

**HINDUSTAN UNILEVER LIMITED**

**MINUTES OF THE 82ND ANNUAL GENERAL MEETING OF THE MEMBERS OF HINDUSTAN UNILEVER LIMITED HELD AT THE REGISTERED OFFICE OF THE COMPANY AT UNILEVER HOUSE, B. D. SAWANT MARG, CHAKALA, ANDHERI EAST, MUMBAI 400 099, ON MONDAY, 29TH JUNE, 2015, AT 2.00 P.M.**

**Present:**

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| <b>Mr. Harish Manwani</b>   | <b>Non-Executive Chairman of the Board of Directors and as a member of the Company</b><br>Also, as an Authorised Representative of Unilever PLC, Brooke Bond Group Limited, Brooke Bond Assam Estates Limited, Brooke Bond South India Estates Limited, Unilever Overseas Holdings AG., Unilever Overseas Holdings B.V. and Unilever UK & CN Holdings Limited |
| <b>Mr. Sanjiv Mehta</b>     | <b>Managing Director &amp; CEO</b>  |
| <b>Mr. Aditya Narayan</b>   | <b>Independent Director</b><br>Also, as the Chairman of the Audit Committee of the Company  |
| <b>Mr. S. Ramadorai</b>     | <b>Independent Director and as a member of the Company</b><br>Also, as the Chairman of the Nomination and Remuneration Committee of the Company   |
| <b>Mr. O. P. Bhatt</b>      | <b>Independent Director</b><br>Also, as the Chairman of the Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company   |
| <b>Dr. Sanjiv Misra</b>     | <b>Independent Director</b>   |
| <b>Ms. Kalpana Morparia</b> | <b>Independent Director</b>   |



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| <b>Mr. P. B. Balaji</b>     | <b>Executive Director - Finance &amp; IT and CFO and as a member of the Company</b>   |
| <b>Mr. Pradeep Banerjee</b> | <b>Executive Director - Supply Chain and as a member of the Company and also as a proxy for 3 members</b>   |
| <b>Mr. Samir Singh</b>      | <b>Executive Director - Personal Care and as a member of the Company</b>  |
| <b>Ms. Geetu Verma</b>      | <b>Executive Director - Foods &amp; Refreshments</b>  |
| <b>Mr. Punit Misra</b>      | <b>Executive Director - Sales &amp; Customer Development and as a member of the Company</b>   |
| <b>Mr. Dev Bajpai</b>       | <b>Executive Director (Legal &amp; Corporate Affairs) and Company Secretary and as a member of the Company and also as a proxy for 12 members</b> |

1. Mr. Sanjay Buch, Partner of M/s. Crawford Bayley & Co., the Solicitors of the Company, Mr. Akeel Master, Audit Partner of M/s. B S R & Co., LLP, Statutory Auditors of the Company, were present by invitation.
2. In aggregate, 911 Members were present in person and 49 Members were represented by their proxies.
3. In accordance with Article 82 of the Articles of Association, Mr. Harish Manwani, Chairman of the Board of Directors took the Chair.
4. The following documents and Registers were placed on the table:
  - (i) Notice convening the 82nd Annual General Meeting
  - (ii) Directors' Report and also with Annexures thereto for the financial year ended 31st March, 2015.
  - (iii) The Audited Accounts and Auditors' Report thereon for the financial year ended 31st March, 2015.
  - (iv) The Proxy Register with 55 valid proxies lodged with the Company in connection with the 82nd Annual General Meeting (remained open for inspection during the meeting).
  - (v) The Register of Directors' and Key Managerial Personnel and their shareholdings (remained open for inspection during the meeting).



- (vi) The Register of Contracts or arrangements in which the Directors are interested (remained open for inspection during the meeting).
  - (vii) Auditors' Certificate in respect of Employees' Stock Option Plan of the Company (remained open for inspection during the meeting).
5. Ms. Anthea Miranda, Manager, Service Delivery Manager – SA, Work Place Services informed the Members about the safety arrangements inside the meeting hall, in case of any emergency.
  6. At 2.00 P.M., the Chairman commenced the meeting by welcoming the Members to the 82nd Annual General Meeting. The Chairman announced that the requisite quorum being present, the meeting was called to order.
  7. The Chairman introduced the Members of the Board of Directors, Members of the Management Committee and other Invitees present on the dais. The Chairman welcomed Mr. Punit Misra, Executive Director, Sales and Customer Development, Mr. Samir Singh, Executive Director – Personal Care and Ms. Priya Nair Executive Director – Home Care who were new members of the Management Committee succeeding Mr. Manish Tiwary and Mr. Hemant Bakshi respectively. The Chairman introduced and welcomed Ms. Kalpana Morparia, Independent Director for her first AGM.
  8. The Chairman informed the Members that Mr. Manish Tiwary had been elevated as the Managing Director of Unilever Gulf w.e.f. 1<sup>st</sup> November, 2014 and Mr. Hemant Bakshi was elevated at Executive Vice President for Unilever Indonesia. The Chairman placed on record the appreciation and gratitude for the enormous contribution made by Mr. Manish Tiwary and Mr. Hemant Bakshi during their tenure as the members of the Management Committee.
  9. Thereafter the Chairman commenced the formal agenda of the Annual General meeting and with the consent of the Members present, the Notice convening the meeting, the Directors' Report along with annexures thereto and the Annual Accounts for the financial year ended 31st March, 2015 were taken as read.
  10. The Chairman then announced that until 48 hours before the time of the commencement of the Annual General Meeting, 55 valid proxies covering a total of 33,10,102 (Thirty Three Lacs Ten Thousand One Hundred Two) equity shares of Re.1/- each and 7 (Seven) representations under Section 113 of the Companies Act, 2013 from Unilever PLC and its Affiliates, covering a total of 145,44,12,858 (One Hundred Forty Five Crores Forty Four Lakhs Twelve Thousand Eight Hundred and Fifty Eight) equity shares of Re.1/- each, had been received and the same were laid on the table along with the Register of Proxies, the Register of Directors' and Key Managerial Personnel Shareholdings, the Register of Contracts or arrangements in which the Directors are interested and Certificate from the Auditors, confirming the



implementation of the Employees Stock Option Scheme in accordance with the SEBI guidelines, which were open for inspection.

