

WITH ONE STEP AT A TIME, BROTHERS AJAY AND VIKRAM SHRIRAM GOT BACK ON TRACK

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When Ajay Shriram and his younger brother Vikram came out of the room, their shirts were drenched with sweat. Not due to heat but nervousness. It was 1990. They had just met other members of the family behind the DCM group and been told about their share of the empire. Bharat Ram and Charat Ram, leaders of the Indian industry at the time, led the group and wanted to carve it out to avert conflict in the future.

Ajay and Vikram's father, Sri Dhar, had left it to his brother Bansi Dhar and cousins to give his sons a fair deal. What they got was a chemicals and fertiliser complex at Kota in Rajasthan and the Swatantra Bharat Mills in Delhi.

The Kota complex was making a small annual profit. But Ajay and Vikram didn't have the foggiest idea what it did. "I had been there just once. I had gone to Ranthambore hoping to see some tigers. My train back got cancelled. I called the family in Delhi and they sent a car to Kota," says Ajay. Vikram had never been there.

They knew Swatantra better — that it was saddled with 7,000 workers, divided among 13 unions, and was making losses. "There were political meetings at the gates of the mill five times a week," recalls Vikram. "Suddenly it came into our lap."

Uncle Arun Bharat Ram, who heads chemicals company SRF, consoled them. "Don't worry, son, we will support you. Take it up as a challenge."

Ajay Shriram was 36 at the time, Vikram 32. Their father had retired five years earlier and lived in Kolkata. The third brother, Ajit, was young and needed his brothers to care for him. But

➤ We always had a philosophy of step by step, never double or quits. Every year or two, we would either expand, or do something positive, or start a new venture

VIKRAM SHRIRAM

the bank. "We cannot pay now, but we will pay back. We will be happy if you came to our factory every quarter and looked at our books. If you go to court, it will be years before you got your loan back." The plan worked so well that after a couple of years ANZ said they could take more money if they wanted.

The brothers had to burn a lot of money to modernise. Swatantra had spinning, weaving, and dyeing sections, and a silk mill. Ajay and Vikram met union leaders and politicians and told them their game plan. "If it continues like this, the mill will sink," they said.

So they put together an attractive voluntary retirement scheme to cut manpower. As the numbers came down from 7,000 to 2,000, they shut down weaving, dyeing, and the inefficient silk mill.

In about three years, the remaining unit, spinning, reached a point where it no longer made losses. In 1996, the brothers shifted it, to Tonk, near Kota, under a Supreme Court order. This reduced the workforce further and eventually in 2007 the mill's land in Delhi was sold to real estate developer DLF for a handsome ₹1,600 crore.

Soon after, the mill had to stay shut for two weeks because there was no money to buy naphtha, a key raw material. They raised capital and also set up a captive power plant.

In 1996 the brothers made their

BACK FROM THE BRINK

how they did it



■ The Shriram brothers - (From left) Ajay, Ajit and Vikram