

A PEOPLE'S PERSON

A GREAT CFO needs to be an effective partner to the CEO in ensuring profitable growth for the organisation and balance its long-term growth and short term profitability," says Saumen Chakraborty (54), President and CFO at drugmaker Dr Reddy's Laboratories (DRL). "He needs to ensure sustainability by effectively mitigating risk, while providing complete support to business leaders that enable entrepreneurial decisions." That is not all.

A CFO — being one of the main pillars of the organisation — also has the responsibility of building credibility across all stakeholders — investors, the board of directors and regulators — and for this, they key words are transparency, integrity and corporate governance. While all this is crucial, the main focus of a CFO is also to generate insights that help gain a competitive edge and prepare all stakeholders for future direction. "Driving both organic and inorganic growth and ensuring the smooth integration of M&A entities is critical," says Chakraborty, an alumni of Indian Institute of Management, Ahmedabad, who has over 32 years of experience in both strategic and operational aspects of management and has played a significant role in the evolution of Dr Reddy's.

Chakraborty, who hails from Bolpur-Santiniketan in West Bengal, joined Dr Reddy's in 2001 as global chief of Human Resources and took over additional responsibility of IT and BPE in 2004. He became the chief financial officer in 2006 and then president corporate & global generics operations in 2009. Finally, in 2010, he was appointed president and global head of Quality, HR and IT and focused on the integration of people practices, processes and information across the organisation. In addition to the financial governance glob-



SAUMEN CHAKRABORTY
PRESIDENT & CFO,
DR REDDY'S LABORATORIES

QUALIFICATION
IIM-A

WORK EXPERIENCE
32 yrs-plus

AT CURRENT POSITION
Since 2006

HOBBIES
Watching Movies

ally, he is also responsible for the organisation's Information Technology function & Business Process Excellence.

In 2007, Chakraborty was at the helms of things when Dr Reddy's went in for a follow on American depositary receipt (ADR) issue in the New York Stock Exchange in to raise \$228 million by diluting promoter stake from 28-25 per cent, that helped the company through the liquidity crises the world faced in 2008. Albeit, the main challenge for a CFO is to keep pace with the geopolitical uncertainties and currency fluctuations.

He has also been instrumental in executing a hedging policy to ensure complete hedging of the company's balance sheet with only 50 per cent (40-60 per cent) of hedging for cash flow forecast over a maximum period of 18 months.

"Consistently following it helped us mitigate treasury risks," says he, adding, "Deciding to limit financial risk by capping net debt to equity ratio of maximum 0.5 helped us balance the operational risks inherent for the industry and not carry negative interest by falling prey to lower interest ECB. More recently, the decision to go for a stock buyback while providing for R&D and Capex to fuel long term growth was under his leadership that is expected to help the company improve the EPS.

The main focus of a CFO is to generate insights that help gain a competitive edge and prepare all stakeholders for future direction

All in all, at Dr Reddy's, Chakraborty has been the driving force behind numerous successful initiatives like the complete implementation of my SAP Business Suite, Theory of Constraints (TOC) based approach to product development, manufacturing, supply chain effectiveness, and achieving Execution

Excellence through the simplification of end-to-end business processes, among others.

"Life is not always a bed of roses." But, with positivity and persistence, one can tide through the rough times. "My wife bravely fought cancer at 3rd stage to survive and keep all of us very happy at home," says Chakraborty, who draws a lot of conviction from right principles and his immense faith in the untapped potential of people. "I derive huge satisfaction in developing leaders and always feeling positive, even under adverse circumstances." Now, that truly is a mark of a great leader! — Paramita Chatterjee

paramita@businessworld.in

