



CS Dev Bajpai

**Executive Director, Legal & Corporate Affairs and
Company Secretary, Hindustan Uniliver Limited**

Mr Dev Bajpai (58) has been a member of the Management Committee of HUL since May 2010 and was inducted on the Board of Directors of HUL as a Whole Time Director with effect from January 2017.

Executive Director, Legal & Corporate Affairs and Company Secretary Dev is a Fellow Member of the Institute of Company Secretaries of India and has a law degree from the University of Delhi. He completed an Executive Program for Corporate Counsels at Harvard conducted by Harvard Law School.

He has over 30 years of experience in diverse industries that include Automobiles, FMCG, Hospitality and Private Equity, in the areas of Legal, Governance, Tax and Corporate Affairs.

In the past, he has worked with Maruti Udyog Limited, Marico Limited, Indian Hotels Company Limited and ICICI Venture Funds Management Company Limited. He has been part of Committees of Apex Industry Organisations such as CII & FICCI. CS Dev has also represented the Industry before Parliamentary Committees.

India is envisioned to become Viksit Bharat by 2047. What role will Indian corporates and Company Secretary professionals are playing in achieving these milestones?

India is the fastest growing economy. The next 25 years have been called as Amrit Kaal by the Hon'ble Prime Minister signalling the advent of a uniquely auspicious period in the history of India for which the foundation has been laid over the last decade. It is going to be India's two decades ahead, not just, economically, but also, in the country, playing an increasingly important role in the geopolitical stage & in bringing about a new world era.

Consider this. India is already the fifth largest economy in the world surpassing UK in the recent past. As per IMF's World Economic Outlook, the size of the Indian economy will increase to \$ 5 Trillion in 2026-27. The Amrit Kaal period is the period when the country will realize its full potential given that the last decade has been very well deployed in building the foundation for the same. As per a recently released EY Report titled India @ 100 even while maintaining a stable, yet modest growth rate of 6% per annum, India would become a US \$26 Trillion economy in market exchange rate terms by 2047-48 with a per capita income exceeding US \$ 15000, nearly six times the current value, and will be classified as a "developed" country from a "developing & emerging" country.

In this backdrop, if I have to respond to the question that you have posed, I will say that for Corporate India & professionals like Company Secretaries, there has never been a better time than now. Corporate India is a key stakeholder in Government's vision of Viksit Bharat. This has got most recently reaffirmed by the Union Budget presented last month. The trust and reliance placed by the Government on Corporate India in playing a role in nation building is clear by the various schemes of employment, employability and skill development announced by the Hon'ble Finance Minister. The Government, on their part, have taken a series of measures to facilitate the growth of the industry through multiple schemes designed to bring about this growth. These schemes in the areas of manufacturing, agriculture & allied industries, exports, infrastructure have the potential to propel India's growth to a much higher level. Government has, over the last few years, increased its capital expenditure on infrastructure very significantly. This will not only promote foreign investment but will help more investments being made within the country. There is a healthy competition amongst States to invite investments which has never been seen in the past. There cannot be a better environment than what we have today to make an even more meaningful contribution to the growth of the Indian economy.

Today, the legal & regulatory environment is conducive for Company Secretaries to make a meaningful contribution that addresses not just the agenda of the Organizations

that they serve but goes beyond to the communities in which they operate. In the areas of Sustainability, CSR, ESG, Corporate Governance, evolving regulations, fiscal regulations, proposed labour regulations, creating a self-regulation framework for some industries, developing alternative means of dispute resolution mechanism, use of technology including ensuring rightful proliferation of AI that benefits all stakeholders are some of the areas where Company Secretaries have a role to play. Company Secretaries have punched below their weight is my feeling and they are capable of punching above their weight is my conviction. With the kind of rounded off course content and training that Company Secretaries get, they are most suitably placed to leverage the current environment in doing good to their work and the environment in which they operate. One example is the area of regulations. Instead of being only passive recipients of regulation, they can co-create regulation with the authorities.

Businesses have been largely impacted by the environmental and regulatory environment. How would you perceive the altering business dynamics of the country vis-à-vis global trends ?

In the last few years, during and after Covid, the world has been a BANI world. BANI stands for brittle, anxious, non-linear & incomprehensible. The geo-political environment has been a fast changing one with the war that we have witnessed over the last two years soon after covid relented. The commodity prices were at an all-time high until last year & now we see commodities deflating. Our country has been the shining star. It has largely been an exception to the global slow down caused by massive supply chain disruptions after covid. Our tax collections as well as compliance have improved month on month.

The regulatory environment is ever evolving. In some ways, it is fine as the regulation has to keep pace with the changing business dynamics and as societal milieus changes. However, there is also need for stability in regulations that are crafted well. It brings about ease in doing business and removes uncertainty. I think we are on the right track. I firmly believe what is required is a series of internal reforms in regulations that are administered both by Centre and the States which will further propel growth and FDI.

