

Financial Management & Governance in India



A ROUNDTABLE DISCUSSION

SpencerStuart

ABOUT SPENCER STUART

Spencer Stuart is one of the world's leading executive search consulting firms. Privately held since 1956, Spencer Stuart applies its extensive knowledge of industries, functions and talent to advise select clients — ranging from major multinationals to emerging companies to nonprofit organisations — and address their leadership requirements. Through 51 offices in 27 countries and a broad range of practice groups, Spencer Stuart consultants focus on senior-level executive search, board director appointments, succession planning and in-depth senior executive management assessments. For more information on Spencer Stuart, please visit www.spencerstuart.com.

BANKERS AND CFOs ARE TWO SETS OF FINANCE PROFESSIONALS USUALLY FOUND ON OPPOSITE SIDES OF THE TABLE. HOWEVER, BOTH WORK TOWARDS A SIMILAR GOAL — ENSURING FINANCIAL MANAGEMENT FOR THEIR COMPANIES — AND IT IS THE FLOW OF FUNDS THAT DETERMINES THE SUCCESS OR FAILURE OF THE RELATIONSHIP.

This association has been frequently tested in recent times, when risk has taken on a whole new meaning and liquidity has been a stretch. On the banking side, there has been discussion about returning to the basics, balancing risk and return and even a move towards conservatism. For CFOs, the focus has shifted to governance and control, managing risk on a continual basis, and devising strategies that instil confidence among stakeholders and the banking community. Bharat Doshi, Mahindra & Mahindra, while defining the basis of the banker-CFO relationship, says, **“Bankers and CFOs can build a symbiotic relationship. At the end of the day, it is mutually beneficial for both parties — to have access to funding at one end and opportunities for investment at the other.”**

What does it take to manage risk? How are bankers instilling confidence in the system, while ensuring that history will not be repeated? What are corporates doing to restore the trust that has been lost between lenders and borrowers, while building a positive reputation within the banking community? The challenge is to achieve these things at a time when corporate governance regulations are not yet being fully implemented.

The Spencer Stuart roundtable in Mumbai brought together leading bankers and CFOs to discuss the implications of the changing business environment on the traditional lender-borrower relationship. What emerged was a consensus that better communication, transparency and accountability is needed all round. It remains to be seen whether the lessons learned from the financial crisis will be reflected in corporate strategy in the future.

DEALING WITH CHALLENGING TIMES

The biggest loss in times of crisis is the loss of trust. This not only affects the environment in the present, but can have far-reaching repercussions — on individuals, businesses and economies. The ups and downs seen in the financial crisis over the last year were beyond anything anyone in corporate India could have imagined, and this has left people wondering whether regulations and corporate governance initiatives are protecting the interests of the ordinary citizen.

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Sanjay Bhandarkar
N M Rothschild & Sons

India was fortunate to have systems in place that insulated it from the worst of the global slowdown. And though recent months have brought in a feeling of optimism, the scenario can be compared to the economic environment from 2001 to 2003, after the dotcom crisis. With many stocks at multiple times their value, people were wary of investing in the capital markets in spite of some good opportunities.

On the political front, the Indian general elections earlier in the year resulted in a stable central government. This provided a measure of comfort, but a lot depends on how consistently the new government deals with the long-term issues. The outlook has become highly positive since India’s financial sector frameworks have ensured that the sector did not face extensive liquidity problems. Trust is returning, but confidence-building measures will need to continue, so that people, companies and banks invest for growth rather than a single-pointed focus on returns.

In business, the environment over the last year has changed the dynamics of the risk-reward equation. Until recently, high risks were justified by high rewards, even if it meant bundling assets to create products that passed on the risk, though notionally, to multiple entities. Since the crisis, bankers and companies have been faced with a new challenge — what is the correct value of an asset and how does one price it? Sanjay Bhandarkar, N M Rothschild & Sons (India), says, “Cash flow credibility came under serious strain. Furthermore, the debt-carrying capacity of corporates underwent a serious change. In my mind, only time will heal this.” As the availability of credit has been adversely affected, bankers and CFOs will need to work together to resolve these issues, otherwise India’s growth will take longer to pick up.

