

## How This Third Generation Entrepreneur Branched Out Staying Committed to His Roots

*Apeejay Group continues to touch the lives of people through brands in hotels, FMCG, F&B and book retail*



*Image credit: Entrepreneur India*



Baishali Mukherjee

**Apeejay Group**, with an annual turnover of more than INR 2,500 crore, was set up in response to the nation's call for self-sufficiency. **Pyare Lal**, a young patriot, built a small unit in Jalandhar to manufacture steel goods for the domestic agricultural market in 1910.

**Surrendra Paul**, son of Pyare Lal, became the Chairman of the Group in 1982. Today, his next generation is at the helm. Presently, **Priya**, **Priti** and **Karan Paul** oversee the group's growth and management. A sense of shared ownership and a deep belief in the joint family business inspire them to execute the job with great dedication.

In an interview with **Entrepreneur India**, Karan Paul outlined the group's journey since its inception and talked about the changes it has gone through, the growth it has achieved.

Karan joined the family business in 1992. At the age of 35, he had created, ran and sold two businesses, thus completing the business cycle from inception to finish and a profitable sale. He took over as Chairman of Apeejay Surrendra Group, one of India's oldest and largest business conglomerates in 2004.

"I joined the Group right after my graduation in 1992. My first business as an entrepreneur was a finance company, set up in 1993 and a stock-broking company set up in 1995. I ran those businesses for about 10 years and sold them in 2006-07. The partners I chose to hive off the companies to were renowned in their

fields. They would invest and grow the two companies as well as bring value to customers, whose trust these two businesses and I personally had enjoyed tremendously since inception,” recounted Karan.

Apeejay Group employs over 43,000 people in rapidly expanding operations in tea, hospitality, shipping, retail, real estate and new business ventures, marine cluster, logistics and knowledge parks. The executive and management teams of Apeejay are entrepreneurial and inspired.

## The Pauls

The small unit in Jalandhar rapidly expanded into an enterprise and soon the Group was among the first importers of steel into India. The Group acquired tea estates in Upper Assam and North East India.

In 1948, the Group expanded to shipping. **Stya Paul, Jit Paul, Swraj Paul** and **Surrendra Paul** continued to build on the business under the able-stewardship of Jit Paul after the demise of their father Pyare Lal and setup the Group’s headquarters in Calcutta in 1951.

The shipping enterprise grew rapidly, carrying the company’s new initials — APJ — emblazoned in red and white, out of Calcutta and Bombay to the Far East, Europe and North America. APJ was the perfect tribute to the industrious ancestors and founders as well as remembering the place from where this illustrious journey began in 1910 — A for Amin Chand (Pyare Lal’s father); P for Pyare Lal and J for Jalandhar.

His leadership saw a period of consolidation of existing businesses and expanding into newer ventures till his sudden and unfortunate demise in 1990. Shirin Paul, his wife, took over as Group Chairperson and Jit Paul became the Group Advisor.

## Exploring New Terrains

The Group ventured into hotels, real estate, construction and pharmaceuticals in 1960s, acquiring a controlling interest in British companies such as **Martin Harris** and **Walter Bushnell**, leading manufacturers of antibiotics, anti-malarial and anti-angina drugs of their time.

By November 1967, the first hotel had opened for business in the fashionable Park Street of Calcutta. The Group established schools taking forward its fresh approach to education that nurtured children to become all-rounders and good citizens.

## The Legacy

Early 90s witnessed huge change across the spectrum of the group and this has enabled Apeejay Group establish a solid national and international footprint.

“The group’s entry into FMCG, Logistics and Marine Cluster, accounts for the big changes in the business while elements like high quality product, amazing innovation, and excellent customer service are the focus of the businesses,” said Karan.

While keeping the key ethical issues integral, Karan has introduced dynamic changes in style of operations, mainly in systems, process and policy.

“Working hard, being humane, doing good business with integrity and fairness, ensuring a win-win partnership for everybody related to the enterprise — whether it is employees, suppliers, customers or bankers — constitute my family’s legacy and values I was born to,” shared the third generation

entrepreneur, who has kept the values intact and ensured extension of the fundamental core principles as they expanded the core businesses and diversified into new ventures.

## **Brand Building Exercise: Strategies Adopted**

Apeejay continues to touch the lives of people through brands in hotels, FMCG, F&B and book retail, though the core businesses are B2B. Karan cited strong governance and performance as the building and sustaining factors for the brands. “Each of our companies live up to the brand values – solid, youthful, committed, inspired and entrepreneurial – that make up Apeejay Surrendra Group’s brand identity and reflect our evolution from honoring the past to embracing the future,” he asserted.

According to Karan shipping, hospitality, tea and real estate are the core businesses of the group and the Pauls have followed a forward, backward and vertical integration approach for diversification.

“A diversification plan that employs business’s core strengths can deliver good results. While uncertainty in business is a given, diversification must never be a roll of the dice,” he opined. The acquisition in 2005 of the iconic British tea **Typhoo**, today the largest supplier of retail branded tea in the UK, was India’s second largest global FMCG acquisition and the 7th biggest corporate takeover by an Indian company then. It was the result of Apeejay’s intent to forward and vertically integrate its tea business.

The group has undergone realignment and has adopted a sustainability and social responsibility framework in 2015. This aligned the business and brand to Global Sustainable Development goals.

“We have been working on the brand following a specific strategy that has unified the brand identities of each individual company into the mother brand, business development and execution as well as strengthening relationships and partnerships with bankers and financial institutions. While quality, innovation, customer service and effective return on investment are some of the key things that a business is about, but how the business is conducted is what I am most focused on. My companies must behave ethically as they compete hard in a marketplace that often throws up ethical dilemmas,” straight talked the business leader.

In November 2017, its hospitality business, **The Park Hotels**, celebrated 50 years and in a couple of years, **Oxford Bookstore** — their book retail business — will be ensuing Centenary Celebrations. Both of these are national brands with humble origins in Park Street, Kolkata.

## **Future Plans**

Karan is optimistic about the group’s marine, tea, and real estate business. “We are all set to create a marine cluster on 550 acres at Kulpi, a port town, located in South 24 Parganas district of West Bengal, about 78 km south of Kolkata. The project will be completed in a couple of years and will include a private port and a ship repair unit,” disclosed the 46-year-old business tycoon, who harbours deep passion for literature and films.