FMCG has been a key role player in the Indian economy? How would you describe its major achievements and challenges? How has your journey been like?

FMCG is among the top Industries in the country that is comprised of several sectors such as Personal Care, Home Care, Foods & so on & so forth. The industry serves daily needs of the households and straddles across the pyramid. The industry is a large employment generator and contributes handsomely to the tax revenues of the Government. The per capita consumption of FMCG is still low even for urban consumption & If we compare it with countries of Southeast Asia, it is abysmally low. The potential, therefore, for the industry to grow is enormous across categories & sectors.

Moreover, the consumer today is far more informed & discerning. She needs quality products at affordable prices. So, innovation becomes critical for the industry. However, there are legislative & regulatory challenges. By its very nature, the industry attracts both central and state regulations. The industry also suffers from a huge counterfeit and unfair competition problem. There is a proliferation of local players when the commodity prices are down, & some of them also sell counterfeit or look alike products. In the wake of severe inflationary pressures not too long ago to now a deflationary situation where commodity prices are down, it has been a tough ride for the industry. Companies that have kept the consumer at the heart of everything that they do during these times would always do better.

I have now done a total of 23 years in FMCG in my overall career of 35 years. It has been a fulfilling journey. I have seen the industry grow, mature, and meet the ever-evolving consumer needs with differentiated products and services over these years. E-com has emerged as an important channel in servicing the consumer. It has been a fascinating journey.

Hailing from a company which has nine decades of presence in the Indian corporate Inc., how would you word the altered governance scenario in the country over all these years?

HUL was incorporated as a corporate entity in 1933 and, over the nine decades, we have built a culture of good governance across different facets of our organization. Among the many things that bind us, governance is perhaps the most important aspect. We take immense pride in our governance philosophy, culture, and practices. Responsible corporate behaviour is at the heart of everything that we do.

The governance scenario in the country has significantly improved. There is greater appreciation of the fact that companies with sound governance practices are rewarded by stakeholders. Whilst it has been a lesson learnt hard, but I think people now get it. We have had a few cases in the recent years where corporate governance has been a casualty, but every country has their share of issues in this space. Unlike the US where corporate governance evolved much earlier through judicial pronouncements, in our country, it has had to be mandated over a period of time. But I am very hopeful that as we gear up to become the third largest economy, the issues concerning corporate governance will become basic and corporate behaviour would be of a different order striving to achieve the outstanding.

Digital transformation is the modern-day buzz word. E-commerce has been their major impact in the overall economy in general. How you will guide CS students who are entering into the job field?

India's digital opportunity is an eye opener for the world. A large telecom subscriber base of 1.2 bn and almost 850 mn internet users fuelled by Government's focus of building digital platforms have laid a strong foundation for a digital economy. India's digital economy grew by

15.6% between 2014-2019 which was 2.4 times faster than the growth of the Indian economy. Several service delivery platforms such as COWIN, Ayushman Bharat, Diksha, UMANG, GSTN, GeM, ONDC etc. have been either fully implemented successfully, or are in the process. The India stack pioneered in India is now the global benchmark and is a source of competitive advantage for growing businesses while they navigate some of the complexities of the Indian economy. The uniqueness of the India Stack lies in its scale, open architecture, facilitating transactions, designed to serve very high volumes at low cost. The digital economy has been a key enabler and facilitator in formalizing the Indian economy.

E com sector in India has grown handsomely over the last 5 to 6 years and has actually already realized the growth that it would have brought about by 2025. Covid has helped ecom and its various variants like q-com grow faster.

Company Secretaries can both learn & contribute to both from & to the digital transformation & the e-com boom that is being witnessed. When an industry grows rapidly, it brings about governance challenges. Company Secretaries as governance professionals have to ensure that these challenges that get thrown up in a rapidly growing digital economy are addressed. There are ethical, proprietary, governance issues that the digital economy throws up. Company Secretaries can play a role in first understanding these issues and then addressing them. A case in point is the guidelines on Dark Patterns. They directly hurt a consumer through these patterns on websites. The Government has a few months back issued guidelines on this subject. It is a governance issue. Company Secretaries as Governance Professionals have to help their organizations in ensuring that the D2C portals are free of any dark patterns like grip pricing, interface interference, nagging & so on & so forth. A lot of counterfeits are today being sold through the e-com channel. This spoils the image both of the brand as also the website from which such products are sold. This is again an area where the Company Secretaries can advocate for better laws and partner with e com team to stop such sales.

ESG is the buzz word of the 21st Century. The present-day corporate scenario cannot be fathomed without taking into account ESG considerations. In such a scenario, what initiatives are being taken in making ESG an integral part of Board decision making?