What are the challenges that will need to be tackled so that trust and growth can be sustained? “There are two categories of lenders”, says V. Anantharaman, Credit Suisse Securities (India): “The Wall Street lenders and the main street lenders.” The Wall Street lenders or investment bankers take assets and sell them down the market. The issue in over the last year was, who do you sell them down to? Main street lenders or commercial bankers invested in bundled asset products were de-leveraging. They played it safe, not attempting any steps that could be perceived as risky. These were the primary factors affecting liquidity and availability of cash in the market.

While the liquidity of commercial banks has returned, momentum-caused liquidity, created by the movement of an asset and generating commission spreads, will not be seen for some time to come. Fortunately, in India this asset-backed market was not large and hence the fallout will be limited. But there will be residual tremors because Western markets will continue to suffer from lack of liquidity even when the liquidity of commercial banks returns to some semblance of normality.

All these events led to a slowdown in the demand for credible funds. A combination of factors contributed to this: commercial bankers not wanting to lend and a reduction in the need for funding. According to Anantharaman: “I think long-term funding, which is all about projects, slowed down because there was intense focus on project viability. Every corporation, big or small, reviewed and scrutinized its capex plans, annual budgets, cross-border engagements.”

Companies also resorted to soul searching, asking critical questions of themselves — is the fundamental underlying business solid? And if so, when is it going to grow at the desired level? The liquidity strain was perhaps driven less by the market as a whole than by factors within companies. Nevertheless, there were ‘gems’ to be found, companies who did not need to borrow because of internal liquidity created through prudent fiscal measures.

One of the sectors that has been directly affected is private equity. After a period of intense activity, the liquidity pressure has given rise to uncertainty, for both LPs and PE funds. “As an industry, we had become extremely broker-like, going from deal to deal. This mindset needs to change and we need to get ahead of the curve,” says Sanjay Bhandarkar. There is capital to invest, but the quality of deals has come into strong focus. Funds are looking for clear and attractive valuations. Corporates have an active role to play here and should drive

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Credit Suisse Securities (India)

realistic valuations, especially since the last few years have seen promoters and owners pushing for maximum and sometimes unrealistic valuations for their businesses.

One issue that cannot be ignored in this discussion of corporate governance and outlook for business is the role of the independent director. The existence of effective, independent directors is a critical aspect of board governance. However, in India it remains the case that a number of boards still consist of family and friends of the promoters. The quest for greater independence in the boardroom took a step backwards with the corporate governance failure at Satyam Computers; independent directors have become more conscious of potential damage to their reputations, which are irreversibly linked to the companies they work with. According to data compiled by directorsdatabase.com, till October 2009, about 756 independent directors had resigned from various listed companies. The role and effectiveness of independent directors, as well as corporate commitment to governance, will have to be carefully examined if such events are to be prevented in the future.

Now is a critical time for bankers and CFOs as they tackle the changing business environment and address the demands of their businesses. How well they deal with these challenges will depend a great deal on their shared attitude and openness to dialogue.

THE BANKING ANGLE

In recent years, capital markets in India rose to new highs, driven by large inflows riding on the India growth story. While optimism is a good thing, it needs to be reined in to reflect reality. As Prabal Banerjee, Hinduja Group, explained: “We all forgot one very important thing — in terms of sustainability of good performance, anything that goes up has to come down, whether in a business or in the stock market.” The seemingly limitless availability of money to serve any purpose lured people into a false sense of security, but the financial crisis changed all that. Shanti Ekambaram, Kotak Mahindra Bank says: “I think there has been a change in the structure of the industry. From simply being a commodity, money has become something of value, which is how it should have always been.”

