

Dr.GVK Reddy receives Economic Times 2009 Entrepreneur of The Year Award

ET Awards 2008-09: Entrepreneur of the Year: GV Krishna Reddy

He's a past master at taking risks and is now nurturing global ambitions for his infrastructure business. Little wonder then that after an intense

discussion, the jury chose GVK Reddy, the chairman of the GVK Group, as the Entrepreneur of the Year.

The infrastructure story in India is still evolving and there are many contenders for the top position in the past few years. The jury decided that Reddy's entrepreneurial achievements and ability to foray into ventures such as hospitality and bio-sciences needed to be recognised.

After his education, Mr Reddy joined the family's construction business, which became one of the contractors for the Nagarjuna Sagar and Srisailem irrigation projects in Andhra Pradesh in the 1960s. This is where his interest in infrastructure was born. He gained hands-on experience at operational sites.

Mr Reddy then carved out several firsts early on in his career: first player in the pre-laminated particle board business; first to build a five-star hotel in home-town Hyderabad and the first fast-track independent power producer. Mr Reddy owns one of India's finest hospitality chains, the Taj GVK Group.

He spent more than a decade in the US, and on his return, set up one of India's first gas-based power plants. He has also constructed the 93-km Jaipur-Kishangarh highway, India's first six-lane build-operate-transfer (BOT) highway. The company's most critical venture is the modernisation of the Mumbai airport, a project that has catapulted it into the limelight.

From cash contracts to owner-developer, it has, therefore, been an eventful and productive journey for GVK's infrastructure flagship, GVK Power and Infrastructure (GVKPIL). Today, it has an asset base of \$5.24 billion (Rs 25,000 crore).

Clearly, the group does not rest on its laurels. It underwent consolidation in 2007, an exercise which brought all its power, airport and road assets under GVKPIL. The list included some



trophy assets like Mumbai International Airport, which operates the country's busiest airport, and the Jaipur Expressway. The consolidation was aimed at creating a comprehensive infrastructure company, a large balance sheet and better positioning in terms of unlocking operating asset value.

The GVK Group has also entered the special economic zones space in collaboration with the Tamil Nadu Industrial Development Corporation to develop a multi-product zone in Perambalur district. It has a strong presence in hospitality.

The other significant businesses include Novapan, in the particle board segment, and GVK Biosciences, which is into contract R&D services.

Those who have worked with Mr Reddy, who is known affectionately as GVK, say he is a people's man. His 10 am meetings with the senior management help him stay connected with the business. He follows a hands-off approach in day-to-day operations, but is hands on when it comes to issues relating to strategy.

He believes in visiting project sites himself and is very alert and active, defying his age. In fact, he is quite ready to attend meetings soon after an 18-hour flight from the US. GVK's style of functioning has been described as "democratic". He brings to the table five decades of experience that stands taller than his 6-ft, 3-inch frame.

GVKPIL is a promoter-dominated company, with 55% in the hands of the promoter group and GVK himself holding 26.81% at the end of June 2009. GVK is an acronym familiar in tennis circles, thanks to its sponsorship of Sania Mirza.

The company's association with tennis has its roots in its chairman's interest in the game. Mr Reddy enjoys his game and plays for two hours daily, depending on his travel schedule. The GVK Foundation actively supports tennis and has backed many upcoming players.