

R.THYAGARAJAN

R.Thyagarajan, fondly known as RT, is Padma Bhushan today. Those close to Mr.Thyagarajan know the enormous persuasion they had to exert on him to accept this exceptional honour. Not that he disagrees with such symbolic affirmatives, but because his life is too simple that lime light does not fit in to the scheme of his beautifully simple narrative of life. And finally when he conceded to accept this honour it was only for the reason that this moment of national recognition could further catalyze the Shriram Group which he founded and guides till today to raise its own bar in reaching out to the community. For Mr.Thyagarajan the ultimate end of business and enterprise building has always remained empowering of the community through economic freedom, sustained education, scientific advancement and cultural development. In a globalized and highly competitive corporate world whose greed, opulence and pomposity have come to cloud the liberating splendor of wealth making, R.Thyagarajan represents the audacity of an ancient civilization with unalterable coding of simplicity, dedication, detachment, integrity and common good.

Here is a man blessed with a sharp intellect, business acumen and an awe inspiring ability for structured reasoning who built the Shriram Group from a small non banking financial entity to one of India's leading business conglomerates. But what stands out as striking is the shining simplicity of the person who remains completely untouched by the spectacular business success. A man whose material needs are bare minimal and wants literally nothing. Almost all his wealth has been given away to the community. Never one to project or profile himself, he did all the giving quietly, befitting the spiritual dictum of true giving - let the left hand not know what the right hand is giving. The list of the good causes and public initiatives he has supported are too many to make a legion.

Endowed with sterling human qualities, Thyagarajan is always a man of edifying composure. Never one to get carried away by subjective human emotions, his inner self is simply wired to be a living template of calmness, dignity, grace and fairness. He has consistently maintained a high degree of fairness and righteous magnanimity in dealing with people. His understanding of human nature is so fine and profound that people who go to him come back unburdened, reconciled and in peace.

In any country, innovators and entrepreneurs with idealism and aspirations play a critical role in shaping the future of not only the industry but the society at large. To that extent, the greatest contribution of RT to nation building is his generous and committed support as well as trusting mentorship to venturing entrepreneurs with ideas. He is one corporate leader who gives to the budding entrepreneurs freedom to fail as well. Without this fundamental commitment of trust in entrepreneurship, Shriram Group wouldn't be what it is today.

With Padma Bhushan, RT joins the exceptional league of extraordinary citizens. But the truth is he would remain the same as ever, utterly unaffected by this rare honour. However it is our responsibility to institutionalize the life of this amazing personality as an enduring source of inspiration for generations to come.

Champion of Inclusive Growth - Mr R Thyagarajan

About Shriram Group

Mr R Thyagarajan is founder of the **Rs 60,000 crore Shriram Group**, headquartered in Chennai. Founded in 1974 to cater to the needs of the **under banked segment**, the group has today grown to become India's premier financial services network chain. Over the last ten years, Shriram Group has grown at an enviable rate, with a **CAGR of over 40%**. The group has over **2400 branches**, more than **45,000 employees**, Net profit in excess of **Rs 15 billion** and a **strong customer base of 9.5 million**. The group plans to expand its businesses into non- financial services in the near future.

About Mr. R Thyagarajan

Mr R Thyagarajan (Popularly known as RT) holds a Masters in Mathematics and a Masters in Mathematical Statistics (I.S.I).He is an associate at Chartered Insurance Institute (A.C.I, London), and is a visiting faculty at the Asian Institute of Insurance, Philippines.

Prior to the humble beginnings of Shriram Chits, Mr R Thyagarajan worked with New India Assurance, from where he was strongly influenced by the then director, Mr BK Shah. A lot of the values and philosophies which RT has brought to the Shriram Group are taken from what he learnt during his stint with New India Assurance and his own personal commitment to the cause of the underserved.

Philosophies of Mr R Thyagarajan

The Shriram Group is driven by, and is well known for its philosophies which have been imparted by RT. These philosophies and values have been methodically instilled and institutionalized into the Shriram group over the last 3 decades.

1. Serving the Underserved thereby creating wealth in the community

Mr R Thyagarajan has exceptional commitment in serving the underserved category of customers (referred to as '**aam admi**'), as this segment of customers are usually **neglected by the organised financial sector**. These segments of customers have become the target market for all Shriram Group companies in the financial services space.

