



# Hindustan Unilever Limited

Hindustan Unilever Limited  
Unilever House  
B D Sawant Marg  
Chakala, Andheri East  
Mumbai 400 099

Tel: +91 (22) 3983 0000  
Web: www.hul.co.in  
CIN: L15140MH1933PLC002030

28th July, 2018

CIN: L15140MH1933PLC002030  
Stock Code: BSE: 500696  
NSE: HINDUNILVR  
ISIN: INE030A01027

BSE Limited,  
Corporate Relationship Department,  
2nd Floor, New Trading Wing,  
Rotunda Building, P.J. Towers,  
Dalal Street,  
Mumbai – 400 001

National Stock Exchange of India Ltd  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra – Kurla Complex,  
Bandra (E),  
Mumbai – 400 054

Dear Sir,

## Sub: Minutes of the 85th Annual General Meeting

We are pleased to enclose herewith copy of the Minutes of the proceedings of the 85th Annual General Meeting held on 29th June, 2018.

We shall request you to kindly take it on records.

Thanking you,

Yours faithfully,  
For Hindustan Unilever Limited

**Dev Bajpai**  
Executive Director (Legal & Corporate Affairs)  
and Company Secretary  
DIN : 00050516 / FCS : F3354



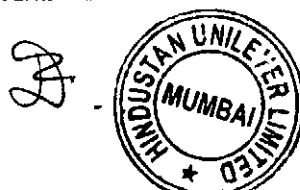
**HINDUSTAN UNILEVER LIMITED**

**MINUTES OF THE 85TH 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 FRIDAY, 29TH JUNE, 2018 AT 2.30 P.M.**

**Present:**

**Members of the Board of Directors:**

<b>Mr. Harish Manwani</b>	<b>Non-Executive Chairman of the Board of Directors and as a member of the Company</b> 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; Chief Executive Officer and as a member of the Company</b>
<b>Mr. Aditya Narayan</b>	<b>Independent Director</b> 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> Also, as the Chairman of the Nomination and Remuneration Committee of the Company
<b>Mr. O. P. Bhatt</b>	<b>Independent Director</b> Also, as the Chairman of the Corporate Social Responsibility Committee and Stakeholders' Relationship Committee of the Company
<b>Dr. Sanjiv Misra</b>	<b>Independent Director</b>
<b>Mr. Srinivas Phatak</b>	<b>Executive Director, Finance &amp; IT and Chief Financial Officer and as a member of the Company</b>



**Mr. Pradeep Banerjee** Executive Director, Supply Chain and as a member of the Company

**Mr. Dev Bajpai** Executive Director, Legal & Corporate Affairs and Company Secretary and as a member of the Company

**Members of the Management Committee:**

**Ms. Geetu Verma** Executive Director, Foods and as a member of the Company

**Mr. B. P. Biddappa** Executive Director, Human Resources and as a member of the Company

**Ms. Priya Nair** Executive Director, Home Care and as a member of the Company

**Mr. Sandeep Kohli** Executive Director, Personal Care and as a member of the Company

**Mr. Srinandan Sundaram** Executive Director, Sales & Customer Development and as a member of the Company

**Mr. Sudhir Sitapati** Executive Director, Refreshments and as a member of the Company

1. Mr. Sanjay Buch, Partner of M/s. Crawford Bayley & Co., the Solicitors of the Company, Mr. Akeel Master, Audit Partner of M/s. BSR & Co., LLP, Statutory Auditors of the Company and Mr. S. N. Ananthasubramanian, Secretarial Auditors of the Company were present by invitation.
2. In aggregate, 680 Members were present in person and 7 Members were represented by their authorized representatives and proxies. In addition 623 Members joined the webcast facility provided by the Company for the Annual General Meeting.
3. In accordance with Article 112 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 85th Annual General Meeting.
  - (ii) Report of Board of Directors along with Annexures thereto for the financial year ended 31st March, 2018.
  - (iii) The Audited Financial Statements and Auditors' Report thereon for the financial year ended 31st March, 2018.
  - (iv) The Proxy Register with 10 valid proxies lodged with the Company in connection with the 85th 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 were 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).
  - (viii) Resolutions passed by the shareholders in General Meetings.
5. Ms. Anthea Miranda, Service Delivery Manager – SA, Work Place Services informed the Members about the safety arrangements inside the meeting hall, in case of any emergency. Thereafter, a short film demonstrating the safety arrangements was played for the shareholders.
6. At 2.30 p.m., the Chairman commenced the meeting by welcoming the Members to the 85th Annual General Meeting. The Chairman announced that the requisite quorum being present, the meeting was called to order.
7. The Chairman informed the Members that Company had, for the first time, provided the facility of Live Webcast of proceedings of the Annual General Meeting. The Annual General Meeting can therefore be viewed live by the members from remote locations by logging on the e-voting website of the Registrar, M/s. Karvy Computershare Private Limited.
8. The Chairman introduced the Members of the Board of Directors, Members of the Management Committee and other Invitees present on the dais. The Chairman introduced and welcomed Mr. Srinivas Phatak, Executive Director, Finance & IT and Chief Financial Officer, a new member to the Management Committee of the Company succeeding Mr. P. B. Balaji. The Chairman also placed on record the appreciation for the contribution made by Mr. P. B. Balaji over the years and wished him success in future. The Chairman informed the Members that Ms. Kalpana Morparia, Independent Director of the Company had expressed her inability to attend the Annual General Meeting due to her overseas travel commitments and with permission of the Members, leave of absence was granted to Ms. Morparia.