11. The Chairman informed the Shareholders that the Auditor's Report on the Annual Accounts of the Company for the financial year ended 31st March, 2015 did not contain any qualifications, observations or comments on financial transactions or matters, which had adverse effect on the functioning of the Company. He stated that in the terms of Section 145 of the Companies Act, 2013, only the qualifications, observations or comments, mentioned in the Auditor's Report, which have any adverse effect on the functioning of the Company, were required to be read at the general meeting. Since there were no such qualifications, observations or comments, the Auditors Report was not required to be read.
12. The Chairman informed that the Company had provided the facility of the facility of e-voting to its Shareholders to exercise their right to vote on the Resolutions proposed to be passed at the AGM. The Chairman requested Mr. Dev Bajpai to brief the Members about the voting procedure at the AGM.
13. Mr. Bajpai informed the Shareholders that as per the provisions of the Companies Act, 2013 as also the Listing Agreement, the Company had provided the facility of remote e-voting to the Shareholders to enable them to cast their vote electronically. The remote e-voting was open from 25th June, 2015 to 28th June, 2015. He also informed that in line with the provisions of the Companies Act, 2013, voting by 'Show of Hands' was not permitted at the general meeting where e-voting has been offered to the Shareholders. Therefore, the arrangements had been made for conducting e-voting for the Shareholders at the venue of the meeting. He further informed that the Members attending the AGM who had not cast their vote by remote e-voting were eligible to vote at the AGM.
14. Mr. Bajpai stated that the Shareholders, who had not cast their vote through remote e-voting process, were provided with e-vote key which is One Time Password (i.e. OTP) to cast their vote. He further informed that Mr. S. N. Ananthasubramanian, Practicing Company Secretary was appointed as the Scrutinizer for the e-voting process. Thereafter, a short film demonstrating the manner and procedure for e-voting was played for the shareholders.
15. The Chairman informed the shareholders about the flow of events at the AGM and stated that after his speech, he would move ALL the resolutions as set out in the Notice of AGM and then will move to discussion and Q&A session. On the conclusion of the Q&A session, the Shareholders could cast their vote on the resolutions through e-voting. The Chairman further informed that combined results of entire e-voting process would be displayed on the website of the Company and the Stock Exchanges.



16. The Shareholders gave their consent to the said flow of AGM proceedings and the Chairman then shared his views on a subject that was relevant in the current environment for the Company and read excerpts from his speech titled "Serving Many Indias". A copy of excerpts from the speech is attached as Annexure 1.
17. The Chairman then took up the official business of the meeting.

**ANNUAL ACCOUNTS AND REPORTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

18. The Chairman took up the first item of the agenda and with the consent of the Members present, the Ordinary Resolution for item No 1 of the Notice pertaining to adoption of the Audited Statement of Profit and Loss, Balance Sheet, Directors' Report and Auditor's Report for the financial year ended 31st March, 2015 were taken as read. The Resolution for Item No 1 of the Notice read as follows :

"RESOLVED THAT the Audited Statement of Profit and Loss for the financial year ended 31st March, 2015, the Balance Sheet as on that date, the Audited Consolidated Financial Statements, the Auditor's Report and the Directors' Report, as circulated to the Shareholders and laid before the meeting, be received, considered and adopted."

19. Mr. Vijaykar Prakash proposed and Mr. Bakul Joshi seconded the resolution.

**CONFIRMATION OF INTERIM DIVIDEND AND DECLARATION OF FINAL DIVIDEND**

20. The Chairman informed the Shareholders that the Board of Directors at their meeting held on 27th October, 2014 had paid an Interim Dividend of Rs. 6/- per Equity Share of Re. 1/- each. Further, the Board at their meeting held on 8th May, 2015 had proposed Final Dividend of Rs. 9/- for every Equity Share of Re. 1/- each for the financial year ended 31st March, 2015. With the consent of the Members present, the Ordinary Resolution for Item No. 2 of the Notice pertaining to the declaration of dividend was taken as read. The Resolution for item No. 2 of the Notice read as follows :

"RESOLVED THAT the interim dividend of Rs. 6/- for every Equity Share of face value of Re. 1/- each, paid to the Shareholders for the financial year ended 31st March, 2015, as per the Resolution passed by the Board of Directors at their meeting held on 27th October, 2014, be and is hereby noted and confirmed."





"RESOLVED FURTHER THAT the final dividend of Rs.9/- for every Equity Share of face value of Re. 1/- each for the financial year ended 31st March, 2015 as recommended by the Board of Directors at their meeting held on 8th May, 2015 be and is hereby declared."

