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TURNAROUND TYCOON

Meet Karan Paul
who is taking his
Rs 4,500-crore
Apeejay Surrendra
Group to new heights

SUNANDHIS MULLICK

turnaround turk

the son has finally risen in the east. meet karan paul, the scion of apeejay surrendra group who is taking his rs 4,500-crore empire to new heights.

It is raining softly outside and Karan Paul sits in his office, looking at the restored Park Mansions opposite, a day after the Puja festivities have ended. He has had a restful weekend, having spent the Puja in Kolkata after many years, but it is now back to another long day of work.

Work for Paul means managing the many businesses—in tea, shipping, hospitality and real estate among others—of the Apeejay Surrendra Group in India and the world over from his office in Park Street. The 37-year-old chairman looks from beyond his file-loaded desk onto the city's most fashionable street—a fair amount of whose sidewalk properties he owns—and settles down to talk about how, in the two years since he took over, he has changed the face of his family businesses. His shipping acquisitions have made his group the number one private shipping company in the country, he has acquired Typhoo, one of the largest tea brands in the world and the number of Park Hotels have gone from three to seven (as of now).

The youngest son of the late Surrendra Paul, Karan, who was made



Paul at his Park Street office, also the headquarters of the Apeejay Surrendra Group



SUBIR HALDER

the group's chairman in July 2004 has finally emerged from the shadow of his high profile sisters Priya and Priti and mother Shireen to take forward the over Rs 4,500-crore business empire assiduously built by his father. Since 1990, when his father passed away under tragic circumstances (he was shot at a tea garden in Assam), life has not been easy for the Pauls. Karan was only 21 then, still a student, and his mother and elder sister Priya took over the reins of the family business. He joined in two years later and began to learn the ropes from his uncle, Jit Paul.

"I always knew I was going to be in the family business," he states. Despite that, Paul chose quite a few unconventional sub-

“WE ARE CLOSE AS A FAMILY AND SPEND A LOT OF HOLIDAYS TOGETHER”

karan paul

jects when he was studying. After passing out of Modern School in Delhi, Paul went to Brown University in the US and took up philosophy as a subject, only to give it up a couple of years later. Then, another two years saw him study political science, and finally, his artistic side took over and he ended up doing courses in filming.

Today, business keeps him on the go. "I am away for over two weeks a month, but now I think I'll

Karan with his father and siblings (top left); with mother and sisters (above); with uncle Jit and Priti (left)

have more time on my hands," he says. That is because Paul is on rock-solid ground now. He spent the first seven years consolidating his position in the group from 1992, as a lot needed attention after his father's death. His mother was chairperson then, and Priya, and later Priti, were actively involved in the business. Priya took care of the hospitality division while Priti handled shipping, and later, the Oxford bookstore chain.

Since 2000, Paul started aggressively pursuing the growth of his businesses. Growth gathered momentum in the last six years. The results started to show immediately after he took over as chairman. The group had some of the largest tea gardens in Assam (over 30,000 acres of plantations that employed over 40,000 people), but its tea was always more popular outside India than here. Last year, when the business world was just recovering from the Tatas buying out Tetley, Britain's premier brand, the Apeejay Surrendra Group was hogging headlines in every business daily for Paul's historic Typhoo (Britain's third largest tea brand) deal, where he bought out the tea business of Premier Foods for £80 million. This was the second largest FMCG takeover by an Indian company abroad at the time. With the acquisition, Apeejay's highest single buy so far, Paul ensured that the

tea division didn't have too many rivals to fret about.

He strategised in shipping as well. "The company has benefited from really strong shipping markets in the last three years," he modestly admits, when asked about his group becoming one of the country's largest shipping players. "We have done sales and purchase. The company used to be bigger in terms of the number of ships in the past. Now, we've got fewer ships but bigger ones so tonnage-wise we have increased substantially," he says.

(Apeejay Finance), which Paul himself had started in 1994. He sold a huge stake to the French financial services giant Societe Generale in partnership with Dabur. "That marked a chapter in my career. I initiated the businesses, developed them, and sold them," he says, showing the canny business sense that has always been a forte of the Pauls.

Paul, however, is very matter of fact. "There have been no turnarounds in the true sense because our businesses were doing well. The only thing is that we had not

rocked the party scene in Kolkata even a few years ago? Well, he still has a sports car parked in his driveway. He still loves his drink, although he has moved to appreciating a good glass of wine instead of harder stuff like beer and vodka. He still enjoys his poolside living, and parties at Roxy, the Park's buzzing nightclub. He still goes for short river-cruises on his yacht. And he still asks his mother for advice, and says she lectures

When the Park-owned Flury's revamped its interiors, Paul was at hand for the grand reopening



SCUMITRA GHOSH

The hotel business, which he also oversees, though Priya is the person in charge, has seen the number of Park Hotels go up from three to seven (Bangalore, Chennai, Kolkata, New Delhi, and Visakhapatnam, with two more in the offing (one in Navi Mumbai later this year and one in Hyderabad by 2008). Paul's plan is to have 10 hotels in all within the next three years.

The group's turnaround also included the selling off of its securities business (Apeejay Securities) to ILFS Investments and dilution of the financial services

been aggressive enough in our growth patterns. We have now achieved that aggression and have continued that pace more and more so every year." The group, which has always been known to keep a low profile, has even drawn up an active media strategy after months of deliberation. Paul started pushing the mother brand about one and a half years ago and drew up an ad campaign in March this year. He is now following it up with another campaign.

But is the new Karan Paul a complete departure from the old, freewheeling youngster that

him on business even if he doesn't need it.

But there can be no denying that with his new responsibilities, life has undergone some subtle yet noticeable changes. It is a maturer, and may we say, mellower Paul who talks about his stable year-long relationship (with Delhi-based, part-French, part-Bengali Vanessa), or about spending a quiet evening with friends. This is a Paul who is now often seen talking shop with business associates at 10 pm instead of just partying the night away. "I've arrived," he smiles simply. ■ by Swagata Sen