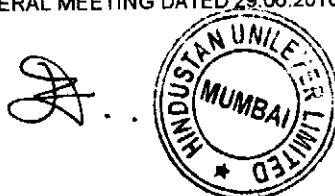


9. The Chairman informed the members that the Company had recently announced the integration of the Foods and Refreshment categories in India. The Chairman informed the Members that consequent to this integration, Mr. Sudhir Sitapati, would takeover the additional responsibility of the Foods business from Ms. Geetu Verma, Executive Director, Foods. The Chairman further informed that Ms. Geetu Verma, Executive Director, Foods shall be moving on, as Global VP – Nutrition & Natural Platforms, Unilever. The Chairman placed on record the appreciation and gratitude for the enormous contribution made by Ms. Geetu Verma, during her tenure and wished her great success in her new global role.
10. The Chairman further, welcomed Mr. S. N. Ananthasubramanian from M/s. S. N. Ananthasubramanian & Co., the Secretarial Auditors of the Company, who was present at the meeting.
11. 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 Report of Board of Directors along with annexures thereto and the Annual Accounts for the financial year ended 31st March, 2018 were taken as read.
12. The Chairman then announced that until 48 hours before the time of the commencement of the Annual General Meeting, 10 (Ten) valid proxies covering a total of 1,09,10,134 (One Crore Nine Lacs Ten Thousand One Hundred Thirty Four) 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.
13. The Chairman informed the shareholders that the Auditor's Report on the Annual Financial Statements of the Company for the financial year ended 31st March, 2018 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 had 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.
14. The Chairman informed that the Company had provided the facility of e-voting to its Shareholders to exercise their right to vote on the Resolutions proposed to be passed at the Annual General Meeting. The Chairman then requested Mr. Dev Bajpai to brief the Members about the e-voting procedure at the Annual General Meeting.
15. Mr. Bajpai informed the shareholders that as per the provisions of the Companies Act, 2013 and Regulation 44 of the Securities and Exchange Board




of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, 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 Monday, 25th June, 2018 to Thursday, 28th June, 2018. The detailed procedure of e-voting was also mentioned in Note no. 12 of the Notice of the Annual General meeting on page no. 173 of the Annual Report. The arrangements had been made for e-voting at the venue of the meeting for those Shareholders who had not cast their vote by remote e-voting.

16. Mr. Bajpai further stated that the shareholders, who had not casted their vote through remote e-voting process, were provided with e-vote key at the registration counter, which was a One Time Password (i.e. OTP) to cast their vote. He stated that volunteers were present inside and outside the Annual General Meeting hall to assist shareholders 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.
17. Mr. Bajpai further stated that the Company had provided the facility of Online Query Module to enable the Members to seek information / clarification pertaining to the Annual Report using their secure login credentials on the e-voting website of the Registrar, Karvy Computershare Private Limited. He further mentioned that the details of this Online Query Module were available on page no. 176 of the Annual Report. Thereafter, a short film demonstrating the manner and procedure for e-voting was played for the shareholders.
18. Before starting with the formal proceedings, the Chairman stated that he had decided to step down as the Chairman of the Company after serving for last 13 years. The Chairman informed the Members that the Board of Directors of the Company had decided to appoint Mr. Sanjiv Mehta as the Chairman effective from the conclusion of the Annual General Meeting. He further stated that as he passed on the baton to Mr. Sanjiv Mehta, he was absolutely confident that the Company would reach greater heights under the able leadership of Mr. Mehta.
19. The Chairman thanked the Board of the Company and the members of the Management Committee for their continued support throughout his tenure. He also thanked all the shareholders for overwhelming trust and confidence that they had shown in his Chairmanship all these years.
20. Mr. Sanjiv Mehta thanked Mr. Harish Manwani on behalf of all the shareholders and the members of the Board for his leadership, guidance and contribution to the Board and the Company. The Board Members placed on record their deep sense of gratitude and appreciation for the manner in which Mr. Harish Manwani had led the Board and the Company in his capacity as the Non-Executive Chairman over the last 13 years. Mr. Sanjiv Mehta stated that Mr. Manwani had left behind a lasting legacy and further wished him best for his future. At this stage, some of the Members and Mr. Sanjiv Mehta presented a bouquet and conveyed their wishes to Mr. Harish Manwani. Mr. Aditya Narayan presented a bouquet to Mr. Harish Manwani on behalf of the Board of Directors.



21. The Chairman then took over the proceedings and informed the shareholders about the flow of events at the Annual General Meeting and stated that after his speech, he would move all the resolutions as set out in the Notice of Annual General Meeting and then will move to discussion and Questions & Answers (Q&A) session. On the conclusion of the discussion and Q&A session, the shareholders could cast their vote on the resolutions through e-voting. The Chairman further informed that combined results of remote e-voting and e-voting at the venue of the meeting would be announced and displayed on the website of the Company, on the website of M/s. Karvy Computershare Private Limited, the Registrar and Share Transfer Agent of the Company and also on the website of the Stock Exchanges.
22. The Shareholders gave their consent to the said flow of Annual General Meeting 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 "Great to Good". A copy of excerpts from the speech is attached as Annexure 1.
23. The Chairman then took up the official business of the meeting.

