

Connecting the dots

A financial wiz and an astute manager, **Ved Prakash Chaturvedi**, managing director of Tata Asset Management, talks about the high points of his life and career

Remember those children's drawing books with dots? As you connected one dot with the next, a picture would gradually emerge. That, says Ved Prakash Chaturvedi, is pretty much what his life has been like: "I have taken life as it comes, but when I look back and join the dots – it seems that there was a plan, a journey that led me to my current job."

Heading Tata Asset Management since 2002, Mr Chaturvedi is passionate about finance and about bringing the benefit of financial services to each Indian. Unfazed by the recent market downturn and the global fallout of the economic crisis in the US, he is confident that the good times will roll again: "One has lived through enough business and market cycles to know that markets never move in a straight line; they go through dips and highs." He does however warn that "the ride will be rough. Investors need to be aware and ready for it."

Having spent 20 years riding the capricious finance rollercoaster, Mr Chaturvedi has learnt to live without stress through a simple philosophy imbibed from people with whom he worked early in his career: "Always give the right advice to the investor or your potential business partner and you will not regret it."

And his endeavours, as he connected the dots in his ever-rising career graph, he avers, derive strength from values and philosophies learnt from his parents.

Since his father's job with the Indian Railways was transferable, the family lived a peripatetic life in small towns and big cities. "It's been a very eclectic upbringing but it helped me get a flavour of what the real India is." Changing schools, adjusting to new teachers, new curricula ("The third language was the most difficult — I learnt French in one school and a few months later Sanskrit") and making new friends every year gave him the self confidence to survive, flourish and grow, whatever the circumstances he found himself in, and connect better with people from different cultures and walks of life.

Mr Chaturvedi remembers holidays spent in villages with no running water or electricity because his parents strongly felt that their son should get a feel of where the heart of India lives. This experience gave him a wider perspective and a deeper understanding of people which, says Mr Chaturvedi, helps him to "connect a lot more with various strata of society."

An electronics engineer, like his father, he began his career as an intern with Larsen & Toubro but the realisation that an MBA was an important requisite if he wanted to learn to manage a business led him to IIM Bangalore. Thinking of pursuing a career as a techno manager (Bangalore was then evolving into the Silicon Valley of India), Mr Chaturvedi was introduced to the world of finance by teachers who were passionate about



the subjects and he was hooked, a passion he has pursued relentlessly since.

“I have been very lucky in all my jobs; I did financial analysis, ratings, bonds, equities,” Mr Chaturvedi says with satisfaction. Each dot connected logically to the other. From IIM Bangalore he joined CRISIL, which pioneered the concept of credit rating in India. It was a start up with a very small team led by a highly talented CEO; and it was an immense learning experience for Mr Chaturvedi. “I got the best grounding in finance at CRISIL.” He moved on because he wanted to manage money, which required a very different mindset and approach. The dots connected. He worked in bonds and foreign exchange with BNP Paribas and in equities with the UK-based Foreign and Colonial group.

His next appointment as chief investment officer at the State Bank of India (SBI) fund management group, then the second largest mutual fund in India, was a significant milestone in his career. “It was an interesting and challenging time to run a fund house,” recalls Mr Chaturvedi. “The period 1998-2001 was a very difficult one for the Indian bond and equity markets. The mutual fund industry was going through a tough time.” His decision to join SBI had some personal overtones. He explains: “My father had put money in several mutual funds but when he retired there was not much return. I realised that there must be several million people like him; so when I joined SBI Mutual Fund, I wanted to help people get good returns.” His work at the company paid off in spades and today SBI Mutual Fund is among India’s leading fund houses.

The next step in his career graph brought him to Tata. “It’s quite strange,” he muses, “that at different points in my life, there has been a connection with Tata.” JRD Tata was a childhood hero. Growing up in a family of civil servants and bureaucrats, Mr Chaturvedi often thought about life in the non government sector. He read *The Creation of Wealth* by Russi M Lala (he still has that copy of the book) and JRD’s search for excellence resonated with his thinking. At BNP Paribas he was given special charge of the Tata account which gave him a first hand experience of the group, its values and its people.

The offer to head Tata Asset Management fulfilled many desires, because “I like building businesses, exploring new areas and always wanted the opportunity to build a high quality business run on sound values.” In the six years Mr Chaturvedi has been at the helm of the company, its corpus has grown from Rs700 crore to Rs21,000 crore (at its peak it was Rs30,000 crore).

When he joined the company, Tata Mutual Fund was a small fund. “We had to do something different to outperform competition.” He and his team took a strategic focus on certain areas: One, they decided to focus on equities, at a time when the technology bubble had burst and mutual funds were going through some very difficult times (“I believed that the Indian economy would grow and equities would do well”). Two, they decided to expand to small towns in India (“It would have been expensive and time consuming to push ourselves into the crowded space of distributors in larger cities”). And three, they decided to focus on infrastructure (“We felt that it was crucial to the growth of the Indian economy”).

Mr Chaturvedi acknowledges that he is lucky that the bets paid off. The equity markets took off in 2003; infrastructure became the buzzword in the economy, and today, Tata Mutual Fund sells in over 300 cities with most distributors having its products on their shelves. It has even spread its wings outside India, trying to raise money in various countries such as the UK, Japan, the Middle East and the US. Competing with the best global mutual funds in India, Tata Mutual Fund has successfully built its brand. It was recently ranked among the top 50 service brands of India by *The Economic Times*.

Building a business is tough but Mr Chaturvedi ensures he makes time for the joy in his life — his son Anand. “I called him Anand (joy) because I want him to enjoy life. And I tell him that.” His son is growing up in a different generation but Mr Chaturvedi hopes that he will imbibe the same values from him as he did from his own father — professional and personal integrity, and the pursuit of excellence for the benefit of society. He is happy that his son is interested in tennis, a sport that he himself plays wherever and whenever he has two hours free.

“I keep telling him that I have been lucky to have such good parents and a job that I love,” says Mr Chaturvedi. “I don’t find it stressful because I enjoy it so much — working for a group that is growing rapidly, exploring new avenues and areas, and eager to build large businesses on strong foundations.”

He is also convinced that as India develops and as people take control of their finances, the mutual funds penetration among households will grow from the current 5 to 20 per cent in the next 15 years.

Mr Chaturvedi is surely excited and energised about the way ahead, and as he goes on connecting more dots, a more beautiful picture is sure to emerge. ●

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