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LIFE CHANGING MOMENTS

45 CELEBRATED INDIANS
TALK ABOUT THE TURNING
POINTS THAT MADE THEM
WHO THEY ARE

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“Many thought I was a kid, what would I know... ...when I bought Nicholas Labs for Rs 16.5 crore in 1988”

AJAY PIRAMAL, 65

Piramal grew the business into a Rs 1,800 crore a year concern later before selling the domestic drug business to Abbott Labs for around Rs 18,500 crore in 2010. The funds helped him diversify into financial services and real estate

By **M.G. ARUN**

Ajay Piramal's younger days were quite challenging though he was born into an affluent business family that had its roots in Rajasthan. At the age of 14-15, during school holidays, he was making the 'rounds' at the Morarjee Textiles Mill in the then Bombay that was run by his father Gopikisan Piramal. This gave him a sort of informal management education at an early age. In January 1978, a year after acquiring an MBA from the Jammalal Bajaj Institute, his father bought a precision cutting tool company, Miranda Tools, and asked him to run it. "I believe

that if you have success early, you get a lot of confidence," Piramal, 65, told INDIA TODAY. "I was asked to run Miranda Tools. It was a successful company before I started managing it, and it got even better after I took over." Piramal was only 22 then.

A year later, in 1979, his father passed away, putting more responsibility on his and his brothers, Dilip and Ashok's, shoulders. Dilip Piramal, the eldest, soon separated from the family business to run VIP Industries. In 1984, Ajay Piramal acquired Gujarat Glass, his first independent buy in what would be a string of acquisitions over the next three decades that would establish him as a top industrialist. The company, renamed Piramal Glass, had a turnover of just around





❖ **The yarn that binds**

Ajay Piramal at the Morarjee Textiles Mill in the then Bombay in the mid-1980s

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Rs 5 crore then (when Piramal sold the glass unit for \$1 billion or Rs 7,300 crore earlier this month, it had revenues of Rs 2,500 crore). But then tragedy struck again. In August 1984, Ashok Piramal passed away, losing his fight against cancer.

The big turning point for Ajay Piramal's businesses came in 1988, when he bid for the multinational pharma company, Nicholas Laboratories, an arm of the Australian company Astra Nicholas. "Acquiring a multinational at that time had its own challenges," says Piramal. "Some of the largest groups in India were interested in acquiring Nicholas Labs in India. And here I was, a relative unknown. Many even thought, "This guy is a kid, what does he know?" Piramal was 32 then. The other challenge was that the pricing was fixed by the government in what Piramal calls a "vague formula" for valuing companies. But Piramal didn't back off. He convinced the bureaucracy, got the required approvals and bought Nicholas Labs for Rs 16.5 crore. "I am a straight guy, speaking in a simple language, but convincing the bureaucrats in those days was tough," Piramal reminisces. "But if you are sincere, you can take on any challenge." It helped that the owner of Nicholas Labs was an Englishman who liked young Piramal's enthusiasm and drive.

The textile and engineering businesses went to Ashok Piramal's widow Urvi Piramal and her children in a family split in 2005. Ajay Piramal grew the pharma business, by then named Nicholas Piramal, into a formidable one, and in 2010, sold the domestic formulations part to US firm Abbott Laboratories for \$3.72 billion (around Rs 18,500 crore then), one of the biggest deals in the pharma space.

The Piramal Group is now a conglomerate with interests in pharma, financial services and real estate, with offices in 30 countries. Piramal Enterprises posted revenues of Rs 12,410 crore in 2019-20. Piramal also held an 11 per cent stake in Vodafone India, which he sold for Rs 8,900 crore in April 2014. Piramal, whose wife Dr Swati Piramal is vice-chairperson at Piramal Enterprises, is also aggressively driving the group's financial portfolio which has investments, loans and assets worth Rs 66,500 crore under management now. Son Anand Piramal (who is married to Mukesh Ambani's daughter Isha), founded Piramal Realty and runs the real estate business, while daughter Nandini is an executive director at Piramal Enterprises.

How tough was it to let go of a big chunk of the pharma business? "You should be detached in life. Your job is as a trustee, to do what is best for your beneficiaries—your shareholders, employees, customers and society," says Piramal, whose net worth is a reported \$3 billion (Rs 21,900 crore), according to *Forbes*. His guiding light is the Bhagavad Gita. "Only the Gita talks about the concept of trusteeship. It talks about equanimity, about how you are a mere instrument, how your wealth is somebody else's given to you by the Lord for somebody else's benefit." ■