RNI No.35850/80; Reg. No. MCS-123/2018-20; Published on: Every alternate Monday

₹100

Business India

THE MAGAZINE OF THE CORPORATE WORLD

September 5-18, 2022

- INS VIKRANT
- CIGNITI TECHNOLOGIES
- SODEXO INDIA
- RMSI

Should India bail out flood-stranded Pakistan?

CORPORATE REPORTS

As a testing software outfit, Cigniti Technologies has grown to $170 million. Now it wants to be a digital transformation partner and enter the big league of $1 billion in revenue by 2030

Geospatial player RMSI is getting into new areas like crop yield estimates in its growth journey

MERGERS & ACQUISITIONS

Mapping a new future

Jindal and Kapoor: We are offering solutions driven by analytics in modelling

Geospatial player RMSI is getting into new areas like crop yield estimates in its growth journey

If as a reader, you are hooked on to information and projections pouring into the public domain (at a rapid pace now) pertaining to the catastrophic outcomes which climate change is going to gradually usher in, chances are you may have noticed the name RMSI. The Noida-headquartered company, a leading specialised geospatial player, has been behind some of these projections. A report by RMSI which was carried in most of the leading newspapers in April this year created quite a stir when it projected several Indian cities close to the sea getting submerged by 2050 due to rising water levels. This may include major parts of cities like Mumbai, Chennai, Vizag, Thiruvananthapuram, etc. The company had reportedly created a high-resolution coastal flood model to reach this conclusion.

Projections of this nature are part of risk management analysis, one of the key functionalities of RMSI's broader geospatial portfolio. As you spend some time with its key functionaries – Rajiv Kapoor (CMD) and Anup Jindal (CEO) – trying to understand the basics of the company inside their imposing green building (quite visible from a distance near Noida's Logix Park with nearly 1,000 seating capacity in Sector 16) and interact with other vertical heads, the impression is that of a company which is geared up to take action on its core ideas whose time seems to have come. With a broad portfolio of geospatial services, mapping and navigation solutions and its valuable derivatives, the company is getting into new areas like crop yield estimates, where technology has not yet penetrated to any extent.

The rising tide

But before looking at RMSI's positioning in the market, here is a quick glance at how its basic platform, Geospatial, is coming of age across the

planet. Geospatial as a concept means collecting specific data in specific pockets which are used for decisions by the government or even businesses for certain desired outcomes. Its most striking form in the public consciousness is the arrival of app driven consumer facing companies like Ola, Uber, Zomato, etc, which, are in fact, a very small element of what it can do. Remote sensing, the global positioning system (GPS), and geographic information systems (GIS) are important geospatial technologies which have proved their efficacy everywhere and have either entered or are entering a more advanced stage of application in most countries. Talk to any analyst who has some understanding of this subject and the chances are he will predict its more dominant role going ahead as the climate change issue poses a threat, maybe of an unprecedented nature, in various spheres of life. Coupled with the ability to draw more accurate data in areas like agriculture, telecom networks, mining, etc, the position of geospatial services is in the upper strata of the driving technologies of the future.

Going by several global research reports, the geospatial sector or business has already taken gigantic shape. The latest Geospatial World report – GeoBuiz 22: Global Geospatial Industry Outlook Report – forecast the global geospatial market touching $681 billion in 2025. "The market is estimated to grow at a much faster rate post-2025, making it $1.44 trillion by 2030, on the backbone of strategic public policy reforms, industry acceleration strategies, and innovations in the digital twin and metaverse paradigm," the report said.

With advanced surveys and 3D modelling becoming prominent, India too is believed to have developed a functional ecosystem for geospatial services which is all set to be scaled up qualitatively. Government organisations like Survey of India (SoI) and the National Informatics Center (NIC) and several other ministries and departments have begun using geospatial technology for accurate data collection resulting in better decision making in different spheres. The announcement of a specific geospatial policy early last year proves the point that the government has acknowledged the big-ticket evolution of the sector in the coming years. Relaxing the existing guidelines, the policy grants open access to geospatial data and services, including maps, for all Indian entities, with the exception of sensitive defence or security-related data. Indian corporations and innovators are no longer subject to restrictions nor do they require prior approval before generating or updating digital geospatial data and maps within the territory of India. There is also no requirement for security clearance, licence or any other restrictions, says a report. As per government estimates, the sector is poised to maintain an impressive 13 per cent CAGR to touch the ₹1 lakh crore figure before the end of this decade.