#### **Item No. 1**

#### **ANNUAL FINANCIAL STATEMENTS AND REPORTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

24. 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, Report of Board of Directors, Auditor's Report and the Consolidated Financial Statements for the financial year ended 31st March, 2018 was taken as read. The Resolution for Item No. 1 of the Notice read as follows:

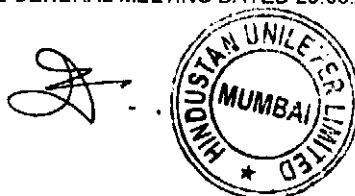
"RESOLVED THAT the Audited Statement of Profit and Loss for the financial year ended 31st March, 2018, the Balance Sheet as on that date, the Audited Consolidated Financial Statements, the Report of Board of Directors and the Auditors' Report, as circulated to the Members and laid before the meeting, be received, considered and adopted."

25. The Chairman then put the resolution to vote. Mr. Harshad K Kesharuwala proposed and Mr. Rajesh Chainani seconded the resolution.

#### **Item No. 2**

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

26. The Chairman informed the Shareholders that the Board of Directors at their meeting held on 25th October, 2017 had declared an Interim Dividend of



Rs. 8/- per Equity Share of Re. 1/- each. Further, the Board at their meeting held on 14th May, 2018 had proposed Final Dividend of Rs. 12/- for every Equity Share of Re. 1/- each for the financial year ended 31st March, 2018. 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. 8/- for every Equity Share of face value of Re. 1/- each, paid to the Shareholders for the financial year ended 31st March, 2018, as per the Resolution passed by the Board of Directors at their meeting held on 25th October, 2017, be and is hereby noted and confirmed.”

“RESOLVED FURTHER THAT the final dividend of Rs.12/- for every Equity Share of face value of Re. 1/- each for the financial year ended 31st March, 2018 as recommended by the Board of Directors at their meeting held on 14th May, 2018 be and is hereby declared.”

27. The Chairman then put the resolution to vote. Ms. Nandini Bhatia proposed and Mr. H. N. Kalpesh seconded the resolution.

### Item No. 3

#### RE-APPOINTMENT OF MR. PRADEEP BANERJEE AS DIRECTOR

28. The Chairman requested Mr. Bajpai to read the Ordinary Resolution, set at Item No. 3 of the Notice pertaining to re-appointment of Mr. Pradeep Banerjee, as follows:

“RESOLVED THAT Mr. Pradeep Banerjee (DIN: 02985965), be and is hereby re-appointed as Director of the Company.”

29. The Chairman then put the resolution to vote. Mr. P. G. Shenoy proposed and Mr. Jayesh K. Gandhi seconded the resolution.

### Item No. 4

#### RE-APPOINTMENT OF MR. DEV BAJPAI AS DIRECTOR

30. The Chairman then requested Mr. Sanjiv Mehta to read the Ordinary Resolution, set at Item No. 4 of the Notice pertaining to re-appointment of Mr. Dev Bajpai, as follows:






"RESOLVED THAT Mr. Dev Bajpai (DIN: 00050516), be and is hereby re-appointed as Director of the Company."

31. The Chairman then put the resolution to vote. Mr. Harshad K Kesharuwala proposed and Ms. Lekha Shah seconded the resolution.

**Item No. 5**

**RE-APPOINTMENT OF MR. SRINIVAS PHATAK AS DIRECTOR**

32. The Chairman the took over from Mr. Sanjiv Mehta and requested Mr. Dev Bajpai to read the Ordinary Resolution, set at Item No. 5 of the Notice pertaining to re-appointment of Mr. Srinivas Phatak, as follows:

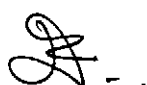
"RESOLVED THAT Mr. Srinivas Phatak (DIN: 02743340), be and is hereby re-appointed as Director of the Company."

33. The Chairman then put the resolution to vote. Ms. Ashalata Maheshwari proposed and Mr. P. K. Agnihotri seconded the resolution.

**Item No. 6**

**RE-APPOINTMENT OF MR. SANJIV MEHTA AS MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY FOR A FURTHER PERIOD OF FIVE YEARS**

34. The Chairman informed that the next Item was with respect to re-appointment of Mr. Sanjiv Mehta as Managing Director and Chief Executive Officer of the Company for a further period of five years. He stated that Mr. Sanjiv Mehta was appointed as Managing Director and Chief Executive Officer of the Company for a period of five years with effect from 10th October, 2013, post approval of the Members and that the present term of Mr. Sanjiv Mehta shall come to an end on 9th October, 2018.
35. The Chairman further informed the Members that the Board had, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Mr. Sanjiv Mehta as Managing Director and Chief Executive Officer for a further period of five years, post completion of his present term in October 2018. The Chairman informed the Members that it was proposed to seek Members approval for the re-appointment of and remuneration payable to Mr. Sanjiv Mehta as Chairman, Managing Director and Chief Executive Officer, in terms of the applicable provisions of the Act and the relevant Rules made thereunder.




