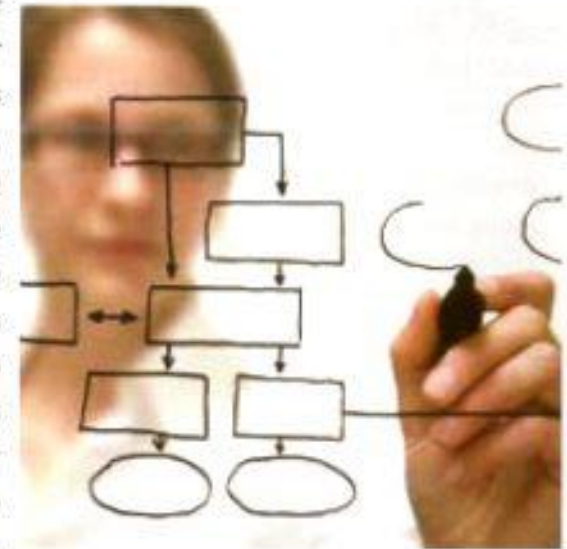
He went about restructuring the organization next. There were lacunae in accountability and delegation of work. Sugarchand admittedly took time to learn to delegate work. Now documenting and delegating are done in such a way that work does not suffer in the absence of an executive.

Then Vijay focused his attention on liaison and bid aspects. He travelled with G N Damani to Punjab, Himachal, Manipur and Arunachal Pradesh to spend time and study the systems in place as they differed from state to state. As per the needs of each state government, he executed several lottery agreements. The Supreme Court's order of 1994 that lotteries should be operated in concurrence with the court guidelines necessitated redrafting of several agreements. Kamlesh Vijay rose to the occasion and successfully carried out the work. S&D has been instrumental in winning several litigations in High Court and Supreme Court of India, which have had a positive impact on the lottery industry in the country. Vijay has played a key role in all the legal and liaisons works of the company and continues to represent S&D in the national and international arena.

The streamlining had a ripple effect, lending a positive image to lotteries

When Naresh Mangal joined the company in 1993, Vijay found an eager and able partner in him. They form a formidable pair, successfully establishing bases for the trail blazing path of S&D. Hailing from Rajasthan, Mangal moved to Delhi to pursue his career as a chartered accountant. After a few years of practice, he registered himself as a member in Delhi Stock Exchange and began dealing in stocks. When the stock market scam dealt a blow to many, he too felt the consequences. Having known G N Damani for twenty years, Mangal consulted him. Damani readily took him aboard S&D. Mangal has not looked back since.

He spent a few months in Benares, assisting Prasan in setting up the office. Then he came back to Delhi and now shunts between the various branches. It is Mangal who reads the fine print in the tender documents and suggests the pros and cons, depending on the conditions laid by the government. As the tendering process varies with states and is also constantly changing, it is essential that the company analyses the situation to check the viability of a scheme. "If the criteria and environment are not favourable, we do not bid". He has mastered the skill of assessing people from their body language, which comes in handy when he has to coordinate with various agencies on behalf of S&D. He has a way with people and this has helped S&D maintain a good rapport with state governments where the others have failed.



HR Practices

A small business at start, S&D has become a global corporate house in twenty-five years. But right from inception, it functioned as a corporate, with its outlook, meticulous planning, HR practices and social responsibility. Having straddled the spheres of a small business and a corporate, the partners have combined the best of both and created an affable ambience. The partners and executives maintain a personal rapport with each employee and take a keen interest in their well-being.

S&D believes in growth of its employees along with the growth of the company

Though there is no formal apprenticeship when a person is recruited, the management ensures

he gets trained in all the necessary aspects, besides his responsibilities. This is to ensure that he knows how the system works and his role in the overall scheme of things. This knowledge helps him assimilate himself well in the system and work in better coordination with other departments. Another reason is that the management is keen that its employees progress along with the company as it climbs up its business ladder and spreads its wings to other businesses. Hiralal, working in the Delhi



office, got trained in language skills so as to take on responsibilities in S&D's overseas projects with confidence.

The back-office operations of all the lotteries were carried out in Madras, even though none of the other state lotteries was being sold there. The staff members had to record the numbers of unsold tickets relayed over the phone from various centres across the country. In addition, they had to verify the prize-winning tickets for tampering and fraudulence. With a single digit UP lottery every day of the week - "Ganga-Cauvery, Dhanalakshmi, Sangam, Akanksha, Janata, Rohini and Raffle from Monday through Sunday",

Harini could rattle off, remembering clearly, more than two decades later - taking down the ticket numbers as well as verifying tickets required speed and skill. Added to these were the weekly draws of Arunachal Pradesh and Madhya Pradesh. The employees raced among themselves to see who would take down the most numbers of unsold tickets and who detected tampered tickets, if any.



The management too kept an eye and rewarded the most vigilant employee. Other attributes such as punctuality, full attendance, etc. were also suitably and periodically rewarded. But the employees are quick to point out that they did not work towards financial rewards, but took pride in their work.

Behind-the-scene works to ensure smooth lottery operations were carried out manually

There were times when the Tamil Nadu and other state governments banned lottery operations all of a sudden. Government decisions that came without prior notice left countless employees jobless overnight. On such occasions, the management took pains to convince the employees of their helplessness, long-serving employees recall. They were compensated with a few months' salary before they were relieved. Once the ban was revoked, the management took them back, if they remained unemployed or were in unsuitable or unsatisfactory jobs. The first time they were re-

employed, there was trepidation that they would be asked to work without pay to requite the compensation received earlier. They were in for a happy surprise when they received the salary in full the following month. This happened even if they were called back within months of being relieved.

Chandrakantha and Kiran Anand of the Delhi office aver that S&D is the best place for women to work in. This statement speaks volumes for the long service records of many women employees. Kannan, Kalyani. S and Krishnan. A who

have been in the employ of Ramesh Damani for two decades, Kandavel in Chennai, B B Joshi and Sanjay Gupta in Delhi cite personal interest that the partners and executives show in an individual, the trust, the respect, unbiased attitude, being sympathetic about personnel's difficulties, being open to suggestions and accessibility as the reasons for employee retention. Many are candid about being loyal in spite of the possibility of getting better remunerations elsewhere. As one of them explained, "You might have misunderstanding with your family members, but you

don't leave them. It's the same here". Though the company wears a corporate outlook now, it still follows some customs of a traditional proprietary firm. The employees are felicitated whenever there is a function in the families of the partners. This adds to the reasons for an employee to have a familial feeling.

The HR team at S&D reveals that while recruiting, the company looks for an entrepreneurial and creative streak in prospective executives. This, the team feels, makes them come up

The corporate philosophy lays emphasis on a good relationship with employees



with new and bold initiatives rather than towing an existing line of thinking. They are suitably rewarded for their creative approaches. Kishor Ajmera stands testimony since he was on the rolls of S&D when he joined but is a partner now. Depending on their performance, the other long-serving executives are given the option of a salary hike or a percentage of profit. Aptitude is given preference



over educational qualification. Rukam Singh Panwar, who was in charge of the warehouses fifteen years back is presently the General Manager of the lottery operations in Ludhiana. Lalitkumar Bafna and J P Singh Chauhan, have progressed from being despatch assistants to business development managers. Pradeep Lunkad, who is now a senior marketing executive, started his career in

S&D at their Madras office. His efficient working style saw him spread wings along with S&D to Bangalore, Bhopal, Pune and Bombay. There are many such examples that show that employees' aptitude towards work is rewarded with additional responsibilities and a rise up the rungs in the organizational ladder.

The company also rewards long-serving employees by arranging a tour for the employees and their spouses to a popular destination outside the country. The company meets the expenses.

Ajmera and Rajen acknowledge that once they prove their mettle and streamline operations, they are given the freedom to look into their family's business interests, provided the work at S&D does not suffer. Tejraj Achha and Dinesh Chopra who have ventured out on their own emphasise that their stint in S&D was a turning point in their respective careers.

Executives are given the freedom to build on the company and pursue their interests

Online and Computerised Lottery

As online lotteries began to get popular in other countries, Prasan and his team felt that they too should start online lotteries. They gave a proposal to the government for a nationwide online lottery. But there was no response from

the central government. In 2000, Prasan and Vijay went to the Rhodes, USA to participate in an exhibition and to team up with a lottery software developer. But the software companies that the duo met quoted exorbitant prices. This setback proved to be a blessing in disguise. It sparked the idea of developing the necessary software in-house. They set the process in motion in 2002. By then, a competitor who managed to get software at a competitive rate, from a company facing closure, became the first to introduce online lotteries in the country.

Operating
online
lotteries
was made
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developed
in-house

The team remembers the testing period when the in-house software neared completion. Without a precedent, they had to trust only their instincts. The S&D lottery team had no idea about software development and the software development team needed all the requisite input about lotteries from the former. The S&D InfoTech team ably guided by Ashok Jain completed the software in eight months and S&D's online lottery was launched in July 2003. Confident that they were, they tested their product directly in the market, by installing ten computers. The nail-biting wait of the preceding months seemed to end in disappointment. There were hardware and software problems the first

four days. The online scheme looked like a loser. But given the indomitable spirit of the Sugal & Damani team, they worked tirelessly. By the fifth day, having a go at the online lottery was child's play.

Though it was Prasan's idea to go online, he and the others are all praise for Rajen Chheda's initiative and motivation for executing the project to perfection. The S&D teams from Mumbai, Ludhiana and West Bengal tried out the online version and gave their suggestions for changes and refinement. Operating online lotteries was not about having ten computers. Thousands of computers had to be interconnected; it had to be ensured that the data could not be tampered with, a back-up plan had to be put in place if the servers failed, provisions for change and adaptability and many such seemingly smaller but crucial issues.

Technical adviser Sujit Lahiry's two-decade experience in telecom, IT and ITeS companies came in handy. Participating in world lottery exhibitions had kept



the team in the know about the latest trends. Lahiry ensured that the system that he developed was not only on par with the best in the industry, but also that it was ideal for the local conditions and had room for future expansion and upgradation. With such a systematic and procedural approach, the company has coped with the increase in number of transactions remarkably well. A top-notch service provider needed much persuasion to provide S&D with data connectivity service. Once they



A perfect and foolproof system links thousands of computers

complied in April 2004, there was no stopping S&D's online lotteries.

The company has installed about 25,000 POS or Point-of-Sale terminals. With twelve million transactions a day, S&D has more transactions than popular banks. Small hitches crop up once in a while. But the company has been able to hold fort because of subscribing to the

best services and products. Given the rapport that S&D shared with a leading hardware suppliers, the latter supplied S&D with custom-made computers giving S&D an edge over their competitors.

