

## Kaushik Roy

**MANAGING DIRECTOR,  
PHILIPS CARBON BLACK LIMITED**

**Born:** 28 August 1965

**Education:** Schooling – Ballygunge Govt High School 1983; M Tech (Mechanical Engineering) – IIT Kanpur 1989; MBA - University of Tokyo, Japan

**Career:** 1990–94: Management Trainee/Deputy Manager, Apollo Tyres

1994-97: Deputy Manager/Manager (Projects), DLF Cement

1997-2002: Senior Manager/Division Head (Project/Commercial) Apollo Tyres

2002-06: Divisional Head/Head (Commercial) Apollo Tyres

2006-10: Group Head (Commercial) Apollo Tyres Other responsibilities: HR (Leadership Development); Strategy (Acquisition); Business Head – Rubber Plantation

2010-12: Member, Management Board, Apollo Tyres;

2013: Managing Director, Philips Carbon Black;

2015: Managing Director Philips Carbon and Diector Harrison's Malayalam



## Game changer

**K**aushik Roy is special for two reasons. First, he metamorphosed from hardcore engineer to a multifaceted leader, who worked in several departments in his professional career except accounts and finance. Secondly, he returned to Kolkata, which drives most of the gung-ho executives crazy with frustration. Now, at 52, he heads a reborn country's largest carbon black company – Philips Carbon Black Limited (PCBL), a P-Sanjiv Goenka group company.

Born in Kolkata, Roy had a strong middle class upbringing – his father was commercial manager in Tata Steel and his mother was a school teacher. He studied in Ballygunge Government School in the city. After completing his schooling he did his engineering and after M-Tech in Mechanical from IIT Kharagpur in 1990, he had two job offers at the campus itself – from Bajaj Auto and Apollo Tyres. “I chose Apollo over Bajaj, as it was setting up a new tyre plant at Limda, Gujarat. I thought

it was a great learning opportunity for me as an engineer. So, I joined them as a management trainee in 1990,” Roy recalls.

In the project, Roy was part of the engineering team. While working on the project, he came across diverse problems and challenges and learned to solve them. Looking at his ability to execute the work and his engineering skill, U.S. Oberoi, VP, project (Roy considers him one of his mentors) took a shine to the young and eager newcomer and gave him the responsibility for equipment purchase. So, Roy gained experience in the commercial aspect of the project as well. “My two promotions were very fast,” Roy adds. Finally the plant was commissioned in 1992.

Roy remained with Apollo for close to two decades before joining PCBL except for a short stint with DLF Cement (later acquired by Ambuja Cement) during 1994-97. While working in DLF's new cement project at Rajasthan, Roy was sent by the management for a course

at the University of Tokyo, Japan. Roy recalls how he ended up in an embarrassing situation, when his boss in Apollo called DLF's managing director to release Roy for a new upcoming project in Pune. “DLF's managing director was nice,” says Roy. “He allowed me to go.” Roy went back to Apollo in 1997 as senior manager with more responsibilities. He did not look back thereafter.

When Roy returned to Apollo, Neeraj Kanwar, son of Onkar Singh Kanwar, Apollo's founder, had also joined the family business. Neeraj began to build his core team and Roy was part of the team. His first project was handling the entire purchase of raw material. Then he was shifted to HR for leadership development and later to acquisition. “I was part of two major overseas acquisitions of Apollo Tyres. First was Dunlop in South Africa in 2006 and the second one was Netherland-based Vredestein in 2009.” Roy says. In his long association with Apollo Tyres, he served various leadership roles including managing director of their backward integration rubber plantation company. His leadership quality did not go unnoticed. The management inducted Roy

to the Apollo Tyres' board in 2010. He was the youngest professional on the board of the company at that time.

Roy was doing well in Apollo. But he felt that he should now lead the organisation with his vast experience which was not possible in Apollo because MD was from the family. "Then I got a call from a consultant, who offered me a leadership position in PCBL. Later, I discovered that the offer actually came from Sanjiv Goenka, chairman, RPSG, through the consultant. Earlier too, he was offered a chance to join PCBL, but Roy had declined. "This time I grabbed the opportunity after 4-5 meetings with Goenka," says Roy.

He became MD, PCBL, in July 2013. Leaving Apollo was a tough for him. "Initially, the MD was not even willing to discuss the issue. Then, they reluctantly allowed me to leave. I have great respect for them," Roy says.

