

The Accountant & International Accounting Bulletin Lifetime Achievement Award Nominees 2016



D. N. Chaturvedi, founder, Chaturvedi & Shah



In 1962, aged 28 Mr. D. N. Chaturvedi was the first Chartered Accountant to qualify in the small, religious town in North India, Mathura where he was born and spent his formative years. His vision was bold and ambitious. To move to Mumbai and, during the nascent and closed economy of the time, launch a successful Chartered Accountancy firm.

Driven by passion, right from the start Mr. D. N. Chaturvedi sought to bring students from his impoverished hometown to the city, giving them opportunity to train in accountancy, tax and finance, empowering them with the skills to secure a job. Within 5 years, Mr. D. N. Chaturvedi laid the foundation for Chaturvedi & Shah (C&S). Fifty years on, the firm stands proudly as one of India's leading Chartered Accountancy firms, offering an array of services

in Audit & Assurance, Taxation, Corporate Finance, Business Advisory, Mergers & Acqui-

sitions and Corporate Advisory with an average year-on-year CAGR of 20%.

Since its inception, the firm has provided a career springboard to an estimated 300 interns per annum, with Mr. D. N. Chaturvedi personally inspiring and motivating young adults to change their future. Today, his investment in people continues to underpin the firm's success with the Intern Training & Career Development Program remaining a key focus.

More than 90% of partners joined C&S as interns, progressing through the ranks as executives or assistant managers. In 50 years, the firm estimates that over 15,000 individuals and their families have benefited from Mr. D. N. Chaturvedi's leadership and vision, carrying the C&S torch and staying true to firm's roots. Currently C&S family is of strong client servicing team of 14 Partners, 100+ Professional Staff, 60+ Support Staff & 230+ Articled Assistants.

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It was a gargantuan task building a national firm from a modest consultancy reflects Mr. Haridas Pathak, one of C&S's first recruits. "Despite the first few years being challenging, Mr. D. N. Chaturvedi garnered a formidable industry reputation whilst creating a firm with strong business ethics and exemplary service quality," says Mr. Haridas Pathak.

Supporting India's earliest IPOs

With an embryonic stock market and equity culture in India during the 1970s, Mr. D. N. Chaturvedi recognised the drawback of being overly dependent on Financial Institutions to raise funds, especially given the nation's industrial growth.

An early advocate of raising funds from the market, in 1977 1st Generation Entrepreneur took Mr. Chaturvedi's advice and issued a large IPO. It marked the turning point for India's population, prompting people to channel savings into equity investments. Mr. Chaturvedi then played an influential role in Make it visual, perhaps insert photo of Mr. D. N. Chaturvedi in box convincing financial institutions about the merits of equity participation, resulting in India's first private equity deal.

Capital market trailblazer

Having formed a strong relationship with the Finance Ministry and Controller of the Stock Market, the firm's influence was unabated. Mr. Chaturvedi initiated discussions to extend permitted use of other financial instruments, including Bonds and Debentures. This resulted in India's Government granting permission to issue partially convertible debentures. It proved to be a popular move and multiple industries benefited from the capital markets, reducing their reliance on institutional and bank finance to raise funds and working capital.

"At this time India's market capital was valued at less than \$1 billion", describing

Mr. Chaturvedi as a true trailblazer. "He really was a catalyst for change, advising financial institutions and encouraging business houses and companies to raise funds through capital markets."

A meeting with the Commissioners of Monopoly & Restrictive Trade Practices (MRTP) convinced the regulatory body that large projects funded using capital markets should be out of MRTP's purview.

Further assignments followed to mark C&S's entry into financial global markets, with the firm subsequently securing audit & assurance projects with several prestigious clients.

Other major milestones:

- The 1980s heralded another turning point when Mr. Chaturvedi convinced the Finance Ministry & Controlled of Stock Markets to permit the introduction of innovative new financial instruments, e.g. Convertible Debentures, Warrants etc. These instruments instilled investor trust attracting significant public interest.
- Representing corporate clients and winning disputes with government authorities, during the late-1980s.
- Opening up the Indian economy to global investors and corporations. Under Mr. Chaturvedi's guidance, C&S handled India's First Global Depository Receipts (GDR)/ External Commercial Bonds (ECB)/ Foreign Currency Convertible Bonds (FCCB).
- Assisting clients secure long-term financing, leading the introduction of Century (100 year) bonds.

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Staying true to family values

Phenomenal growth in tax litigation and advisory services is aligned to when his eldest son, Mr. Rajesh Chaturvedi joined C&S in 1992. Today, C&S is widely regarded as an elite national tax litigation support provider. “During this decade, India had no long-term taxation policy,” comments Mr. Rajesh Chaturvedi.

“Although my father can’t be credited with changing the tax structures, during the 1990s the firm secured a foothold in tax litigation, representing clients in the software, aviation and telecoms sectors in numerous landmark judgments.”

Younger son, Mr. Gagan Chaturvedi, joined the firm in 1993. His influential leadership led the firm to diversify into mergers & acquisition and corporate advisory. Convincing global rating agencies and US law firms to accept Non Big 4 audited balance sheet was a major challenge. They did through check of their compliance capability and understanding of laws of capital market thus C&S becoming the leader in global transaction advisory regime.

Receiving recognition for 50 years exemplary service from the Institute of Chartered Accountants in India, was a proud moment for the family firm.

“Heritage and business ethics underpin our philosophy at C&S,” says Mr. D. N. Chaturvedi. “The firm started with just a rented table in Mumbai. We now occupy more than 25,000 sq.ft of office space and are present in all the major economic centres in India, including Delhi, Bangalore, Ahmedabad and Jamnagar.”

More impressively, under Mr. D. N. Chaturvedi’s leadership, C&S:

- Has achieved average year-on-year CAGR of 20% for half a century without acquiring or merging with any other accounting firm
- Remains one of a just a few Indian firms to successfully compete with all the Big 4 audit firms in the statutory audit arena
- Continues to provide professional services to several Indian multinational companies, most listed on Forbes 500 Global Corporations
- Enjoys a virtually unblemished client retention record of 100%, a huge triumph considering the regulatory authorities in India do not encourage the marketing of professional services.

“Our clients are our brand ambassadors,” emphasises Mr. D. N. Chaturvedi. “It’s through word of mouth referrals and our team approach that the firm has thrived and we are proud of the fact that our growth has been totally organic. To reach the echelons of a top 10 firm in India without acquiring a single firm or partner is testament to the entire teams’ passion and drive.”