The resolution was proposed by Ms. Hutokshi Patel and seconded by Mr. Rajesh Chainani

#### **RE-APPOINTMENT OF MR. HARISH MANWANI AS DIRECTOR**

21. The Chairman stated that as per the Articles of Association of the Company, all the Directors other than the Managing Director would retire at this Annual General Meeting.
22. The Chairman stated that Mr. Pradeep Banerjee, Mr. P. B. Balaji and himself would retire in accordance with Article 124 of the Articles of Association of the Company and the provisions of Companies Act, 2013 and being eligible, offered themselves for re-election.
23. Being an interested person for the purpose of next resolution, Mr. Harish Manwani requested Mr. Aditya Narayan to be the Chairman for the next agenda item. Mr. Aditya Narayan then requested Mr. Dev Bajpai to read the resolution for re-appointment of Mr. Harish Manwani. Mr. Bajpai then read the Ordinary Resolution, set at item no. 3 of the Notice pertaining to re-appointment of Mr. Harish Manwani, as follows:

"Resolved that Mr. Harish Manwani, be and is hereby re-appointed as Director of the Company."

24. The resolution was proposed by Ms. Hutokshi Patel and seconded by Mr. Gautam Tiwari.

#### **RE-APPOINTMENT OF MR.PRADEEP BANERJEE**

25. After the said resolution, Mr. Aditya Narayan requested Mr. Harish Manwani to be the Chairman for the remaining business of the meeting. Thereafter, the Chairman requested Mr. Bajpai to read the Ordinary Resolution, set at item no. 4 of the Notice pertaining to re-appointment of Mr. Pradeep Banerjee, as follows:  
"Resolved that Mr. Pradeep Banerjee, be and is hereby re-appointed as Director of the Company."



26. The resolution was proposed by Mr. Rajesh Chainani and seconded by Ms. Apurva Parekh.

**RE-APPOINTMENT OF MR. P. B. BALAJI**

27. The Chairman requested Mr. Bajpai to read the Ordinary Resolution, set at item no. 5 of the Notice pertaining to re-appointment of Mr. P. B. Balaji, as follows:

“Resolved that Mr. P. B. Balaji, be and is hereby re-appointed as Director of the Company.”

28. The resolution was proposed by Mr. Gautam Tiwari and seconded by Ms. Sheela D'souza

**RATIFICATION OF APPOINTMENT OF AUDITORS AND TO FIX THEIR REMUNERATION**

29. The Chairman informed that the next item was with respect to the M/s. BSR & Co. LLP, who were appointed as Statutory Auditors of the Company in the last AGM for a term of five consecutive years. As per the Companies Act, 2013, the appointment of Auditors was required to be ratified by Members at every AGM. The Members were informed that the remuneration of Statutory Auditors for the next financial year 20156 was proposed to be Rs. 131 Lakhs, plus applicable taxes.

30. With the consent of the Members present, the Ordinary Resolution set at item No 6 of the Notice pertaining to the ratification of appointment and fixing of remuneration of the Auditors was taken as read. The Resolution set a item no. 4 of the Notice read as follows :

“RESOLVED THAT the appointment of M/s. BSR & Co. LLP, Chartered Accountants, Mumbai, Firm Registration number 101248W/W-100022, as the Statutory Auditors of the Company be and is hereby ratified and that that their remuneration as Statutory Auditors of the Company for the year ending 31st March, 2016 be fixed at Rs. 131 Lakhs (Rupees One Hundred and Thirty One Lakhs Only) plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred in connection with the audit, payable in a manner as decided by the management.”

31. The resolution was proposed by Mr. Manubhai P Chapper and seconded by Mr. Narasinha Gudi.



**APPOINTMENT OF MS. KALPANA MORPARIA AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

32. The Chairman informed the Shareholders that item no. 7 related to the appointment of Ms. Kalpana Morparia as Independent Director of the Company, was in accordance with the Companies Act, 2013.
33. The Chairman stated that Ms. Kalpana Morparia was appointed as an Additional Director of the Company with effect from 9th October, 2014. In accordance with the Companies Act, Ms. Kalpana Morparia held office up to the date of the Annual General Meeting and was eligible to be appointed as an Independent Director. Notice under Section 160 of the Companies Act, 2013 along with a deposit had been received from Ms. Kalpana Morparia signifying her candidature as an Independent Director.
34. With the consent of the Members present, the Ordinary Resolution as at item no. 7 of the Notice for appointment of Ms. Kalpana Morparia as an Independent Director of the Company was taken as read.
35. The Resolution set at item no. 7 of the Notice was as follows:
- “RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of the said Act, Ms. Kalpana Morparia (DIN: 00046081), who was appointed as an Additional Director of the Company with effect from 9th October, 2014 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 9th October, 2014.”
36. The resolution was proposed by Mr. Mainsh Shah and seconded by Mr. Naginbhai Rana.

**RATIFICATION OF REMUNERATION TO COST AUDITOR**

37. The Chairman then took up item no. 8 relating to ratification of the remuneration payable to M/s RA & Co., Cost Accountants, who were appointed to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies Audit and Auditors Rules, 2014, the remuneration payable to the Cost Auditor was required to be ratified by the Members of the Company.





