

# L i F E



**HEAD OFFICE**  
APARNA PIRAMAL RAJEE

# BUILDING ON HERITAGE

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explicitly define their purpose for being in business together. After their father's untimely death in 1990, Paul and his sisters were mentored by their mother and uncle. In 2002, Paul believed it was time to answer fundamental questions that would guide the family in the future, such as, "What are we in business for? How do we want to work together?"

The vision statement was facilitated by Joachim Schwass, a professor at the International Institute for Management Development in Lausanne, Switzerland, specializing in family businesses, who ran a workshop on this with Paul and his sisters. A formal vision statement and shareholder's agreement were the result of this workshop.

"After the workshop, we took a call that we want to keep the family together, we want to run the business together and we want to get into a shareholder's agreement. So, from 2002-04, we worked on a shareholder's agreement which keeps us together legally till 2025. I said that we should have a finite time and take a call again in 2025," says Paul.

The timing of the agreement was particularly fortuitous—the two sisters got married and had children soon after. "Both their children will be around 21 or so in 2025. I think that's going to be appropriate because we will take a call with the next generation in mind," says Paul.

### Private capital

Perhaps one of the most interesting examples of Paul's approach to business is his desire to remain unlisted on any stock market. The Apeejay Surrendra group continues to be privately held, which is unconventional for a diversified conglomerate.

"I think the businesses that we are in are actually quite volatile and markets typically don't pay for it in the long run," says Paul. "And if you are in consumer goods like, say, Typhoo (tea), or in a hotel business, there's a story that the market will give value for. But in volatile B2B (business-to-business) industries like shipping, which is commodity-driven, no one really pays for long-term growth and cash flow because there is no such thing. Even at the highest price or the biggest boom, the stock price will never reflect the asset price on that date."

Paul now prefers to invest in land-related businesses. "When I look at the analysis of returns on real estate, they have always done better than the stock market. When I looked at portfolio reallocation for our group, it was very clear that 70-80% of our money should go for real estate-linked assets," he says.

Some might find his approach too conservative, but clearly, a 116-year-old conglomerate has much value to preserve.

*Aparna Piramal Rajee meets heads of organizations every month to investigate the connections between their workspace design and working styles. She is the author of Working Out Of The Box: 40 Stories of Leading CEOs, a compilation of Head Office columns, published as part of the Mint Business Series.*

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Maps, wood panelling and a vision document in office help outline Karan Paul's attitude to business

Maps decorate the interiors of a 1960s-era wood-panelled office on Park Street, a heritage area in Kolkata. One is a road map of India; the second, a world map; and the third, a globe. Maps are rarely seen in corporate offices these days, and a trio is unusual indeed.

I am in the cabin of 45-year-old Karan Paul, chairman of the diversified, 116-year-old Apeejay Surrendra group of companies that has interests in tea, shipping, logistics, hotels and real estate. A cabinet stacked with documents, mementos, family photographs and official paraphernalia lines one wall. Apart from a colourful painting, there is little in the way of office décor in the understated office.

### Global traveller

"I love watching these maps because I love planning my next trip. I have been travelling independently for the last 25 years. And I have done lots of road trips around India, as well as trekking trips," says Paul.

His favourite routes include Gohampal, Chennai-Rameswaram, Chen-



nai-Kanyakumari, and Bikaner-Jaisalmer. His favourite destinations abroad are Indonesia, Greece and Morocco (where his sister Priti lives), and he travels to the UK every month on business.

The globe is particularly special. "We are in shipping and the whole feel of shipping is a global adventure. We've grown up hearing phrases such as, 'Our ship is in Dar-es-Salaam or in Maputo.' The ocean excites me," says Paul, a certified scuba diver.

Built by Paul's uncle Jit and his father Surrendra, the office dates back to 1962 and used to be occupied by members of the Paul family, as well as a host of clerical staff. Fifteen years ago, it was refurbished and turned into a senior executive enclave

for Paul, his elder sisters Priti (who runs the real estate and retail businesses) and Priya (who runs the hotel business, based out of Delhi), their mother Shirin (chairperson emeritus of the company) and senior key people, with the clerical staff being moved to another location. But Paul retained design elements such as the wood panelling—he liked the "old-school feeling".

### Keeping it in the family

The office also contains one document that is especially valuable for Paul: "The Paul Family Vision Statement", which was drawn up in 2002 by Paul and his sisters to express their shared vision in a tangible way. "The family vision statement is special. I



**Centred around family:** (clockwise, from top) Karan Paul in his cabin; a cabinet full of documents, mementos and family photographs; the family vision document; and a model ship.

think that is something that we have tried to live our lives around. It is an internal document, not one that we usually share outside," says Paul.

It reads: "Our family finds that the dynamic ownership of a diversified business with a spirit of entrepreneurship, built on a tradition of integrity, discipline, humility, community service, hard work and fun, to be the most meaningful activity. We wish to become and remain industry leaders and deliver outstanding value to our customers, achieved through world-class performance and quality, by committed people who share our values."

While many business families now have similar vision statements, Paul and his sisters were among the first to