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Deloitte Private newsletter
Best Managed Companies, 2023
May 2024

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Foreword

We are delighted to unveil the latest edition of the Deloitte Private newsletter, shining the spotlight on the Best Managed Companies programme. Deloitte hosted the third edition of the programme this year, culminating in the Best Managed Companies Awards, held in Mumbai on 12 January 2024. The purpose of the programme is to inspire, celebrate, and build a community of “Best Managed” private businesses that are creating a better future. It recognises the companies’ overall performance and sustained growth beyond their financial performance and helps private businesses elevate their growth by inspiring them to create a brighter future for their stakeholders.

The companies that participate in the programme go through a rigorous, independent process where they are benchmarked against a common evaluation framework across four pillars of corporate excellence: strategy, culture and commitment, capabilities and innovation, and governance and financials, along with ESG.

Across the world, the reality of businesses is changing. The marketplace is more complex and fast-paced than it was a decade ago. It’s not just technology, talent, or changing consumer behaviour and expectations that are driving this disruption—it’s the interplay of all three. Truly, innovative companies are proactively combining these aspects to transform their business model, pivot quickly in pursuit of new opportunities, and manage resources optimally. Continually evolving changes in the business and regulatory environment are making it imperative for leading companies to keep themselves updated of the key developments and stay relevant.

While in India we have our share of large multinational corporations, India's growth has long been powered by agile, privately held companies, and these businesses have often gone beyond the mere pursuit of profit, into areas that would today be classed under social responsibility projects. From founding training and educational institutions, to undertaking environmental and social initiatives, to working with the government to create robust governance, privately held companies have been at the helm of responsible and sustainable growth in India. In this edition, we have taken excerpts from Deloitte South Asia’s CEO Romal Shetty’s views on the Best Managed Companies, along with the panel discussion from the gala event that comprised distinguished personalities from the Indian market. We hope you find the newsletter informative and engaging.

Happy reading.

Regards
Dhiraj Bhandary

Attaching a sneak peek of our coveted event

Visit here



Romal Shetty

CEO

Deloitte, South Asia



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Our Leader's Vision



“Best managed” companies are companies that excel and bring to the fore the best of what the companies in their sectors are doing.

First, they should continue building trust and governance. Global multinationals have built a governance and trust culture, and it is important for them to continue and sustain the momentum.

The second is innovation. In India, we have done things faster, cheaper, better, but innovation should now be the key with which we build world-class products and things that nobody has built anywhere in the world.

The third is about embracing new technologies. Artificial Intelligence (AI) will disrupt every facet of our lives as well as the industries in which these companies operate in, and how they embrace AI and become pioneers, rather than being mere adopters, is what will be their differentiator.

Lastly, culture matters. So, if they can focus on not just building that culture but also enhancing it, they will continue to be world's leading organisations.

There are a few things in terms of sectors and technologies, such as semiconductors, AI, and generative AI, that could really revolutionise the world and revolutionise India too.

India has a great learning ground; a lot of the software development happened in India. Upgrading that skill and incorporating AI into our business models will be critical. If Indian companies can start incorporating AI into each of their products and services, I think we can be world leaders.

Key drivers:

Upgrade the mindset of the organisation to be in the new AI world.

Build the skills.

Integrate business and technology and explore how AI can help do things that can't be done otherwise.

Sridharan Rangarajan

Managing Director
Carborundum Universal Limited
(CUMI)



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Winner's words



“

I am honoured to win this award the second time. The most important aspect for us is the journey to get here, which is even more important than the result. The journey made us reflect on what we are and what we should be, and we truly enjoyed it.

The parameters set are universal and probably apply to all companies that aspire to be a “best” company. We need to focus on growth and concentrate on keeping a check on the environment, which will subsequently result in inclusive growth.

CUMI being a company with a top line of 4,700 crores, we have logged growth in ceramics, abrasives, and electro minerals. We could be about two-three times higher in the next five years and that's how we are looking at it.

”

Sanjay Gupta

Chief Financial Officer
Welspun Living Limited



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Winner's words



“

It's a matter of great honour and privilege to be first shortlisted and then be adjudged as one of the “best managed” companies for the second time in a row.

The award reiterates Welspun's strategy and focus to be a leader not only in the global space but also in India; our strategy and commitment towards growth, innovation, sustainability, as well as governance. Our continued work in this will ensure that we reach greater heights and be part of this cohort of august companies.

We recently changed the name of the company from Welspun India to Welspun Living, which actually signifies our focus. We are the world's number one in providing home textile to the US. We are number one in India in the home textile sector, be it towels or bedsheets.