As a result, there has been a decrease in new proposal funding from just over a year ago when funding was readily available. There are good opportunities for investment, as robust companies continue with their projects, requiring funds for capital expenditure as well as working capital. However, it has not been easy to raise these funds, for two major reasons. One is that some banks that have been directly affected are engaged in dealing with the crisis and do not have the capital to lend. The other is that conservatism in lending has kicked in and it has become very difficult to convince lenders that they should invest in new proposals.

Banks defend their conservative lending approach, arguing that they are at a disadvantage when faced with a very low return on risk. In India, banks are not allowed to invest in any long-term asset, which means that the entire liability side of the banks’ balance sheet is current in nature, and this is what commercial banks use to fund long-term projects. This is worrisome, and becomes especially critical today, when it is almost impossible to predict the effect of the current volatile environment on companies.

This argument finds its support in the case of Satyam Computers. Here, the bankers understood the business and the auditors cleared the accounts. Yet it was not enough to prevent the governance failure from taking place. The fear right now is that if a listed company, one of the largest companies in the technology sector, was able to conceal critical financial information, misinformation in smaller companies will be almost impossible to track.

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Prabal Banerjee
Hinduja Group

All of this has contributed to the stance that banks have taken — they believe they are better off taking slightly lesser risk, risk that they can live with, even if it means they do not get high returns. It would be irresponsible to do otherwise. Trust will take time to rebuild, and it will require transparency, sustainability and stability in the market and in individual companies to bring it back. For the foreseeable future, companies will need to have adequate reserves to qualify them for funding.

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Shanti Ekambaram
Kotak Mahindra Bank

While all these concerns are valid, the danger is in their being used without exception. Prabal Banerjee explained the situation as follows: “We are all for being conservative, but I think the problem lies with all of us, corporates, investment bankers and commercial bankers — we are all to blame. And hence we need to work together to solve this.” While bankers need to become conservative and selective on the issue of approving proposals for funding, decisions should be taken only after individual, detailed scrutiny. Furthermore, conditions for funding, be it the rate of interest or need for collateral, should take into consideration the robustness of the company, rather than sectoral allocations. Corporates, however, think that this swing back to the midline by banks will take time.

Another discussion area has been the rural sector. Banks have been asked why lending to this sector contracted, especially since rural India has been largely insulated from the negative fallout of the financial crisis. According to banks, tractor sales were the only category that had not seen a fall. The rest of the rural retail portfolio was “contaminated.” Therefore logic directed that this was bound to have an effect on tractor sales, if not immediately, maybe in six months. Hence, in line with financial prudence guidelines, almost all private banks restricted lending on the retail side. In urban India, credit card delinquencies were also expected to rise. Banks estimate the number of credit cards defaulting in India to be one in five. Shanti Ekambaram says: “As regards retail lending, banks were a little more cautious because of the existing delinquencies in certain segments and the expectations of the same happening in other related segments.”

THE BANKER—CFO RELATIONSHIP

The impasse between borrowers and lenders can turn into a long term contagion if corrective measures are not implemented. As Prabal Banerjee says: “The trust between lender and borrower has, to some extent, been jeopardized. That needs to be addressed first.” Banks will have difficulty accepting any projections that corporates give for their businesses, no matter how conservative they are. One way of resolving this is for the CFO and his team to meet with bankers more regularly and explain the fundamentals of their business to them. Convincing bankers of the legitimacy of their proposals has become critical for CFOs; not only do they need to communicate the projected numbers, but explain risks and mitigating factors to the bankers that they approach. Even if the predictions don’t turn out to be accurate, honest communication will go a long way to building a strong relationship. This will also enable bankers to understand the nuances of the business and be more open to the points that are raised by the company. Thus the CFO could play the largest role in re-building the trust that has been lost in recent times.