ESG has become integral to the way we operate today. It is a subject with which the Board engages itself with on a regular basis. At HUL, we have constituted an ESG Committee of the Board to look into the three facets of ESG. Today, there is a growing realization that it is not just profits that will alone drive the corporate agenda. Profits are important but profits with Purpose is the need of the hour. ESG provides that Purpose that can & should drive corporate priorities. In today's world corporates have to ensure that future growth is inclusive & does not come at the cost of the environment. At HUL, our value creation model is a multistakeholder model that encompasses

our consumers, customers, suppliers & business partners, our employees, shareholders and importantly, the planet & society. Given the importance of the subject & its scope to make an impact across multi stakeholders, it is one of the most important subjects for Board's deliberation. The Board has to go beyond the reporting requirements and the legal obligation that are cast on the Companies under ESG. It has to ensure that actions are taken to deliver impact in areas within the scope of the ESG mandate. Our constituting a separate Board Committee to look after ESG is an indication of the enormous importance we attach to the subject and the potential that it has to deliver meaningful impact at scale.

Corporate Restructuring – Mergers and Amalgamations have altered the business dynamics in their own way. How do you perceive the present environment in terms of conduciveness for such business moves? And your Message to the Young Company Secretaries and Professionals.

Mergers & Amalgamations are an important indicator of economic activity in the country. With the kind of growth that we are witnessing in our economy, M&As become an important vehicle to contribute to growth, leverage synergies, cut costs, reshape and streamline portfolios and serve the consumer and shareholders better. However, we have to look at the legal provisions that are presently applicable to mergers and other forms of corporate restructuring. On account of legal provisions that have existed for decades, M&A proposals get considerably delayed. NCLTs have huge backlogs which leads to delays. In any M&A, the whole objective is to combine or separate quickly to realize potential of synergies or shed inefficiencies quickly. This objective will not be achieved if we continue with the present regulatory regime. I am of the view that in any merger proposal, only the NCLT that has jurisdiction over the merging company which is going to lose its legal existence should only sanction the Scheme of Merger. The resultant company will be in existence after the merger and can be examined or investigated any time after the Scheme is operational. The shareholders, Audit Committee and the Board of the resultant company would have examined the merger proposal, so it need not go to NCLT at that stage. This will help expedite the process and also de clog NCLTs from huge pendency. This is also a step towards ease of doing business. Government will be able to realize revenue faster. It will send the right signal to the investing community and will be overall a positive step to bring about growth.

Company Secretaries have a role to play not just in ensuring compliance but in understanding the different facets of M&A and the business objective of any corporate restructuring proposals. Post the merger, the most important aspect is integration of the two businesses in terms of its people, practices & processes. Company Secretaries should engage themselves in all aspects of M&A namely pre, during and post-merger activities.

The Regulatory environment is witnessing a paradigm shift from financial to non-financial reporting. How do you envision the ESG reporting landscape in India in the coming 5 years?

This is a sign of maturity in some ways in the Indian corporate reporting framework. The ESG reporting framework is evolving and changes are being introduced

as required. The BRSR has both essential & leadership reporting indicators. The BRSR Core is going to elicit more specific information. A lot of the information to be reported under BRSR is non-financial in nature. The future reporting is likely to become comprehensive cutting across the value chain, more specific and sharper which we welcome. This will give to the investor a very good sense of the Company's approach and work it does along with the extended value chain. All of the corporate sector has an important role to play in our target as a country of being net positive.

A member of the professional fraternity and being part of such a renowned Company, how has your journey been like?

The journey has been very fulfilling. It has been a learning experience which I have tried to pass on to the next generation. I have seen the legislative & regulatory environment unfold & change significantly over the last three plus decades and professionals like Company Secretaries have on all such occasions of change, had a relevant role to play.

At HUL, we function with two core philosophies. They are - What is Good for India is good for HUL and Doing Well by Doing Good. These two core beliefs empower us, give us the national perspective and a conviction that we should serve the communities in which we function. This widens our thinking and perspective & it is always our effort to make a positive impact at scale.

What role do you think professionals and especially Company Secretaries are playing and expected to play in the future in strengthening the economy of our country?

Company Secretaries have to in addition to their core job of ensuring compliance, upholding and strengthening governance also contribute meaningfully to the business they serve. Company Secretaries should identify and work on the secretarial & legal agenda within the broader business agenda and should function as able business partners. They can engage themselves in co-creating regulation, develop advocacy skills, develop digital and AI capabilities, use their knowledge of law as a source of competitive advantage. In the ever changing legislative and regulatory landscape, they can through their deep understanding of law, be ahead of the curve and become valued partners to the businesses they serve by ensuring that the businesses function with integrity, responsibility & for the benefit of all stakeholders. They should contribute meaningfully to Government's agenda of ease of doing business.

Your expectations from the Young Members of ICSI and message for the Journal readers?

I think Company Secretaries as a profession has a bright future. To a large extent it depends on the individual what she or he would want to accomplish that adds value to the organization they serve. My advice would be to always take the path of the harder right than the easier wrong as that will be satisfying and fulfilling path to take.