

EVENT

# BALANCING BOOKS & AWARDS

Despite it being the middle of the week, India Inc. turned up in full strength to hear the Finance Minister at the BT Best CFOs awards night. **MANU KAUSHIK**

strength to hear the Finance Minister

**N**ever call an accountant a credit to his profession; a good accountant is a debit to his profession." British anthropologist and lawyer Charles Lyell is credited with this observation on the high priests of finance and accounts. Of course, in Lyell's time, over 150 years ago, there were no chief financial officers (CFOs), neither were there the complex corporations that dominate the globe today.

In the aftermath of the global financial crisis, it was apparent that the smart accountants, at least in India, were enormous credits to their profession and to their employers—for steering their ships safely and securely through turbulent times.

Last fortnight, the who's who of India Inc's finances came together for the 3<sup>rd</sup> Business Today Best CFO Awards to celebrate these credits. And felicitating them was Finance Minister Pranab Mukherjee, the chief guest at the awards ceremony.

The evening began early at around 7 p.m. as the guests started filing in. Most awardees came in early, many of them flying in from Mumbai for the evening and returning home by the night flight. Other than the

**Beaming:** S. Mahalingam of TCS took home two awards

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**THE WORLD'S A STAGE FOR THESE CFOs:** (L to R, front row) Anil Agarwal of Titagarh Wagons; Govindan Ramaswamy, GM, L&T (on behalf of Hero Honda); S.V. Narasimhan of IOC; Rana Kapoor of YES Bank; Finance Minister Pranab Mukherjee; Prabhu Chawla, Editorial Director, HPCL; Kanubhai S. Patel of Voltamp; S. Mahalingam of Tata Consultancy Services and S.K. Sachdeva of ACL. **Back row:** Gopal Mahadevan S.K. Joshi of BPCL; V. Balakrishnan of Infosys; Koushik Chatterjee of Tata Steel; Anil Nair of Avavya GlobalConnect and Uday Phadke

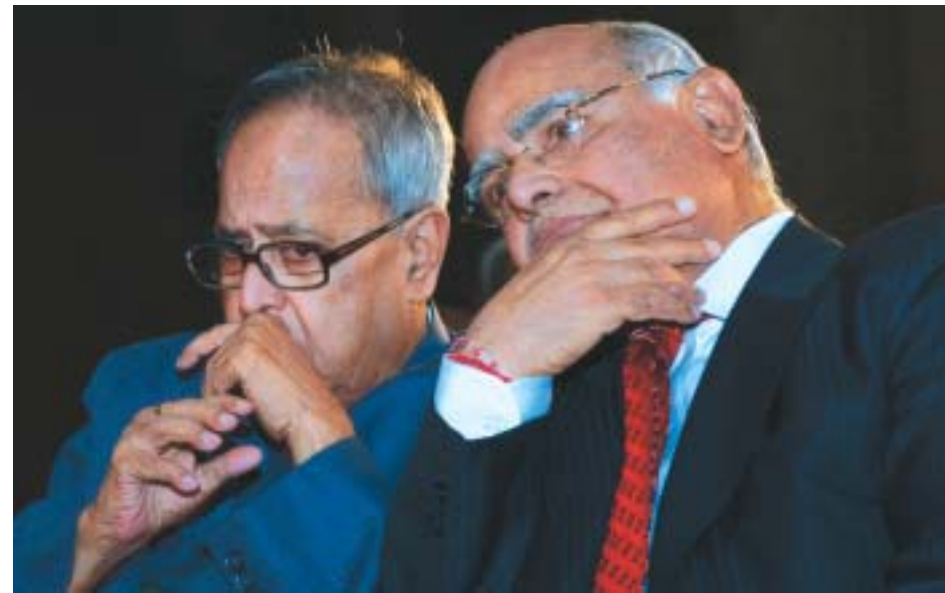
behalf of Y.M. Deosthalee); Ravi Sud India Today Group; B. Mukherjee of of Thermax; P. Ganesh of GCPL; of Mahindra & Mahindra



SATISH KAUSHIK

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**Pensive:** Mukherjee with Chawla; (top right) **Exchanging notes:** Former Ambassador to the US Naresh Chandra, former Company Affairs Secretary Vinod Dhall, TCS' Phiroz Vandrevalla and (bottom right) Vijay Kelkar, Chairman, 13th Finance Commission, G.N. Bajpai, Chairman, Future Generali India (also a jury member) and others



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CFOs, notables present were Brij Mohan Munjal, patriarch of Hero Honda, Vijay Kelkar, Chairman of the 13th Finance Commission, Naresh Chandra, former ambassador to the US, and Surendra Singh, former Cabinet secretary.