38. With the consent of the Members present, the Ordinary Resolution set at item No. 8 of the Notice pertaining to ratification of remuneration to Cost Auditor was taken as read. The Resolution set at item no. 8 of the Notice read as follows :

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. RA & Co, Cost Accountants (Firm Registration No. 000242), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016, amounting to Rs. 10 lacs (Rupees Ten Lacs only) as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

39. The resolution was proposed by Mr. Viyakar Prakash and seconded by Mr. Seshan Krishnamurthy.

#### **REVISION OF LIMIT OF REMUNERATION OF NON EXECUTIVE DIRECTORS**

40. The Chairman then took up item no. 9 relating to revision of limit of remuneration of Non-Executive Directors of the Company.
41. Being an interested person for the purpose of next resolution, Mr. Harish Manwani requested Mr. Sanjiv Mehta to be the Chairman for the next agenda item. Mr. Sanjiv Mehta informed the Members that with the introduction of the Companies Act, 2013 and amendments in the Equity Listing Agreement, the role of Independent Directors to maintain oversight has gone up. These changes had enhanced the Corporate Governance requirements, particularly Board Governance and Management, requiring greater time commitment, attention and higher level of oversight by Independent Directors. He further informed the Members that Mr. Harish Manwani, Non-Executive Chairman of the Company, had retired from the position of Chief Operating Officer of Unilever with effect from 31st December, 2014. Mr. Manwani, however, would continue to act as the Non-Executive Chairman of the Company. Mr. Manwani did not receive any remuneration, whether by way of commission or sitting fees from the Company till his retirement from Unilever on 31st December, 2014. Subsequent to his retirement from Unilever, the Company proposed to remunerate Mr. Manwani for his role as the Non-Executive Chairman of the Company with effect from 1st January, 2015. Considering the above changes, it was proposed to revise the maximum limit of remuneration payable to Non-Executive Directors from the existing Rs. 150 lakhs to Rs. 300 lakhs. The revised limit shall be made effective from 1st April, 2015 for a period of five years.
42. The Chairman requested Mr. Dev Bajpai to read the resolution No. 9. Mr. Bajpai then read the Special Resolution, set at item no. 9 of the Notice



pertaining to revision in the limits of remuneration to Non-Executive Directors, as follows:

“RESOLVED THAT in supersession of the resolution passed by the Members at the Annual General Meeting held on 26th July, 2013 and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and Article 114 of the Articles of Association, the Company be and is hereby authorised to pay to its Directors (other than the Managing Director and Whole Time Directors of the Company), for a period of five years commencing from 1st April, 2015 to 31st March, 2020, such sum by way of commission as the Board and/or a Committee thereof may determine from time to time, but not exceeding 1% (one percent) or such other percentage of the Net Profits of the Company in any financial year as may be specified under the Companies Act, 2013 from time to time and computed in the manner provided under Section 198 of the Companies Act, 2013 or Rs. 300 lacs in aggregate, whichever is lower.”

43. The resolution was proposed by Mr. Kishore Makhija and seconded by Mr. Gautam Tiwari.
44. After the said resolution, Mr. Sanjiv Mehta requested Mr. Harish Manwani to be the Chairman for the remaining business of the meeting.

#### **ADOPTION OF AMENDED ARTICLES OF ASSOCIATION**

45. The Chairman then took up item no. 10 relating to amendment of Articles of Association of the Company.
46. The Chairman informed the shareholders that the Articles of Association of the Company currently in force were originally adopted when the Company was incorporated under the Companies Act, 1913. With the introduction of the Companies Act, 2013, it was proposed to amend the existing Articles of Association to make them consistent with the provisions of Companies Act, 2013 including the Rules framed thereunder. He further informed the Members that a copy of the proposed set of new Articles of Association of the Company was available for inspection at the Annual General Meeting.
47. The Chairman requested Mr. Bajpai to read the said resolution. The Resolution set at item no. 10 of the Notice was as follows:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, a new set of Articles of Association, placed before the Members, be and is hereby adopted and substituted in place of the existing Articles of Association of the Company.”



"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

48. The resolution was proposed by Ms. Lekha Shah and seconded by Mr. Dinesh Mehta
49. After the above resolution was moved and seconded, the Chairman mentioned that the shareholders who did not wish to seek any clarifications or ask questions could vote in the e-voting Station outside the AGM hall. On conclusion of the discussion and Q&A session, the Members could also cast vote in the AGM Hall through Tabs, which would be facilitated by volunteers. The Chairman then invited Members to make comments, offer suggestions and seek clarifications. The following Members spoke on various items of the Notice and Annual Accounts for the year and sought clarifications.
50. Mr. Gopalbhai Trivedi, Mr. Gautam Tiwari, Ms. Lekha Shah, Mr. Sharadkumar Shah, Mr. Jayprakash Desai, Mr. Suresh Khanolkar, Mr. Gopalbhai Trivedi, Mr. Seshan Krishnamurthy, Mr. Adi Daruwalla, Mrs. Hutokshi Patel, Mr. Kaushik Shahukar, Mr. Bakul Joshi, Mr. Manish Shah, Mr. Dilip Bhargav, Mr. Prabhakar Kuvalekar, Mr. Kishore Makhija, Mr. Harshad Savani, Mr. Rajesh Chainani, Ms. Deepika D'Souza, Mr. V S Bapat, Mr. Amalendu Podar, Mr. Suresh Asudhani, Mr. Prakash Vijaykar, Mr. Apurva Parekh, Mr. Prabir Sharma, Mr. Adi Nalladaru, Mr. Kanaiyalal Bhatt, Mr. Vijay Shivaji Nikam, Mr. Nitin Kumar Shah, Mr. Ashish Chaturvedi, Mr. Dinesh Bhatia, Mr. Vinod Agarwal, Mr. Prakash Vazirani, Mrs. Rohini Parekh, Mr. Pramodkumar Agnihotri, Mr. Michael Martins, Mrs. Smita Shah, Mr. P.B. Desai, Mr. Kishore Sannaityya.
- (i) The following were some of the comments from the Members:
- Appreciated the quality of the Annual Report and that the Annual Report was very informative.
  - Appreciated the increase in the number of Shaktiammas
  - Appreciated the financial results of the Company.
  - Appreciated the Company for excellent cash generation and cash flow management.
  - Appreciated the speech delivered by the Chairman.
  - Appreciated various awards and recognitions received by the Company.
  - Appreciated the amount of dividend payout.
  - Appreciated the Domex's initiative of building toilets.



