

# AN UNUSUAL BILLIONAIRE

Having built an IT behemoth, **Shiv Nadar** is now focussed on creating an education empire as part of his philanthropic vision

By **PRINCE MATHEWS THOMAS**

**A**s the jet touches down on the runway at Lucknow airport, Shiv Nadar gestures towards the cabin and says, "Don't go by these trappings... these are not me." But it is difficult not to be impressed by the interiors of the plane, with its customised plush furniture that includes an office-like work area and sofas with large cushions that could belong to a luxury home. Having said that, clad as he is in an off-white kurta-pyjama and leather slippers, it is surprisingly easy to disassociate Nadar from the opulence. To drive home the point, he adds, "I don't own this. I don't have a jet. It doesn't suit my purpose." With that, the founder and chairman of India's fourth-largest IT exporter, HCL Technologies, steps out of the chartered flight.

At a time when success is equated with the acquisition of status symbols, Nadar, ranked seventh on the Forbes India Rich List with his \$8.6 billion wealth, comes across as an unusual billionaire. Make no mistake: Nadar is still as obsessed with numbers as he was in his younger days, when he would even call up peers such as Wipro Chairman Azim Premji whenever his company would achieve an important milestone. And though he has taken a step back from the daily affairs of HCL since 2005, he is still involved where it matters. Nadar is currently overseeing an important transition at the top; longtime protégé Vineet Nayar had stepped down in early

2013 as CEO of flagship HCL Tech and was replaced by Anant Gupta (who was previously president and COO).

But it is not the affairs of HCL that dominate the mind of the man whose journey from the Thoothukudi district in Tamil Nadu to Noida in the National Capital Region of Delhi has become the stuff of legends in the Indian IT sector. Instead, Nadar is preoccupied with the progress of his "second baby" and "second largest investment"—the Shiv Nadar Foundation. Here in Lucknow, too, he has arrived on a Sunday morning to visit one of the two campuses of VidyaGyaan School run by his foundation.

About an hour ago, after the flight had taken off from Terminal One of Delhi's Indira Gandhi International Airport, Nadar had fondly narrated the story of one of the students from SSN College of Engineering that

he had set up in Chennai in 1996. "The student's father had died and his mother worked as a coolie. During his student days, he was employed as a watchman at night to support himself," says Nadar. "Today he is in the US working as an IT professional and, in turn, supports poor, meritorious students at SSN," he adds, beamingly.

The engineering college, named after his father Sri Sivasubramaniya Nadar, was just the start of Nadar's philanthropic ambitions. In the last four years, his foundation has expanded across several verticals of education. Presently, it is conducting a pilot project

**"Daughter Roshni wants Nadar's legacy to be that of 'the philanthropist who founded HCL'"**





#### AT A GLANCE

##### Shiv Nadar

Founder and chairman of HCL, and Shiv Nadar Foundation

**Age** 68

**Rank in the Rich List**

**7**

**Net Worth**  
\$8.6 billion

**The Big Challenge Faced in the Last Year**  
Attracting the right talent to set the base for the foundation

**The Way Forward**  
His most ambitious philanthropy initiative, Shiv Nadar University, is yet to stabilise. The big test will be two years later when the first batch of students from the university and VidyaGyaan School graduate





Nadar with daughter Roshni and students of VidyaGyaan School in Noida

called Shiksha that wants to change the curriculum content of primary government schools in Uttar Pradesh. Then there are two schools—VidyaGyaan and Shiv Nadar School—that are widely different in concept; on the top of the pyramid is Nadar's most ambitious project, Shiv Nadar University, or SNU, in Noida.

Nadar's philanthropy model is different from what his peer Premji and fellow billionaire Sunil Mittal have adopted in their high-profile educational initiatives. Instead of partnering with local administrations, Nadar has opted to go solo (except in the case of Shiksha, where the eventual plan is to hand over the initiative to the government) and build the infrastructure himself. This has put Nadar among the highest investors in the philanthropy space in India. "Till now, the foundation has spent Rs 1,800 crore," he says. As chairman of the foundation, in its meeting in early September, Nadar has committed to spend another Rs 3,000 crore over the next five years. Along with the nearly Rs 600 crore that the foundation plans to invest this year, the total expenditure of Rs 5,400 crore till 2018 makes Nadar the biggest philanthropist in India in terms of investment. (For instance, Premji has pledged 25 percent of his wealth but not much has been spent, and Mittal's Bharti Foundation puts in about Rs 200 crore annually on education.)

### A DRAMATIC TURNAROUND

For those who have known Nadar since 1976, when he

founded HCL, it has been a remarkable evolution of a man who was known to be street smart, aggressive and a "deal cutter". Despite his success, Nadar did not command the stature of peers such as NR Narayana Murthy or Premji. Even his philanthropy work has not attracted as much attention as it might deserve. "It has been a dramatic turnaround," says a close confidant who did not want to be named. Sceptics are often quick to conclude that Nadar wants to redefine his legacy through the foundation. To his credit, though, the businessman-turned-philanthropist is putting his money where his mouth is.