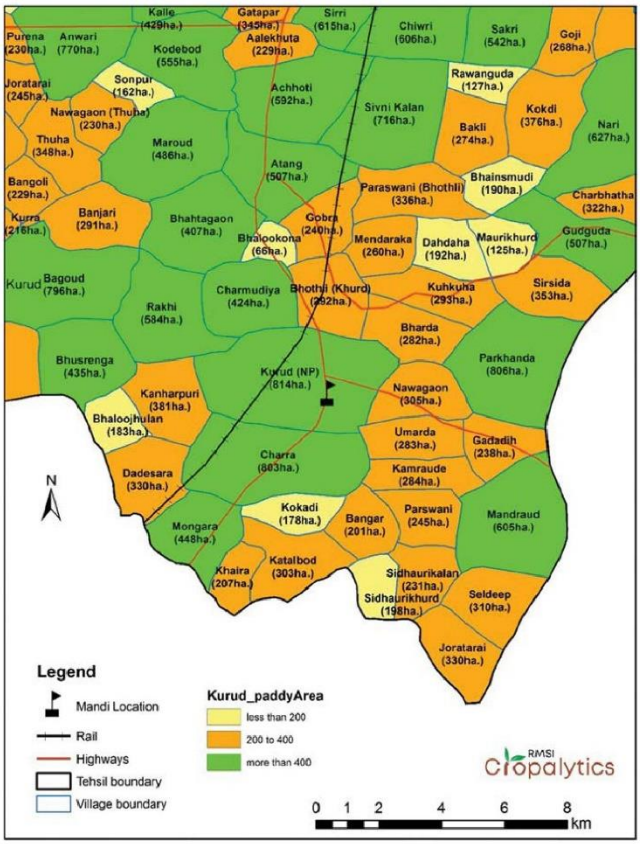
Roli Jindal: spearheading RMSI Cropalytics

Employees turned promoters

With the geospatial sector and its business utility slated to pick up momentum, the Noida-based company now seems to be finding itself close to that 'time to kill' or 'time to strike' moment. Quite interestingly, the seeds of this enterprise were sown way back in the early 90s not in Noida but far away in Stanford. "This company was formed in Stanford University in the early 90s. It was conceived by Dr Haresh Chawla, now professor emeritus who is a renowned disaster management expert. RMS, as it was then called, was specialising in Risk Management Solutions. As it begun expanding its operational wings after the take-off, Dr. Chawla outsourced some of the work related to flood management to his students in India which was followed by telecom mapping assignments," recalls Chairman Rajiv Kapoor, who had joined RMS as CFO in 1997.

The story of the geospatial specialist took an interesting turn when it was sold to The Daily Mail, UK in 1998. By then, the company had a full-fledged operational team in India providing considerable backend support for RMS' international operations. "We had gone to The Daily Mail almost as a dowry. By then we had our own mapping and geospatial verticals. In 2000, we (RMSI) became a sister concern of the group," he adds. Ten years later, a new twist was added to the company's story when Kapoor and Anup Jindal who came on board around 2006 as chief strategy officers offered to buy out the management of the Indian unit which eventually fructified, turning the employees into promoters.

The change in ownership led to a serious restructuring within the company which kept the top brass busy for a couple of years. "Till the separation, we were part of a UK multinational. And then we became an Indian multinational. We had 3,000 employees which was trimmed to 1,000. We were monitoring our financial situation on a week-to-week basis. It was an all-cash



deal when we bought this unit and it was backed by Kotak Mahindra. It was a substantial amount but having run it for quite some time, we were confident it could grow exponentially," says Jindal. According to Kapoor, the company's revenue at the time of the amicable separation from the Daily Mail was around ₹100 crore. But there were some troubled areas. "There was a toxic contract with a large Indian IT company. We were losing $1 million every month and we decided to close it. Other contracts were giving us 30-40 per cent margin and this deal with the IT company was offsetting them," says he.

After going through the pangs of adopting a new identity, the company, as the promoters claim, has been quick in expanding its operational horizons by subtly adding more components to its list of offerings deriving from its geospatial or mapping capabilities and acquisition of new clients. Counted among the top 3 GIS providers in India with a sizeable international presence (six subsidiaries in the US, UK, Canada, Dubai, Bahrain and Australia), the company has built quite a reputation for its technological offerings vis-à-vis data collection and assessment in areas like sustainability, navigation and mapping, utilities, communication network and land & infrastructure. Each of these categories comprises an entire range of diverse functionalities. For instance, the mapping and navigation portfolio comprises offerings like image processing & interpretation, digital cartography, street network digitisation & realignment, points of interest (POI) database creation & maintenance, attribute & road sign capture, building 3D landmarks & models, and mobile video mapping & field data collection. Its prestigious client list today includes: the World Bank, Facebook, Amazon, Google, Vodafone, Planet Labs, PG&E (Pacific Gas & Electric), Enbridge, and the Government of India. There have been a host of big scale projects it has executed internationally and also within the country. Providing telecom network design solutions for the largest Fibre Rollout Program in Australia (NBN, Australia); Cyclone Mapping & Impact Forecasting of the entire coastal belt in India by NDMA (National Disaster Management Authority), a World Bank funded project; various projects of the World Bank & ADB for disaster risk reduction & climate change impact assessment projects across 30 developing & underdeveloped countries of the world and maintaining the most accurate public sector map in the world for the whole of Great Britain for the UK's National Mapping Agency (OSGB) are some of the noted projects that the company has executed.

