

From village hut to Jubilee Hills

Lessons in overcoming socio-economic barriers from entrepreneur Mannam Madhusudana Rao

Indulekha Aravind August 16, 2014 Last Updated at 00:30 IST



Jubilee Hills is

Hyderabad's most coveted address, and a drive past the mansions here reveals why. Some houses look elegant while many are hideous, but all are quite large. Jubilee Heights, the lavender-and-pink apartment block on road number 86, is not imposing. Neither is the first floor duplex apartment, the home of Mannam Madhusudana Rao. There is a stuffed toy tiger and a doll in a blue dress on a shelf. A picture of Shirdi Sai Baba hangs on the wall, below a flat-screen TV in the living room - familiar kitsch found in many a middle-class home. Yet, the house is a powerful symbol of having arrived.

"I had come to this area earlier, when I was in the eighth or ninth grade, to help my brothers who were working as masons at the house of the Nagarjuna Constructions chairman (AVS Raju)," says Rao, founder and managing director of MMR Infra Projects. That's when he started dreaming about living here, his assistant Kumaraswamy interjects. Rao corrects him. "I decided to live here only now. When I was working here, I could not even dream of it," says the soft-spoken entrepreneur dressed in an ill-fitting brown jacket and trousers with a slight sheen and a pale yellow shirt. He says he got the house "cheap" four years ago, paying "2.5". I must have looked puzzled because he immediately adds, "2.5 CR (Rs 2.5 crore), madam." The house measures 4,000 square feet, he says, with a hint of pride.

The pride in Rao, someone who otherwise comes across as approachable but confident, is hardly misplaced. The 39-year-old, the fifth child of an illiterate labourer couple and only the second of their eight to be educated, now helms various ventures that bring in a turnover of between Rs 75 crore and Rs 90 crore. The journey he has traversed covers much more than the 400 kilometres between his village, Palukuru in Andhra Pradesh's Prakasam district, and the capital. For Rao was not only born into an impoverished family, he is also a Dalit, though he prefers to use the terms "working class people" and "our community" in multiple conversations over

two days. His story has been highlighted in the recent book, *Defying The Odds: The Rise of Dalit Entrepreneurship* (by Devesh Kapur, D Shyam Babu and Chandra Bhan Prasad; published by Random House India), and is the subject of a PBS documentary scheduled to be broadcast in the United States early next year. And it is a rather remarkable one, of creating opportunities and, as the title of the book says, defying the odds.

For generations, Rao's family had provided inexpensive labour to the local landlords. There was little money in the household. Inspired by neighbours who managed to find jobs after studying engineering, Peraiah, Rao's father, sent him and his elder brother to school, first in the village, and then to the social welfare hostel for scheduled caste/tribe children. While his brother went on to take a degree in engineering, Rao earned a diploma at a polytechnic because his parents felt that might be a safer option.

No job awaited them after graduation, so they took up construction work with their siblings in Hyderabad, at houses or digging trenches to lay cables. And then the miracle happened. One day, waiting to be interviewed for a job at a firm of engineers, he overheard an executive talk about the immediate need for workers to lay cables. Rao offered to get the required number of labourers and, using his connections with the workers, who he was a part of, showed up with them and the project moved once again, much to the firm's satisfaction. His first contract earned him a profit of Rs 25,000. The odd bump in the road apart, there was no looking back. He went on to become a labour contractor for telecom majors such as Tata Teleservices and Vodafone, and at the height of that business, was maintaining 32,000 kilometres of optic fibre cable across five states. With telecom in a downswing, he has diversified into infrastructure, construction, mining and software, and plans to enter various other sectors.

Rao has just returned from meeting Prime Minister Narendra Modi with other delegates of the Dalit Chamber of Commerce and Industry, or DCCI. "We were initially given only 10 minutes but that stretched to 30 minutes and he spoke to each of us individually," says the recently-appointed president of the organisation's Andhra chapter. When his turn came, he apprised Modi of the need to implement the 4 per cent reservation in procurement by public sector units for goods by SC/STs which so far exists mainly on paper. "I think it will be mandatory from next year. He was very responsive," he says. Soon, he leaves for an appointment in his white Toyota Fortuner, one among his five cars.

A photo of that meeting with Modi appeared in *Sakshi*, the Telugu daily, much to the joy of his parents who still live in his village. "They were very proud. A lot of people congratulated them," says elder brother Madhav, who opted for the safer option of a government job at BSNL. Madhav's office is near the Charminar, in the bustling old quarter of Hyderabad, with its maze of lanes and bazaars selling the famed bangles, pearls and *attar*. The BSNL office itself has none of the charm of the area, with the peeling walls and general air of tiredness you associate with *sarkari* offices. While Rao is slim and tall, his brother is slightly shorter and heavier. Both were athletes in their youth.

Their parents, Madhav says, wanted Rao to give up his business and take up a government job till as recently as the mid-2000s because entrepreneurship was an unknown devil. But now, with Rao building houses for them, two of his brothers and his father's brother, as well as



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DICCI-Telangana Chapter and
founder, Suraksha Group

buying some agricultural land in the village, they have come around. All this is a far cry from their childhood, when they were not allowed to go to the houses of the upper caste, use the same vessels or sit with them. But things have changed with education among the upper castes and others. "Now, we call them singularly," he says. I ask what that means. "I can call someone Ramesh, instead of Ramesh *garu*," he explains. With his brother, there is no discrimination, with members of the upper caste inviting him for functions and asking him for advice and jobs for their children. But this is not in all cases, he clarifies.

