

# The serial entrepreneur

Vision and risk have defined Subhash Chandra's journey from an 18-year-old trader to the head of a somewhat eclectic \$3 billion business empire, writes Vanita Kohli-Khandekar

On a bus ride from Hissar to Delhi, 18-year-old Subhash Chandra struck a friendship with Aman Singh, an assistant manager from Food Corporation of India, or FCI. Chandra had just turned around the family business of polishing rice and *dal*. Since he understood the grain trade, he got chatting with Singh. This was the late 1960s and FCI was the main buyer of grain in the country. The armed forces, however, bought grain through the ministry of food and agriculture. Though he knew the answer, Chandra asked Singh why didn't the army buy directly from FCI which was a part of the ministry.

Because FCI procured raw grain that had to be processed to meet the army's requirement, answered Singh. Chandra offered to process FCI grain to the army's specifications for a payment. FCI could then supply to the army directly, removing three levels of intermediaries and pushing down the cost of delivery. Singh was sceptical about Chandra's ability to deliver but he liked the idea and made a proposal, which found its way into the food ministry. It was approved and became standard policy.

It was, says Chandra, 65, the defining moment of his life. "It gave me confidence and the belief that *jahan chah wahan raah* (where there is a will there is way). Nothing seems impossible."

Nothing was, it seems, for Chandra. Whenever he had his "visions", however preposterous they were, things somehow fell into place. Chandra went from polishing grain to warehousing, packaging, leisure, broadcasting, publishing and infrastructure among other businesses.

In the process he set up, along with his brothers, India's first private TV firm (Zee), first leisure park (Esselworld), the first electronic lottery company (Playwin), the first DTH operation (Dish TV), the first flexi packaging unit in India (Essel Propack) and so on. Of the group's annual top line of ₹19,324 crore, almost half comes from the media. It is seen, however, as the biggest symbol of Chandra's success and a measure of his power.

This was evident in January this year at the launch of Chandra's autobiography, *The Z Factor*, at Prime Minister Narendra Modi's residence. His ability to make friends and keep them was on great display: Mulayam Singh Yadav, Sushilkumar Shinde, Suresh Prabhu, Aroon Purie and Pradeep Guha among others were there to wish him.

Modi said that he had warned Chandra that an autobiography at this stage could be risky. "But it is in his nature to take risks, that is why he has reached here," quipped Modi.

He is right. Chandra's life is littered with gory examples of risk-taking. The launch of Zee TV was arguably the biggest.

The story goes that in January 1991, Ashok Kurien and Chandra were watching CNN and decided that they wanted to get into satellite television. They spoke to senior managers at Li Ka Shing's Hutchison Whampoa, then the owner of Asiasat 1, the only satellite broadcasting into India and China, to form an equally-

owned venture. The proposal was to be presented to Richard Li (Li Ka-Shing's son).

Even before the presentation, Li dismissed the idea, saying there was no money in India. He demanded \$5 million a year as lease for the transponder, more than four times the figure given by his own team for the business plan. Chandra lost it. He said yes, but insisted the deal had to be signed there and then.

"It was frustration, maybe some anxiety. We had been working on this for 11 months," Chandra reminisces. Li made Chandra wait for two hours before refusing. An angry Chandra came back and started talking to the Russians, who had a satellite stationed over India.

Li was intrigued enough to come to India in 1992. He met Nusli Wadia and Samir Jain, among others. None of the media barons of that time thought television had the potential to grow, and no one was willing to pay \$5 million for the transponder.

Then Li met Chandra who took him to the Essel Propack factory. Its scale, as the world's largest facility, the empty tubes of Colgate and Pepsodent, made Li change his mind. In May 1992, he signed a deal with Chandra. On October 2, Zee went on air.

The story displays all the chutzpah that comes naturally to every entrepreneur. Chandra, however, is a serial entrepreneur. Rarely in his 48 years of working has he sat still to consolidate a business or run it, and almost all his ideas have been new to the market. "It is like *nasha* (high)," says he about the joy of setting up a new business.