The agri dynamo

"When we had taken over, we did not even have a single Fortune 500 client. Now in every segment, I have a marquee client which is a Fortune 100 company. That time we were described as horizontal technology player. Now, we do not consider ourselves as just a mapping or geospatial company. We are offering solutions driven by analytics in modelling. Earlier, we were an offshore company. Now we have moved to a global delivery model with six subsidiaries and 11 offices," explains Jindal. "Ninety per cent of our revenue is from outside. US and the UK are our major markets. We are aiming at a revenue in the range of ₹500 crore in FY23 which explains how our business has grown from less than ₹100 crore when we bought it. We have a clean balance sheet – cash-rich and no debt," Kapoor further

emphasises.

The company is now ready with a new exciting vertical which definitely promises to assume gigantic shape in the years to come as technological advancement takes deeper roots in the ₹30 lakh crore Indian agriculture business (spread across 180 million hectares). Crop estimates are still undertaken in an archaic manner – village patwari reporting to local SDO (subdivision officer) who in turn reports to the district collector and then it is submitted to the state agriculture department for the final computation.

It is no secret that the mechanism lacks real-time visibility which could make a world of difference to different stakeholders (buyers, sellers, agri-input firms dealing in fertiliser, seeds and even machinery, bankers and insurers, etc). RMSI had floated a subsidiary in 2019 called Cropalytics which is promising crop mapping on a real time and pan-India basis in the not-so-distant future. "When PM Fasal Yojna was launched in 2016, finance companies decided to jump on the bandwagon in a big way. Crop insurance premium went up from ₹5,000-6,000 crore to ₹35,000 crore in just two-three years. But the organised players getting into the fray were asking for authentic data. They would like to know the acreage area of a specific crop in a particular district and production projection in the given year. They were asking for organised data and that was the trigger," explains Roli Jindal, who is spearheading this new vertical as co-founder and CEO.

After more than two years of proof-of-concept trials, last month RMSI Cropalytics launched the first of its kind crop map for India at the village level. The new crop map shows the geolocation of sown acreage of the current cropping season in high resolution. It will be updated at the village level every Kharif and Rabi season, covering major crops such as paddy, soybean, maize, sugarcane and wheat at high resolution. RMSI Cropalytics makes the crop map actionable by overlaying useful data on it, including village boundaries, farm sizes, crop health, weather forecasts, yield estimates and land ownership. "The agri-tech start-up combines new age and scalable technologies for data collection such as satellite imagery, drone technology, mobile platforms and ground-level IoT sensors to develop models based on AI/ML, using advanced forecast techniques and predictive analysis," the company maintained in a release. At the end of the first year of its operations, the agri subsidiary of RMSI is aiming to cover 60-70 per cent acreage area in the country with complete coverage of 8-10 major crops that dominate the Indian agriculture basket. "We have demonstrated this technology to the Ministry of Agriculture and they have approved it. We have created a new platform on which stakeholders and companies operating in the agriculture space can create their own API (application programme interface). Imagine what it can do. Every stakeholder will have more reliable data to take informed decisions."

RMSI Cropalytics is promising crop mapping on a real time and pan-India basis

On the basis of the strengths that RMSI has accumulated in the last ten years after it moved out of the shadows of The Daily Mail, the company is now looking at a quantum leap journey. Those who know this business would vouch for the fact that projects finally get executed after passing through the proof-of-concept stage which often consumes more time than initially anticipated. But now the stage seems to be set for the larger adoption of various variants of geospatial services.

"The global geospatial industry is one of the fastest-growing industries today, and is transforming from being a product-driven to a solutions-driven industry, with embedment across mainstream IT and engineering technologies. By 2030, the revenues of this market are expected to be more than $1.4 trillion, owing to strategic public policy reforms, industry acceleration strategies, and innovations in the digital twin and metaverse paradigm," Ananya Narain, Director – GW Consulting, Geospatial World had earlier commented.

A positive sentiment of this nature clearly has a bearing on players like RMSI. And the architects of the Indian version of RMS have set quite a robust target. "We are expecting our current revenue base to touch ₹1,000 crore in the next 2-3 years as we are now growing at 25-40 per cent CAGR. More opportunities are opening up," Kapoor underlines while maintaining that raising fresh funds for further expansion would not be a challenge. "If needed," he is quick to add while admitting that there are feelers from some noted investment quarters. "The areas we have chosen for our future growth are high growth areas, eg, metaverse. Our agriculture vertical can grow very fast now that it has gone live," Jindal further explains while denoting new growth triggers. Driven by a new growth map, the story that began 30 years ago at Stanford seems poised to add more dimensions. ◆

RITWIK SINHA
ritwik.sinha@businessindiagroup.com