- Appreciated the Rin Career Academy for teaching English speaking course, Office dressing, table manners and polished behavior.
- Appreciated improvement in quality of advertisements.

(ii) Some of the Members gave following feedback/ suggestions:

- As a CSR initiative, the Company should do something for senior citizens.
- Arrange factory visit for Members.
- Company should issue bonus shares.
- Green Label tea should be made easily available in the market.
- Gave suggestions related to Product promotions.
- AGM should be started with HUL anthem.
- Complaint regarding the after sale service of Pureit water purifier.
- The Company should also promote Sports in the country
- Expressed concern that the Brand image may get impacted due to availability of fake products in the market.
- Company should adopt satellite towns, Satellite Township, and promote its reach and make a 'model' town.
- Display of all products of the Company together, at the Stores.

(iii) Some of the queries from Members were as follows:

- Why was there an increase in the amount of taxes paid?
- Why were the Royalty fees increasing?
- Why the Company is not settling the Kodaikanal issue?
- Why considerable increase in Remuneration of Non-Executive Directors?

51. The Chairman thanked the Members for the kind words and appreciation and stated that the suggestions and feedback would be evaluated. The Chairman responded to the queries raised by Members present at the Meeting.
52. The Chairman informed the Members that the amount payable towards taxes had gone up as the Profits had increased and also due to the reason that the term of tax holiday was over for a few factories.
53. The Chairman informed the Members that the Royalty fee was increasing in terms of the agreement which was approved by the Members. He further mentioned that the Company was benefitted with significant access to technology, brand assistance and access to global best practices.



54. The Chairman mentioned that in respect of Kodaikanal, the Company endeavored to settle the issue either through the Courts or at the recommendation of the Court to do an out of Court settlement with the ex-workers on mutually acceptable terms. The Company was committed to undertake soil remediation and would undertake the same once it had the approval from the Tamilnadu Pollution Control Board.
55. The Chairman informed the Members that the Company has an initiative called 'Perfect Cities, Perfect Villages' where the Company worked with local authorities, for improvement of general standards by promoting sanitation, hygiene and health.
56. Mr. Sanjiv Mehta answered the queries of the shareholders with respect to the considerable increase in the remuneration of Non – Executive Directors. He mentioned that the approval was sought for a period of five years and was an enabling limit over a period of next five years. There was already a policy relating to differential remuneration for the Non- Executive Independent Directors and the remuneration was based on their membership and/or Chairmanship in the various Committees and their attendance at the Board/Committee meetings. He further said that Mr. Manwani was not being remunerated by the Company till his retirement from Unilever on 31<sup>st</sup> December, 2014. He would continue as the Chairman of the Company and the Board had proposed to remunerate him for his role as the Chairman of the Company. He clarified that Mr. Manwani's remuneration was a small part of the overall limit now proposed for shareholders' approval.
57. After responding to all the queries of Members, the Chairman handed over the evoting process to the Scrutinizers and requested the volunteers to assist the Shareholders in casting their vote.
58. The Chairman announced that the combined Results of remote e-voting done previously and e-voting at the AGM, would be available on Website of the Company and also on the website of the Stock Exchanges.
59. The meeting concluded at 5.45 p.m. with a vote of thanks to the Chair.

Place: Mumbai

Dated this 21st day of July, 2015



Sd/-  
(Harish Manwani)  
CHAIRMAN



## **SERVING MANY INDIAS**

### **India - A land of growing opportunities**

“The Indian economy is the bright spot in the global landscape...,” said the International Monetary Fund in a recent statement and added that India is now one of the fastest-growing emerging market economies with a growth rate that is set to accelerate further.

Rating agency Fitch has forecast that India's gross domestic product will grow at 8.3 per cent in 2016-17, up from a projected 8 per cent in the current fiscal. And there is much more to come as many of the promised reforms become a reality. A recent issue of The Economist noted this about India: “Within a generation, it will become the planet's most populous nation. It could be one of the world's three largest economies.” There is no reason why the most populous nation should not dream of being the largest economy in the world.

These changes come just as India is seeking an accelerator to meet the rising aspirations of a new generation. This is a generation that has seen incomes and aspirations rise. When the next round of reforms begin to kick in and rural India starts benefitting more from the India growth story, change will be nothing short of transformational.

### **Homogeneity in Diversity**

India is indeed a land of diversity. We are 1.22 billion people across 29 states and seven union territories with 1,652 spoken languages, 86 different scripts and over six major religions. The per capita income within different states range from Rs.17,000 to Rs. 1.5 lakh. This diversity is further augmented by ethnicity, beliefs, traditions and consumer preferences.

As is typical of a diverse nation like India, the rapid pace of change presents as many challenges as opportunities. One out of four undernourished people in the world live in India. Around 97 million Indians do not have access to an improved source of drinking water and shockingly, there are more households in India with a mobile phone than a toilet.

The statistics are alarming and call for immediate action from the government, companies and communities. Each must play their role in being a part of the solution to these challenges as we continue to focus on driving growth.

### **Hindustan Unilever Limited (HUL) – a part of the India growth story**

HUL has participated in India's growth agenda over the years with the firm belief that 'what is good for India is good for HUL'.



Our journey in India started over 100 years ago with the arrival of a few crates of Sunlight at the Kolkata harbour. Today, nine out of 10 Indian households use our products. Our brands are manufactured in over 30 factories and are made available in over seven million retail outlets across India of which almost three million are reached through our distributor partners and the Shakti network.