The company convinced the state governments where they were operating that they could sell the paper lotteries through computers. Presently, wherever they are operating, S&D sells all paper lotteries converted as computer lotteries.

The Haryana Hiatus

When S&D entered Haryana's online lottery market in 2004, they had to contend with a single but well-established competitor. The S&D team led by Bhavin Doshi replicated the Maharashtra model and ensured success. But the government banned lotteries and S&D's dream run lasted a very short span.

The Bengal Base

With the sudden closure in Haryana, the team at Delhi explored other places where they could base their business and settled on West Bengal. Bhavin Doshi was given the responsibility of establishing S&D's presence in the region. November 2005 marked the entry of S&D as a new addition to the field where



six other players thrived. S&D started with the sale of Sikkim State Lotteries. The team worked their way through the stiff competition and soon garnered a fair share of the market.

The very good response to the schemes being sold by them resulted in the company installing more than 2000 terminals in three months. The competition has also increased manifold since they started their business in Bengal. But S&D has managed to be on the path of progress. From West Bengal, the company has expanded its business boundaries to Arunachal Pradesh and Meghalaya.

Sikkim and the Success Streak

Sikkim lotteries are highly popular among the gaming public. Every operator aspires to have this state's schemes in his portfolio. When G N Damani signed an agreement with the Sikkim government in 2005 for operating both paper and online lotteries, it marked a breakthrough moment. On the one hand, it meant geographical expansion. On the other, it propelled the company to the top slot. With significant contribution from Sikkim, S&D achieved a gross turnover of over \$ 1.4 billion in 2011, consolidating its position as the undisputed leader in the Indian lottery market.

From West Bengal, the company has been able to expand its operations to other north eastern states

Gung-ho in Goa

Following the Goa government's invitation for marketing of paper and online lotteries, S&D submitted an EoI, short for Expression of Interest. Among various contenders, S&D emerged the winner. In May 2010, the Goan government awarded the contract to S&D for a minimum period of five years. Just as in the other states, S&D's schemes are successful in Goa too.

To Set Sail beyond the Shores

In 1995, the S&D team had envisioned having lottery operations throughout India. Executives led by Prasan met those who mattered in making policy



With the decision to go global, S&D started participating in international lottery meets

decisions and explained the benefits of running lotteries. They believe that their attempts have brought about a small change in the mindset of these people. They are confident that in a few years their efforts will yield results and India will have a national lottery.

Batra's book had made Prasan dream beyond regional pockets and on a national level. A year on, the team had set its sights beyond the shores and started the legwork for the same. A few employees were assigned the job of

reporting on the changes, status and trends in the international lottery trade. The directors and executives visited various international lottery expositions. In 2003, they visited the NSPL Lottery Expo at Baltimore to be conversant with the latest technologies and to explore possible business alliances. Starting with the WLA Exposition at Durban in 2004, every year S&D has been participating in international lottery exhibitions including the China International Lottery Technology Meet.

During such a sojourn, they learnt about the bid that was coming up for the UK National Lottery. The UK Lottery Commission plans well in advance that the operator for the license period starting in 2009 was finalised in 2007. S&D's research proved that they not only had the experience and expertise, but also the technology to operate lotteries abroad. They knew that participating in a lottery bid would not be the same as participating in an exhibition. But the exposure helped. Keen to know how they fared in the international lottery arena, Sugal & Damani bid for the UK National Lottery in 2006. The team is candid about bidding with trepidation. One reason was that the incumbent was considered the best and the most efficient in the lottery world. The second reason was that there had never been a contender from outside UK.

The S&D team was in for a surprise when the Lottery Commission made them very welcome. The members of the Commission who visited the offices and lottery outlets in Mumbai and Kolkata were very impressed. For, the S&D offices incorporate modern design and are colour-coordinated in earth colours and

Members of UK's Lottery Commission were impressed by the way S&D functioned in India

pastels, providing pleasant working environs. The wings containing the servers and lottery paraphernalia have controlled access, making them secure. The offices, housed in commercial buildings have their own private green lungs helping the busy executives and employees take a breather.

If S&D's computer could work outside a shop selling coal, the Lottery Commission said, they were sure the computers would work better in UK. They provided S&D with data of the previous twelve years, so as to



guide them in their bid submission. Various sources tried to put S&D off, claiming that the bidding process in itself would cost more than 20 million pounds. With nothing to substantiate these claims, S&D was undeterred. The Commission's words of encouragement to S&D's endeavour and their constructive comments in furnishing the bid documents boosted the team's morale.

The S&D team met UK Lottery retailers and union presidents to have a better understanding of the system. They engaged Grand Thornton as consultants and a Mumbai-based firm to take care of the documentation.

The executives are candid that it was an emotional time for every one to be involved in a project of such a magnitude. For the bidders have to submit various

details including the type of technology that would be used, risk management, measures for player protection, proposed game development, marketing plans and the like. All these were new to the team, as these details are not requisite



while bidding for state government lotteries in India. Besides, they had to coordinate with eighteen vendors including Deutsche Bank, Financial Technologies and Gopsons Press, since the said agencies had consented to work with S&D. Furnishing all these details meant that the tender documents ran up to nearly twenty thousand pages.

Everyone worked close to eighteen hours a day, but was happier at the end of it. For every hour of work meant that they were inching closer to their dream of running the UK Lottery.

The incumbent operator was Camelot, a group owned by Royal Mail Enterprises, De La Rue, Cadbury Schweppes, Fujitsu Services and Thales Electronics. They had won their license to operate the UK Lottery way back in 1994, when they

S&D bid for the UK National Lottery in 2006, becoming the first ever non-UK contender

outdid seven other contenders. Both Camelot Group plc and Sugal & Damani UK Ltd met the exacting standards set out by the Lottery Commission. After the selection process, the Lottery Commission confirmed during the press meet that both the companies stood equal in fulfilling all other criteria and that S&D had the technology to run the show. However the deciding factor was the returns for the UK Lottery's famed good causes. Robert Foster, chairman of the Competition Project Board had this to say: "These were two strong bids and I would like to thank both Camelot Group plc



and Sugal & Damani UK Ltd for the depth and quality of their submissions". Camelot was chosen the Preferred Bidder, as they were considered to be in a better position to maximise returns for the good causes. S&D was adjudged the Reserve Bidder. If the Preferred Bidder were unable to take up the operation for any reason, it would be awarded to the Reserve Bidder. And it should be mentioned that S&D achieved this at a fraction of the expenses cited by the detractors.

A Setback and Scopes Anew

Though some in the Indian lottery industry take this as a failed attempt, it is not so for the S&D team. The bid for UK Lottery has put S&D on the world map of

Being
adjudged
the Reserve
Bidder put
S&D on the
international
lottery
map

lotteries. The other operators in the industry look up to S&D for the fact that a company from a developing country could take on a giant such as Camelot and be at par with them. This was indeed the first time that a non-UK operator had bid for the National Lottery and had been announced the Reserve Bidder. Participating in the bid has opened other doors for S&D in the international lottery market. The second generation has ably translated international opportunities into successful businesses.

With the decision to go global, other aspects started shaping up. The team felt the need for having a separate gaming and lottery software development wing for the overseas market. This took shape when Abhishek Kumbhat joined the company in 2007. For ease of reference and to distinguish it from S&D Infotech, this entity is referred to as Skilrock Technologies. Weaver, the gaming platform developed by Skilrock awaits patents approval for its innovative use of latest technologies. Skilrock develops scratch, instant, number and lotto games. The games are flexible that they can be used in personal computers, cellular phones and gaming consoles. The adaptability of the platform gives the games ease of customisation to suit varied needs.

As lottery markets in African countries are underdeveloped, S&D considered an entry into these

places. The spadework is done by visiting the country and sometimes by engaging a local market research agency. The

company studies

the culture, the population, political environment and local lottery legislations to decide whether to establish base there. Once decided, they prefer to team up with a local business group, as the latter would have a better understanding of the cultural, political and legislative issues there.

After S&D was declared the Reserve Bidder for the UK National Lottery, one of the partners mentioned that S&D would be the successful bidder the next time. With a team of experts to plan and implement the international projects and with an increasing global presence, it appears that S&D would surly outdo its competitors.



Increased Presence in International Arena – SIS BV

SIS BV - short for Skill Infra Solutions - S&D group's holding company had its inception in 2009. Lottery operation and providing business solutions in commercial services and gaming technology operations are the mainstay businesses under the SIS BV umbrella.

Scratch tickets at Zambia became the first overseas operation for S&D

SIS BV in Lotteries

SIS BV's lottery brand 'Winlot' is currently operational in the UK and three African countries. New markets in Africa, Eastern Europe and Asia, some with local partners, are under bid. With more lottery licenses coming up in 2013, SIS BV looks to adding many more countries to the growing list.

SIS BV, group holding of S&D, has started lottery operations in a few African countries

A year after setting the process in motion, S&D made an agreement with the Zambian government. The project was a joint venture between S&D and the Chairman of Finance Bank of Zambia. WinlotZambia, scratch lotteries were launched in Zambia in December 2008. It was a foray into an existing market. The schemes were designed to reflect the Zambians' love for games and music. Skilrock provided the complete game management solutions for this operation. Having got

over the shaky start that any new entrant faces, S&D progressed well with WinlotZambia. But given the political situation, S&D had to suspend its operations in 2010.

In Lagos city of Nigeria, SIS BV launched the POC (proof of concept) lottery operations in November, 2010. The growth necessitated enhanced access and by January, 2013 the company had installed more than 2000 terminals. With a monthly turnover of Naira 340 million, the growth has been phenomenal in 24 months. SIS BV began operations in Tanzania in 2012, having been selected as the National Lottery Operator. Significantly, they outbid several competitors including established names with a long history of international operations.

While the Lottery Commission conducts the UK National Lottery, the Gambling Commission grants charity lottery permits. SIS BV intends to enlist with the Small Charities Fundraiser Ltd to raise funds as an ELM or External Lotteries Manager.

SIS BV in Gaming Technology Solutions

International presence in the lottery market has enabled SIS BV to explore and establish related businesses abroad. The in-house technology support from Skilrock Technologies has evolved into an international operation. Banking on



SIS BV has entered the gaming sector, offering games on varied platforms



the group's experience in the lottery industry, Skilrock entered the gaming sector. Encompassing a vast array of modular gaming platforms and game libraries, Skilrock is a popular presence in online, retail, mobile and social gaming spaces. It now develops gaming solutions for lottery operations for clients spread across the world. Instant ticket generation system, console and mobile gaming portals, interactive games and back-end management systems are some of the gaming solutions that Skilrock provides. Its comprehensive platform for

retail network includes customized ERP solutions. The patents in the offing speak volumes for Skilrock's innovative products.

