

Radulal, Chhetanki and a friendly way of business

It's not often that **RADHE SHYAM AGARWAL**, 70, and **RADHE SHYAM GOENKA**, 69, co-founders of the Emami Group, give interviews. But on Monday, the biz men welcomed Metro into their Ballygunge home to chat about everything from their boyhood to setting up a business with Rs 20,000—their group is now worth Rs 50,000 crore—to the AMRI fire that claimed more than 90 lives and led to their arrest.

The chat was to mark the publication of *Business: The Emami Way*, a compilation of their business wisdom.

Excerpts...

Take us back to Shri Maheswari Vidyalaya... how did your friendship begin?

R.S. Agarwal (RSA): Maheswari Vidyalaya is a very small school in Burrabazar by today's standards, but in our time it was a good school, with good teachers. And we were very good students. I was also a sportsman, I used to play football, cricket....

R.S. Goenka (RSG): Hockey too. And he stood first in class all through.



R.S. Agarwal (right) at his Ballygunge Circular Road residence with friend and business partner R.S. Goenka on Monday afternoon. Picture by Pabitra Das

RSA: I was the captain of the school in all three sports. Back then, getting a first division was very rare.... I had a first-division in commerce.

RSG: We got to know each other through a common friend. Mr Agarwal was one year my senior, so he used to teach me, guide me... he was my guru. He is still my guru. **How did the nickname 'Radulal' come about for Mr Agarwal?**

RSA: (*Laughs*) His father (Keshar Deo Goenka) used to call me Radulal.

RSG: It was out of affection. **What about a nickname for Mr Goenka?**

(*Both start laughing*)

RSG: No, no I don't have a nickname.

RSA: You do! The two of us were always together. Because he was younger, *isko log Chhetanki boltey the!*

'I LOVE YOU'

Why did you name your company Emami?

RSA: In Italian it means 'I love you'. See, we were not big businessmen, we liked something, we chose it. (*Laughs*) When I see a beautiful and pretty lady, I cannot say 'love you', I can say 'Emami'.

[*Amami in Italian means 'love me', says the dictionary*]

Coming to your brand ambassadors, only Satyajit Ray, Rituparno Ghosh and Emami have been able to lure Big Bollywood to Calcutta. Was it *zid* or pure business sense?

RSA: Business sense. We have had the biggest female stars model for us, right from Sridevi and Zeenat Aman to Madhuri Dixit to Kangana Ranaut today. And all the heroes —

Govinda to Amitabh Bachchan, Shah Rukh Khan to Hrithik Roshan.

RSG: In sports we have Sania Mirza, Sushil Kumar, Milkha Singh, Mary Kom, Sourav Ganguly....

Why do you want stars to endorse your products?

RSA: They add a lot of value to a product. If you take these hero-heroines, the recall is very quick. Otherwise I have to spend a lot of money to establish recall for the TV viewer.

RSG: We did in-film advertising also...

Yes, *Agar Tum Na Hote* in 1983!

RSG: That was I think the first instance of in-film advertising in India. The film was very successful. Rajesh Khanna played the proprietor of Emami, Rekha was a model (and Raj Babbar was a photographer shooting Rekha for Emami).

RSA: Similarly, the movie *Dastak* with Sushmita Sen. **No Calcutta company has done in-film promotions like this..**

RSA: Not just Calcutta, no company in India! (*Laughs*) You are limiting our city to a secondary level. This city is

very good. That's why we are still here. Otherwise we would have gone to Bombay.

CALCUTTA, MIO AMORE

You've never thought of going elsewhere?

RSA: No, never. It can happen in any place. We never had to face any problem in Bengal. We have not had a single day's strike in any of our factories.

RSG: During CPM rule, even when there was a Bengal bandh, our paper unit in Dakshineswar used to run.

RSA: Only difference was we used to manage the labour union ourselves, not give the work to any labour officer...

There is a committee of workmen, we don't have a union in our companies.

Why then do you think Calcutta carries this business-unfriendly tag?

