

Bengal's GenX barons

Suave, foreign-educated and hands-on, young scions are driving change and growth in Kolkata's business families.



Emami family: (From right to left) R.S. Goenka, R.S. Agarwal, Harsh V. Agarwal, Manish Goenka, Aditya V. Agarwal. **Dhunseri Petrochem & Tea Chairman C.K. Dhanuka and son Mrigank.** ASHOKE CHAKRABARTY

JAYANTA MALLICK

And quiet flow the Kolkata family businesses... In post-Independent India, colonial British-owned family businesses and managing agencies began withering away, but names such as Duncan and Williamson Magor are still going strong under new *deshi* barons.

In its transition from Calcutta — once the business capital of the Indian sub-continent — to Kolkata, the city did ride an economic roller-coaster. As did its business houses, both the old and not-so-old ones.

There were the usual splits, many of them uneasy, in family businesses. The Birlas and Goenkas carved up the family pie. The Khaitans did not split, but domains were demarcated.

Some businessmen and families left the city for greener pastures. Aditya Birla, L.N. Mittal and Anil Agarwal preferred to build new empires elsewhere. K.K. Birla and C.K. Birla controlled their businesses from Delhi.

Then there are the others who just dug their heels in and refused to move away, despite the odds — B.K. Birla, B.M. Khaitan, Rama Prasad and Gouri Prasad Goenka to name a few.

Some of the city's elite business houses, dating back to the imperial era, today count among the pioneers of India Inc; the baton is gradually passing to the second or third generation of these business families.

The scene is no different at the business houses that were established during the turbulent 1970s or the relatively sedate 1980s.

ACQUIRING NOW GENERATION

The new faces of the Birla, Khaitan, Goenka, Chowdhary, Agarwal and Dhanuka clans are suave, foreign-educated, and hands-on managers, whether on the shop floor or in the boardroom; and they are already making their presence felt.

Decision-making is not new to Shashwat Goenka, scion of the RP-Sanjiv Goenka Group, and perhaps the youngest of the current lot. After completing his graduation at the Wharton School of Business, he started working full time in July 2012. The group has interests ranging from power to retail and music. He was actively involved in the group's acquisition of a BPO outfit, Firstsource Solutions, in October that year.

Even when he was away in Philadelphia, he was kept in the loop during the group's failed bid for a substantial stake in the India Today Group.

Similarly, when the Emami Group was negotiating the acquisition of ayurvedic product company Zandu, its Gen-Next was active in the execution of the tricky strategy. With only a minority stake available initially, it was a risky gambit — after all, Emami's promoter-chairmen R.S. Agarwal and R.S. Goenka had built the FMCG business brick by brick. Agarwal's younger son, Harsh, took over as the dealmaker and was engaged for months in a day-to-day negotiation with more than one faction of Zandu's original promoters.

He went on to script a hugely successful takeover story.

"The whole idea of the acquisition

Titagarh Wagons Managing Director **Umesh Chowdhary's** familiarisation with the family business began with 50-km commutes on local trains to the company factory at Panihati.



sition came to us (Agarwal Sr and R.S. Goenka). We made certain plans, but discussed with the youngsters of the two families, as the stake and the price was very high," reminisces R.S. Agarwal.

However, following a recent fatal fire at the group's joint venture hospital, Emami has decided to cut back on the presence of promoter families on the Boards.

Amritangshu Khaitan joined Eveready as a management trainee in 2004. "In 2005, we acquired BPL's battery business, then the fourth largest player in the domestic market, from the T.P.G. Nambiar family. I was given independent charge of the subsidiary, which was exactly one-tenth the size of Eveready," he recalls.

"I entered the Board in 2011. I was heading the BPL business, which was then making losses. We had to restructure it. Later, when we acquired Uniross, I was away doing my MBA at London Business School. But I was briefed in detail about the acquisition," he says.

For Umesh Chowdhary, now in his late 30s, it had all started out a little differently. His familiarisation with the family business — Titagarh Group — began after his college days at St Xavier's, when he began commuting regularly on local trains — 50 km both ways — to the company factory at Panihati.

Umesh sees his father, J.P. Chowdhary, as a great teacher who worked hand in hand with him through difficult times.

Duncan Goenka's Shrivardhan, now a 37-year-old eligible bachelor, joined the group in 1998. "I don't recall the position in which I joined, but I worked across all departments to get a first-hand experience," says this graduate of the Kellogg School of Management. He didn't need any persuasion to join the family's tea business. "I was always eager to join," he says, with a grin. In 2011, he became the group's vice-chairman.

At Dhunseri Petrochem & Tea, Chairman C.K. Dhanuka's son Mrigank, an industrial engineer from University of Michigan-Ann Arbor, required some persuasion to join the family business.

He learnt the ropes first with the marketing wing of the petrochem business in 2004; in April 2010 he became vice-chairman and managing director.

"The idea was to put him in the leadership position and let him feel the pressure early," says his father. Now Mrigank has the responsibility of heading the group's maiden petrochem venture in Egypt. He also takes active interest in the company's tea plantations in Malawi, Africa.

While sons have seemingly dominated at the Kolkata business houses, with daughters largely remaining in the background as directors, there have been several exceptions.

B.K. Birla recently elevated his younger daughter, Manjushree Khaitan, who is in her 50s, to head the group's flagship Kesoram Industries. Eldest daughter, Jayshree Mohta (61), was given the responsibility of running its tea business years ago. The Birla patriarch has also picked Manjushree's daughter Vidula Jalan to run two smaller units.

FAMILY MATTERS

Despite the generation gap, Kolkata's family businesses show a continuity and convergence of style and approach — be it for mergers and acquisitions, greenfield overseas ventures, or modernisation.

Amritangshu Khaitan has no interest in horse racing like his father, Deepak, nor does he take any golf lessons from uncle Aditya, an amateur champ. His grandfather Brij Mohan made sports an integral part of his business lifestyle. But gadget-savvy Amritangshu is keen to imbibe from them the intricacies of running an Indian business. He credits the changes he is bringing about at Eveready — extending the brand value to new outsourced products and marketing channels — to the teamwork of the family heads as well as senior managers.

Aditya Agarwal of Emami echoes a similar sentiment. His father points out that the company's promoter families have well-structured working procedures for members. "But we balance between structural rigidity and flexibility. We change rules, depending on business dynamics." The families have set up two councils — one related to business and the other for interpersonal relationships.

Around four years ago, Gouri Prasad Goenka wanted an equity infusion. Son Shrivardhan was not convinced. Backed by numbers and analytics, the younger Goenka argued against the equity infusion. Indeed, the packaged tea business has done well without it for the past few years.

Says the son, "I wish I had patience like him. There are times when the situation seems just about impossible, and father then comes out on top. I really need to learn how to keep calm in the face of crisis."

With inputs from Shobha Roy and Abhishek Law

Gadget-savvy **Amritangshu Khaitan**, whole-time Director of Eveready Industries India, is keen to imbibe from his family the intricacies of running an Indian business

Duncan Goenka's Vice-Chairman **Shrivardhan** worked across all departments to get a first-hand experience