36. With the consent of the Members present, the Ordinary Resolution set at Item No. 6 of the Notice pertaining to re-appointment of Mr. Sanjiv Mehta as Managing Director and Chief Executive Officer of the Company for a further period of five years was taken as read. The Resolution set at Item No. 6 of the Notice read as follows:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the Articles 172 and 173 of the Articles of Association of the Company and subject to such consents and permissions, as may be required, approval of the Members of the Company be and is here accorded for re-appointment of Mr. Sanjiv Mehta (DIN : 06699923), as the Managing Director and Chief Executive Officer of the Company, for a period of 5 (five) years with effect from 10th October, 2018, on such terms and conditions as set out in this resolution and the explanatory statement annexed hereto and payment of such remuneration, as may be determined by the Board or a duly constituted Committee thereof, from time to time, within the maximum limits of remuneration for Managing Director approved by the Members of the Company.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

37. The Chairman then put the resolution to vote. Mr. Manish Shah proposed and Mr. Vinay Bhide seconded the resolution.

#### Item No. 7

#### RATIFICATION OF REMUNERATION TO COST AUDITOR

38. The Chairman then took up Item No. 7 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, 2019. 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 at every Annual General Meeting.
39. With the consent of the Members present, the Ordinary Resolution set at Item No. 7 of the Notice pertaining to ratification of remuneration to Cost Auditor was taken as read. The Resolution set at Item No. 7 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

*[Handwritten Signature]*



thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), 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, 2019, amounting to Rs. 11 lakhs (Rupees Eleven Lakhs only) as also the payment of applicable tax and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby approved.”

40. The Chairman then put the resolution to vote. Mr. Yusuf Rangwala proposed and Mr. Ashish Bansal seconded the resolution.
41. 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 outside the Annual General Meeting hall with the help of volunteers. On conclusion of the discussion and Q&A session, the Shareholders could also cast vote in the Annual General Meeting Hall through Tabs, which would be facilitated by volunteers. The Chairman then invited Shareholders who would like to make comments, make observations and seek clarifications.
42. The following Members spoke on various Items of the Reports and Financial Statements for the year and sought clarifications.
- Mr. Harshad K Kesharuwala, Ms. Ashalata Maheswari, Mr. Tamal Majumder, Mr. Maniar, Mr. Yusuf Rangwala, Mr. Shreepad Atmaram Khanolkar, Mr. Bakul Vishnuprasad Joshi, Ms. Lekha Shah, Mrs. Prakashini G Shenoy, Mr. Ashish S. Bansal, Mr. Dilip Bhargava, Mr. Arjun Asudaney, Mr. Manish Shah, Mr. Bimal Bhatt, Mr. Raghuvansh Mathur, Mr. Vinay Bhide, Mr. Hoshedar Alamshaw, Ms. Usha R. Karnad, Mr. P.K. Agnihotri, Mr. Adi Dhunjishaw Daruwalla, Mr. Prabir Sharma, Mr. Jayant Kansara, Mr. H. L. Savani, Ms. Homa Pouredehi, Mr. Michael Martins, Mr. Suresh Asudani, Ms. H. S. Patel, Mr. Nitin Kumar Shah, Mr. Dinesh Bhatia, Ms. Smita Shah, Mr. Bharat Shah.
- (i) The following were some of the comments from the Members:
- Appreciated the changes made in the structure of Annual Report and that the Annual Report was very informative;
  - Appreciated the financial results achieved by the Company;
  - Appreciated the speech delivered by the Chairman;
  - Appreciated various awards and recognitions received by the Company;
  - Appreciated the amount of dividend payout;
  - Appreciated that the Annual Report was received on time
  - Appreciated the spent on the CSR activities.
- (ii) The feedback/suggestion from members were also heard at the meeting. Several suggestions were made by more than one member and they related to:



- Issue bonus shares;
  - Gave suggestions related to product promotions;
- (iii) Some of the queries from Members were as follows:
- What was the basis of payment of large amount of Royalty to Unilever PLC?
  - Media Reported that the Anti-Profitteering body had issued notice to the Company for passing on the benefits of lower levies under the GST regime to customers. The Investigation by the Anti-Profitteering Body is still on. Please explain?
  - What is the reason for settlement of case on the Data Breach without penalizing the ex-employees?
  - In a challenging period the Company reported a strong performance. What is the expected growth in the Domestic and International Market?
  - Dividend Payout ratio is 99%. Is it a prudent policy?
  - Foreign Exchange Earnings as compared to last year have decreased whereas the outgo has increased, why?
  - Whether the subsidiaries of the Company are profit making or not?
  - What is the impact of Plastic Ban by the Maharashtra Government?
  - A huge amount of unclaimed dividend has been transferred to Investor Education and Protection Fund (IEPF). What steps are being taken by the Company to prevent the same?
43. The Chairman thanked the Members for the kind words and appreciation and stated that their suggestions and feedback would be evaluated. The Chairman responded to the queries raised by Members present at the Meeting.
44. The Chairman informed the Members that the Company receives continuous support and guidance from Unilever to drive functional excellence. He also stated that one of the reasons for the Company's performance improvement have been that we have a very strong partner in Unilever, which gives us access not just to technology, but to best practices. The Chairman further mentioned that the Board of the Company has been very vigilant in ensuring that the royalties and the payments that are made are also absolutely not just audited, but also the cost benefit of the royalty that the Company pays is well established.
45. The Chairman informed the Members that the Company has been extraordinarily pro-active in the implementation of the GST. The Chairman informed the Members there were two phases of the GST wherein in the second phase there were some changes in the tax rates. This change brought down the tax rates for many of the Company's product categories as well. Actions were taken by the Company immediately to pass on such benefits to the consumers. In order to ensure that the benefits of reduction in rate or input tax credit is indeed received by the consumers, the Company took the right steps and with speed. Being a large Company, we could not immediately gauge how much money we had to pay to the Government, which the Company had not been able to pass on to the consumers immediately on pipeline and stocks already in the market.