RT's philosophy is that the group should only run enterprises which **add value to the community**. Mr Thyagarajan once said "Unless we have a useful role for the community and customer, we will not enter the business. The businesses we enter must meet the needs of the underserved sections of the economy". For example, he felt that commercial vehicle buyers should have been given a fair chance of survival

and not be burdened with high interest rates. He understood that they would be able to repay loans and it was just a matter of time. Hence he realised that because these segment of customer were neglected by other financial institutions, someone had to extend credit to them at reasonable rates. This is how Shriram Transport came into business, with focus on the owner operators (be it new or used vehicles). This segment has always been perceived as a high risk segment to cater too. Today, Shriram Transport has grown to an **AUM in excess of Rs 40,000 crores, a PAT in excess of Rs 1,200 crores, Market Capitalisation in excess of Rs 13,000 crores, and a customer base of 8, 00,000.**

In similar vain, one of the other NBFCs of Shriram (Shriram City Union Finance) has over the last 10 years focused on SME's (small medium enterprises- an **underserved segment**), and has today grown to become a company with **AUM in excess of Rs 13,000 crores, PAT in excess of Rs 350 crores, and a customer base of more than 3.7 million**, re-enforcing RT's philosophy of '**serving the underserved**'.

Most of Shriram branch employees work in branches from the town which they belong. This allows the employee to contribute back to the economy of the town to which they belong, and create higher standards of living. In addition to this, as the employee is from the same background of the customer, they are able to understand the customer well and build long lasting relations. This is a prime reason due to which most employees are recruited in nearby branches to where they live. **Customer centric Community led approach** was fostered as a core philosophy of the group.

2. People First

The Shriram's group philosophy of putting 'People first' is an integral part of the organisation and is so well embedded in its cultural ethos that employee **attrition rates are under 10%** and all the Chief Executives and senior management are home grown talent having been in the group for 20 plus years. RT, along with the leaders he nurtured painstakingly over the years, not only laid a **sound foundation but also built an edifice of a business model that is driven by one single philosophy - Creating a positive difference to the lives and businesses of the Group's customers.** Today, the group has churned out leaders consistently from its own erstwhile branch managers and field staff. Rather than identifying businesses to be in, Mr Thyagarajan has instead focused on creating management teams that can build businesses- a very unique approach.

Mr Thyagarajan has always given his employees utmost importance and made sure this has transformed to a value for the group and all its leaders. He has formed a beneficiary trust in the group so that all management leaders of the group are beneficiaries of the wealth created by the group. His philosophy is **that if there is any**

value created in the group, it should belong to the entire company and the employees who have helped in creating this wealth. This is unique in the corporate world in India given the large number of family owned businesses.

3. Empowerment

Empowerment and freedom of operation have been deployed effectively across the Group, resulting in an environment that is conducive to nurturing talent and allowing the exceptional performance to blossom. This philosophy of the group has, over the years, created a win-win situation for the group and its employees and continues to add unique value to the Group.

Mr Thyagarajan has always encouraged those who have **an entrepreneurial spirit as he has always supported those who believe in starting a new business.** This has allowed the managers to create a business by being fully empowered, with the commitment of the group.

4. Investor Relations

Transparency levels are high in the group which has over the years increased investor comfort and trust. Mr R Thyagarajan has always ensured that the group focuses not only on providing a onetime transaction with its partners & investors, but on building a relation with them in the long run.

The group's has high levels of transparency, unique values and philosophies and gives importance to investor relations while offering high returns. RT has managed to **attract 90 year old South African Insurance giant, Sanlam Group,** to partner with both the Life and General insurance businesses of the group. Both these companies have managed to make profits in the last few years, unlike other insurance players in the country. RT has often stated "Our Company is not based on transactions, but on relations with our financial and strategic partners". The group has **more than 20 Private Equity investors** who all have significant shares in group companies.

5. Frugal Management

Mr Thyagarajan is a **role model to many.** He leads by exception in a relatively simple life, and has transformed this to a philosophy of the group. Shriram Group doesn't pay fancy salaries to its employees, does not spend extravagantly, and tries to always **optimize costs.** RT believes that empowerment and freedom and not huge salaries retain people within the group.

This philosophy has been inculcated by the employees of the group so well, that they have used the same philosophy to build simple offices and branches, as opposed to spending extravagantly on the looks of offices and branches.

All the operating companies of the group have some of the best Cost/Income ratios within their respective industries.

Vision of RT

Mr Thyagarajan's vision for Shriram Group is to use the existing customer base and branch network of the group to grow into the **SME (underserved) and Insurance business**, and eventually become a large financial conglomerate serving the underserved through a diversified range of financial products and services.

This is one of the key reasons why Shriram has started focusing on financing of small enterprises (SME's) as there is a need to fund SME's in the country. With the existing network of Chits, this has proven to be a good move. The existing network of the group has always been useful for starting new ventures. The same was in the case of the Insurance business- The entry into Insurance was smooth due to the groups existing customers in truck financing.

Inclusive growth has always been a driving force for the group because of its commitment, and it will continue to be, as the group grows and expands to new businesses and verticals. **The services of RT in the neglected sectors of the society will help shape the group in good stand in its ambition to contribute to the Indian growth story in the years to come.**