After gaining ground in the gaming sector, Skilrock began offering commercial services solutions. The company now serves a diverse business clientele in European and African countries. It caters to travel and banking industries, besides players in the commercial solutions sector. Bill payment, air time and money transfer are some of the solutions that it has delivered so far. Skilrock team takes pride that their products help clients across continents conduct more than 10 million transactions a day. With the CMMI Level 3 accreditation in hand, Skilrock is working its way through ISMS process implementation to

obtain ISO 27001 security certification.

SIS BV in Commercial Services Solutions

Skilrock has started offering commercial services solutions to several African countries, the prominent ones being mobile phone recharges, bill payments, mobile commerce and travel reservation.

GenNext Joins the FamBiz

As is to be expected, the business parlance of the Generation Next that has joined the family business is different. At the same time it is rooted in the practical knowledge gleaned from the wisdom of the elders.

In 2004, Nitesh, son of Ramesh Damani enrolled for a course in family business management at the famed S P Jain Management Institute. As his course entailed, he visited Punjab, Mizoram and Sikkim to learn the basics of the business. Nitesh avers that his course too played a part in helping him win the trust of the employees. Happy that he could be a director of a large company at a young age Nitesh has taken to his responsibilities very well.



The next generation adds academic erudition to the practical wisdom of the founders



Pramod, Prasan's firstborn, did his graduation in business management from Bangalore and joined PayWorld, one of the arms of S&D. At PayWorld, he learnt all aspects of business development, marketing, sales, accounts and other back-end operations. Though he participated in all the inter-departmental and client meetings, it was based more on observation than contribution. However he found that the sales personnel of PayWorld were handling the customer relations and troubleshooting too. With the present and envisioned growth in mind, he suggested and saw through establishing call centres for the PayWorld operations.

The younger generation takes an active interest in adding to the group's portfolio

Simultaneously Pramod completed the family business management course from S P Jain Management Institute. With his next stint in the realty business at Sugul & Damani Foundations, he finds his generation has the advantage of having inherited a legacy. It is a challenge too since the existing empire has to be taken to greater heights.

The latest entrant is Mitul, the younger son of Ramesh Damani. Passionate about construction, he too is involved in the operations of Sugul & Damani

Foundations. Mitul is the only member of the family fold to have gained work experience in other organizations. With a commerce degree from Mumbai's HR College, he joined PayWorld. As is the practice, he too joined at the lowest rung,

handling sales, market survey and the like. His other stints include a brief internship at MIDDAY, the Mumbai-centric newspaper and at 'No Paper Forms', a portal for applying to educational institutions online.

However, Mitul counts the experience at a construction company as the one that taught him a lot. Having literally sweated it out at construction sites where people knew nothing about his background, he learnt humility, the value of money and respect for what the first generation has achieved.

The new entrants are candid that initially they found the responsibility of carrying on the mantle overwhelming. However, their initial apprehensions have given way to confidence since they find a supportive mentor in each partner and executive in the group.

Given the support system, the younger generation is confident of carrying on the mantle

The Partners and Their Progeny

Sugalchand and the Damanis steered clear of their fathers' businesses namely pawn-broking and wholesale grain trade. While Chheda had a finger in his brother's pie, he wanted to explore other avenues as well. After the lottery

The progeny have to position as well as expand S&D's brand name and image

business was established, they ventured into other businesses that are in no way connected to lotteries. As with traditional business communities, the founder partners' focus was on wealth generation. So they took up any business opportunity that presented itself. But their offspring have so far been keen on expanding existing businesses - lottery operation in particular - geographically or portfolio wise than on adding new businesses. And they are keen on building and positioning the brand name and image.

The founder partners feel that the second generation has more responsibilities. "We started with nothing. But they have inherited something. Not only do they have to carry on what we began, but have to build on what exists". But the founders are happy with the way their progeny have steered the company. The founders also feel that the long-serving employees perform better under the stewardship of the second generation.

Ramesh Damani finds the second generation more efficient and having a better understanding of many things besides their business because of their formal education. But he also feels that entrepreneurship is second nature to their

wards and hence will achieve more than what the fathers did.

Sujit Lahiry finds the philosophical element of the business coming from the founders and the tactical element from their offspring.

Kamlesh Vijay finds the open communication channels as the similarity between the two generations. "It is easy to approach anyone and discuss or clear the air when there is a misunderstanding". He acknowledges that the second generation has only built on the existing sound foundation laid by the elders. "Though the style of operation is almost the same, the second generation takes a more professional approach. The first generation worked according to the technical and the operative environment, whereas the second generation works according to the latest technology", is his comment. "While Sugalchand is a bit unrelenting, Prasan is more open and more adaptable", says an executive. It is a little early to say what the working style of the new entrants Pramod Jain and Mitul Damani will be.

With fifteen years of service behind him in the S&D fold, Mangal finds the younger partners and executives more energetic and enthusiastic and raring to go.

For Sugalchand, it is strictly taboo for the women of the family to work.

The open communication channels that the founders and the progeny follow works well for the company



The younger generation's attitude and approach towards business is more evolved



Ramesh Damani is happy that his daughter Nisha designs and sells diamond jewellery in the US. Chheda's daughter Kinjal works in his agency that deals with industrial bearings. The second generation is open to the idea of their daughters taking up reins.

The Hub and Its Spokes

When the founder partners made a decision about closing down individual lottery operations, it did not encompass their other businesses. They were free to carry on with the businesses that they had and any new ones that they wished to add. Thus the partnership has added other businesses such as diamond jewellery retailing and tourism management to its flagship business of lottery operation. The

partners have other businesses as well, independent of the S&D partnership.

The Damanis continue to produce dyes and chemicals in their Swastik Dyechem unit in Chennai which was



started in the early seventies. They marked their presence in the hospitality sector through Hotel Swati and Swati Deluxe. The hotels are in a busy Delhi locality and boast of 'Shudh' and 'Suruchi', restaurants that offer Gujarathi and Rajasthani vegetarian fare.

Swati Energy and Projects of the Chhedas are representatives of various imported machinery and accessories used in the power sector. They are also into mining of metals and minerals. They retail packed food products through two outlets named Foodspot, with plans of making them a chain of stores across Mumbai. The Chhedas have also established 'Senorita' to sell apparels and accessories for women and 'Innocence' to sell children's apparels.

Sugachand's son Vinodh has partnered with associates from outside the S&D fold to start Ankur Foundations. Promoting high-end residential apartments, the company has set foot in neighbouring Sri Lanka as well. He has also started derivative and commodity trading, though not actively at the moment.

But as a lone executive points out, if a partner expands independent of the company, it would slow down the process of S&D's brand building, as the focus is likely to get diluted.



Nothing But Diamonds

Sugalchand had cherished dreams of starting a showroom that sold nothing but diamond jewellery. Back then, diamond jewellery was made to order. Jewellers relied on design catalogues for fear of having their investment in idle stock. Customers placed orders from the catalogues. When such was the scenario, Sugalchand dreamed of an exclusive diamond jewellery showroom. However the dream remained dormant till he met Dhiresh Maneck from Bombay.

An exclusive showroom for diamond jewellery was an idea under a long incubation

Though Dhiresh Maneck's family members were financiers, inspired by a relative's work, Maneck's interest veered towards diamond business. Maneck became the first entrepreneur in his family, when he established a unit in Surat to cut and polish diamonds. Soon he was into designing jewellery. With his clientele stretching up to Madras, it was not long before Sugalchand became a client. After a year of acquaintance, during the course of a conversation with

Maneck, Sugalchand mentioned his dream. In the early 90s, diamond jewellery was considered an elitist accessory. But Maneck and Sugalchand shared a vision and envisaged a highly potential market where others saw none. Though it appeared that a market for diamond jewellery would need to be created, the two felt otherwise. They strongly believed that a market did exist and that they could be the first ones to tap into it.

Maneck promised to prepare a proposal. But previous experience had taught

Sugalchand not to build his hopes high. So he was in for a surprise when Maneck tabled a meticulously prepared project feasibility report.

Earlier their respective strengths of character and business ethics had gone through the proverbial fire test of gold. Once when Sugalchand had reservations about the quality of jewels designed by Maneck, he suggested that Maneck break a piece to allay his misgivings. Maneck agreed. He said, "Be it quality, craftwork or weight, each item that I make is of the same highest standard. If you find fault with one, then the entire lot would not measure up". Maneck teased him to close his eyes and pick a piece for testing.

Neither knows what piece of jewellery was tested. For the task fell on Dinesh Chopra. A jeweller and a relative of Sugalchand, Chopra gave a clean chit to Maneck.

When the final plan for the



Maneck's
feasibility
report
culminated in
an exclusive
diamond
jewellery
showroom

showroom was drawn, Sugalchand invited Chopra to join them as a partner. A young and reluctant Chopra was convinced by his uncle Premraj Bamboly. Bamboly during his earlier association with S&D had created a success story of lotteries in Ludhiana. He knew that the partnership would do his nephew a world of good.

Maneck, along with his family relocated to Madras in '94 to build the business from scratch. Having successfully partnered with Damani and Chheda, Sugalchand sought their association and Sugal & Damani Diamonds

was born.

For other state people visiting Madras, the journey would be incomplete without a trip to the shopping district, namely T. Nagar. So the partners took a conscious decision to steer clear of the locality. They believed that people would not mind a trapse through the city, for a quality product. Their search for a place culminated in an upmarket Cathedral Road. It is interesting to note that now the place has become a prime locality for many ritzy jewellery showrooms.

The S&D showroom sent invitations to acquaintances and clients of their other businesses. Hoardings went up in six prominent localities, besides advertisements in dailies, announcing the inauguration of Sugal & Damani Diamonds in October 1994.

Mr. Arun Kumar, a gemologist and a leading international diamond trader from Bombay inaugurated the shop. With minor hiccups and lashing rains adding to their woes, Chopra considers their inaugural day a fiasco. But they did have business on the first day, thanks to well-wishers and friends.

