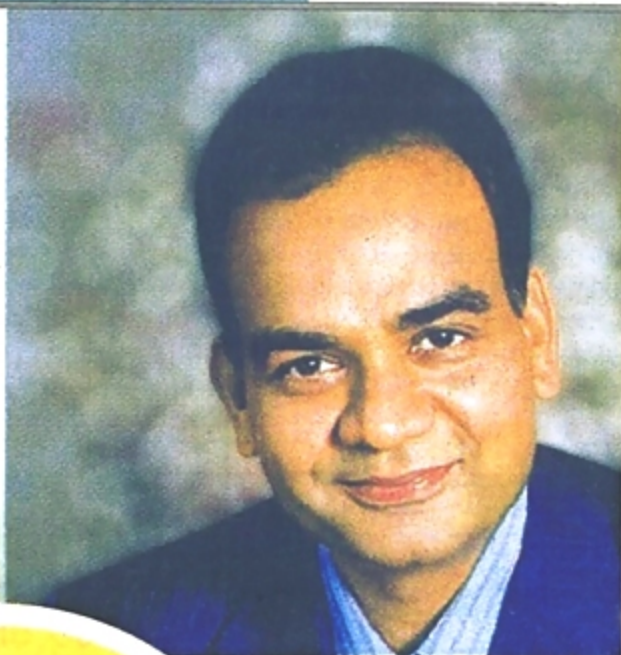


“ I had no background in any of the businesses I got into



Reeba Zachariah | TNN

Twenty-six years ago, when a young Balkrishan Goenka decided to do something on his own rather than join his family's food grains trading business, many would have been surprised at his audacity, although he got support from his father, also his role model.

Today, Goenka, 46, chairs a group of the size of \$3.5 billion with interests in textiles, steel pipes, power, infrastructure and oil and gas. His pipes business has attained the distinction of being the No 2 globally, which is akin to being the ArcelorMittal of steel pipes. His towel business is also globally No 2.

“Right from an early age, I was interested in business. When you grow up in a family with a business background, all you think of is business. It is in your DNA,” says Goenka, dressed in a dapper grey suit, at his nondescript room, located on the seventh floor of Welspun House in Mumbai.

Initially, he faced hard times when he tried his hands in the export and import business from London. When it did not work out, the 19-year-old returned to Delhi, disappointed. But he was not the one to give up. In 1985, Goenka's uncle proposed that he get into textiles. So, he left for Mumbai which was the textile hub at the time. To help start his business, Goenka's father supported him with Rs 20 lakh. Along with another Rs 80 lakh loan, Goenka and his cousin Rajesh Mandawewala set up a polyester texturising yarn unit at Palghar, 87 kms north of Mumbai. This time, Goenka's efforts paid off. Within a year of its

## **BALKRISHAN GOENKA** Chairman | Welspun Group

**Family** | Married to Dipali (heads Welspun's retail unit); has two daughters, Radhika & Vanshika

**Achievements** | Closed a \$350m deal from PE biggie Apollo; acquired Aditya Birla's sponge iron business; bought UK's Christy towel brand; formed JV with Adanis for oil & gas

**When you grow up in a family with a business background, all you think of is business. It is in your DNA**

operations, the unit made a profit of Rs 18 lakh.

The turning point in Goenka's career came in the early nineties when Welspun's yarn business was facing tough competition and its margins were eroding. “We appointed Gherzi Textile Organisation of Geneva to conduct a study on global demand patterns. They told us there was a huge demand for terry towels,” says Goenka, while sipping green tea. It was this insight which gave Welspun its second key business opportunity. In 1993, Welspun built its first export-oriented terry towel unit at Vapi in Gujarat.

But Goenka soon realized selling towels to hard-nosed overseas clients was difficult. “No matter how good your product was, the credibility of ‘Made-in-India’ products was very low,” he says. Interestingly, it was global retail giant Walmart which gave Welspun its first big order for towels. Today, Walmart is one of Welspun's biggest customers, accounting for 20% of the textile

unit's Rs 3,000-crore revenue. A few years ago, Welspun acquired the 100-year-old Christy of UK, which is the official towels supplier to Wimbledon. Goenka says the home textile business could touch \$1 billion in revenues by next fiscal, which would possibly make Welspun India the first textile firm to enter the billion-dollar club.

In 1997, Goenka was alerted to the business opportunity in steel pipes. He set up a 3-lakh-tonne steel pipe plant in Dahej, Gujarat. But, there were no takers. In those days, oil & gas companies, especially PSUs, awarded contracts to firms with at least five years of experience. After three years of struggle, Goenka got his first order, ironically, from Enron's Dabhol Power Company. As fate would have it, Enron went under and Welspun hit a roadblock. He, however, did not give up and turned his attention to global markets. Orders trickled in and things started to look up again. Today, the pipes business, with revenues of Rs 8,000 crore, is the biggest business for Welspun.

Welspun went on to further diversify into power, oil & gas and infrastructure. Goenka now aims to make Welspun a \$5-billion enterprise by 2014. In his long journey from Hissar in Haryana — his roots are from this place — to Delhi to Mumbai, Goenka at times regrets not going in for higher studies. But, he says the best training one can get is practical training. “In all the businesses I got into, I had no background of it. But if you put your mind to it, you can master it.”

Experience, as they say, is a great teacher.