Accordingly, the Company had offered the Government Rs.124 Crores as the estimate to be paid and had further mentioned that Company was working on the actual amount payable to the Government. The Chairman further mentioned that recently the Government actually accepted the money. As far as the anti-Profitteering matter is concerned, the Government is in the process of looking at all of this and reviewing it.

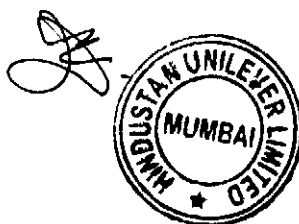
46. The Chairman informed the Members on the actions that were taken in the Data Breach matter. It was stated that firstly the Company immediately terminated the services of the employees and secondly filed a suit in the Bombay High Court for restraining them from misuse of such information. He informed that the Company believes that these two actions were very important to establish that the Company does not compromise on such issues. The Company had accepted an unconditional apology from these employees, along with a confirmation and an assurance that no confidential information of the Company shall be used in any manner. The aforesaid consent terms have been filed and taken on record by the Hon'ble High Court. Accordingly, the matter had been settled and withdrawn with the permission of the Hon'ble High Court .
47. The Chairman stated that the Company does not comment on the future outlook, but further added that from the press releases of the Company and from the medium-term outlook, the business of the Company, looks good. Even the prospects for the industry looks good. As far as the international market is concerned, the global economy is going through a phase of recovery. The Chairman further mentioned that Company needs to manage its business with more agility and more flexibility, in today's agile world.
48. The Chairman informed the Members that the Company has a prudent policy for payment of dividend. He further mentioned that 99% pay-out ratio for the Company gives is after that the Company pays out is after the Company has made sure there are no other requirements for that cash.
49. The Chairman informed the Members that after several years of a very benign commodity cost environment Company is now seeing that the commodity costs are going up as a combination of two things – one is increase in demand and a good example of that is oil, crude oil and the second is of course if the dollar strengthens and the rupee weakens, it creates inflationary trends. The Chairman stated that the Company's approach was to continue to sharpen its cost effectiveness measures, and also deploy its buying efficiencies when buying the commodities to be able to get the best prices and that it shall be the best mitigator towards making sure that the Company remains competitive in terms of the pricing that it has in the market place.
50. The Chairman informed the Members that all the operational subsidiaries of the Company are profitable.
51. The Chairman informed the Members that there has been a ban on the use of single use of disposable dish, spoons, cups, containers made of plastic. The scope of the ban does not cover multi-layered plastic packaging. And any



- packaging which is integral to the manufacturing of the product is exempted provided instructions for its recycling are provided on the pack. The Company adheres to that completely. He further informed the Members that the Company is taking the lead to make sure it can work with the government and deliver this very important initiative for the Government, and for the people actually.
52. The Chairman informed the Members that the Company always sends two reminders through a four months advance notice. Also, the Company transfers the credit of payment to the Shareholders bank account where mandate is registered post Dividend declaration. These are the steps the Company takes to prevent the amount of unclaimed dividend from being transferred to IEPF.
  53. After responding to all the queries of Members, the Chairman handed over the e-voting process to the Scrutinizers and requested the volunteers to assist the Shareholders to cast their vote.
  54. The Chairman further informed that combined results of remote e-voting and e-voting at the venue of the meeting would be announced and displayed on the website of the Company, on the website of M/s. Karvy Computershare Private Limited and also on the website of the Stock Exchanges.
  55. The meeting concluded at 6.30 p.m. when the last vote was casted. The Chairman thanked the members for smooth conduct of the meeting.
  56. The results of the e-voting (attached as Annexure II) was declared on 29th June, 2018 based on the report of the scrutinizers dated 29th June, 2018.

Entered in the Minutes Book on 28th day of July, 2018 at Mumbai.

(Harish Manwani)  
**CHAIRMAN**



**GREAT TO GOOD**  
**Lessons in Leadership**

**Introduction**

We live in times of unprecedented change. In the last few decades, science and technology have unleashed waves of innovation transforming society and business. Globalisation has helped to rebalance economic power in an increasingly multipolar world. Connectivity and democratised access to information have given a stronger voice to individuals and communities. Quality of life has vastly improved and in the last 50 years, the world has halved the number of people living below the poverty line.

Yet, there is more inequality in the world than ever before. This has led to a rising tide of scepticism towards business as well as governments. Unfortunately, it is also driving a strong anti-globalisation sentiment.

The key question being asked is whether business can continue to operate exclusively in its own self-interest and what really should be the role of business in today's world.

In the early days, corporations were established to bring together people and capital so that they could deliver what individuals separately could not achieve. Business served people and in doing so, it also made a profit.