Success and prosperity have indeed triggered social mobility. Rao was able to become a member of the exclusive Jubilee Hills Club with ease. "They just asked me for money and I could give them that. Nobody asked me about my community," he says, laughing. Then again, it cannot buy out prejudice. "I would be paying the bill for everyone at the table, yet there would be remarks about how people from my community don't usually live in this area," he says, more in amusement than resentment. By one account, Rao bought his Jubilee Hills house on an impulse when somebody at a social event remarked how fortunate it was that no Dalit lived here - the abode of film stars, politicians and businessmen.

Rao does not dwell on instances of discrimination and says that he has never resorted to reservation in his career, which has largely been with the private sector, nor has he used it for admission for his two children. But his brother says once it started becoming well-known that Rao was a Dalit, it was not as easy to get contracts even with private telecom players, which was one of the reasons for diversifying into other sectors.

Rao's rise, says Sripathi Ramudu, professor at Hyderabad's Central University and a friend, "has done away with the stereotype that Dalits are not good at business". On his morning walk at 7 am around Jubilee Hills' lotus pond, a lovely oasis for the rich with tall wild grass, palms and a gazebo but no lotuses, Rao says he felt he was a burden on his parents and that a government job would not have been enough to take care of all of them, which was why he turned to business. But his brother says that his friends at the polytechnic in Ongol, mostly sons of entrepreneurs who had decided to follow in their fathers' footsteps, influenced him deeply.

Rao's years in the college were a turning point, says Madhav, because he was elected a student leader, built good relations with his fellow students and political leaders and made a large group of friends. This ability to network is one of his chief attributes and has stood him in good stead, various acquaintances concur. He has excellent relations with labourers because he speaks their language and they trust him, says Srinivas Puttapaga, founder of Suraksha Group which runs several educational institutes and poultry units. Rao also built relationships with bureaucrats, critical when it came to getting various clearances for laying cables.

Those who know him well affirm that the other "key" to his success is his ability to work hard, on many days up to 18 hours a day. "He reaches home mostly only after 11 pm and sleeps just for five hours," says his wife, Padmalatha, a junior telecom officer with BSNL. When she married him, she was worried about the risk entrepreneurship carries with it but was finally convinced by his hard work. "Confidence *bahut zyada hai*," she says, smiling. In spite of Rao's success, she has kept her job which pays her Rs 40,000 every month, perhaps because she feels the need for a fallback, should life come full circle, or because it is anathema to give up the much-coveted government job even if one's spouse is earning in crores.

G Srinivasa Rao, joint director at the commissionerate of industries in the Andhra Pradesh government, says when he first met Rao at a DCCI event two years ago, he was impressed with the pertinent questions he asked, unlike the others present, and the five-minute interaction became a two-hour session. "I travelled to Kakinada

with him once and during the journey, he talked only about two things: creating wealth and helping society by promoting entrepreneurship," says the bureaucrat. Rao says he is passionate about helping people from backgrounds similar to his. So, roughly 60 per cent of his 200 permanent employees are from villages, are poor and come from backward communities, he says, sitting comfortably at his corporate office on Kavuri Hills where we meet in the afternoon. A friend who has dropped in, G Ratna Kumar, managing director of the Irrigation Development Corporation, attempts to lionise Rao by saying that when a contract labourer committed suicide, he sent the family Rs 1 lakh. He was just a contract labourer and he did not need to do that, Kumar says. Rao corrects him softly, "I know the boy's father well."

Rao is currently executing a Rs 100-crore township in Rajahmundry, and his plans are many. He is looking to take his revenue to Rs 250-300 crore by the next year, and multiply that to an eye-popping Rs 4,000 crore in five years. The major earners will be mini hydropower projects and pharmaceuticals, both areas he will be entering soon. Other sectors include solar power, rural SEZs, satellite townships in the bifurcated Andhra Pradesh and shipping. He says he takes three to six months to evaluate the feasibility of entering a new sector and reads books and makes site visits in preparation. He also engages consultants from the Indian Institute of Management and the Indian School of Business, who charge up to Rs 70,000 for 24 hours. Has he ever gone against their advice? "Well, I have not entered many sectors they advised me to," he says. His aim, he adds, is to retire at 45 and devote the rest of his time and money to social work.

That appears to be a reasonable ambition.

DEFYING THE ODDS: THE RISE OF DALIT ENTREPRENEURS

Authors: Devesh Kapur, D Shyam Babu and Chandra Bhan Prasad

Publisher: Random House India

The book profiles 21 entrepreneurs, their humble origins, their successes and the prejudices they had to overcome. Apart from Mannam Madhusudana Rao, it includes people like:

P THOMAS BARNABAS

Having grown up in a mud hut, Barnabas has a scrap business at Sriperumbu-dur that generates revenues worth Rs 5 crore annually

MANJU RANI

Born to an alcoholic father at a New Delhi slum, Rani runs a thriving apparel business in Karol Bagh

ASHOK KHADE

A cobbler's son from Maharashtra, Khade undertakes fabrication work for oil rigs at Bombay High. He employs over 4,500 workers, including 50 engineers

KISHAN LAL SINGLA

Singla was sold into bondage at the age of 15. He now owns a manufacturing company with a turnover of Rs 35 crore