As the economy moves forward, companies will need funding for their investment plans and bankers will need opportunities to invest their money. Today, it has become important for the government as well as banks and corporates to see how they can revitalize the economy rather than only concentrate on availability of money. “We are on the same side of the table,” says Prabal Banerjee, “and therefore, our interests should be aligned. We should look very carefully at how we can reorient ourselves to work together and grow a business, grow the economy, create employment and ultimately, generate demand.”

At their end, bankers need to go back to basics, and look at specific parameters of a company’s finances prior to lending. These could include the cash generation capability of the business, return on capital employed, return on total capital employed and most importantly, whether the company is over-leveraged or will be able to pay off the loans at the lender’s terms. As Anantharaman says: “This is a very important point. What is unfortunate is that this thought is lost in a bull market, which is always about getting the next deal done. Striking a balance is the challenge.” While introducing new financial instruments is good, banks can actually help companies streamline their guidelines and, for those doing international business, help them ensure that their forex risk is well covered.

THE ROLE OF THE CFO

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Anjali Bansal
Spencer Stuart

If there is anything that the financial crisis has taught the business world, it is that governance mechanisms can only work when there is positive intent to implement them within the organization. No matter what the regulations and laws say, true governance is achieved only when the management of an organization is committed to the process.

How is this possible to achieve? Anjali Bansal put it in perspective when she said, “Boards are dependent on information shared with them by management. Hence decision making is driven by the accuracy of the information and the intentions of the management.”

Lenders need to address the security concern of the capital that they are lending to companies. CFOs need to make sure they share all the relevant information with bankers and help them understand the business model. “Take the individual trust relationship out of the equation,” says Prabal Banerjee. If this is done, there will be a paradigm shift in the banker-CFO relationship. If done with the right intentions, doubts will be removed and capital availability for companies will increase. This will have a multiplier effect leading to employment and the creation of new products and services, which in turn will drive demand and convert into more profits and more capital. The end effect — the economy will grow.

“A capable CFO needs to have two things: ability and willingness. One without the other will lead to wrong decision making.”

Harish Engineer
HDFC Bank

This is why companies, especially those that are PE-backed, are increasingly looking for a ‘terrific CFO’, someone who is both competent and credible. Carl Saldanha, Firstsource Solutions, explained the job of the CFO today: “In many cases, the CFO’s job is to take the opposite view of what the management wants to do. And he has to be able to hold that fine balance, has to be able to agree with what the CEO says in terms of general strategy, but he also has to be able to say ‘No’ when required.” In many companies this does not happen and the CFO tends to concur with management and the board. So if trust needs to be rebuilt, companies will have to be ready to appoint a CFO who has the guts to say ‘No’ to a promoter when that is the right thing for the business. It is extremely difficult, but is the only way to clean up the system. Harish Engineer, HDFC Bank, added: “A capable CFO needs to have two things: ability and willingness. One without the other will lead to wrong decision making.”

It is the CFO's responsibility to drive realistic valuations of the business when deals are being made. However, in many family-run businesses, it is the promoters who take the final decisions, and it can be extremely challenging for the CFO to go against that. A number of good CFOs have parted ways with a company rather than accede to a promoter's point of view with which they disagree. Opposing a promoter is difficult, but extremely important in the long term, where reputation and sustainability defines the value of the company.

How can this be done? One way is for the CFO to convince the management and the promoters that what he is recommending is actually value creation for them. As an employee, he has limited exposure and benefits. However, for the promoter, growth of the company directly translates into a benefit for him/her. If this point registers with both management and promoters, it can make a big difference in the manner in which the CFO interacts with the management.

For a CFO to perform responsibly, he needs to be able to take an objective view, point out issues and, most importantly, persuade and influence. "All of this is difficult," says Bharat Doshi, Mahindra & Mahindra, "and depends on the environment and culture of the organization. And if a CFO who is trying to fulfill his responsibility finds that the culture of the company does not match with his ideology, he should be ready to walk away."