Though diamond is a high value product, S&D attracted customers easily because of the quality of the jewellery, the trendy and traditional designs, the service and the buy-back guarantee. Being a trendsetter, S&D

Unique
designs and
personalised
service
attracted
customers
to the
showroom



introduced modern designs in open settings. The chokers introduced by S&D were a big hit as the design could be shown to its best advantage. This spurred S&D into bringing out chokers to suit the taste and budget of all sections of the society.

Be it a client or a vendor or an employee, Maneck believes in associations that last forever. This is in response to a question on handling customers. According to him there are no difficult customers, only different customers. He emphasizes



that customer relationship is very important in this line of work. "Good designs attract customers. But good service retains them and brings in more, as satisfied

customers are the best ambassadors of publicity". He is proud that he has colleagues – he never refers to them as employees – who have been with him since inception.

Two years into the business, Maneck approached Sugarchand with the proposal to utilise the hitherto unused mezzanine floor to showcase gold jewellery. It was to appease requests of loyal customers. Maneck was surprised and hurt by Sugarchand's blunt refusal. But on hindsight and in long-term vision, he feels that they would have lost the brand identity, had they started selling gold jewellery. There were successes and setbacks. The setback the company suffered in 1986 was a lesson to be realistic about sales projections.

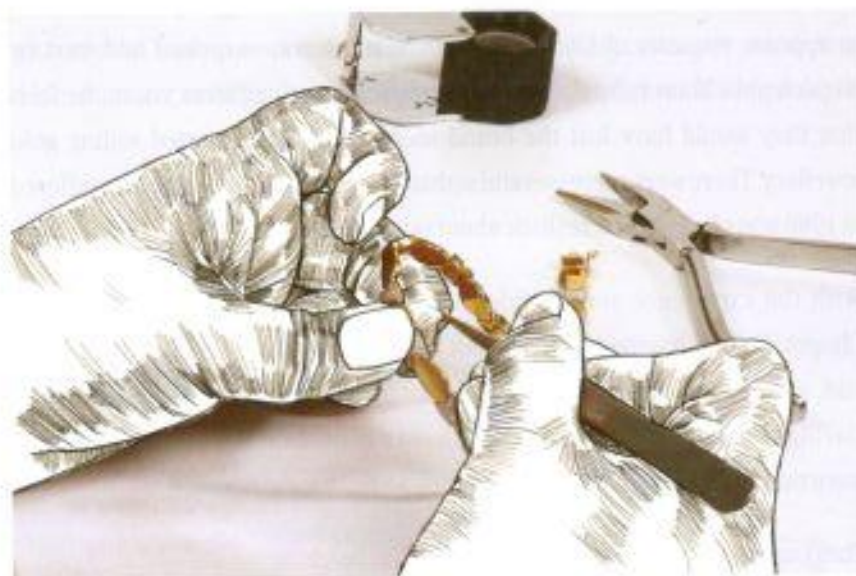
With the experience and confidence gained in S&D, Chopra desired having his own retail outlet. K Rajesh Jain, another relative of Sugarchand joined in his place. Having graduated in commerce, Rajesh did a diamond-assorting course in Bombay before joining S&D.

The company imports diamonds directly from Belgium. Solitaires are certified by HRD Antwerp (Hoge Raad voor Diamant) and S&D issues the same certificates to their customers. S&D certifies the other diamonds. The company has an in-house designer. Maneck and his wife Mala too visualise designs and the designer translates them on paper for the

Just as
their
wares, the
company
believes in
enduring
relationship
with
customers

artisans. Artisans in Mumbai – Bombay having had a name change in 1995 – lend shape to the designs.

The company brought out men's accessories such as belts, pens, tie pins, cuff links, bracelets, belt buckles and watches adorned with diamonds in 1996 and



continues to do so. They participated in jewellery exhibitions in Cincinnati and Atlanta in 1999 and 2000 respectively, with good results. Since 2005, they have been bringing out Italian black gold chains embellished with diamonds. Maneck feels that if his sons choose to join, they would bring a fresh perspective. Being a creative business, he believes that the next generation would do better.

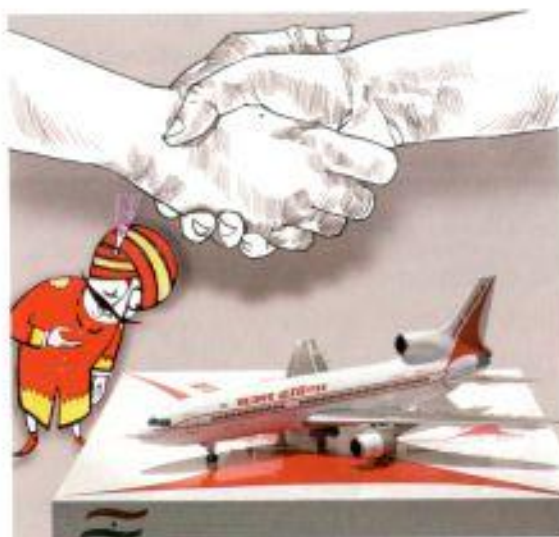
STEPPING INTO THE SUNSHINE INDUSTRY

When the company was in its nascent stage, a ban on lottery operations meant vacuous days. To sidestep the ban in Madras, Sugachand started Sugat Tourism Private Limited in 1991. But soon the ban was revoked and lottery operations resumed. As the lottery operations took up the entire time of the partners, Sugat Tourism existed only in name. The company started looking for a suitable person to run the show. A young Lalith Jain happened to meet his friend Prasan's father Sugachand. Having known Lalith's father for years, Sugachand felt that Lalith would fit the bill. Lalith had had to discontinue his collegiate studies to look after the family business due to the untimely demise of his father. The chance meeting in 1993 saw Lalith in the saddle of Sugat Tourism. As the founder partners are fond of saying, to them, aptitude and attitude matters more than education and experience. This was very true in Lalith's case.

The elders in Lalit's family were financiers. Neither his family nor anyone in S&D could guide him in the day-to-day running of Sugat Tourism. But two short courses and a 3-week internship later, he was ready. He proved that assertiveness mattered more than experience. For in two years, the company showed phenomenal growth, necessitating a branch in Bangalore. At this juncture the government banned lotteries in Karnataka. Uttamchand Jain who was looking after the lottery operations in Bangalore was given the

S&D
entered the
sunshine
sector, with
Lalith Jain
beginning
full-fledged
tourism
operations

responsibility of establishing the tourism branch there.



In the 90s when the company was started, the number of airlines was less. The government did not actively promote tourism as it does today. So Sugat Tourism targeted the domestic airline market and climbed to the top and remained among the first five operators.

A good rapport with airlines took S&D to the top of the nascent industry

The worldwide web had not made its presence then. Though it facilitates business on many counts, back then the absence of internet made the job of a travel agent easier. The marketing team had to visit the airline officials in person. This enabled the company establish a personal rapport with all the officials concerned and to get the best deals for its customers. Now with many players in the field and with increased international travel by the countrymen, the company has broadened

its spectrum of activities.

By visiting travel and tourism trade shows, Sugat Tourism has augmented its services. By enlisting the help of tourism boards abroad, they have associated with travel agents in many countries. As there are exclusive travel agents for various categories such as conference, adventure, etc. Sugat Tourism links with more than one agent in a single country, depending on the destination. As satisfied clientele serve as an indicator of the services offered, Sugat Tourism has found favour with most of the tourism boards in India and of the popular destinations abroad.

Having realised the importance of staying abreast with the latest trends, Sugat Tourism has developed a travel portal by name mytravelagent (www.mytravelagent.in), that offers all possible travel-related services at the click of a mouse. Only Indian corporate houses, individual customers and agents can book through the portal. Lalith Jain explains the reasons for the services not being available outside India. "When westerners travel, they plan well ahead and would like to be on schedule. But as our services depend on so many factors, sometimes we end up with disrupted schedules. Our undependable infrastructure, attitude of the other service providers whom we have to associate with, risks related to health and similar such issues have made us

The company has added a new online portal for travel-related services

reluctant to extend our services beyond the shores. Essentially, if the other service providers whom we have to depend on do not maintain the standard and quality of service set by Sugal Tourism, it will cause a dent in our reputation. It is better to avoid such a situation. Primarily we cater to Indian travellers within and outside the country". For those westerners who do seek their services, the executives of Sugal Tourism explain in detail the slips that can occur. But once they agree on an assignment, the team commits itself to fulfilling the clients' wishes and helping them to be on schedule.

Uttamchand took the initiative to publish 'Train Times', a user-friendly guide giving train timings and related information of all the sixteen railway zones. The publication was recently stopped because of lack of coordination with the Railways.

What Lalith considers his best value addition to their service is the printing of Sugal Time Tables. A monthly, it is a user-friendly guide for frequent as well as new air travellers. It gives information about the destinations to which airline services are available, the



days on which the airlines operate on a particular route, travel time, the type of aircraft, its capacity and similar necessary details.

Sugal Time Tables is the only one of its kind published from South India, yet has subscribers throughout the country. All the airlines have an online resource page, but given the volume of the traffic, the ready reckoner is easier to use than checking each

website. With about fifty flights plying between Chennai and Mumbai everyday, even travel agents find the guide more convenient and handy. Twenty percent of the subscribers being travel agents vouch for this fact. Other subscribers include foreign embassies, high commissions, state Raj Bhavans and secretariats among others. When one looks at the simple book one might not think of the work that goes into it or its importance. But Lalith, speaking from experience, is sure that the efforts that one takes in making things easier for the



*Sugal
Timetables
has been the
best value
added
service of
the
company*

clients – though unassuming they may be to the outsiders – goes a long way in retaining and in enhancing a company's client base.

The competitors who tried to bring out similar guides could not sustain beyond two years at the most. Sugul Tourism has been bringing out this booklet for nearly twenty years. For nearly seven years, they published the booklet for the benefit of frequent travellers. Solely done as a value addition, it did not bring in any revenue. But the good intention with which it was done has served as good publicity. The sustained efforts have borne fruit and have brought in new clients, besides making a neat profit. But more than the profit, the team values the positive feedback that continues to pour in from many travellers.

The company now handles all activities related to travel and tourism. From passports to ticketing and from visas to insurance, it truly offers a one-stop solution to travellers' varied needs.



THE MONEY AND CAPITAL MARKETS

SUGAL & DAMANI FINLEASE LIMITED

The early 90s was a period when banks did not lend personal loans as they do now. The common man sought NBFCs (Non-Banking Financial Company) for his financial needs, vehicle loans in particular. Sugul & Damani Finlease Limited was started in 1993 as a business proposition with growth potential and to honour a promise.