Over 18,000 people work in our offices and factories. Thousands more work along with us as our suppliers, distributors, stockists and there are other stakeholders who are associated with our company through the length and breadth of our operations.

HUL's growth and evolution has reflected the needs and development of India. We have always embraced the priorities of the country with zeal and enthusiasm. This drove us to take the lead at critical junctures when the country needed the support of businesses to contribute to the national cause, be it our pioneering initiatives towards integrated rural development, our manufacturing investments in backward areas, import substitution to save precious foreign exchange or our renowned leadership and skills development programmes.

Our success has come from the firm belief that our brands and operations must touch and positively impact every single Indian across the socio-economic gradient.

At HUL, we have a simple model to ensure that we leverage the full opportunity that India presents by serving the many Indias within the country. This is essential for the long term growth of the Company and more importantly it also fulfils our commitment to contribute to India's growth and development in an inclusive and sustainable manner.

### **Serving many Indias**

We believe that serving many Indias essentially requires having a portfolio of brands that reach out to a wide section, ensuring that everyone has access to our brands - rich or poor. Through our operations, we create a virtuous circle which benefits every geography of India, and we build talent both in terms of leadership as well as skills across the value chain of our operations.

### **Serving diverse consumers**

As the market leader in the FMCG segment in India, we have a portfolio of products that address the needs of every Indian consumer – be it the affluent consumers or the ones at the bottom-of-the-pyramid.

Take the laundry segment for example – on one hand, we have Wheel for those who are entering the consumption cycle, we have Rin for the aspiring middle class and then we have an entire range of Surf Excel for our higher income consumers, including those who are upgrading to using washing machines.



Our approach of developing innovations with consumer price as the starting point is at the heart of our inclusive innovation strategy. At HUL, we have institutionalised a 'challenge cost' mindset where the target price for consumers drives innovation in each segment and category. Pureit is a recent example of this approach. It addresses the main barriers to providing access to safe drinking water – lack of electricity and non-availability of tap water. More importantly, Pureit provides safe drinking water at an affordable running cost of just 30 paise per litre. Simultaneously, the brand has also developed a portfolio of offerings that address the needs of the higher income consumers through RO and UV purifier devices.

### Reaching diverse markets

We provide access to our wide range of products through one of the most extensive sales and distribution networks not just in India but anywhere in the world. This network serves us well in making our brands available in every single town and most villages in India. At the same time, it enhances livelihoods of thousands of small distributors and millions of shopkeepers. In the last four years, we have more than doubled our distribution reach. We not only enjoy strong leadership positions across categories in the traditional trade, but also in the emerging modern trade channel. Our success in the traditional as well as in the modern trade is reflective of our efforts to continuously reinvent ourselves with the changing India.

The advent of technology and penetration of mobile phones has resulted in a large and increasing number of young consumers who are well connected. They are the consumers who are comfortable watching a movie online, booking a doctor's appointment over the internet or shopping for their favourite clothes via their mobile phones. Today, the internet is shaping not only what people watch but where people buy.

At HUL, we recognised this shift in consumer preference and identified the growing e-commerce opportunity ahead of the curve. Today, we are partnering with several e-retailers and bringing in global best practices from the Unilever network to better serve the more affluent consumers shopping through this channel.

More recently, we have embarked on another major organisational transformation. In line with our underlying objective of winning in all parts of our business and across channels and geographies, we have developed an operating framework called 'Winning in Many Indias' (WiMi). Under this framework, we have segmented the market into 14 consumer clusters that are homogenous and added a fifth branch in Central India, an underpenetrated but high-potential region.

This model brings us even closer to our local consumers and provides us a more granular understanding of customers and competitors. It helps us serve our diverse consumer base in a more differentiated and relevant way across the country. For example, there is a higher concentration of consumers of premium beauty products in West Bengal and of fabric conditioners in Tamil Nadu. This knowledge allows us to differentiate our marketing efforts in each of the regions and meet the needs of our consumers more effectively.



Our ability to serve our consumers better is driven not only by how easily they are able to access our products but equally by how effectively we are able to engage with them. This has driven us to explore innovative marketing initiatives to engage with our consumers in the farthest and remotest corners of our country.

Today, there are more mobile phones than there are television or radio sets. In fact, India is home to the third largest number of internet users in the world following China and the United States of America. At HUL, we were early to recognise this growing digital trend as a game changer. We are not only increasing investment in digital media but are also innovating to increase our impact in this space. HUL set up the first-of-its-kind media lab in the country in 2013 to drive more effective brand engagements with consumers across digital devices and platforms. Our capabilities in the digital space have evolved further with the launch of 'HUL Now'. HUL Now is a digital media command centre that helps our brands to have real-time conversations with consumers and amplify our marketing campaigns.

Equally, we are using mobile technologies to reach parts of rural India that are still media dark. In these areas there is lack of access to traditional media like television but the reach of mobile phones is ubiquitous. After all, there are over 960 million mobile phone subscribers across India. This gave birth to a breakthrough idea of integrating one of the oldest mediums of entertainment, the radio, with the most-used device today, the mobile phone. By transforming the mobile phone into a free entertainment device, we are giving our consumers in deep rural India an on-demand, entertainment channel - The Kan Khajura Tesan (KKT).

Through this innovation, we have provided 700 million minutes of entertainment to our consumers and our brand messages have been heard 425 million times in the last 15 months. KKT is now available to every Indian who owns a mobile phone and was recognised as the top media innovation globally at the Cannes International Festival of Creativity in 2014.