PCBL is today the largest carbon black manufacturer in the country and the seventh largest in the world. Roy took charge of PCBL with a clear brief from the promoter to reform its business model. So, he brought in NewGen leadership at PCBL and was also instrumental in introducing a customer-centric approach to the company's vision and strategy. He took on the challenge of realigning the business with a strong focus on new technology, innovation, systems and process re-engineering and expansion of scale. He also introduced newer human resource practices that brought in a vibrant work culture at the company.

"It was tough," says Roy. "When I joined PCBL, the company was bleeding and the morale was low. It was losing good people and had also lost the leadership position." In the transformation process, he had to take some quick action, including trimming manpower. In PCBL, an engineering company, the ratio of engineers to non-engineers was 1:3; today, it has been brought back to 3:1. "The legacy issue and the rigid mindset that prevailed had reflected on the company's performance. I brought accountability into the system. Several complaints were made against me to the chairman but he backed me through the process," says Roy.

Earlier, the company has been

dependent on only one supplier from the US. In the last 3-4 years, Roy has increased the list of suppliers to 10-12 and also developed alternate raw material. The plant capacity utilisation has also been increased to 98 per cent from 68 per cent earlier.

Within a year of his joining, his leadership had started demonstrating results. In 2014-15, the company achieved net profit of ₹12.60 crore, as against an ₹86 crore loss in 2013-14. PCBL has now got back its number one position in the carbon black industry which it had lost to Birla Carbon.

Nothing succeeds like success and Roy has become a fair claimant to the title 'change maker'. The market cap of PCBL has risen multiple times from ₹206

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crore in 2013 to ₹3,900 crore today. In 2017-18, PCBL has recorded a profit of ₹230 crore (on a turnover of ₹2,600 crore) – an increase from ₹69 crore in 2016-17. It is the market leader today and controls 38 per cent of the ₹6,500 crore carbon black market, with Birla Carbon as the second largest player.

PCBL has a production capacity of 472,000 tpa across four plants – at Durgapur in West Bengal; Kochi in Kerala; as also Palej and Mundra in Gujarat. It generates captive power at each location, totalling 76 MW. The company has more than 23 variants of products – for rubber grades, as also for non-rubber applications, such as paints, plastics, inks and a few food grades. About 20 per cent of its revenue comes from export.

After streamlining the basic system, Roy is now expanding capacity to cater to future demand – investing ₹900 crore for brown-field and greenfield projects. It is adding 50,000 tpa at Mundhra and 30,000 tpa in Palej, which would be ready by December this year. The greenfield plant, with a capacity of 150,000 tonnes will come up near Ennore in Tamil Nadu at a cost of ₹600 crore to be operational by 2020. The expansion will be funded through a mix of internal accruals, debt and equity.

Carbon black, while being an essential chemical used in rubber compounds for strength and flexibility, also gives tyres their colour. Almost 70 per cent of the carbon black is used in the tyre industry. Ceat, MRF, Birla Tyres, JK Tyre, Goodyear, Bridgestone, etc, are among the biggest customers of the company.

China, which controls 40 per cent of the global carbon black market, is now facing an environmental regulation issue, with the government in China intensifying its environment protection efforts. Many carbon black plants have been shut down, which has caused a supply shortage. So, buyers are now turning to India. As a result, the domestic demand is expected to grow 6-8 per cent next year.

"Roy has brought life to the organisation," says Kaushik Mukherjee, company secretary, PCBL, who has been working with the company for 25 years. "His style of functioning is not bureaucratic; it is based more on logic. He is a people's man and gives us complete freedom". Roy was also inducted into the Harrison's Malayalam (HML) board in 2015.

The challenge now for Roy is to remain the leader with diverse portfolios of products and increase the company's share in the specialty grade of carbon black. "We are putting more emphasis on high value specialty grade through research and innovation to be ahead of the competition," he explains. PCBL is almost ready with a state-of-the-art R&D facility near Baroda to be operational shortly. The ₹50 crore centre is said to be the best in the segment.

A member of the management committee, Bengal Chamber of Commerce, Roy is a workaholic and does not find much time for get-togethers. He enjoys reading and music and prefers to spend time with his wife Barnini and daughter Ishani, who, at 23, has just become a doctor and is now doing an internship in B.R. Singh Hospital in Kolkata.

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