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Firstsource Solutions

GETTING BACK TO BASICS

Over-leveraging, sub-prime lending, lack of risk management and the housing and commodities bubbles have been identified as causes of the financial crisis. They all have one point in common — they involved moving away from the fundamental rules of banking and financing. And therefore, if there is one lesson to be learnt from all this, it is for companies and banks to take stock and return to basics.

“There needs to be a careful study of business plans. Previously, too many people counted on just a few sectors growing and growing.”

Rajeev Wagle
UTV Software Communications

“What is critical is advising clients and companies that they need to build what a former senior of mine used to call the ‘DNA of Moderation’, says Akhil Verma, Spencer Stuart: “You need to avoid the peaks and troughs and not despair. This ultimately means understanding the true strength of your underlying business. And if you remain true to that and focus on it, everything else falls into place and success is yours.”

Corporate India, while largely insulated from a direct impact of the crisis, was unprepared for the eventual repercussions. There were clearly some sectors that were high-risk in term of lending almost a year ago, but the warning signs were seen by only a few, and that includes banks and PE investors. “There needs to be a careful study of business plans. Previously, too many people counted on just a few sectors growing and growing,” says Rajeev Wagle, UTV Software Communications. In boom times, money is looking for places to flow into and often ends up in poor investments. In times of crisis, the ‘last in/first out’ principle applies, with money flowing out of these sectors even more quickly than it arrived. The Indian real estate and media sectors, for example, were ranked as some of the fastest growing in the world in numerous studies. However, many projects were financially unviable, exacerbated by unjustifiably high salaries. Yet, till very recently, bank and PE financing was readily available to companies in these sectors.

What is encouraging is that commercial banks have started looking at business models a lot more carefully than they did in the past, although it will take time for this to become best practice. What is undeniable is that both bankers and CFOs will need to work closely together to make this happen. This mindset needs to extend to domestic and foreign investors as well, who should actively drive strategies that aim to professionalize the management and empower the CFO and independent directors. At the end of the day, if investors do not vote with their feet, it will be difficult to bring about change. In the words of Sanjay

Bhandarkar: “Unless the banking system and funders are willing to be the ‘bad boys’, this system is not going to change.”

Companies are also asking themselves a few pertinent questions about the skills required of their leadership teams. The world has changed and leadership right now is critically important. “It is fair to say that there is no amount of experience that could have equipped a CFO for the kind of environment that the world experienced in the last year. What matters is a CFO’s level of emotional intelligence — his ability to observe and assess situations and provide strategic direction and leadership,” says Simon Fenton, Spencer Stuart. Bharat Doshi also shares his experience: “The only way a company can prepare for bad times is by creating a margin of safety against turbulence, business cycles and/or shocks from the global environment. If you have created that kind of room, you at least get time to react in such an environment.”

In some ways, the global events over the past year can be interpreted as being beneficial for the business world at large, since it is teaching a whole new generation of executives and managers skills they did not have before. Since they had never experienced a downturn, an event like this has hopefully contributed significantly to character building. Anjali Bansal observes: “Service providers of any kind, including providers of financial capital, can choose who they do business with. Banks and their client companies are no exception, allocating and asking for the right cost of capital, based on previous experience and with risk adjusted.” The danger lies in the weakness of the human mind, and the fact that collective memory is short. Will money become a commodity again? Will companies and financial institutions once again over-leverage themselves? Decisions made today will determine the answers to those questions. Let us hope that they are built on the foundation of trust and transparency and directed towards true partnership.