Tejraj Achha, hailing from Sugulchand's hometown is a chartered accountant by profession. Having made Madras his home after his studies, he worked for a company that did S&D's financial audits. For five years, starting from 1987, Achha audited their accounts. Impressed by his work, Damani suggested that he take up consultancy on his own. Achha hesitated, as he did not have many contacts to make a living out of an independent consultancy. If he did, he would have only S&D as his client. Besides, the lottery faced bans and revocations depending on the political scenario. He did not want to be in the lurch if lotteries were banned. But Damani gave his word that he would start a company to sustain him if there was a ban.

With a boom in the automobile market and a slide in the lottery market because of imposition of Sales Tax, S&D Finlease was started. The company had well-known personalities such as Dr S S Badrinath of Sankara Nethralaya, Mr R C Modi, a retired RBI official and Mr P Jayaraman, a chartered accountant as independent directors. When S&D Finlease advertised for a deposit

*S&D ensured
that the
customers
taking
vehicle loans,
got their
vehicles
immediately*

scheme in the dailies, they inadvertently missed out on the maturity period, causing much trepidation among the staffers. Surprisingly the public who applied did not take note of the slip. Things were on a smooth sail again.

Sugal & Damani, the brand was born, to utilise each partner's potential in tandem

Vinodh Kumar, younger son of Sugalchand Jain joined the company in 1990 right after his graduation, but was not fully involved in the company's operations.

The company took measures to stay ahead of others by providing value-added services to the customers. When there were not as many makes of cars as today, one among them was in high demand. Instead of just offering vehicle loans, S&D booked the cars in bulk well in advance so as to reduce the wait period for the customers.

A year after the company was started, the Executive Director of Madras Stock Exchange suggested that the company come out with a public issue. He reasoned, "S&D's name is well-known and held in high regard in lotteries. You have a good turnover. But no one in the capital market knows Sugal & Damani. To be known, you need to go public". As everyone liked the idea, it was decided to have an IPO (Initial Public Offering).

Having made a mistake while publicising the deposit scheme, Achha was cautious this time. As the team had no prior experience in matters relating to

public issues, they had to work diligently. They had to ensure that the S&D name was upheld and became known for the right reasons. It was an enormous responsibility. "And a wonderful experience", recalls Achha with a smile that says that he was pleased with himself. Because, not only was the issue oversubscribed by nineteen times, but the stock value also shot up to Rs. 110 in a matter of four months.



When everyone in the company wanted to start a share and stock broking business, Sugalchand was against it. His reason was that the company would fail if those at the helm started trading. Achha, Chandak and the team members gave their word that they would not. The share broking company was inaugurated by the then SEBI chairman Mr D R Mehta, at what is



considered S&D's lucky venue in Madras. In 1995, National Stock Exchange (NSE) announced that it would offer membership that would serve as an authorization for trading. The company decided to get NSE's stamp of approval for which one key person had to get through the qualifying procedures. Mr Pravin Chheda and Vinodh accompanied Achha to NSE to

attend the qualifying exam and interview. His success in the exams in 1995 paved way for S&D to become a member of NSE. Vinodh too cleared the exam at a later date.

The Finlease team handled S&D Shares too. Achha gave his word not to trade; however he could not stop others from indulging in personal trading. Two directors had to quit, when they started to. As an executive says that a person loses track of his clients' portfolios if he starts trading, as he tends to concentrate only on the shares that he holds. The present director Mahesh Chandak seconds this and adds that it might even lead to the downfall of a company.

Here again, the company took steps to make operations customer-friendly. In the nineties, one would not get money immediately if he sold his shares and he had to pay immediately, if he wanted to buy shares. To avoid this hassle for their clients, S&D Shares and S&D Finlease worked together. Be it buying or selling, Finlease funded and the S&D Shares could do away with the waiting period of their customers.


Dwarakadas Chandak wanted to strike out on his own after a period of time. The company looked for a suitable person to take his place. Though his brother Mahesh Chandak practised as a chartered accountant for a year or so, his interest veered towards the capital market. He had taken membership and

Share trading was another wing added to the S&D group

dabbled in Over-the-Counter trading in other towns and cities in Tamil Nadu. Mahesh was happy to join in his brother's place.

The SEBI was in its nascent stage and could not do much when the stock market scam broke out in the early nineties. Millions, including clients of

S&D were affected. Many lost money in the scam.


The
company
structure
was changed
following the
stock
market
scam

Pravin Chheda's nephew Mulraj Chheda who was also a shares and stock broker in Bombay, took the problem personally. He felt that he too was responsible in some way, though not in fact. Unable to bear the anguish of his nephew, Chheda senior did not feel up to doing the same business and decided to pull out of the partnership. He felt that unlike in other businesses, not only did one suffer loss, but was answerable to many people. When Pravin Chheda announced his decision, G N Damani said he too was


having second thoughts about the business. Achha too wanted to leave the company. So they suggested that the NSE membership card be handed over to someone willing to take over. Sugarchand Jain decided to do it alone and took the card. Though the founding partners G N Damani and Pravin Chheda opted out of the partnership, they suggested that Sugarchand retain the name to prevent confusion among clients.

It was a challenge and a daunting task for Vinodh, to take charge in troubled

times. For the scam had de-established the market. In addition, Vinodh found that there was lack of coordination among the people involved in the working of the company. After ironing out that hitch, he went in for upgradation of computer hardware and software so as to increase efficiency. Failure to collect the volatile and trading margins specified by the NSE had left the company in a bad shape. Having figured that out, Vinodh and Mahesh Chandak managed to have the company back on track in no time. In 2006,

the company became a member of Bombay Stock Exchange. In 1999, with about 1500 clients the company just about managed to exist. In less than ten years, there has been a manifold increase in the number of clients. This has necessitated the opening of branches in Kanchipuram and Pondicherry, besides the branches in various locations of Chennai city and Tamil Nadu. The company is poised to increase the number of branches to cater to the increasing number of clientele. Branches and/or franchisees have been set up in a few cities in the states of Andhra Pradesh and Karnataka as well.



The company provides share-trading facilities to clients, both in NSE and BSE. Trading facilities in both Cash as well as F & O segments are available.


With
technological
support and
efficient
workforce,
S&D sailed
through
rough
patches


With
increased
spectrum of
services,
S&D has had
a phenomenal
growth

Demat account facilities are provided through CDSL (Central Depository Services (India) Limited) as well as with other Depository Participants.

With the recent introduction of online trading facilities and advisory services,


**S&D prides in
being one of
the few
members of
Currency
Futures
Segment of
NSE**


the company has reinforced its commitment to providing all possible services to their clients in the trading sector. The added services to clients include providing them with technical analysis reports everyday and fundamental reports once a week. Among the recent initiatives is that of becoming a member of the Currency Futures Segment of NSE which has been recently launched. Sugal & Damani is one of the first few members admitted to this segment, which speaks volumes about the trust and reputation it enjoys with the regulatory authorities and

stock exchanges.



As part of future plans, Sugal & Damani Finlease Limited and Sugal & Damani Share & Stock Brokers Private Limited have been merged into a single entity. The new company has been christened Sugal and Damani Share Brokers Ltd. In future, the company proposes to offer portfolio management and financial advisory services.

INITIATION INTO INFOTECH

The most important aspect in S&D that gave them an edge over their competitors in the lottery business is the software that was developed in-house.

The accounting, admin, database and lottery software being customised made them user-friendly and adaptable to changes. The man who made it possible is Ashok Jain. Hailing from the academia, he served as a consultant for S&D, developing software for them, while continuing to teach in a reputed university. After a few years, he took the plunge into business, when Sugal Infotech Private Limited was formed in 2000. The year also saw the launch of a portal by name Tenderhome from the S&D stable.

An offshoot of Sugal Infotech, Tenderhome can be termed as an e-publication that provides a comprehensive listing of bids announced by various government bodies as well as private and public enterprises. Though offered as a free service initially, it is now available at a nominal fee. The list can be seen by anyone accessing the portal, but the details can be viewed only by those with a subscription.


**The
tenderhome
portal under
the S&D
umbrella
gives
a complete
list of bids**


PAYWORLD UTILITY SERVICES

It was a seed of an idea by Sujit Lahiry about utilizing the online lottery terminals for other services. With a keen insight, Kamlesh Vijay and Prasanchand saw into the future and developed the idea into a single window solution for various services on an e-platform.

Originally planned as an offshoot of online lotteries, later to become an independent entity, Sugul & Damani Services Pvt Ltd was established in 2007. Their brand PayWorld shot up to the top spot swiftly and is now billed as one of India's largest e-pin distributors.

With Nitesh Damani giving the initial impetus in implementation, PayWorld started electronic pre-paid voucher distribution for mobile phones in Madhya Pradesh, Uttar Pradesh and Gujarat. The spectrum of



services was augmented after Praveen Dabhai with decades of experience in the telecom industry joined as Chief Operating Officer. He has been instrumental in propelling PayWorld beyond lottery retailing. Kishor Ajmera at the helm, has been steering PayWorld take further successful strides.

Having begun with prepaid mobile phone top-ups and recharges, the gamut of services now includes booking of air, bus and train tickets, online financial transaction and reservation of movie tickets among others. PayWorld has a direct tie-up with IRCTC, the travel and tourism wing of the Indian Railways. Booking 40,000 tickets per month and being one of the top five players in e-ticket booking gives a glimpse of PayWorld's reach. The other services too enjoy similar patronage.

The company now completely lives up to its name by adding the most common utility services such as payment of taxes, electricity bills, insurance premiums and telephone bills, simplifying the lives of millions of citizens.

PayWorld's work in fact reflects their motto, which is 'Making Life Simple'. The expansion was not only in the services but geographically as well. Their pan-India presence now covers eighteen states with more than 40,000 retail outlets. Besides, PayWorld's services are available on platforms such as PC POS (Point of Sale), EFT card swipers (Electronic Funds Transfer) and mobile phones. Access

Pay
World has
gone miles
beyond
lottery
retailing

S&D AND GAMING BUSINESS

is also possible through their website www.mypayworld.com. Their customer base is multiplying manifold because of the convenience and services on offer.

PayWorld offers transaction facilities for the most common utility services

The list of their partners keeps growing, given PayWorld's parent company's experience in similar networking and distribution works in their lottery operations. In-house software development, topnotch hardware, sound technical management, secure and foolproof system of transactions and a strong network of support staff, distributors and retailers have enabled PayWorld to forge ahead. The fact that leading brands such as Vodafone, BSNL, Airtel, IDEA, LOOP, MTNL, Aircel, Reliance, TATA, Tata Sky, Dish TV, Sun TV, Big TV

and Airtel TV have joined hands bears witness to the towering stature of PayWorld.