It helps that the stock of HCL Tech (a unit of holding company HCL Corp, which also includes HCL Infosystems) has been on fire on the Bombay Stock Exchange. The shares have risen by an

astounding 76 percent in the last year as, quarter after quarter, the company surprised analysts by returning better than expected growth in margins. The company's revenues, however, have not shown a similar trajectory and still lag behind the big three of Indian IT (TCS, Infosys and Wipro).

HCL was a much smaller company when Nadar started off SSN College in 1996. His decision was, to some extent, motivated by his mother's wishes. "His mother had told him that he should give back to the society. Education was the best field because Shiv was a product of education," says TSR Subramanian, a former top bureaucrat and now a trustee of Shiv Nadar Foundation. Nadar had won scholarships through his student days and completed his engineering from the well known PSG College of Engineering in Madurai, Tamil Nadu.

It is still unclear how Nadar's philanthropy vision expanded from one college to the education industry that it has become today. One factor could be the "satisfaction" he says he gets out of hearing success stories about students from SSN and his desire to increase that impact. His family and close friends recount tales and incidents that might have moulded his perspective. One of them is about Subramanian's helper, whose wife had died of cancer. Later, at the hospital, a nurse asked the helper to remove the diamond stud from his wife's nose before the body was sent to an electric crematorium. She had worn the ornament for more than 50 years. The distraught helper had apparently said: "See, sir, we give so much importance



to money, but in death, you can't even take a stud with you." The former bureaucrat would later recount the story to Nadar during one of their weekly coffee meetings.

### HIS DAUGHTER'S FATHER

The biggest push came from his daughter Roshni Nadar Malhotra. When Roshni came back to India after completing her MBA from Kellogg School of Management in 2004, it was clear that she was more interested in philanthropy than taking active part in the daily affairs of HCL. "We wanted to create institutions that would last beyond 100 years from now. HCL is a business that can be bought, sold or merged with another. But institutions survive," Roshni says and cites the example of Indian Institute of Science that was founded in 1909 by Jamsetji Tata, founder of the Tata Group.

Soul-searching by the family led them to the US where Nadar attended a meeting hosted by Bill Gates and Warren Buffet who have together led The Giving Pledge, a campaign that urges billionaires to commit half of their fortunes to charity. During the meeting, the two of them described how they have willed that all their foundations be dissolved after 20 years of their passing away. This vision has shaped the model of their philanthropy, which is 'corrective'. "Their approach to philanthropy is project-based on deadlines, targets, budgets and time horizons," says Roshni. "We chose to take the 'creation' route." Roshni, a trustee of Shiv Nadar Foundation, has also taken up the promoter's role in HCL and is CEO of the holding company, HCL Corp.

Nadar thereafter began to put the pieces together—and he was as ambitious in philanthropy as he was in business. He shared his vision with the top team at HCL Corp, which now spends almost half of its time, if not more, on foundation work. "Shiv conducted workshops with the best minds to brainstorm on each initiative," says Saurav Adhikari, senior advisor at the foundation, who previously headed strategy at HCL Tech.

VidyaGyaan focuses on meritorious children from underprivileged families in Uttar Pradesh and has been entirely sponsored by Nadar so far. About Rs 1.5 lakh is spent on each student every year—there are about 1,300 across its two campuses. The year-old Shiv Nadar School, though, is built on a not-for-profit platform and charges

enough fees from its urban students with a view to become sustainable within two years. Nadar's business acumen was evident when he advised his son-in-law Shikhar Malhotra, CEO of the Shiv Nadar School, to start with a two-campus model so that scaling up would become easier. The SSN College in Chennai, in which the foundation spends Rs 5 crore annually on scholarships alone, broke even two years ago. Nadar now wants to convert it into a university so that it can become self-sustaining.

### THE BIGGEST PIECE

Nadar's largest investment in time and money (over Rs 800 crore has been spent on infrastructure) till now has been on the university named after him. His involvement has been intense, sometimes surprising his colleagues. "Shiv interviewed candidates for the position of director himself. Once I asked him how much time he wants to spend on each of them. His answer: Two hours!" says DK Srivastava, head of HR, HCL Corp. That helped convince

senior academics to join the university. "He asked me how I would teach a class that has a student of my calibre. That convinced me that Shiv was serious," says Rupamanjari Ghosh, director, School of Natural Sciences at SNU, who earlier headed the School of Physical Sciences at Jawaharlal Nehru University.

The billionaire's vision for the university was also attractive to top minds. "I was impressed that Mr Nadar wanted the university to be multi-disciplinary, wherein an engineering student can take up subjects in arts.

Also, he wants the university to drive research, which is lacking in India," says M Gopal, director, School of Engineering, SNU. Gopal, earlier, was part of the department of electrical engineering at IIT Delhi.

Over the next few years, the foundation will spend Rs 350 crore annually as the university expands. "We don't have a 20-year-horizon. The best universities in the world are more than hundreds of years old," says Pawan Danwar, CFO, HCL Corp.

While funds might not be an issue, retaining talent would be a concern with the founding vice chancellor, Nikhil Sinha, leaving next year. Further, the big test of his labours would be in two years from now when the first batches of VidyaGyaan and SNU graduate. Perhaps then he could cement his legacy, which his daughter Roshni prefers be: "Shiv Nadar, the philanthropist who founded HCL".

**"Nadar's philanthropy model is different... Instead of partnering with local administrations, he has opted to go solo"**