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Bharat Doshi
Mahindra & Mahindra

ROUNDTABLE CHAIRMAN



Bharat Doshi

**Chairman, Mahindra & Mahindra Financial Services Limited
Executive Director & Group Chief Financial Officer,
Mahindra & Mahindra Limited**

Bharat Doshi joined Mahindra & Mahindra Limited in 1973 as an executive. He is a fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India and has a Master's degree in Law from the University of Bombay. He has participated in the Program for Management Development (PMD) at Harvard Business School. He was also a fellow of the Salzburg Seminar on 'Asian Economies: Regional and Global Relationships' held in December 2000. He is a trustee of the Mahindra Foundation and the K.C. Mahindra Education Trust. He is also on the board of governors of the Mahindra United World College of India. He was one of the founding members of the governing council of InAct (Indian Association of Corporate CFOs & Treasurers). He is also an independent director of Godrej Consumer Products Limited and NSE.IT Limited. Bharat is a member of the SEBI (Securities and Exchange Board of India) Committee on Disclosures and Accounting Standards (SCODA) and is the president of Bombay Chamber of Commerce & Industry (BCCI), a premier business chamber, for the year 2009-10.

ROUNDTABLE PARTICIPANTS

V Anantharaman

Managing Director — Investment Banking, Credit Suisse Securities (India)

V Anantharaman joined Credit Suisse in October 2006 as managing director, Investment Banking department. In his role as the head of coverage, he is responsible for bringing the full suite of products, including M&A, ECM and fixed income to the firm's clients in India. Prior to this, Ananth was the head of the corporate finance group of Standard Chartered Bank in India, where he led a number of significant cross border M&A transactions and acquisition financing. Ananth was in Deutsche Bank from 1997 to 2003, based in Singapore, running technology investment banking for the firm and worked on the first Indian ADR by Infosys. He started his career in Bank of America, India in 1987 and worked in a number of roles in relationship management, credit products and project finance. Ananth holds a degree in Metallurgical Engineering from Jadavpur University and an MBA from XLRI.



Prabal Banerjee

Managing Director, Tata Asset Management Limited

Before joining Hinduja Group, Prabal was with the Mahindra & Mahindra Group as group vice president — finance and investor relations. He has over 27 years experience in strategic finance, project finance, strategic planning and corporate planning, M&A, capital structuring, JV and strategic alliance, risk management, investor relation, resource mobilisation, management accounting, forex, taxation & resource planning. He had previously worked in PWC, INDAL, India Foils Limited etc. He has raised more than USD 15 billion from the domestic and international capital markets (debt & equity). He is on the boards of Ashok Leyland, Gulf Oil, Hinduja Ventures Limited, Hinduja National Power Corporation Limited, Hinduja Foundries Limited etc. Prabal has completed his Bachelors in Commerce with Honours and was ranked 5th nationally in CA Inter, 4th in CA Final and 1st in the Eastern region for both CA Inter and Final.





Sanjay Bhandarkar

Managing Director, Rothschild India

Sanjay Bhandarkar heads Rothschild's investment banking operations in India. He has over 17 years experience in Investment banking. Since joining Rothschild in 1998, Sanjay has been leading the energy and natural resources advisory business in India. Sanjay has advised the shareholders of MTR Foods to Orkla; Intermet Europe to Sakthi Auto; Azure Solutions Limited UK on its acquisition by Subex Systems Limited India; GVK-South African consortium on its bid for Mumbai airport privatisation; Indian Lenders on restructuring and sale of Dabhol Power Company, India's largest and most complex restructuring; AXA on its life insurance joint venture with the Bharti Group; the Government of Karnataka on the privatisation of electricity distribution companies; ONGC on its bid for Enron's upstream assets in India; the Aditya Birla Group on acquisition of the Nifty Copper mine in Australia; the Sri Lankan government on the financial evaluation of bids received from international power developers to build the 180 MW Kelanitissa project, to name a few. Sanjay has a degree in Management from XLRI, Jamshedpur. Prior to joining Rothschild Sanjay worked with Peregrine Capital and ICICI Securities and Finance Company Limited.