They have a ISO 9001:2000 certification and the process for a CMMI level 3 certification is on. Their work ethics, efficiency and integrity are bringing in more partners. Their hassle-free services have undoubtedly made life simpler for their customers. The latest service is RBI's cash card, with the latter giving PayWorld a license to operate the same. Pay World in its international avatar called PayKconnect has started operations in Kenya and other countries.

As seen from archaeological remains, India has had a long history of gambling as a form of entertainment. The legal gambling avenues in India today are lottery, horse racing and paplu or rummy.

A government nod for betting as a form of entertainment will counter the illegal betting on sports; it would also stop the drain of funds and add to the revenues as players have now taken to the online betting games of other countries. As gambling is under the purview of state governments, Goa and Sikkim have allowed casinos, betting on horse races and games of skills such as rummy.

S&D is on the threshold of gaming business and poised for takeoff

As S&D has a keen interest in legalized betting games, an online portal for rummy has been created. The user-friendly site has had a very good response from players. It is being operated by Sachar Gaming Pvt Ltd, a unit of S&D at Gangtok in Sikkim.

The Sikkim government in February 2012 initiated the process of issuing licenses for gaming business. Sikkim will set a precedent for other states in online betting games and games of skills. As S&D is one of the four companies to have received provisional license, it awaits the government's regulatory formalities to be completed, to start operation.

S&D WAREHOUSING (P) LTD.

When many multinational companies established their bases in Chennai, S&D saw the promise of a new business, namely storage solutions. Ramesh Damani and Vinodh took the initiative to acquire tracts of uncultivable land. With 7.5 lakh square feet of built-up area in Puzhal and Koothambakkam near Chennai, S&D started offering warehouses for rent. Their customers - past and present - include prestigious names such as Reliance, LG, Havells, Godrej, Recall, Gati, TVS, BMW, Castrol, Scope and HWL among others.

S&D has added other verticals such as storage solutions

TOLL PLAZA

The company is open to business ideas from outside the S&D fold as well. When National Highways thought up the golden quadrilateral, they introduced toll fee collection centres. Kamalchand Jain, M R Bhaskar, Jayanthilal Jain and Vishal Surana saw a good business opportunity and approached S&D. A new alliance was formed with S&D and the aforementioned and they bid for operating the toll plaza. For a year they maintained the toll fee plaza at Pedakallupalli. Ramesh Damani looked after the administration with the help of Vishal Surana and Kamalchand Jain. Using custom-made software, the company worked efficiently. Kalyani, who has been in the employ of the company for more than two decades, says that collecting toll too was exciting. The company had to pay

the government a fixed amount. The staffers had fun trying to predict the collection for each day, as it never followed a pattern. Later the operation was closed down, since the government took over the maintenance of the plaza. With a touch of humour the staff members announce that they were the first and the last private operator to collect toll fee at the plaza.

SDN AGROFARMS

With conventional energy sources drying up, S&D knew that there would be a demand for green energy in the years to come. The group started SDN Agrofarms in 2006 to produce bio-diesel. With the initiative of Ramesh Damani and Vinodh, the company has acquired 500 acres of land near Virudhunagar near the temple town of Madurai in Tamil Nadu. Cultivation of jatropha plants began in August 2008. With technological support from the Tamil Nadu and central governments, the company proposes to start production soon.

Business ventures of S&D include operating a highway toll plaza and agrifarms

SUGAL & DAMANI FOUNDATIONS

The group has forayed into the realty business, with the maiden project already on its way. Originally christened as S&D Infra, the company was started with the

S&D has entered realty, catering to varied segments successfully

intention of taking up infrastructural projects. But now with the focus on flat promotion, the company has identified an 18 acre property in Puzhal in suburban Chennai. Catering to the upwardly mobile, the preparatory work on the first phase measuring 1.8 lakh sft. has begun. The project would cover a total of 15 lakh sft of built-up area. Raglan Squire and Partners, the Singaporean architectural firm popularly known as RSP, is the designer for the apartment complex.

S&D Foundations is promoting another high-end apartment complex near Padi in the suburbs. The construction of the 15-storey structure being managed by Ankur Foundations has been designed by Mumbai's Mayur Heroor & Associates.

The company plans to identify more places for independent and joint development of apartments and high-end independent villas.

THE LURE OF THE WRITTEN WORD

When the visual media had not become common, written word held power over people. Sugalchand used this to his advantage. As part of his after-sale-service in lottery business, he published a weekly by name 'Raffle Result'. Published exclusively to provide information about the draw results, the paper was circulated free of cost for a while and then a nominal subscription was charged.

He published another fortnightly named 'Lottery Market Report'. With in-depth and analytical articles pertaining to the lottery industry, statistics about the market trend and lottery news, the magazine was well received. Unaware of the importance of delegating work back then, Sugalchand did all the work by himself. As this left him with lesser time for his

S&D published Sugalchand's book, and magazines Empathy and Accurate

business, he handed over the publishing of the magazines to a friend.

When S&D was established, the partners decided to bring out an in-house magazine.

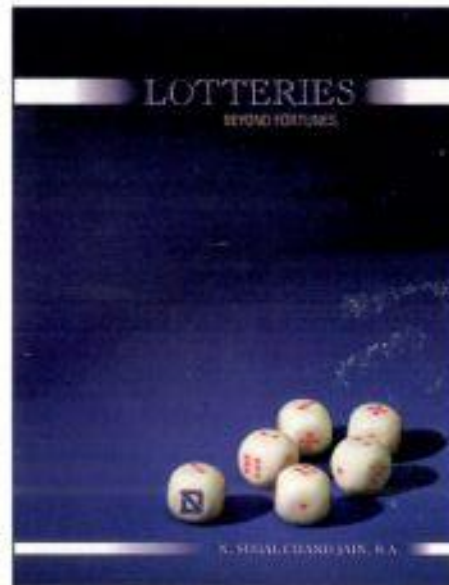


ALL WORK AND NO PLAY?

Published once in six months, the magazine 'Accurate' carried news about the group's business activities as well as important personal news pertaining to the employees. It also served as a platform to showcase the creativity of the members of S&D team. The group brought out another magazine by the name 'Empathy'.

With the support of his partners, Sugalchand has penned a comprehensive book on lotteries, titled, 'Lotteries - Beyond Fortunes'. The book was published by S&D and has seen a second edition in two years. The company has also published the same book in vernacular languages including Hindi, Marathi,

Tamil, Telugu and Malayalam. Encouraged by the response, the company has started a publishing wing and is set to bring out titles on business, spirituality and religion. The spiritual discourses of Upadhyaya Amar Muni have already been compiled as 'Bliss', 'Equanimity', 'Samayika Sutra' in English, 'Amarchanikaye' 'Anand' and 'Nijanand' in Hindi. All the three books have had a very good response from readers.



No, that would make them all jacks and dull men. Just as the group's varied businesses, the honchos' pastimes are as diverse as they get.

G N Damani takes recourse to ghazals, humour and books to relax. Yoga and movies help Ramesh Damani keep worries at bay.

It is difficult not to notice the similar interests in Sugalchand and his son Prasan. Both have a love for the written word. They both read whatever books they can lay their hands on. While the father sticks to management and religious books, the son is not bound by genre.

Vinodh engages his daughter and niece in a war of words, besides watching humour clips from Tamil movies.

It is difficult to imagine Maneck - who speaks in measured tones - in a Squash court, hitting balls. But that is how he spends some of his free time.

Nitesh finds the theater scene in Mumbai fascinating. He does take time off to watch English, Marathi and Hindi plays.

Reading books, travel, visiting places, catching up with friends and meeting people are what Pramod Jain does when he is not dispensing his duties.

Books,
music and
movies help
the
partners
balance
professional
and personal
lives

For Mitul, watching movies is a good way to de-stress. His free time is spent on music, cars - long drives on Sundays to be more precise - and in watching gourmet shows on television.

For Sujit Lahiry browsing the internet is a pastime and cricket is a passion. He also dabbles in astronomy and moderates two online forums on the same.

Movies and mind games are how Kamlesh Vijay spends his free time. Movies and television for Bhavin too.


However, for everyone, invariably family comes first.

While staffers in some branches go for picnics, some branch heads arrange the same for their teams. The time spent together, yet away from the office, brings them closer and clears misunderstandings.

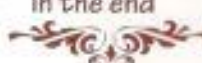
REASONS FOR THE SUCCESS OF THE PARTNERSHIP

The Sugal & Damani partnership has succeeded in the businesses it set foot in. Where even siblings fail to see eye to eye when it comes to business, S&D has stood the test of time.

The cardinal rule is to trust each other - be they decisions or resources. No one questions or suspects the motive behind any decision. They only discuss the pros and cons of it. Either by coincidence or by a change in perception, it is obvious that everyone has the interest of the company in mind. They agree to disagree and consent to contradict, but come to a consensus in the end.



The
partners
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One learns that Sugal & Damani is not about successes alone, but debacles as well. One gets to learn about the courier company that was way ahead of its time and so ran into losses, a real estate investment that failed and a lottery partnership that backfired. There are no claims for successes and no blames for losses. "If it is a collective decision, it is a collective loss". There are no 'I-told-you-so's. Also, when a venture backfires and if the company wishes to relinquish its plan, they decide not to dissect it. "It is better to spend your energy in making the next project work. We do try to figure out why the project did not work. But we only find out the 'why' behind the scenario and not the 'who'".

What emerges after talking to the partners and executives is enlightening and is a lesson in making a partnership work. It is apparent that each individual

Each partner sees himself as a piece of a jigsaw that is Sugal & Damani

regards only his dividends and is happy about it. "See what you have got, not what the other person's got". No one perceives himself as a whole, but only as a part of a whole, a piece in a jigsaw. Every partner feels that his rupee equals ninety-nine paise only, making room for the others. Some partnerships break when one starts to feel that his rupee is equivalent to 101 paise. There are some that break, not over how they share the revenue, but over a cup of coffee. And as a partner puts it, 'we remove the cup of coffee, if we feel that we might end up

having a dispute over it'.

The reasons for the success of the partnership as given by the partners and executives:

"We believe in being transparent in the way we function. Everyone has trust and faith in each other. For a healthy business, difference of opinion is necessary. We do differ on many things, but arrive at a consensus after discussing the pros and cons in detail".

Pravin B Chheda

"We have faith and trust that the other partner has only the best interests of the company in all his decisions. We recognise and utilise each other's strength".

