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Tata Sons gets its first group CFO

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Mumbai: In his first major hire after taking charge as Tata Sons chairman, N Chandrasekaran has poached from the Birlas veteran dealmaker Saurabh Agrawal as group CFO. Agrawal, who was heading strategy at Aditya Birla Group — where he was part of the crack team behind the Idea-Vodafone merger — will join the \$104-billion salt-to-software conglomerate in July this year.

The appointment assumes significance in many ways. Apart from being termed as "a big catch" by executive search firms, the 48-year-old Agrawal will be Tata Group's first CFO. Traditionally, Tata Sons' finance director played the role of CFO.

Agrawal is the latest recruit by Chandrasekaran, who has been bringing on board external professionals — specifically dealmakers — to beef up his team and reinvigorate the conglomerate. Chandrasekaran previously hired Ankur Verma from Bank of America Merrill Lynch and Nipun Aggarwal from Standard Chartered Bank. In its March 28 edition, TOI had reported how Chandrasekaran, unlike his predecessors, is inducting financial specialists to formulate a strategy for consolidation and divestures.

Sources said Chandrasekaran's good personal equation with Agrawal sealed the deal. Both of them have built a personal rapport over the last 15 years and their families have at times taken vacations together. Agrawal had assisted Tata Consultancy Services, where Chandrasekaran was CEO before moving to Tata Sons, on several transactions. Agrawal had also managed the software company's initial public offering in August 2004.

In a statement, Chandrasekaran said, "Agrawal brings deep capital markets knowledge and valuable cross-industry experience to this critical leadership role in the Tata Group. His expertise will help us in driving rigour and synergy in capital allocation decisions, investment management as well as consolidation and optimisation of the group's business portfolio. We look forward to his contribution in driving financial performance of the group."

Agrawal's induction suggests that Chandrasekaran is building a core team that's familiar and with prior exposure to Tatas, even if they are external hires. The appointment also indicates that the conglomerate is increasingly willing to pay top dollar to attract external talent, and is not shying away from hiring laterally, whenever required.

Sonal Agrawal, managing partner, Accord Group India, said, "The group required to bring in a trusted outsider who can look at business issues dispassionately and strategically. Prior comfort and working relationship with Chandra will go a long way in making this a successful relationship."

Ronesh Puri, MD, Executive Access India, said, "It's a big catch for the Tatas. It also shows that the group, which sometimes used to lose out on good talent earlier on the compensation factor, is becoming more pragmatic on this count and is willing to pay a premium for top talent. It appears to be an indication of the times to come."

The Aditya Birla Group is known to be a good paymaster and has attracted talent from across top corporates over the past two decades. In fact, there have been executive talent switches to the Aditya Birla Group from the Tatas in the past. In July 2010, the Birlas had roped in Rajiv Dubey from Tata Motors. With the Tatas now taking on board Agrawal, tables seem to have turned. Agrawal, a product of IIT-Roorkee and IIM-Calcutta, had worked with Bank of America Merrill Lynch and Standard Chartered Bank before switching to Aditya Birla Group last year.