Shanti Ekambaram

Group Head — Wholesale Banking, Kotak Mahindra Bank Limited

Shanti Ekambaram has been with the Kotak group for 18 years and has been associated with successfully setting up and running several business units for the group. Shanti has a rich and varied experience in investment banking, capital markets, corporate banking & treasury. She currently heads wholesale banking and is responsible for ensuring delivery of comprehensive financial solutions to leading Indian corporations, public sector undertakings, financial institutions, multinationals and the government. Prior to this, she was the executive director and CEO of Kotak Mahindra Capital Company Limited – the investment banking arm of the Kotak Mahindra Group. Shanti has been associated with this business since 1994 and has steered it into a position of market leadership and established a franchise of innovative deals in the capital markets. Prior to joining Kotak, she worked for a short stint with Bank of Nova Scotia, the Canadian International Bank. A commerce graduate from Mumbai's prestigious Sydneham College, Shanti has completed her Chartered Accountancy and Cost and Works Accountancy.

Harish Engineer

Head of Wholesale Banking and Executive Director, HDFC Bank

Harish has been associated with HDFC Bank since 1994 in various capacities and is responsible for wholesale banking at present. He has over 39 years experience in the fields of finance and banking. Prior to joining HDFC Bank, Harish worked with Bank of America for 26 years in various areas including operations and corporate credit management. He is neither a director on the board of any other company nor a member and chairman of any committee of the board of directors of any other company. He is member of the board of Boston Analytics, Boston (USA). Harish is a science graduate from Bombay University and holds a Diploma in Business Management from Hazarimal Somani College, Mumbai.



Carl Saldanha

Global Chief Financial Officer, Firstsource Solutions Limited

Carl has over 20 years experience in the Financial Services Industry divided between banking and corporate finance. He was previously the CFO of Jet Airways where he led a very successful IPO (US\$450 million), raised debt for new wide body aircraft, (US\$2.5 billion) and arranged the financing for the acquisition of Sahara Airlines. Prior to this, Carl was a banker for many years, and was CEO of Chase in India, director & head of corporate relationships at Deutsche Bank. He also had stints at HSBC and American Express. Carl is an MBA from the Asian Institute of Management, Philippines and holds a Bachelors degree in Technology (Electrical Engg) from IIT, Mumbai.



Rajeev Wagle

Group Chief Financial Officer, UTV Software Communications Limited

Rajeev has over two decades of experience in accounting, finance, M&A and internal audit with Indian companies, multinationals & JV companies. He has been the group CFO at UTV Software Communications from Oct 2008. Prior to this, from 2000 to 2008, he was the CFO of Kuoni Travel (India) Private Limited. He was also the CFO at AFL Limited from 1993 and general manager — finance at Datamatics Limited from 1990. Rajeev started his career in 1986 at Garware Wall Ropes Limited as a management accountant.



SPENCER STUART TEAM



Anjali Bansal

Anjali Bansal leads Spencer Stuart's India operations, which serves multinational and Indian companies on critical leadership and board issues. Based in Mumbai, she is a core member of the firm's global Boards Practice, and also the Financial Services, Industrial and Technology practices. Previously, Anjali was with McKinsey & Company, where she focused on strategy consulting assignments with financial services firms in banking, capital markets, insurance and private equity. Anjali also chairs the Board of FWWB (Friends of Women's World Banking), a leading international microfinance institution. In addition, Anjali is a charter member of The Indus Entrepreneurs (TiE).



Simon Fenton

Simon Fenton is responsible for Spencer Stuart's European, South African and Indian regional operations. He focuses mainly on asset management and wealth management searches within the firm's Financial Services Practice. He joined Spencer Stuart in 1998 after 13 years at Kleinwort Benson Ltd. After beginning as a portfolio manager for European equities, Simon moved to New York, where he was responsible for international equity clients, later becoming senior vice president. He returned to London in 1995 to lead the company's international sales efforts. Following Dresdner's acquisition of Kleinwort Benson, Simon became director of sales and marketing for Western and Southern Europe and the Middle East. Simon earned a B.A. with honours in geography from Durham University.



