



## CS Kala Vaidyanathan

Company Secretary, Bharat Petroleum Corporation Limited (BPCL)

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Kala Vaidyanathan is a FCS and FCMA with more than three decades of experience as CS in the Private Sector and Public Sector Corporates. She has hands on experience in raising funds through issue of bonds/ equity etc. She was the Company Secretary of Cochin Shipyard for more than two decades before joining BPCL in 2020. In her previous stint at Cochin Shipyard she had led the IPO of the company and was incharge of end to end management right from the selection and appointment of intermediaries to the scheduling and conducting of roadshows, drafting and finalising prospectus, creating publicity and advertisement material, making presentations to various internal stakeholders etc. She has also handled incorporation of companies from end to end as well as company takeover through the insolvency process at NCLT.

In BPCL too, she has been a part of many significant and challenging transactions like mergers and amalgamations, ESPS scheme, Bonus issue etc.

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

Viksit Bharat has many components. Inclusive Economic and Social Development, sustainable growth, cleaner environment, enhanced transparency and efficiency in governance to name a few. If you were to look at the developed countries today, you will notice that all of them have, strong institutions, transparency in governance, civic rights, higher compliance with statutory provision and inclusiveness. In this respect, I think, Indian Corporates are evolving into world class institutions with focus on governance and compliance. In this area Company Secretary professionals play a major role by guiding the management on compliance and governance and advising them on the policies and the right process to be followed. Many a time they also guide the Board on the transparency, fairness and regulatory factors involved in many decisions.

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

Today the businesses across the world are interdependent on each other thanks to their globalised operations. So in many ways the business dynamics in India follow the global trends. There could be difference in the degree but directionally the trend is similar. It's moving towards, greener operations, sustainable development, social inclusiveness, diversity, Digitisation of operation etc. However presently India is in a different level of economic development as compared to other developed countries and accordingly its per capita, carbon emissions are also much lower. However once economic development gathers more momentum the energy consumption will exponentially increase resulting in more per capital carbon emission. Hence though business dynamics will be same for businesses globally the pace and timelines for various goals may differ according to where their respective countries are positioned in the economic development scale.

**Petroleum and Natural Gas sector has been a key role player in the Indian economy. How would you describe its major achievements and challenges?**

Petroleum and Natural Gas have been the lifeline fuel for the Indian economy. To reach this fuel to the farthest corners of the country 24x7, 365 days have been the biggest achievement of the Petroleum and Natural Gas sector. The main challenges have been ensuring safe and cost effective production and logistics. This sector is highly sensitive to global geo political scenario which leads to very volatile supply/demand of the crude and consequent volatility in price. To balance the different factors and keep the price at reasonable level for the common man has also been a major challenge for this industry which they have carried out in an exemplary manner for many decades.

**Digital transformation and AI are the modern-day buzz words. Has there been major impact in the overall economy in general?**

As we all know that Digitization in India has had the maximum benefits in the online transaction space. The UPI (Unified Payments Interface) payments system was by far the best innovation in the country in the Digital space. We are a first hand witness of how this country, which was toally dependant on physical currency transactions, graduated to a level where Digital payment was used from street vendors to large shopping malls.

Digitization also helped in tracking COVID and reaching relief to Covid affected persons through the Aarogya Setu App. Quickly it became one of the fastest app reaching 50 million people in matter of days.

So Digitisation helps in reaching information, support and help to reach the ultimate beneficiary in the shortest possible and safe manner.

**ESG is the buzz word of the 21<sup>st</sup> 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?**

Obviously the most important initiative for making ESG an integral part of Board is through statutes. Reporting on Sustainability initiatives and BRSR reports have made the Boards aware of these parameters. Besides Sensitizing Board towards ESG parameters and regular reporting on the ESG achievements have generally helped many Boards to be more alive towards ESG considerations. Apart from this PSUs normally have to comply with many guidelines by Department Of Public Enterprises while taking Board decisions. These guidelines ensure adherence to ESG parameters. Hence statutory reportings, sensitizing of Board members and internal process have all contributed to making ESG an integral part of Board decision making.

**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 and Amalgamations help in exponential growth of business in an inorganic manner. Businesses will be able to achieve significant increase in market share at a very fast pace through acquisition and merger. However there are many factors that are to be kept in mind for drawing up any successful scheme of merger. First of all there must be a sound rationale in terms of optimisation of cost, market synergies/ production synergies etc. Clear strategy to take care of the employees of merged entity and protection of their benefits. Clarity on the appointed date and effective date of the merger. (Mergers will become effective from the Appointed date but operative from the effective date) to name a few. There are other smaller operational matters such as clearance from ROC / MCA etc which play a crucial role in achieving the merger/ amalgamations within expected timelines. Young CS professionals can gain substantial exposure on Corporate Laws through experience in mergers and amalgamations. Diligent reading of the scheme, continuous updation on applicable laws, drawing up of suitable checklist of statutory provisions etc will help young CS professionals to successfully sail through the merger and amalgamation.

**The Regulatory environment is witnessing a paradigm shift from financial to non-**

**financial reporting. How do you envision the responsible reporting landscape in India in the coming 5 years?**

I think India is maturing as an economic power. With power comes responsibility and with responsibility comes reporting requirements. I would say in the next five years the statutory provisions on reporting may not undergo much change. However corporates are voluntarily disclosing many aspects of their functioning in the annual report to the benefit of their investors. This trend may continue leading to more transparency in reporting.

**As a member of the professional fraternity and being part of such a renowned PSU , how has your journey been like?**

I am extremely grateful to the profession for giving me this opportunity to witness decision making at the highest level for over 3 decades. I have also witnessed how the businesses have evolved over the years. The shift from mere profit/ revenue being the sole assessment of management performance to ESG / risk management etc, is a case in point. Also this profession gives you a unique perspective on business management which is not taught in any of the B schools.

**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?**

Good governance, positive work place supports wealth creation. In this arena the CS professionals have a yeomen's role to play by ensuring compliance with statutory regulations and providing sound advise to management. Providing sufficient inputs in time and effective communication also builds Board's trust and facilitates quality decisions. All these will help in corporate and economic growth.

**Your Message to the Young Members of ICSI and the Journal readers?**

As we all know, effective functioning of the Boards and upholding highest standards of corporate governance is key to wealth creation and reporting on this is a yeomen's service. Like the Motto of ICSI, 'speak the truth and abide by the law', integrity is the central message and I would like to give the same message to the young members of ICSI and the journal readers.