

A billionaire businessman's new blueprint

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In Bengaluru, the erstwhile pensioners' paradise, the unit of measurement between two places is not in kilometres but by the time taken to cover it. A place that's just 9 kilometres away is described as 'it is about 2 hours' away. We were thus a bit apprehensive as we headed towards the Bellandur IT corridor at peak time on a weekday. However, the opportunity to meet with a businessman, who rose from driving a pick-up truck at a construction site to being a mainstay on the Forbes billionaire list, could not be let go.

Like many Malayalees, it was the 'Gelf' which shaped the Palakkad-born Puthan Naduvakkatt Chentamarkasha Menon's fortunes. From a mere \$7 when he landed in Oman in 1976, to a personal net worth of a couple of billion dollars, the Chairman of Sobha Realty's story is a tale of grit, determination and building success, literally, brick by brick.

With the traffic gods smiling on us, we arrived on time to the venue of our meeting — the private residence of Ravi Menon, the non-executive Chairman of Sobha Ltd, who is the son and heir-apparent of PNC Menon. We are ushered into the presence of PNC Menon, who is enjoying the evening breeze under the comfort of a canopy by the poolside.

At 74, as sprightly as ever, the silver-haired Menon who spends most of his time in Dubai — and flies around the world in his customised Gulfstream jet — tells us his new plans enthusiastically. We are offered a choice of refreshment by the liveried staff and opt for fresh orange juice while Menon himself only has a glass of hot water, to soothe his throat, he says.

THE FOURTH PIVOT

Menon's story is well known. Small town boy from Kerala who lost his father at age 10, ended up in the construction and interior business in his home State before emigrating



BUILDING AN EMPIRE. PNC Menon, Chairman, Sobha Realty
VISVESWARAN V

to Oman at age 26, only to start at the very bottom. Slowly, he built a reputation for himself through business acumen and ability to cultivate relationships with those who matter.

If the switch from India to Oman was the first pivot, the second one was to set up Sobha Ltd in India, in 1995, in the immediate aftermath of the opening of the Indian economy. The Indian real estate sector is not for the faint-hearted. Sobha built a reputation for quality and on-time delivery for their projects. At a price though. The company was clear that it would only play in a certain segment of the market.

Through marquee projects like constructing tech campuses (including for Infosys) and other commercial properties, apart from several residential ones, it built an India business that now does \$700 million in sales annually. However, the India play is a minor part in his global empire. Menon says his broader West-Asia business does 17 billion dirhams annually, which is about ₹38,000 crore. The focus on this market with Dubai as the corporate headquarters was the third pivot.

Now, he is betting on his fourth pivot and probably the most ambitious bet. It is to enter the American market. "In Dubai we can do not more than \$5 billion (annually), but in the US we can do \$10 billion. We don't even have a piece of land there yet, but the target is \$10 billion in 10 years. The market is very big. There are more than 330 million people with a GDP of \$75,000 billion. The opportunity is very large," he says.

Given his past track record, few would bet against Menon's ability to pull it off.

What has set Sobha apart from other real estate barons is the end-to-end tight control it imposes in its operations and obsession for detail. From design, engineering, to sourcing and execution, everything is done in-house. "For instance, in Dubai alone we employ 250 architects just for planning and execution," points Menon.

Also, the pivot is not just geographical, but of the business model itself. It wants to diversify from building and selling to having its own properties. It is eyeing to set up 8-10 hotels with an investment of \$80-\$100 million per property

across the Middle-East, India and the US. In India, two hotels are set to come up — one at Kochi and another at Ahmedabad. All of this will be funded through internal accruals of Sobha Realty, says Menon.

Increasingly, it wants to get out of executing contracts for others. Does that mean that if Infosys or Narayana Murthy asked him to build something, he would say no? "That is a three-decade relationship. I cannot say no (to Murthy). But others, we will not take," says Menon with a laugh.

The group is also looking to set up a Sobha investment fund to invest in non-real estate related start-ups as a diversification measure. Menon says he has already hired some people to run this family office kind of investment fund. Setting up and managing hotels, the established real estate business and allied services are the three main arms of the group, Menon avers.

FAMILY AND CHARITY

Menon is unabashedly a family man. The group has been named after his wife. Menon's three children plus their spouses and 7 grandchildren, all the 15 mostly live in Dubai. He is however quick to clarify. "From the family, only my son is involved in the business. My two daughters are partners. I have already declared 50 per cent of my wealth goes to charity. Out of the remaining 50 per cent, 20 per cent goes to my son and the rest 15 per cent each for my daughters. My son is the manager, and he will manage the business. Nobody can interfere. He has been in business already for 19 years now."

As a part of his philanthropic activity, Menon says he has committed ₹1,000 crore for the cleaning up, beautification and development of Sabarmati river.

In his native Palakkad, he is building 1,000 houses for the poor and 'this year alone we will deliver 100 houses,' he says. For the billionaire builder, what makes him jump out of the bed every single day he says 'is the ability to make a difference in the world.' One brick at a time, one may add.