The idea is captured in some powerful examples. When asked what the purpose of the Ford Motor Company was, Henry Ford said, "To do as much possible for everybody concerned... and incidentally to make money... business is a service, not a bonanza."

In the 1800s, when Mr William Hesketh Lever founded the enterprise that has become the Unilever of today, he launched the first branded soap Sunlight with a vision to foster cleanliness and hygiene in Victorian England. He also built the village of Port Sunlight in north-west England with housing for workers, a small hospital, a school and an art gallery. Purpose led. Profits followed. A corporation built along these lines engendered trust and won the societal license to operate.

Since then, corporations have grown in size, geographical reach and influence, primarily driven by advances in technology and access to global markets. Globalisation generated incomes in the developing world and brought the benefit of lower costs to the developed world. In fact, when the global economy was growing at a healthy pace, the benefits of globalisation outweighed local populist pressures. This is no longer so. The perception of the common man is that the rewards of globalisation have not been evenly distributed. In 2017, the richest 1% of the world bagged 82% of the wealth created, as per an Oxfam report.

This comes alongside the rising power of the large corporations and a series of corporate scandals that have raised fundamental questions on the quality of governance, supervision and integrity of people in positions of leadership and authority.



Charles Handy, the well-known philosopher and management author in a Harvard Business Review piece titled *What's a Business For?* said, "...capitalism will continue to be seen as the rich man's game, serving mainly itself and its agents. High-minded talent may start to shun it and customers desert it. Worse, democratic pressures may force governments to shackle corporations, limiting their independence and regulating the smallest details of their operations. And we shall all be the losers."

### **From Great to Good**

Noted American author Jim Collins talks about how companies need to transition from being '*Good to Great*' in his blockbuster book titled the same. However, in the current context, to win back the trust of society, companies need to move to a new paradigm of 'great to good' – running a business that delivers great performance and is also good for society.

Going from 'great to good' requires business to embrace a larger purpose that goes beyond just generating short-term financial results. A corporate purpose that is relatable, a purpose that goes beyond physical products and services, and makes a real difference to society.

Let me illustrate this with an example. On the very first day of my work-life, I walked in to Hindustan Lever Limited and my boss asked me, "Do you know why you are here?" I said, "I am here to sell soap." And he said, "No, you are here to change lives. You are here to serve our communities with brands that make their lives a little better every day." There has always been a conviction in the Company that our brands and our actions can make a meaningful impact in society.

### **Hindustan Unilever Limited – Leading the way**

I began my career with Hindustan Unilever Limited (HUL) over four decades ago. HUL was then a Rs. 200-crore firm; last year, our revenues exceeded Rs. 34,000 crore. Back then, it was one of India's most valuable companies and decades later, it still is one of India's top five most valuable companies, with a market capitalisation now exceeding USD 50 billion. Most importantly, when I joined, HUL was an employer of choice and today it is still the 'Dream Employer' among business school students across the country. Throughout its history, HUL has sustained its reputation for being, not just a high performing company, but also a company with the highest levels of integrity and governance.

The story of HUL is remarkable, having stayed the course right through the immense transformation that India has seen. In a period of sweeping change – from the socialist era to the opening up of the Indian economy; from the so-called Hindu rate of growth to the fastest growing major economy in the world; from a country barely fending off default on its forex obligations to a market flush with foreign investments, India has changed. And so has HUL.

What has enabled HUL to stay on top, to not only remain relevant to its shareholders but also to every stakeholder? What does it take to make a company that is built to last?

According to Jim Collins, 'To be built to last, you must be built to change.' HUL has precisely done that. We have changed with the times and yet remained rooted in our





purpose and values. Let me share some learnings from my journey in HUL on building companies that last.

### I. **Serving communities – living our Purpose**

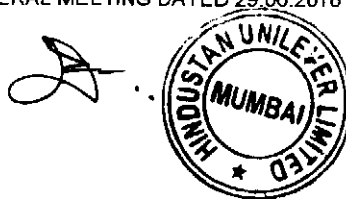
At HUL, we believe that what is good for India, is good for HUL. We have always kept communities first. Be it the Integrated Rural Development programme of the 1970s, the Hindustan Unilever Foundation that has created water conservation potential of 450 billion litres across India or the more recent Project Prabhat that has benefitted nearly two million people around our factories through initiatives on health and hygiene, water and livelihoods, HUL has always believed in doing well by doing good.

At HUL, we are convinced that our brands can and must be at the forefront of social change. Nearly 1.2 million children under the age of five die every year due to diseases that can be prevented with the simple act of washing hands with soap at critical occasions in the day. Lifebuoy helps save lives through the world's largest hand-washing behaviour change programme and has already reached over 400 million people across the globe. Rin uses the best technology to help consumers use less water while washing clothes; Pureit ensures access to safe drinking water and till date has provided 83 billion litres of water to millions of consumers across India; Domex is at the forefront of our sanitation initiative and has helped build over 200,000 toilets in Indian households through the Domex Toilet Academy; Dove empowers and instills confidence in women by championing 'real beauty'; while Kissan and our tea brands actively advocate sustainable farming.

For the Company, it has never been about selling soap or soup, it's about making sure that in the process of doing so, we can change people's lives. Small actions, big difference.

