

HUL Ropes in Four Retired HC Judges to Help Resolve Cases

Independent ombudsmen will take up only those issues that have no legal breaches

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Hindustan Unilever has roped in four retired high court judges as independent ombudsmen in different regions to resolve cases filed against the company by its suppliers, distributors, stockists and retailers.

An ombudsman looks into complaints against an organisation and its officials and helps resolve them by mediating fair settlements out of court. "The idea is to have an alternate dispute resolution mechanism with the whole philosophy of customer centricity and the main reason is resolution of matters," Hindustan Unilever Executive Director - Legal Dev Bajpai said.

The country's largest consumer products firm is currently fighting more than 100 matters by its business partners across the country.

Legal experts applauded the initiative, saying it's unheard of in the country and would benefit the company in the long run. "The advantage for HUL is that it can figure out in advance whether its case is good and avoid an expensive and protracted legal process," said Advava legal partner Ramesh K Vaidyanathan.

"The choice of an ombudsman of impeccable integrity and reputation for impartiality is critical for any counterpart to agree to this proposal," he added.

The maker of Dove soap and Rin detergent may have achieved it by appointing retired judges of different high courts - V Panshiker in Mumbai, SK Mahajan in Delhi, K Govindrajan in Chennai and Alok Chakraborty in Kolkata - to look into all disputes in the West, North, South



New Strategy

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and East, respectively.

They will take up only those commercial disputes that have no legal breaches, company officials said. Typical cases would include distributors who have parted ways with the company and suppliers who made goods that fell short of quality standards.

However, there is a rider. The decision arrived at dispute resolution meetings will be binding on the company, but not on its business partners who will have the option to continue with litigation. In 2008, HUL had roped in an ombudsman to deal with consumer complaints that could spill over into the courts, in a first of its kind initiative by an Indian company. It was restricted to end consumers of HUL products.