RSA: I'll tell you. This is because Calcuttans have less faith in Calcutta.

What do you attribute your success to?

RSA: We are great believers in God. Whatever we achieved in life — wisdom, knowledge, education or success — is because of God's blessings. Anyone who would like to follow our path also needs to have

God's blessings.

'IT WENT WRONG WHEN WE TOOK AMRI'

In all these years, was there a moment when things went wrong?

RSA: It went wrong when we took AMRI. It went wrong when there was an episode in AMRI, and we were all in trouble.

RSG: There was Alloy Steel, a steel factory, that decision also went wrong. One thing is very clear in Mr Agarwal's mind that if you cannot run the business successfully, there is no point in lingering. Better to take a decision then and there and close it down, instead of the losses mounting and then finally closing it down. That strategy has helped us a lot.

But with AMRI you are still there, in fact you are expanding...

RSG: What happened was an accident. Accidents can happen anywhere. But we are sure we will be able to turn it around.

What did the AMRI episode teach you?

RSA: It taught us a big lesson. The lesson was that we have to take certain steps. An inci-

dent can happen anywhere, say in any of the factories. We have a very strong risk management section, best experts have been appointed. So was the case with the hospital also... but what has to happen will happen. As I said, everything remains in God's hands. In the world there are three things — seen, unforeseen and unforeseeable. That was an unforeseeable happening.

'NO DAARU, NO ZARDA'

In this book, you say most family-owned businesses don't survive beyond the third generation. What kind of succession plan do you have for Emami?

RSA: What is succession planning? We have rules on governance, on what can be done, what can't be done.... Not just the next generation, we too have to abide by it. The manual tells us things like what businesses we cannot go into, like *daaru*, pan masala, *zarda*, non-veg hotel.... We cannot invest in shares of other companies, we cannot buy ornaments without informing, we cannot give unsecured loans to outsiders, we cannot give personal guarantees, because his personal guarantee can sink me and also the other way around....

RSG: For a business loan we cannot mortgage our house or ornaments....

RSA: We created this manual ourselves, then we showed it to some of our friends, like Shyamanand Jalan, Pintu Khaitan... but it's not legally binding, it is recommendatory and it can also change with time, after proper discussion.

Rs 20,000 TO 50,000CR

It seems from your words that the best is yet to come in Emami...

RSA: *Eta aami bolte parbo na. Aamar bhagyer opore achhe* (This I cannot say. It depends on my fate). Best is yet to come, that is my hope, but the worst may come.

RSG: The AMRI incident was the worst, *na*? Nobody knows what is going to come.

RSA: The value of Emami today is around Rs 50,000 crore. We started with Rs 20,000, which his (Mr Goenka) father gave us. I was the youngest president in Birla Brothers and I left service and came to him for money. His father was a lovely man. I used to play cards with him. *O amake bolto 'Beimaan'* (*laughs*). When I lost the Rs 20,000, I went to him and said I would have to close down the *vyapar*. He said, '*Beimaan*, take Rs 1 lakh, do the business.' You have to have that kind of confidence and love for each other.

Sambit Saha and
Samhita Chakraborty

Metro carried questions from three young Calcutta-based entrepreneurs

Saksham Karwal, co-founder of visual Q&A platform SeenIt

What is the most important thing you look for in an employee?

RSA: You have to see into the eyes of the person, you have to notice the body language to read a person. Then get into the details of the job for which you want that person and see whether he knows the details of that job.

Dipankar Sanyal, MSc student & founder of discount website cashngifts.in

Your advice to student-entrepreneurs?

RSA: a) Ask yourself: Am I ready to put in long hours, be deprived of sleep, sacrifice peace and a lot more, for my goal?

b) Maintain accounts from the first day.

c) Have thorough knowledge of the laws pertaining to your industry.

Abhishek Jalan, co-founder of delivery service Pickji

What do you think is the biggest reason behind your success?

RSA: Dedication, definitive purpose and mastermind.