





ADI GODREJ

# PIONEERING THE ART OF EXCELLENCE

*Spearheading the vast Godrej empire with diverse segments ranging from locks, soaps, property, retail and animal feed to the engines that power India's space programmes, Mr. Adi Burjorji Godrej is one of the most popular and revered business leaders and a role model to umpteen industrialists who look up to him for inspiration*

BY  
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**“WE HAVE ALWAYS BEEN FOR THE OPENING UP OF THE ECONOMY ... WE ADVOCATE OPEN TRADE, NO PROTECTION.”**

Occupying the coveted throne of US\$4.6 billion Godrej Group with operations in India and several other countries, Mr. Adi Godrej is efficiently chairing the 120-year-old consumer-goods giant family conglomerate, which was established in 1897 by Mr. Ardeshir Godrej who gave up his profession as a lawyer to make locks and his brother Pirojsha Burjorji acquired a vast stretch of land in suburban Mumbai. Armed with Bachelor's and Master's degrees from the Sloan School of Management at Massachusetts Institute of Technology (MIT), Mr. Adi Godrej is efficiently carrying forward the legacy of excellence.

#### ON AN ESCALATING GROWTH TRAJECTORY

Mr. Adi Godrej's exemplary leadership has had an extremely positive impact on the growth of the Group. Reminiscing about the changes at Godrej over the years, he shares, "First of all, we have grown tremendously. When I joined the business in 1963, the total turnover of the business was Rs. 10 crore. We have gone into new

areas, value-added areas. We have done a lot of R&D. We have globalized, with manufacturing operations in a lot of countries. In Godrej Consumer Products, for example, we have higher per capita sales in countries like Indonesia, South Africa, Kenya, Tanzania, Nigeria, Ghana, Argentina, Chile, Uruguay, than we do in India. We have globalized a lot and we have size and scale in our operations.

Under his exquisite leadership, the Godrej Group is making a mark on the global stage. Sharing some of the growth strategies of the group, he says, "We expect good growth both from our Indian Businesses as well as from our international businesses. We are mainly in developing countries; they are growing much faster than developed countries. At the same time we keep looking for new opportunities for acquisitions, we keep looking at new geographical entries, we keep looking at growth all the time."

#### **EMBRACING ECONOMIC REFORMS**

As a proud Indian whose group has its roots in the country's independence and Swadeshi Movement, Mr. Adi Godrej is feels that the Indian economy is on a sound footing and believes that with consistent growth, India will emerge as the world's largest economy by 2050, surpassing the U.S. and China. He considers the Goods and Services Tax (GST) as the best reform since 1991 when the Indian economy was opened up by P.V. Narasimha Rao and Dr. Manmohan Singh. His assessment of the GST roll-out is positive and he considers it to be "very good." According to him, "It is a major economic reform. I think it is the most important economic reform of India since the opening of the economy in 1991. It has been extremely successful. GDP growth has improved. The GST Council had met many times to take quick decisions on issues in their horizon and they had resolved many. This has led to better growth now. Many of the rates are lower than they were before GST. They have been passed on to consumers. For example, Godrej soaps have become cheaper by 9%. Consumers are benefiting from lower rates. And, tax collections have gone up."

Countering the perception that the implementation was poor, resulting in flip-flops, Mr. Godrej asserts, "I don't agree with that at all. For such a major reform, it was implemented very well. The GST Council had sat very often, taken decisions. People who don't like change will always complain. And in this case it has not been good for people who used to evade taxes. With GST, it is very difficult to evade taxes. So those who were evading taxes are the main ones complaining and making excuses. They were the same ones who delayed GST by 10 years."

Supporting the multiple tax slabs in GST, he stresses, "You cannot have one or two rates in a country like India. You cannot have similar rates for essentials and luxury and 'sin' items. So in a country like India, there are bound to be multiple rates. Earlier, there were infinite number of rates, not just multiple rates. There were different rates of excise duty and different rates of VAT by the States. Now at least, there is a standard rate for India."

Being optimistic about the overall state of the economy, he affirms, "It is very good. We have had 7.7% growth in

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January-March. It has been growing every quarter and in 2018-19, I expect much better growth than 2017-18." He further states, "The economy is on a very good footing. We must aim to continue to be the fastest-growing economy in the world. In my estimate, by 2050 India will become the largest economy in the world overtaking first the U.S. and then China ... because of our demography and because of our democracy."

Finally, he declares with pride, "The economy is on a very good path. The whole world recognises it. All people including foreign leaders are coming to India. FDI in India is the highest in any country in the world. We are the fastest-growing economy in the world." An ardent advocate of an open economy, he says, "We, at Godrej, have always been for the opening up of the economy. Even before 1991, we had advocated openness. Even now, we advocate open trade, no protection. Competition is the best."

#### **STRONG PILLARS OF STRENGTH**

Mr. Godrej's was really close to his better half, the late Ms. Parmeshwar Godrej, an active philanthropist. Her biggest initiative was joining hands with legendary Hollywood actor Richard Gere, the Bill and Melinda Gates Foundation and the Clinton Global Initiative to combat AIDS through the launch of the 'Heroes Project' in 2004. Besides Mr. Godrej, she is survived by her three children who are the personal



and professional pillars of strength for the former. Ms. Tanya Dubash, their eldest daughter is Executive Director and Chief Brand Officer of the Godrej Group. Ms. Nisaba, their second child, is currently the Chairperson of Godrej Consumer Products. Their youngest son, Mr. Pirojsha Godrej is the Executive Chairman of Godrej Properties.

#### **FOSTERING A SUSTAINABLE FUTURE**

Being quite conscious of his responsibility towards the environment, sustainable development is his most urgent priority. Sharing his views on becoming Carbon-neutral group, he asserts, “We have recently become carbon-neutral. The cost of alternate energy is cheaper that it used to be and in the long run it will be much cheaper than carbon-emitting energy like coal or oil. We have a mangrove forest. Then we use a lot of solar energy at our plants. We have also gone for water recycling. We also recycle waste into energy. We have a large operation in palm oil manufacturing. We are the largest in palm oil manufacturing. We are the largest in oil palm cultivation in India. In our factories, the palm waste, which you get after palm fruits are crushed or oil, is recycled to produce

energy.” He adds, “In Godrej Properties, all our buildings are certified green buildings. We have also created a CII Green Business Center – and now India has the largest number of green buildings outside US. Our headquarters, Godrej One, is platinum-certified. In Hyderabad, we converted plastic into oil.”

#### **AN UNCEASING TRAIL OF RECOGNITIONS**

He is the recipient of several awards and recognitions, including the Rajiv Gandhi Award 2002, the American India Foundation (AIF) Leadership in Philanthropy Award, the Entrepreneur of the Year at the Asia Pacific Entrepreneurship Awards, the Best Businessman of the Year for the GQ Men of the Year Awards, Chemexcil’s Lifetime Achievement Award, the AIMA – JRD Tata Corporate Leadership Award 2010, the Bombay Management Association – Management Man of the Year Award, the Qimpro Platinum Standard Award for Business, the Ernst & Young Entrepreneur of the Year, the Padma Bhushan, the Asian Awards Entrepreneur of the Year, the All India Management Association - Business Leader of the Year and the Golden Peacock Lifetime Achievement Award for Ethical Leadership.