As the congregation swelled, the FM walked in. Keeping him company were his ministerial colleagues Subodh Kant Sahai, Minister of Food Processing Industries and V. Narayanasamy, Minister of State for Planning and Parliamentary Affairs. Rana Kapoor, Chairman and Managing Director of awards' sponsor YES Bank, who had also been part of the jury that selected the winners, enunciated the thoughts on the minds of the jury as it sat through an intense, four-hour session.

"I believe CFOs who have performed well in the times of downturn will do

well in the future also," Kapoor said, adding that in the last couple of years, companies across the board have taken brilliant steps in tackling adversity. Net result: Indian companies' cost structure has come down significantly.

Other members of the jury were G.N. Bajpai, Chairman, Future Generali India and former chairman of the Securities & Exchange Board of India, Nilesh Shah, Deputy Managing Director of ICICI Prudential AMC, Manish Chokhani, Partner and Director of Enam Securities and Abhay Havaldar, Managing Director of General Atlantic.

Following Kapoor on the dais was Prabhu Chawla, Editorial Director, India Today Group, who pointed out how the CFO's role has gained importance over the years—many CEOs today had come to the corner room via the CFO's chair. Notable among them

are PepsiCo's Indra Nooyi, Tata Capital's Praveen Kadle and ICICI Venture's Vishakha Mulye. "The CFO was seen as just a finance controller, keeping the books, and efficiently distributing the cash that was generated by the organisation's key men—the CEO, the sales heads, etc. The CFO just managed money, he didn't bring it in," Chawla recounted.

The recession of 2008-09 changed all that. At a time when liquidity had dried up, managing money wasn't the priority. Finding the money was the task. And at a time when customers had disappeared and sales were down to a trickle, it wasn't the CEO or the sales guys who called the shots—it was the CFO.

Lavishing praise on the 'CFO of the country', 'Pranabda' or the Finance Minister, Chawla called upon him to do the honours for the corporate CFOs.

**"Credit goes to our outstanding business leaders and their financial managers who have steered their enterprises admirably well"** Pranab Mukherjee, Finance Minister

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**Animated discussion:** Hero Honda patriarch B.M. Munjal with the Kapoors and (R) **A full house:** With ministers V. Narayanasamy and Subodh Kant Sahai (right corner) in attendance



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Mukherjee, modesty personified, took the stage but vowed on a lighter note never to come to another function organised by Chawla because of the embarrassment caused by the praise. However, he was made to rethink soon when Chawla told him that next year, at the same function, we could be celebrating 9 per cent-plus GDP growth rate and the CFOs could be sharing with us mega investment plans and even bigger global acquisitions.

Mukherjee hinted at a more moderate outcome, 8.5 per cent, "with a margin of plus or minus 0.25 per cent in 2010-11." He added: "The credit goes to our outstanding business leaders and their financial managers who have steered their enterprises admirably well, amidst adversities and uncertainties in the global environment, in the recent past."

As Mukherjee handed over the awards to the winners, some of them who have been recognised before, there was a sense of achievement all round. S. Mahalingam, CFO and Executive Director, Tata Consultancy Services (TCS), who won awards for

Enhancing Competitiveness through M&A in the large company category and for being adjudged the best overall CFO award, mapped his own journey when he said, "We have grown six times in the last six years. The company now employs over 1,50,000 people with around 10,000 of them non-Indians."

From the Tata stable, Koushik Chatterjee, now group CFO of Tata Steel, said, "The first time when I got the best CFO award was way back in 2005. We have grown from a \$4 billion (Rs 18,000 crore at current rates) company to a \$30-billion (Rs 1,35,000 crore) company today."

Infosys Technologies' CFO, V. Balakrishnan, who credited his performance to each and every Infy employee, pointed out to the hope in the hearts of these finance-minded people for 2010-11. He said: "With the revival of the global economy, Infosys hopes to clock 16-18 per cent revenue growth for the next financial year with margins getting stabilised. In the coming months, demand for IT services will pick up." Infosys, one of the largest software exporters, is cop-

ing with currency fluctuations via an aggressive hedging programme.

However, as for as dangers lurking in the coming year, most sense inflation, higher interest rates and rising commodity prices to be key threats to a recovery. "Last year the crude oil was trading at lower levels, but they have climbed up again to \$80-85 (per barrel) levels. If oil prices continue to remain high, the under-recovery of oil marketing companies would swell further," said S.K. Joshi, Director (Finance) of BPCL. He said rising rural consumption is driving oil demand.

P. Ganesh, CFO, Godrej Consumer Products, flagged his concerns. "Currently, the key challenge for the FMCG business is high food inflation. As the consumer's purchasing power is coming under pressure, it would have an impact on the demand side." However, his prescription is simple: Keep things simple and stay focussed.

Anil Nair of Avaya GlobalConnect, one of the sponsors, noted that CFOs are custodians of profitable growth.

Malcolm Mistry, Publishing Director of the India Today Group, delivered the vote of thanks. ©