It is not just our brands but also the way we do business that has a meaningful impact in society. Take for instance, Project Shakti, that empowers nearly 80,000 rural Indian women (we call them Shakti Ammas) across 18 states to become micro-entrepreneurs of HUL products. Is Project Shakti just a business proposition, or a programme of social change? Let me answer this with a personal anecdote. I was visiting a Shakti Amma in a small village in west Uttar Pradesh. As we walked down the narrow lanes of the village to visit some homes and shops, our Shakti Amma led the way confidently, followed by her husband and then by her mother-in-law as the entire village looked on. This was a complete reversal of the social order being played out in front of our eyes. As an entrepreneur and bread earner, she commanded respect in her community and in her home. I was overwhelmed when she later told me that she would want her two-year-old daughter also to become a Shakti Amma when she grows up. It really brought to life what I was told on my first day in the Company – we don't just sell soap and soup, we improve the lives of people and communities.

These and many other actions of the Company can be summed up in our simple purpose – making sustainable living commonplace. We believe, it is the only way of doing business in today's world – one that delivers growth by serving society and preserving our planet. In 2010, we launched the Unilever Sustainable Living Plan (USLP) through which we made a worldwide commitment to grow our business, whilst decoupling our environmental footprint from our growth and increasing our positive social impact. Since then, our business has grown and we have simultaneously made significant progress on our global USLP goals. Through several initiatives, Unilever



has helped over 600 million people improve their health and hygiene. More than half of Unilever's agricultural raw material is sourced sustainably, and we have helped enhance the livelihoods of millions of people, especially the small-holder farmers who work with us, our small-scale retailers and women distributors. In India, we have reduced our greenhouse gas emissions, water usage and waste generation in manufacturing by nearly 55% since 2008. Through the Rin Career Ready Academy and the Fair & Lovely Foundation, we have enhanced the employability of over 600,000 young people. This exemplifies 'great to good', a great business that also does good for society.

## II. Serving all consumers

Nine out of ten Indian households use HUL products. This is a result of our strong belief that we are in business to serve all consumers from every income strata. We call it 'straddling the pyramid'.

For example, in detergents, we have Surf excel Matic that meets the machine-washing needs of our urban consumers, we have Rin for the middle-income group and Wheel that offers millions of low-income families access to an affordable and value-for-money detergent. Similarly, in shampoos, we have Dove for the more affluent urban consumers, Sunsilk in the mid-range and Clinic Plus for the lower-income consumers; in Tea, there is Taj Mahal, Red Label and Taaza all at different price points catering to different socio-economic segments.

We have a simple strategy – we start with what our consumers want and then create business models to deliver the product to them at prices they can afford. In the process, we give value to our consumers and create value for the Company.

At HUL, we do not just compete for market share but also focus on building new markets. Throughout our history, we have pioneered new markets like detergents and shampoos by converting consumers from using soaps to shampoos through affordable sachets and, from washing soaps to detergent powders and now to liquids.

In a country as big and diverse as India, it is not enough to just have a relevant portfolio of brands. It has to be matched with a robust and efficient distribution network. Our products are available in over seven million outlets across the length and breadth of our country. From traditional trade, to modern trade and now e-commerce, we endeavour to reach wherever our consumers shop.

## III. Talent is key

Developing talent and meritocracy is at the heart of HUL's success. We recruit the best across the country and groom young entrants into responsible business leaders. In fact, we have often been called the CEO factory for building business leaders who have served not only Unilever but the Indian industry over the years.

As part of the 'Indianisation' initiative way back in the 1950s, HUL focussed on attracting, developing and retaining Indian talent. This gave birth to one of the first comprehensive management training programmes in the country. The Company leadership also recognised that it must play an active role in promoting management education in the country. The first Indian Chairman of HUL Mr Prakash Tandon, played a founding role in setting up the Indian Institute of Management, Ahmedabad (IIM-A),



a distinguished institution for higher learning. In the 1990s, HUL was again a part of the founding group of yet another fine institution, the Indian School of Business (ISB), Hyderabad.

The talent agenda does not stop with recruitment. Leadership development and learning is a continuous process at every level of the organisation. At HUL, an important part of management development has been an early exposure to managing operations at the grassroots level in our markets and factories, as well as international assignments. We currently have nearly 150 managers working with Unilever in different parts of the world. Our leadership development programme ensures that our managers are equally comfortable in the dusty bylanes of rural India and in the corridors of Unilever House.

Learning is not restricted to managers, but also encompasses our shopfloor employees, sales teams and even employees of our partners who work with us across the value chain. We have trained thousands of shopfloor employees and distributors' salesmen opening up career opportunities for them, through continuous training and skills development programmes.

However, the cornerstone of our talent development agenda has been our firm commitment to meritocracy as the only criterion for recruitment and advancement. In this respect, HUL reflects middle class values and work ethics – a constant focus on self-improvement and pursuit for excellence.

#### IV. Embracing change

Change is the only constant and HUL has always recognised this. Mr T Thomas, HUL's former Chairman during his 1978 Annual General Meeting speech said, "Change originates from vitality, and is a positive and necessary sign of growth and progress. Absence of change should be a matter of concern as it could be a sign of internal decay."