We are aspiring to own the entire living space, and so, the growth potential is immense.

”

Promeet Ghosh

Managing Director & CEO
Crompton Greaves Consumer
Electricals Limited



[Click Here](#)

Winner's words



“

It's wonderful to win the award, and more so as this is the second year we have won it. Being a professionally-run, board-managed company, it's great to get the validation that this award gives. I don't quite think that we got the award for who we are; it's about who we are going to be in the years to come. We are in the journey of not only using what is good and great about this company, but changing even while preserving what's good and great, to something that is future ready. Something that is really a world beater. We will see how this goes, but it is going to be a fascinating journey in the future.

Having leadership positions in many of the businesses that we are in, we make 2.5 crore fans and 30 lakh pumps every year. What we would like to do is to harness that scale and leverage the strength of the brand and grow into even larger market positions, not only in India but hopefully globally in the years to come.

”

Somraj Roy

Senior Vice President – Human Resources
CEAT Tyres Limited



[Click Here](#)

Winner's words



“

I am thrilled to win this award and receive it on behalf of my company, CEAT. There were a lot of introspective questions asked, about systems and processes, that made us reflect on how we internalise our best practices further. We have been focusing a lot on the our employees, we have got a value pillar, known as PACE, that highlights how happy our employees are, focusing their overall growth. We are focusing largely on the digital capabilities within our organisation and the people agenda.

”

CEO panel discussion



Host: K.R. Sekar, Senior Partner, Deloitte Private leader

Panelists

Ajay Tyagi - Former Chairman, Securities and Exchange Board of India (SEBI) | BMC jury

Kalpana Morparia - Padma Shri, Former Chairperson, JPMorgan, South & Southeast Asia | BMC jury

Harish Bijoor - Brand & Business Strategy Expert and Founder, Harish Bijoor Consults Inc | BMC jury

Alka Mittal - Former CMD and Director (HR), ONGC | BMC jury

Promeet Ghosh - MD & CEO (Crompton Greaves Consumer)

Sridharan Rangarajan - Managing Director (CUMI)

Jonathan Hunt - CEO & Managing Director (Syngene International)



Consumer business is dynamic in your industry. Could you share your experiences in developing a strategy around the development and execution of Crompton 2.0 strategy?

Promeet Ghosh

We are a manufacturing company, and the business environment for every company is changing rapidly; there is a multitude of factors for that. Consumer preferences are changing, the environment and the air that we breathe is getting much worse, therefore, sustainability is becoming much more important than it used to be. The competition is getting much more dynamic themselves.

The context of being a consumer company and a manufacturing company is also different, because it is also more difficult to bring in any changes in such companies; it is not by the snap of a finger that you get a great program. Fundamentally, the biggest sources of greatest value for us are our people and what the consumer thinks of our brand evolving. How people behave also takes time and effort, so Crompton 2.0 is really about taking what is good. Even in Crompton: The brand, the people, the scale. What India affords, taking that and getting future ready, meaning, to transform while you perform, it's been an interesting journey, and one of the last lessons I learned is: Aim for imperfection. You do not try to get the perfect outcomes, because perfect outcomes take far too long and distract you from the journey that you're in!



Being an established banker with a huge reputation in the industry, how do you think the Indian private companies can rethink their growth strategies –given that all of us believe that this is going to be India’s century?

Kalpna Morparia

I'm actually a far greater believer in aligning a company to a purpose, and strategy will follow. India is blessed in terms of being able to do things faster, cheaper and better, innovating at India cost, and then finally taking it to the globe because your margins are only going to expand along with the phenomenal opportunities that India offers. Some of us want to take the skillset globally, and we can really create the next global company out of India. It's not just our decade; this can be our century too!



Being run by a successful family business since 1954, how does CUMI maintain a balance between traditional values and innovative strategies to stay competitive, relevant, and global?

Sridharan Rangarajan

Traditional values and innovation go together. The values exist to ensure that we keep our value systems strong and focused on how we can innovate within that framework, so it doesn't contradict.

Without innovation you cannot be relevant in business today. You can be relevant for a short period of time but if one is here to stay, one has to innovate at every point in time, only then you will succeed and continue to succeed. We did backward integration, followed by forward integration and the later on went on to acquire companies within India. To further consolidate our position moved outside of India, we acquired companies to bring more newer technologies - all was possible because they started focusing on innovation. If you have to continue to manufacture the same product, and as the industry is also changing so fast, you have to innovate.



