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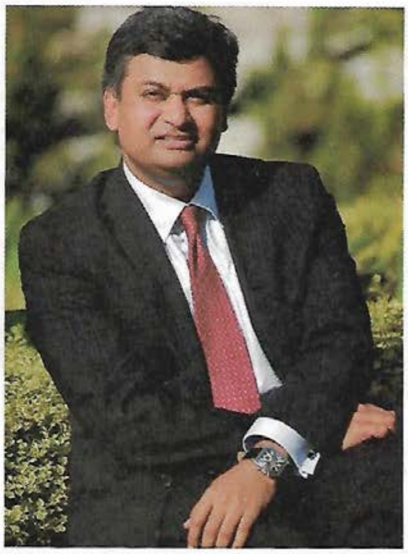
Current

On the Birla Bandwagon

Why Ajay Srinivasan quit the global stage and headed home. ANAND ADHIKARI

FEW CAN BOAST A career graph that's been as meteoric and at the same time as unpredictable as that of Ajay Srinivasan. Close to a decade ago he took charge of Prudential Plc's Indian asset management company (a joint venture with ICICI Bank called Prudential ICICI). When the UK financial services power house decided to cast its net across Asia (India was its first port of call in the region), it roped in Srinivasan, 43, to lead the charge. Result? The 13th floor of One International Finance Centre near Harbour View Street, Hong Kong, was Srinivasan's work place address for almost the last five years. As Chief Executive (Asia) of Prudential Plc, Srinivasan was in charge of assets under management of $60 billion (Rs 2.4 lakh crore).



Aditya Birla Group's Srinivasan: Opportunity in India

Then, just when speculation began to gain ground that the St Stephen's and IIM-A alumnus would be called up to Prudential's UK headquarters, Srinivasan took a rather surprising about turn and returned home. "There's opportunity in India. These are exciting times," he gushes, in his first media interaction since landing in India. "Once I made up my mind, it was about finding the right platform," says Srinivasan.

Srinivasan has taken charge of the $24-billion (Rs 96,000 crore) Aditya Birla Group's ample financial services portfolio as Chief Executive (Financial Services) and Director (Corporate Strategy and Business Development). Srinivasan, who joined in mid-July, will sit on the boards of Aditya Birla Management Corporation (the group's core strategy team) and of the financial services companies (insurance, mutual funds and distribution).

The group has some aggressive plans in financial services. Group Chairman Kumar Mangalam Birla, when announcing Srinivasan's appointment, had said: "He will continuously identify emerging opportunities in the financial services sector and lead the Group's entry into these new segments." Srinivasan is in sync with that statement. "There are a lot of opportunities in other non-deposit kind of activities," he says, albeit a bit guardedly. The group has already announced a private equity foray. When asked about the other new businesses, Srinivasan smiles: "They won't surprise you." A few of the activities being considered are general insurance and stock broking. And perhaps banking. "Our intention is to set up a bank if regulations permit industrial houses in the banking area," says Srinivasan, but quickly adds: "Today it's a hypothetical question."

What's pretty certain, however, is that Srinivasan will have his hands full consolidating and scaling up the existing businesses.

The six-year-old life insurance firm and the 13-year-old mutual fund are currently languishing at the 6th position in their respective industries. Srinivasan prefers to look at the strong base that's been created. "These businesses are well established and we have seen mo-

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mentum building up there. There is huge headroom for growth in just these four lines of businesses," he points out.

Srinivasan will also be busy putting in place a new team. Some of the veterans have already headed out. S.V. Prasad, who headed Birla Sun Life Mutual Fund, left in early 2006; he was followed by Nani Jhaveri, CEO, Birla Sun Life Insurance in August 2006; and more recently the 59-year-old S.K. Mitra, Director, Financial Services, Aditya Birla Group, called it a day. Enter Pankaj Razdan, who was earlier managing ICICI Prudential AMC's Rs 40,000-crore assets, as Deputy CEO, Financial Services, Aditya Birla Group. More high-fliers are expected to join. "We have a team that is looking to win," says Srinivasan. He'll need all hands on deck, for sure.

Power Shifts

RIL departs from the tried and tested in its quest for global size.

IN MID-OCTOBER, AT THE ANNUAL general meeting (AGM) of Reliance Industries Ltd (RIL), Chairman Mukesh Ambani talked about five "fundamental strategic shifts" that were under way at this petrochemicals & refining Goliath. RIL will now pursue (global) acquisitions for global size and scale. That's the first major shift. The second big departure from the past is Ambani's willingness to accept partnerships—primarily joint ventures—as a way of life. The other changes involve relying on agriculture and rural sectors for growth, focussing on research and innovation, and getting a global footprint in a bid to be recognised as a true Indian multinational.

A couple of those shifts became more evident last fortnight. The head of RIL's global oil business let on at an investment summit that acquisitions of oil & gas assets, worth up to $15 billion, were on the anvil. Around the same time, RIL signed an initial agreement with the state-run gas transporter GAIL (India) Ltd to jointly set up petrochemicals units in foreign markets. The shift towards JVs became more apparent when reports surfaced that RIL and Kuwait Petroleum were in talks to set up refining and petrochemicals units in Kuwait. The shifts have begun. Time will tell how they change the paradigms at RIL.

BRIAN CARVALHO