HUL has navigated many external changes and come out stronger. In the 1970s, the Foreign Exchange regulation severely restricted multinational companies with a foreign majority ownership to expand. The Company ensured that it complied with the regulation without giving up the right to shape its destiny. We steadfastly led the expansion of the consumer business while vertically integrating into chemicals including sodium tri-polyphosphate, a critical but scarce raw material that was not only good for our core detergents business, but this expansion into chemicals, which was defined as a priority sector by the government, also helped the Company's case for retaining a majority Unilever ownership.

Change and innovation go hand-in-hand. Our belief has been that innovation must embrace not just products but also business processes. HUL is proactively adopting technology - burgeoning digital connectivity and ubiquity of data, to fundamentally reshape the way we do business. We are leading the digital transformation with significant investments in automation, robotics and artificial intelligence across the value chain. Through advanced data analytics, we are reinventing the way we market our brands through digital media and our go-to-market models. For example, we are using sophisticated GPS tagging technology to identify and prioritise the geographies that present an opportunity for distribution expansion. We are also adopting global best



practices and state-of-the-art technology solutions to drive competitive advantage in the fast-emerging e-commerce channel.

Our guiding principle has always been that we need to keep one foot into the future even as we remain firmly rooted in the present.

## V. Non-negotiables

Vision and purpose guide great business, but values are equally important. The emphasis in business is telling people what to do. At HUL, we have always believed that it is also about people understanding what not to do. This is less about prescribing behaviours and more about a culture of ethics and integrity as clear non-negotiables. Let me illustrate this with a conversation that took place in 1965 between the then Unilever Chairman Lord George Cole and a young manager in India. As was customary for a Unilever Chairman visiting India, Lord Cole was addressing a townhall with the Company staff and the floor was thrown open for questions.

“Sir, what are the criteria for appointments to the Board?” the young manager asked the Chairman. “I’m glad you are thinking so far ahead,” Lord Cole replied. And he added, “The criteria for Board appointments are contribution, competence and character. The last takes precedence over the first two.”

It is often said that the true test of leadership comes during adversity. HUL was severely tested when the managers of our Doom Dooma factory in Assam were threatened by a militant organisation in 1991. We decided not to bow down to the irrational demands of the militant group and air-lifted overnight all our managers and their families from the area. We restarted our operations only after law and order had been restored, and importantly, the right to manage our operations was re-established.

Great companies have a clear code of business principles, but they also have an unwritten moral compass – a set of non-negotiables and a collective conscience that binds the organisation together.

### My Thoughts – in Conclusion

Our history is one of growth powered by ideas and values. Products, brands and profits followed in their wake. And while we have changed to meet the challenges of our times, our values have not.

‘Doing well by doing good’ is ingrained in the very DNA of HUL. We have always been committed to serving the communities in which we operate. We have believed that if the communities prosper, so will the business. We have created brands that address the needs of each and every Indian, across the economic strata and reached all consumers through our country-wide distribution system. We have been committed to growing our people, nurturing leadership and doing so with transparency, based on merit and recognition.

Business needs to deliver the 3Gs of growth – consistent, competitive and profitable growth. The 3Gs are important because without these, business cannot create economic value. This is essential to create jobs, income and innovation. The 3Gs are



necessary, but they are not sufficient. We need the fourth dimension of growth – responsible growth. This fourth G recognises that it is the role of business to not just create economic value but also social value, and to do this in a sustainable way.

This new model of growth also requires a new kind of leadership. Leadership that is purpose-led and values-driven. Leadership that is driven not just by results or by a vision, but equally by a moral compass, a true north. All great leaders recognise that the most precious assets of any organisation are its reputation and its people. That is what they hold themselves responsible for - managing reputation and unleashing energy in their people through purpose. And that is what I learnt about leadership in my 42 years with HUL.



**85TH ANNUAL GENERAL MEETING HELD ON 29TH JUNE, 2018****Declaration of Results of Remote e-voting and e-voting at the Meeting**

As per the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had provided the facility of remote e-voting and e-voting at the meeting of the Shareholders to enable them to cast their vote electronically on the resolutions proposed in the Notice of the 85th Annual General Meeting (AGM). The remote e-voting was open from 25th June, 2018 to 28th June, 2018.

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, 2018 and votes cast through e-voting facility at the Annual General Meeting and had submitted his Report on 29th June, 2018.


The Consolidated Results as per the Scrutinizers' Report dated 29th June, 2018 are as follows:

Resolution No.	Particulars	% Votes in Favour	% Votes Against
1	Adoption of Financial Statements together with the Report of Board of Directors and Auditors thereon for the financial year ended 31st March, 2018	99.99	0.01
2	Confirmation of interim dividend and declaration of final dividend	99.99	0.01
3	Re-appointment of Mr. Pradeep Banerjee as Director	99.74	0.26
4	Re-appointment of Mr. Dev Bajpai as Director	99.74	0.26
5	Re-appointment of Mr. Srinivas Phatak as Director	99.70	0.30
6	Re-appointment of Mr. Sanjiv Mehta as Managing Director & CEO for a further period of five years	98.96	1.04
7	Ratification of the remuneration of M/s. RA & Co, Cost Accountants for the financial year ending 31st March, 2019	99.89	0.11



Based on the Report of the Scrutinizer, all Resolutions as set out in the Notice of 85th Annual General Meeting have been duly approved by the Shareholders with requisite majority.

Date : 29th June, 2018

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