What are the critical strategic steps to bring this vision for leading to implementation? Especially when you've got companies in certain areas such as Russia and Europe, how do you manage and implement your critical strategy on the innovation part?

Sridharan Rangarajan

Purpose becomes one of the driving forces – a critical factor for a successful company. Our purpose is to make this global world use the material that is available, and best serve humanity, and in fact, not only humanity because we have now expanded beyond humanity to also serve animals. We now have a much larger aspiration; we want to be a most admired company and stay relevant in the sphere of using material science and serving the global purpose. This purpose helps us stay focused even when we acquire companies outside of India. Whether it Russia, Germany, or South Africa - these are geographies where we have large manufacturing operations; we stay relevant and the people love to work for us because we don't force any of our thinking and thoughts on them; we want them to contribute and collaborate with us so there's no one way or only an Indian way but rather a way of globally working together, and that's the spirit with which we want to reach the next level.



Being such a successful brand strategist, how do you think the Indian private companies can become global brands and be a part of the 21st century growth narrative?

Harish Bijoor

When it comes to a “Best managed” company, my belief lies totally on two aspects – first, governance, and the second is brands (fundamental). I've always believed that the brand is not a subset of an organisation, instead it is the superset. The brand is really the umbrella under which any organisation, any corporate, or any government body operates, and therefore, the brand is a thought that lives in a person's mind, and every organisation that we work for or work with tries to establish that status to have a potent solid thought that needs to be backed with integrity, and that's where governance comes in. Most of the time we tend to think of governance as something that we just need to tick off the boxes, by doing the required bare minimum and move on.

The second aspect that's lacking is the belief on the brand; a brand is always seen to be a subset and not a superset and for a brand to become globally accepted, this needs to be changed.



Given that in your industry—i.e., pharma, innovation is of paramount importance, what foundational elements foster an innovation-driven culture at Syngene?

Jonathan Hunt

The key is the culture. We've some of the most advanced scientific technology and infrastructure that's available in the world, but you got to remember that machines don't innovate; it's the mindset that innovates. So, we focus a lot on that cultural aspect. Curiosity is really important. Can you be disturbed by the status quo? Can you try and think about what could be different, and constantly push those boundaries? We try to build a healthy, almost enthusiastic relationship with failure, that we fail every day in a counterintuitive way; scientists are world-class at failing most experiments! There aren't failures; there's just new insights and that's really the heart of innovation.



How do you think the diversity equity and inclusion strategies supercharge the growth story for private Indian companies? What are all the must-dos in this?

Alka Mittal

Irrespective of the sector we are from, the fourth industrial revolution will not only be governed by the kind of innovation and technological advances that we make, but also be governed by the kind of workforce and human expertise we have. And for that to happen, we all know that we need to tap into our whole potential.

Organisations and our nation need to actually make sure that the best comes out from each and every person who's able to contribute towards the economy and society. I would like to touch upon how diversity, equity, and inclusion are used together. Diversity would mean that we do some structural changes and count heads.

But when it comes to inclusion, it is about making heads count. And when it is equity, it is about providing equitable growth opportunities to each and every person.

When we were talking with most of the organisations, we understand that they may not be at the top when it comes to the scores or numbers, but they were all inclined to focus on being inclusive. So, that is the first thing – where we are today and where we would like to head towards. The second would be communication, continuous communication, sensitisation of all those who are around us, across the organisation and in our ecosystem.

The third would be, of course, taking action to ensure that what we are communicating is getting converted into real action, whether it is policies, initiatives, or even if it is about giving a little bit of encouragement and recognition to those who are doing good from different diverse teams.

Then we have to ensure that we have a good feedback system, where a person who is not getting the best of treatment is able to voice his or her concern. Lastly, we must have more and more numbers from different diverse groups in leadership roles.

It is not about gender, but seeing someone at the top encourages, motivates, and charges the others. So, it is up to the leaders to drive the agenda.



You have done a phenomenal work in ESG reporting and guidelines and you're very passionate about that. From your perspective, what are some of the best practices that companies can adopt when it comes to the ESG framework and reporting?

Ajay Tyagi

We have reached a stage where the world has to move on to a low carbon economy—a development economy based on low carbon. Everyone wants to talk green and sustainability without really understanding or meaning it, but just to create an impression!

It's something which is required to be done now. It's agreed not only in the UNFCCC or Paris in 2015, but, in other forums also like, G20, wherever leaders meet, it's always on part of their agenda.

So, this is something which is inescapable and has become a necessity.

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