Another digital initiative for our personal care brands, 'BeBeautiful', is an example of how we are using social media to build powerful brands and meet the needs of our consumers. With 3.5 million visitors annually to the website, seven million engaged users on Facebook and over 40 million views on YouTube, it is amongst the largest beauty advisory platforms in India.

KKT and BeBeautiful are just two of the many examples of how we are engaging different segments of the diverse Indian population through media innovation.

### **Serving diverse communities**

Our brands are manufactured in 30 different factories in remote areas of India. These factories play a major role in creating ecosystems and enhancing livelihoods in the communities they operate. For example, we have our biggest personal care plant in Haridwar and we have seen several suppliers mushroom in the same area, creating employment opportunities for the local community.





As a company, we have always responded to the national agenda of inclusive growth. We were amongst the first to go to various underdeveloped areas with little or no infrastructure to support factory operations and in the process helped build industrial ecosystems in each of these remote regions across India.

Our wide manufacturing footprint has opened up unique opportunities to reach out to communities and build on our larger purpose, which is to make sustainable living commonplace.

'Prabhat' is a community development initiative running across our different manufacturing units and focuses on promoting health and hygiene, enhancing livelihoods and water conservation in and around our factories. This is a holistic programme that has now been scaled up and has been launched across most of our manufacturing locations.

HUL's experience of developing the local ecosystems around its manufacturing units, offers a perspective on just how well the 'Make in India' agenda can be scaled across the country to make a difference.

### **Developing inclusive talent**

Our people agenda, like everything else we do, embodies the spirit of inclusiveness and serving the many Indias – both for skill building and for leadership development.

Building 'employable' talent is key to securing the long-term socio-economic progress for India. India requires 500 million skilled workers by 2022, according to an estimate made by the Planning Commission of India. This is an agenda that has to be addressed by the government as well as corporate India. We need to equip the youth with the required skills to enable them to reap the economic benefits of India's development.

Across our value chain, from the smallholder farmers to our suppliers, distributors and even factory workers, we are endeavouring to develop skills and capabilities of those who work with us.

We have undertaken a host of programmes in the space of capability building among factory workers. For example, our Shopfloor Skill Upgrading Programme, 'Sparkle', assesses training needs, skills and the performance of our shopfloor employees. 'Stepping into One' is another programme that develops technical and leadership skills among shopfloor employees, providing them with career advancement opportunities into supervisory roles. It is initiatives like these that help to drive our efforts to develop talent in an inclusive and sustainable manner.

We are also working with smallholder farmers to help them implement sustainable methods while significantly improving their crop yields. We help them adopt good agricultural practices such as drip irrigation, nutrient management, pest and disease management. Our unique rural distribution model, Project Shakti is another good example. Through Project Shakti, we have so far trained over 70,000 women from low-income households in small villages to become entrepreneurs, thus providing them sustainable livelihoods.





Our efforts at building skills and enhancing employability goes beyond our operations network to the communities in which we operate. HUL's Prabhat livelihood programme equips the youth and the women in the communities around our factories with employable skills and competencies. Under Prabhat, there are 12 Livelihood Skill Development Centers in collaboration with LabourNet, a training partner of the National Skill Development Corporation. More than 1,500 people have already been certified through the programme and over 500 of them either have a job or have been up-skilled or are self-employed.

Alongside skilled workers, India will need leaders who have the vision to understand the challenges and leverage the opportunities that a country as diverse and complex as ours presents. We need leaders who have a point of view on the future. We need leaders who can combine the right values and vision to drive inclusive growth so that we not only deliver sustainable growth but also serve the many Indias at the same time.

Through the years, HUL has had an enviable track record of building leaders. Our culture of building leaders was recognised by Aon Hewitt and we were ranked third in the 2014 Global Aon Hewitt Top Companies for Leaders survey. In fact, we were the only Indian company to feature in the Top 10 list.

The Unilever Future Leaders Programme provides us a strong foundation to groom and develop talent from the entry level itself. Large responsibilities early on in the career, open and honest career development discussions, cross-functional and international exposure coupled with coaching and mentoring helps us to consistently develop a strong leadership pipeline.

In 2014, the programme entered its 60<sup>th</sup> year reinforcing the fact that it has developed and shaped trainees who have grown to become some of the finest leaders in HUL and Unilever today.

We also believe that diverse and inclusive talent will be key to serving the many Indias. Diversity will help bring richness of perspectives and better understanding of our stakeholders to ensure that we are not only driving business growth but we are doing this inclusively. Winning gender balance is one step towards building a diverse and inclusive workplace. At HUL, we recognise that a gender balanced workplace makes more business sense. Around 32 per cent of our managers in India are women and we recognise this as an area where more needs to be done.

### **Serving India through sustainability**

Fundamental to inclusive growth and serving many Indias is providing the basic needs of health, hygiene, nutrition and a clean environment.

For a country like India, the low human development index becomes a barrier for socio-economic progress and denies millions of people access to a decent standard of living. Today, approximately 792 million Indians live without improved sanitation, of which some 597 million continue to defecate in the open. Over 60 million Indian children are stunted – the highest prevalence in the world. India has the highest



number of child deaths from diarrhoea and pneumonia globally – with 609,000 children dying each year before their 5<sup>th</sup> birthday from these diseases.

We are convinced that businesses, which work alongside the government to address these social and environmental challenges, will thrive in the long term. It is this belief that led us to launch the ambitious Unilever Sustainable Living Plan (USLP) in 2010 which aims to double the size of our business while decoupling our growth from our environmental impact and increasing our positive social impact. The USLP lies at the heart of our business model and is firmly embedded across every part of the organisation.