Sachin Rajan

Sachin Rajan is a part of Spencer Stuart's Mumbai office. As a member of the firm's Sachin Rajan leads the consumer media and technology practices in India and is based in Mumbai. He is a key member of the Life sciences, Healthcare and Pharma practices globally. Prior to joining the search industry has had a successful career in various project and operational roles in companies like General Electric, Ranbaxy and Bristol-Myers Squibb. Working with the Ranbaxy group, he played a founding role in the establishment of SRL Ranbaxy, the region's first and largest network of clinical laboratories. He has also helped Manipal Group, one of India's largest integrated hospital, academic and research networks, strategise and execute new forays in the healthcare delivery space.

Akhil Verma

Akhil Verma leads the Financial Officer Practice in India. Based in Mumbai, he is also a core member of the firm's Technology, Communications & Media and Industrial practices. Prior to joining the search industry, Akhil was group chief financial officer and head of India operations for MobiApps Holdings, a Singapore-headquartered telematics company. Before that he was the expatriate manager of a market research and analytics company leading its Hyderabad-based India operations centre. He served as the same company's VP finance, based in San Francisco earlier. He also spent nearly 10 years with BearingPoint (previously known as KPMG Consulting) in the US, Singapore and Brazil.



PUBLICATIONS

Point of View 2009 — A special issue focusing on Asia Pacific

www.spencerstuart.a/articles/1395

The rapid growth and tremendous potential of Asia Pacific is changing the way most companies do business and has implications for executive careers. This issue of Point of View focuses exclusively on Asia Pacific and its influence on global business, including the implications for talent and leadership. Incorporating the perspectives from a variety of executives from around the world, but especially those from within the region itself, this edition explores issues such as how the Asian approach to management is likely to shape the definition of global leadership; the future of governance as corporate boards in Asia's fast-growing economies learn from the best practices and failures of Western governance models and merge them with models that address local needs; the role the region is playing in driving product development and innovation; and the business models emerging from the region and the brands aspiring to become household names, not just in China or India, but around the world.

Spencer Stuart India Board Index 2009

www.spencerstuart.com/research/articles/1384

The India Board Index 2009 examines the composition and functioning of companies in the BSE Sensex as well as a small group of top performing companies that are leaders in their fields. Our survey examines several key aspects of board governance and, where it is instructive to do so, we draw parallels with leading companies in the UK and US, using data compiled for our Board Indexes in those countries. For this first Board Index we have analysed the two most recent fiscal years: 2007 and 2008.

Succeeding in turbulent times: The role of HR leadership

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As Indian companies have realised that their people are the key to their growth and the one strategic resource that any enterprise truly needs, the Human Resources function has made the transition from 'behind-the-scenes' support to become a crucial partner in the business. HR has progressed from being transactional to strategic and even transformational in companies where the head of the function is now an integral part of the senior management team. This change was highlighted at a roundtable discussion held in New Delhi, where HR leaders from a variety of sectors shared their experiences and learning. This report summarises the discussion. The session was chaired by Bimal Rath, head of HR, India and APAC for Nokia PTE.

Asia Pacific — Leadership Perspectives Trends in asset management: A comparison of the industry in China and India.

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The asset management industries in both China and India are young. Since the 1990s, the industry in those countries has been characterized by significant growth and a huge amount of change and dynamism. Demographic trends in both markets point to significant growth in investable assets in the long term. The ability to innovate profitably and build strong teams and a dynamic culture will be the factors that provide companies with the much needed competitive advantage for the future.

SPENCER STUART IN INDIA

This publication is part of a series of reports produced by Spencer Stuart India. Our roundtables bring together leading figures of Indian business to discuss critical issues and trends that affect them and the future health of their organisations. The roundtables are hosted by Spencer Stuart and include contributions from senior search consultants from India and other parts of the world. To date, roundtable reports have been produced on the themes of Private Equity, Enhancing Board Effectiveness, Human Resources, the Consumer sector and Corporate Leadership. Further reports are planned in the near future. To access copies of these reports, visit www.spencerstuart.com/research.

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