G N Damani

"Each of us is good at something. We complement each other so that all our strengths put together makes our company work better than the others. We



trust each other completely. For everyone company's growth is more important than personal growth. If we are unable to arrive at a consensus over something, opening of a new branch for example, we drop the matter. It is better than someone having his way and the others relenting it. It is better not to open a branch or start a new business, than risking the existing setup".

Sugalchand Jain

"The partners have a perfect understanding. They are always honest with each other. The growth of the

Partners complement each other, and this adds to the strength of the company

company takes precedence over personal growth".

Ramesh N Damani

"Nobody thinks of anything as 'mine' or 'his'. Everyone thinks of the company as 'ours'. It is this feeling of oneness and the confidence and faith that each person has in the other that has contributed to the growth of the company"

Kishor Ajmera

"The partners understand each other so well that I perceive them not as three people but as one person. No one thinks of personal gain. Because they know that company's growth means personal growth".

Dhiresh Maneck



"The partners' mutual trust and respect for each other, giving executives the freedom to experiment with novel ideas, open communication channels and collective decision making are the main reasons for the success of the S&D partnership".

Kamlesh Vijay

"Communication and close interaction has led to an understanding that some compromise on opinions and ideas is necessary. This understanding is the reason for the longevity and success of the company".

Nitesh Damani

"A good understanding exists between those at the helm, especially between Mr G N Damani and Mr Sugalchand. No one tries to run a one-man show. The directors always arrive at a consensus while taking a decision".

Naresh Mangal

"I see a meeting of minds as well as diverse ideas here. Though there are divergent ideas during discussions, there is a high synergy on core issues. The operational knowledge of the partners is very good. Though this is not exactly about the partnership, high levels of motivation by the founders and executives have led to high levels of retention. There is more freedom to work and to suggest your ideas. These in turn have helped the growth of the company".

Sujit Lahiry

"All partners work as branches of a single banyan tree. All stand with their hands joined together in a way to give shadow and shelter to all those standing under the tree".

Bhavin Doshi

"Mutual trust, understanding and an emotional bonding between the partners have contributed to the success of this partnership".

Pramod Jain

"Absolute transparency in all their decisions and dealings and a close bonding at a personal level are two of the contributing factors. This continues with the next generation and will grow with successive generations too. It feels like one big family and it is not just work that binds us together".

Mitul Damani

LOOKING AHEAD

Pravin Chheda sees their mid-sized corporate group to be one of the biggest by 2015. The team behind the lottery operations has set themselves a target of operating lotteries in a minimum of two new countries each year.

Ramesh Damani sees S&D making a mark in the international gaming industry, besides venturing into manufacturing and retail management. Nitesh is exploring the possibility of operating casinos.

The company having begun its journey as a transnational, Lahiry foresees expanding geographically and also additions to their gaming portfolios.

The finance and jewellery arms of S&D are looking to add more branches in the near future. S&D Tourism will be adding more services. S&D is poised for production of green fuel soon.

GOVERNING CONSTITUTION

From inception, S&D has been flexible and adaptable in their governance. There was no formal or official dictum that governed their business decisions and dealings. With absolute trust between the founder partners, mutual understanding, transparency in all their financial transactions and a strong commitment to contribute to societal development, the company has had a phenomenal growth. However, growing opportunities bring new challenges. The founder partners went into introspection and felt the need to share the secrets behind the growth and sustenance of the partnership in order to nurture and strengthen the partnership in the years to come. Thus was born the family constitution.



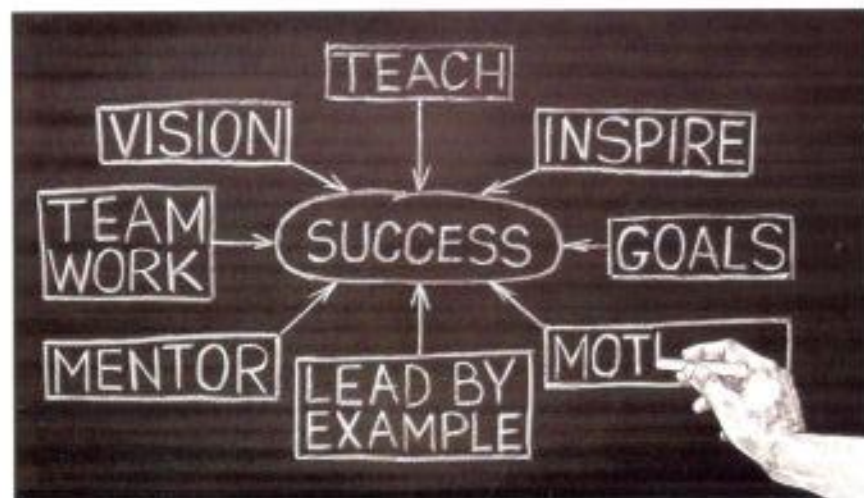
The governing council holds the team together through regular meets



As per the constitution, a Group Business Board looks after the present and future aspects of the group. A Group Council has been constituted to ensure that the team is held together, the business values are reiterated from time to time the fun way and the policies and philanthropic priorities are upheld always. The members that include all partners and top executives meet once in six months to ensure that the above-mentioned activities are carried out in letter and spirit.

The founder partners reiterate that individuals compromise on their independent views so as to conform to the group's focus and philosophy. They agree that their bond has grown beyond business, that they not only strengthen

each other in the business sphere, but enrich each other's personal life. The constitution was drafted with the aim of inculcating the same virtues to the successive generations. However, talking to the third generation youngsters who have joined the business reveals that the constitution might be superfluous. For, not only do they enjoy analyzing businesses and taking decisions together, but look forward to spending their free time together. The inherited values backed by the lessons imbibed from business school would stand them in good stead, helping them take the company forward.



BEYOND BUSINESS

Philanthropy gives Jains their religious identity. The founder partners being Jains, service to society has been an inherent characteristic. Before the group was founded, each partner was contributing individually towards charitable activities. After the formation of S&D, they took their philanthropy a step further. Even before the term CSR or Corporate Social Responsibility came into common usage, S&D started the practice of giving back to society. Their commitment is so strong that a clause has been drafted into the family constitution making it mandatory for each member of the group council to volunteer for a social cause for a minimum of two days annually.

Supporting societal causes has been an inherent part of S&D's business

A year after the partnership came into existence, they formed the Sugal & Damani Charitable Trust. Every year by March, they would advertise in papers seeking applications from social and non-governmental organisations. The thousands of applications received revealed the fact that there were many organisations in need of money. Yet, it was a comforting thought that they were all working towards the upliftment of society. The S&D Trust painstakingly scrutinized each application. After short-listing, a team was formed to check the functioning and the financial status of the social organisations.

A donation convention was organised later where the selected organisations

participated. An eminent public figure was invited to hand over S&D's contributions to these organisations. The idea of the convention was to encourage others also into contributing to the society. Every year, the company thus made a contribution of more than one crore rupees. Discerning NGOs from across the country were thus felicitated and granted financial assistance. In addition, scores of physically challenged people and destitute women were given aids for their sustenance. From time to time S&D Foundation contributed to the Chief Minister's Relief Fund. In 2001, they sent relief materials to those affected by the earthquake in Gujarat. After 1997, these grand affairs were stopped since the founders felt that the fanfare outshone the noble thought behind the gesture.

S&D no longer celebrates these conventions. But it does not mean that they have stopped contributing for societal causes. Their silent contribution still sustains lakhs of people.

Under the banner of Empathy Foundation, S&D has been working towards brightening the lives of the underprivileged. Empathy has chosen to focus in the field of education in rural Maharashtra. Working in association with local bodies such as gram panchayats and zilla parishads, the foundation has undertaken more than fifty projects. The projects, carried out in nine districts of

*S&D hoped
that their
donation
convention
would inspire
others to
contribute
to society*

Maharashtra have enhanced existing infrastructure and learning aids in schools, provided new infrastructure in anganwadis and provided drinking water facilities, besides sanitation facilities and solar electrification. Children are given financial assistance to buy books and uniform. In addition to their contribution to education, the foundation conducts medical camps in rural areas of Maharashtra and Punjab. Empathy's eye camps numbering more than hundred have benefitted nearly two lakh villagers. Recently the foundation has taken up village adoption programs, towards societal upliftment in terms of health care and livelihood. Pravin Chheda's brother Shantilal Chheda spearheads the philanthropic activities.

*The Damanis
extend
complete
support to
run a school
in Manali
near Chennai*

Besides the group's contribution to society, the partners make their own contribution. The Damanis remain grateful to their aunt who was their moral support when they came to Madras. To perpetuate her memory, they have adopted a school in Manali, run by the Vivekanand Education Trust. The Samjuben Parekh Vivekanand Vidyalaya plays a role in empowering nearly a thousand underprivileged children. The Nagardas Vallabh Damani Charitable Trust established by the Damanis meets the school's needs. The G N Damani Charitable Trust was founded in 1999. It caters to the educational and medical needs of the marginalized in Bombay. People with heart, diabetic and renal

problems benefit from the benevolence of the Trust. Shelter and aid during natural calamities, providing infrastructure and educational aids for schools, transport facilities for needy children and providing nourishing meals are some of the other activities of the Trust. The Damanis also founded Shanthaben Nagardas Damani Arts & Science College in their native village Dhari in 2006.

Sugalchand's Singhvi Charitable Trust conducts periodical eye camps in rural areas around Chennai and provides aids for the physically challenged. They

The partners
and
executives
make
individual
donations as
well



contribute towards education for the poor. The Trust also provides financial aid to children with heart diseases. Besides financial contributions to many of the city's well-known medical institutions, the Trust educates under-privileged children and provides financial assistance to many NGOs, as and when the need arises. The Vidhya Jyothi Trust runs three schools on a non-commercial basis, to bring about a knowledge revolution among the socially marginalised.

Singhvi
Charitable
Trust of
Sugalchand
conducts
regular eye
camps

The Bhagwan Mahaveer Foundation was founded by Sugalchand in 1994. Eminent personalities such as Mr Ram Nivas Mirdha, former Member of Parliament and Union Minister and former minister Mr C Subramaniam have served as its chairmen. G N Damani also serves in the board of this Foundation. Dedicating one's time and energy entirely for the upliftment of society, expecting nothing in return calls for courage and conviction and needs to be commended. It was to honour such selfless individuals and institutions that Bhagwan Mahaveer Awards were set up. The Foundation identifies individuals or institutions who have done exemplary service in the fields of education, medicine, community service and non-violence. Nominations received from all over the country are screened by an eminent jury headed by Justice Sri M N Venkatachaliah. The award with a cash component of Rs 10 lakh each, a memento and a citation have so far been awarded to forty-three individuals and institutions. The foundation has

instituted special awards for books promoting vegetarianism, spirituality and non-violence. Three authors have so far been conferred with the special awards.