As a part of the USLP, we have been driving a mass scale handwashing programme with Lifebuoy to help prevent child mortality due to diseases like diarrhoea and pneumonia. We have already helped over 60 million people through our various hand washing programme. Last year, we entered into a partnership with Children Investment Fund Foundation and the Government of Bihar to promote handwashing behaviour change among children in Bihar. The main aim of the programme is to help prevent childhood illness and mortality. We piloted the programme in two districts of Bihar – Begusarai and Khagaria, reaching out to nearly one million people. We are scaling up this initiative and over the next three years, we expect to reach out to an additional 45 million people.

Domex, our leading toilet cleaner brand, launched the Domex Toilet Academy (DTA) in 2013. Through DTA, we are working to provide access to improved sanitation in villages across Odisha, Maharashtra, Madhya Pradesh, Uttar Pradesh and Bihar to assist in eradicating open defecation. Our water purifier brand, Pureit, in partnership with Population Services International has been working towards providing safe drinking water at a minimal cost to families in rural areas.

To address the impact of depleting water resources on food, energy and livelihoods, we set up the Hindustan Unilever Foundation (HUF) in 2010. HUF partners with NGOs, government agencies and members of the local community. HUF has so far created a water conservation potential of nearly 100 billion litres. A cumulative agricultural production of 23,000 tonnes has been achieved due to improved availability of water and improved agriculture practices in the project areas and nearly seven lakh person days of employment has been generated across several villages in India.

On the back of our success in rural India, we are now initiating projects to address these issues in urban areas where the barriers are different but equally challenging.

With our proven expertise and experience in addressing challenges in the Water, Sanitation and Hygiene (WASH) area, we are uniquely positioned to support the government's 'Swachh Bharat Abhiyan'.

## Conclusion

India thrives in its diversity and the only way forward is inclusive growth.



At HUL, our journey of over 100 years is a testament to our commitment to serving the many Indias. We have a portfolio of brands that cater to the needs and aspirations of every Indian household, a distribution network that reaches consumers everywhere including in the remotest rural areas and manufacturing units spread across the country that catalyse economic development in the regions they operate in. Underpinning these is the overarching purpose of making sustainable living commonplace.

If corporate India has to reap the rewards of the huge India opportunity, it must also be a part of the solution for the many challenges that lie ahead of us.

As India enters a higher growth trajectory, at HUL, we are ready to embrace the momentous opportunity that awaits us and reaffirm our commitment to doing well by doing good.



**82<sup>ND</sup> ANNUAL GENERAL MEETING HELD ON 29TH JUNE, 2015****Declaration of Results of Remote e-voting and e-voting at the meeting**

As per the provisions of the Companies Act, 2013 as also the Listing Agreement, the Company had provided the facility of remote e-voting and e-voting at the meeting to the Shareholders to enable them to cast their vote electronically on the resolutions proposed in the Notice of the 82nd Annual General Meeting (AGM). The e-voting was open from 25th June, 2015 to 28th June, 2015.

In line with the provisions of the Companies Act, 2013 and in terms of the clarification issued by MCA, voting by Show of Hands was not permitted at the general meeting where e-voting has been offered to the Shareholders. Therefore, at the 82nd AGM, voting was conducted by means of remote e-voting and e-voting at the AGM.

The Board of Directors had appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary as the Scrutinizer for remote e-voting and e-voting at the meeting. The Scrutinizer has carried out the scrutiny of all the electronic votes received up to the close of remote e-voting period on 28th June, 2015 and e-voting received till the conclusion of the meeting and submitted their Report on 1st July, 2015.

The Consolidated Results as per the Scrutinizers' Report dated 1st July, 2015 is as follows:

| Resolution No. | Particulars  | % Votes in Favour | % Votes Against | % Votes Abstain |
|----------------|--|-------------------|-----------------|-----------------|
| 1              | Adoption of Financial Statements and Reports thereon for the financial year ended 31st March, 2015   | 99.55             | 0.00            | 0.45            |
| 2              | Confirmation of interim Dividend and declaration of final dividend   | 99.72             | 0.00            | 0.28            |
| 3              | Re-appointment of Mr. Harish Manwani as Director   | 98.74             | 0.91            | 0.35            |
| 4              | Re-appointment of Mr. Pradeep Banerjee as Director   | 99.17             | 0.48            | 0.35            |
| 5              | Re-appointment of Mr. P. B. Balaji as Director   | 99.17             | 0.48            | 0.35            |
| 6              | Ratification of the appointment of M/s. BSR & Co. LLP, as Statutory Auditors and to fix their remuneration for the financial year ending 31st March, 2016. | 99.01             | 0.33            | 0.66            |
| 7              | Appointment of Ms. Kalpana Morparia as an Independent Director of the Company for a term upto five years   | 99.65             | 0.00            | 0.35            |
| 8              | Ratification of the remuneration of M/s. RA & Co, Cost Accountants for the financial year ending 31st March, 2016  | 99.71             | 0.00            | 0.29            |



| Resolution No. | Particulars  | % Votes in Favour | % Votes Against | % Votes Abstain |
|----------------|--|-------------------|-----------------|-----------------|
| 9              | Increase in overall limit of remuneration payable to Non-Executive Directors | 99.49             | 0.22            | 0.29            |
| 10             | Adoption of new Articles of Association of the Company                       | 99.19             | 0.11            | 0.70            |

Based on the Report of the Scrutinizer, all Resolutions as set out in the Notice of 82nd Annual General Meeting have been duly approved by the Shareholders with requisite majority.

Date: 1st July, 2015