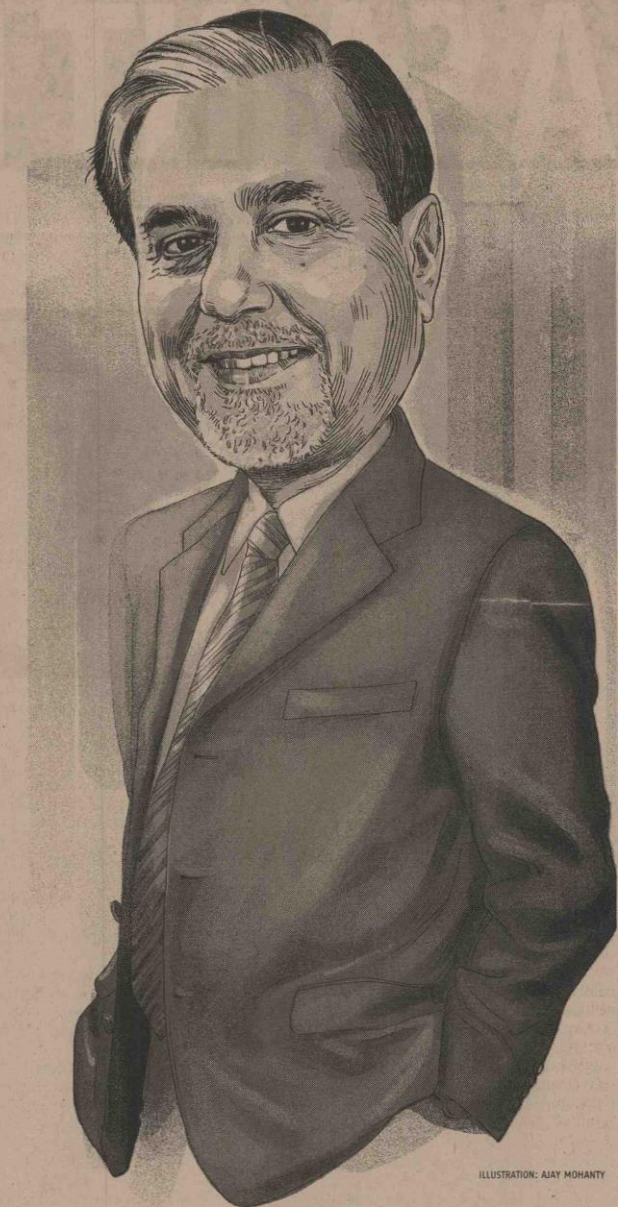
These days he is focussed on infrastructure and education. He chairs the Ekal Vidyalaya Foundation of India. It provides free education to over 1.4 million tribal children through more than 52,000 one-teacher schools. More recently, he has come back to the media business to push through Veria Living, a lifestyle channel that operates out of New York.

Is the media dearer to him than the other businesses? "No, it is about 40 (47 per cent actually) of our portfolio and I treat it accordingly. But most of the calls I get are for this business," he laughs. That is true for most media barons.

Chandra, who got his first big break courtesy Rajiv Gandhi and the Russian rice export business, is seen increasingly as being aligned to the Bharatiya Janata Party. One part of it stems from his public fallout with Congress MP Naveen Jindal who accused Zee News editors of demanding a bribe for going easy on their coverage of his alleged involvement in the coal scam. Chandra was named in the FIR and grilled for hours. He believes that he was targeted at the behest of the top leadership of the Congress. "This was an unjust act of the United Progressive Alliance and in response, I personally supported Narendra Modi's campaign for prime ministership," he says in the book that has a chapter devoted to the episode.

Is the other part political ambition, a Rajya Sabha ticket perhaps or fighting elections?

"I have no political ambitions," he says. "In our country anyone who talks about nationalism or Hindus is considered a BJP



person. Many media owners are clearly aligned with the Congress but nobody raises a finger about them. Sure I do agree with certain parts of the BJP ideology. But neutrality is also necessary (to be in the media business). I am friends with everybody," says he.

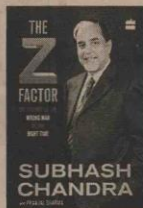
Why then is his book so loaded with politics and his dealings with them? "In the first version there was no holding back, but because of the size and lawyers' advice, we had to water it down," says Chandra. That explains also why the book doesn't do complete justice to his no-nonsense style. In 2000, just after *Kaun Banega Crorepati* had turned erstwhile partner Star India's fortunes, I met Chandra for the first time. The Zee stock was being hammered, senior

managers had left and Zee had earned (rightly so) the reputation of being a merry-go-round for CEOs. Chandra was not defensive at all. "We have gone wrong, we know where we have gone wrong and are taking corrective action," he had said.

It took six years and two more CEOs before Zee could put its house in order. At ₹9,209 crore, the Zee group is among India's top three media companies along with the Star India and Times Group.

But he is not very happy with the industry he spawned. "The way the broadcasting business is going, it will soon be unviable. The costs are rising faster than revenues can and finally those lines will cross," says he.

Time for another brainwave?



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