Matrushree Makaben Bhimshi Chheda Charitable Trust founded by the Chheda brothers in the memory of their mother works for the causes of education, poverty alleviation and medical assistance. P B Chheda is involved in various other philanthropic activities as well.



BMF awards

**are given to
individuals &
institutions
working for
societal
upliftment**



Uttamchand is a member of a sangh that helps destitute women become economically independent. Ajmera funds various social projects through Ajmera Charitable Trust. Inspired by the company's concern towards society, Kamlesh Vijay and many other executives have started contributing personally for societal causes.

Bhavin is a member of various institutions working among the hearing impaired and contributes a fixed amount of his income every year to these institutions.

Touching and Transforming Lives

The tagline of S&D's corporate brochure is 'Touching and Transforming Lives'. Through their flagship lottery business, they touch millions of lives indirectly by garnering revenue for the government's

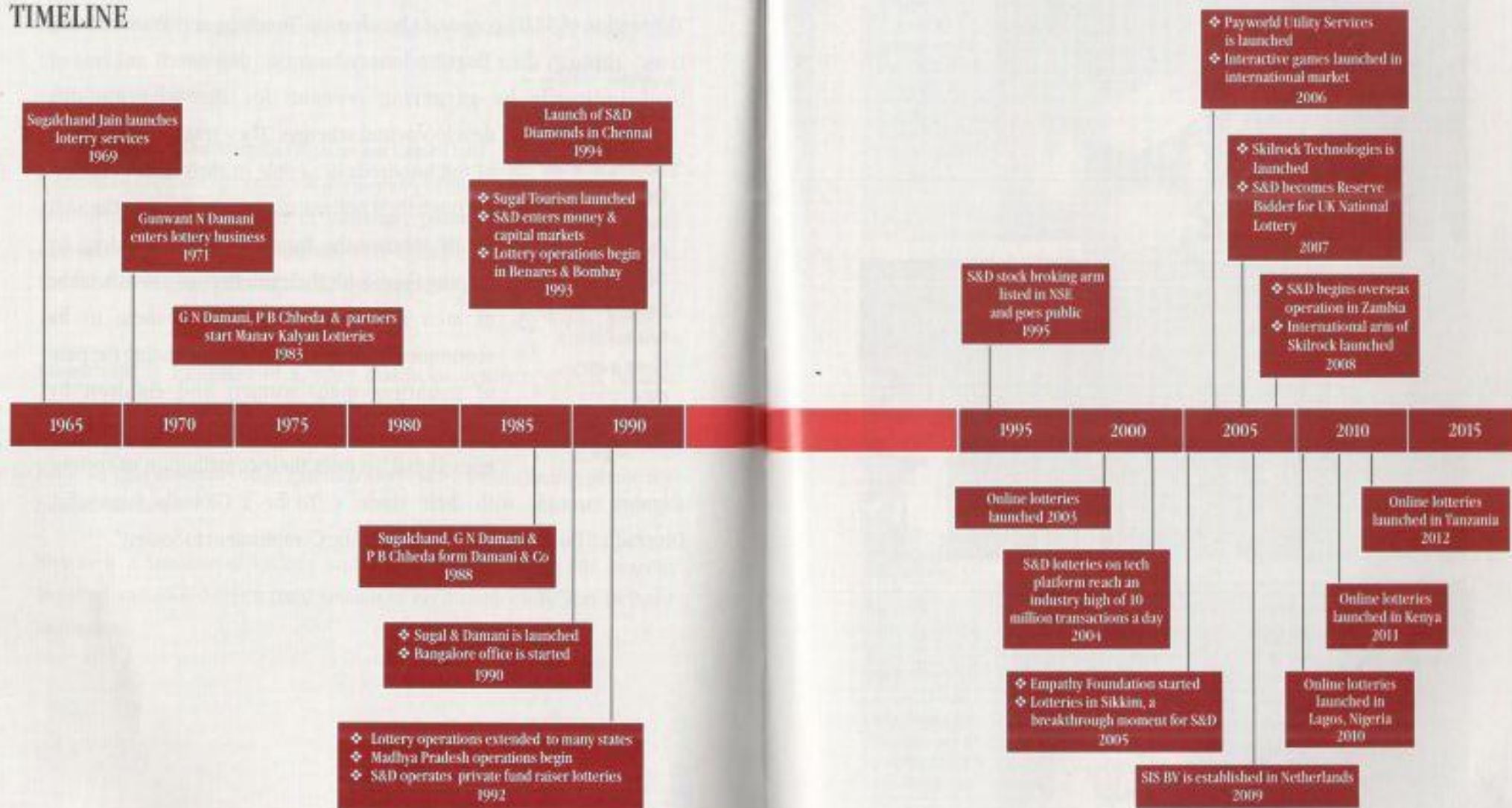


**Be it their
business or
philanthropy
S&D
touches and
transforms
lives every
day**



developmental schemes. They transform the lives of the hundreds of people in their direct employ. Through their philanthropic contribution, the S&D family touches the lives of lakhs of children by helping them with their intellectual growth, lakhs of men and women by helping them to be economically independent and alleviating the pain of countless men, women and children by attending to their medical needs. As S&D's business goes global, so does their contribution to society, aligning strongly with their vision - 'To be a Globally Successful, Diversified Business Group with a Strong Commitment to Society'.

TIMELINE





G N Damani and the then Finance Minister Mr. Ramhit Gupta welcoming the chief guest at the lottery inauguration, Feb. 1992



G N Damani and Sugachand with the draw machine, 1992



G N Damani with the chief guest, while contributing for a societal cause in Madhya Pradesh, 1992

R N Damani greeting agents in Madhya Pradesh during Deepavali



G N Damani and Sugachand with cricketer Mansoor Ali Khan Pataudi at the day-and-night cricket match organized by S&D in Bhopal

Winner of the day-and-night cricket match organized by S&D in Bhopal





S&D agent's shop
in
Madhya Pradesh



S&D agent's shop
in
Madhya Pradesh



Partners and
their family
members handing
over car to the
winner of
agents' draw

G N Damani and
P B Chheda with
the then Finance
Minister of MP
Mr Ramhit Gupta,
who accepted
S&D's unique quote,
maximising
government
revenue



The then
Chief Minister
of Tamil Nadu
Mr M Karunanidhi
at S&D Charitable
Trust's Donation
Mela in 1993



Partners at the
invocation of a
meeting with
staff members in
1996



Partners at
a staff
meeting

Rewarding
diligent
employees



A
get together
with
staff members



The then
Chief Minister
of Tamil Nadu
Mr M Karunanidhi
conferring BMF
Award in 1999



P B Chheda,
Sugachand
and G N Damani,
presenting S&D's
bid for UK National
Lottery to evaluation
committee chairman
Mr Robert Foster

G N Damani
and Mr. Dorji,
the then
Chief Secretary
of Sikkim
exchanging
lottery
agreements





S&D team
at the China
International
Lottery Technology
Exhibition, 2005



Representatives
of the Zambian
Government and S&D
at the
inauguration
of Winlot in
Zambia



The S&D team
taking time off
their busy business
schedules in Zambia



Mark Harris, CEO,
National Lottery
Commission, UK
visiting the S&D
booth at WLA
held at Rhode
Islands in 2008



Ms. Kapwepwe,
Deputy Minister for
Finance and National
Planning, Zambia
speaking at the
inauguration of
Winlot



Prasanchand Jain
exchanging JV
agreement with
Keyode Soyombo
of Ram Solex,
for Lagos State Lottery



A first
generation
lottery terminal



The interior
view of a
Rajshree
premium outlet



GN Damani
being felicitated
by the then
president of India
Pratibha Singh Patil



One of the
premium outlets
selling the
Rajshree brand.



A business
meet with
Virbhadra Singh,
Chief Minister of
Himachal Pradesh



Sugachand Jain
being felicitated
by the then
President of India
Pratibha Singh Patil



The partners
and executives
of
Sugal & Damani



S&D's Skilrock
team manning
their booth at
the ICE Totally
Gaming expo
in 2012 at London



The founder
partners visiting
Livingstone in
Zambia prior
to the launch
of Winlot



The S&D team
at the World Lottery
Association
meet in 2012



Participating in
World Lottery
Association meet
in 2012



Exchanging
shareholders'
agreement in Goa,
after a business deal



Presenting dignitaries at an international lottery meet with the book penned by Sugarchand Jain



Empathy Foundation - Working towards the betterment of the underprivileged



The then President Pratibha Singh Patil presenting Bhagwan Mahaveer Award at the Rashtrapathi Bhavan



An eye camp conducted by Singhvi Charitable Trust in a suburban area near Chennai



An eye camp in progress near Chennai



The then President of India Pratibha Singh Patil presenting the Bhagwan Mahaveer Award at the Rashtrapathi Bhavan

Name of the Company

Web address

Group Companies

Sugal & Damani	- www.sugaldamani.com
Sugal & Damani Utility Services (P) Ltd	- www.payworldindia.com
Skilrock Technologies (P) Ltd.	- www.skilrock.com
Sugal & Damani UK Ltd.	- www.sugaldamani.co.uk
Sugal Tourism Development (P) Ltd.	- www.mytravelagent.in
Sugal Time Tables	- www.sugaltimetables.com
Sugal & Damani Share Brokers	- www.sugalshare.com
Sugal & Damani Diamonds (P) Ltd	- www.onlydiamonds.in
Tender Home Portal (Sugal Infotech P Ltd.)	- www.tenderhome.com
Sugal & Damani Foundations	- www.sugaldamanifoundations.com
Shudh Restaurant	- www.shudhrestaurant.com
Suruchi Vegetarian Restaurant	- www.suruchirestaurants.com
Swati Hotels	- www.swatihotels.com
Swati Energy & Projects (P) Ltd.	- www.swatienergy.com
Swati Tour & Travel	- www.swatitravel.com
SN Damani Infra (P) Ltd.	- www.sndinfra.com
Ankur Foundations (P) Ltd.	- www.ankurfoundations.com

Group's Social Wings

Empathy Foundation	- www.empathyfoundation.in
Bhagwan Mahaveer Awards	- www.bmfawards.org
Jains India Trust	- www.jainsindia.org