Purpose-led, future-fit

Hindustan Unilever Limited
Integrated Annual Report 2021-22

Hindustan Unilever Limited

Basis of Preparation and Presentation

Summary

The terms 'HUL', 'the Company', 'your Company', 'we', 'our' and 'us' refer to Hindustan Unilever Limited. Our Integrated Annual Report encompassing the Statutory Reports, (page nos. 28 to 119), contains information about us, how we create value for our stakeholders and how we run our business. It includes our strategy, business model, market outlook and key performance indicators. The Report of Board of Directors and the Management Discussion and Analysis include details of our performance as well as our approach to sustainability and risk management. Our Corporate Governance Report, part of the Report of Board of Directors, (page nos. 86 to 119), contains an analysis of steps taken in the area of Corporate Governance including information as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Our Financial Statements and Notes are on (page nos. 120 to 300). The Integrated Annual Report, Statutory Reports and Financial Statements have been approved by the Board of Directors.

Standards & Frameworks

The financial and statutory data presented in this Integrated Annual Report is in line with the requirements of the Companies Act, 2013 (and the rules made thereunder); Indian Accounting Standards; Listing Regulations; and the Secretarial Standards issued by the Institute of Company Secretaries of India. The Integrated Annual Report is prepared in accordance with the guiding principles of the Integrated Reporting <IR> Framework recommended by the International Integrated Reporting Council (IIRC).

Accountability Statement

The Company's Board of Directors confirm that the HUL Integrated Annual Report, taken as a whole, is fair, balanced and provides fair and necessary information to shareholders on the Company's performance, business model and strategy, together with a description of the material risks and opportunities.

Reporting Scope

The Integrated Annual Report including the Statutory Reports and Audited Financial Statements with respect to the Company's operations for the Financial Year 2021-22 (unless specifically mentioned otherwise).

Cautionary Statement

Statements in this Integrated Annual Report, particularly those that relate to the Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

Assurance by Independent Auditor

The enclosed standalone and consolidated Financial Statements of your Company have been audited by Independent Auditors M/s. B S R & Co. LLP, Chartered Accountants.

Your Company's reported Compass sustainability performance is a subset of Unilever PLC's reported Compass sustainability performance. External independent assurance in accordance with ISAE 3000 (Revised) has been provided by PricewaterhouseCoopers LLP over selected Unilever PLC aggregated Compass pillar commitments and Environmental and Occupational Safety performance indicators. Details are available at www.unilever.com/planet-and-society/sustainability-reporting-centre/independent-assurance.

The Company has obtained Certificate from M/s. B S R Co. & LLP, Statutory Auditors confirming the compliance of conditions of Corporate Governance as stipulated under Listing Regulations and Certificate from M/s. S. N. Ananthasubramanian & Co., Company Secretaries confirming compliance with the Companies Act, 2013 (the Act), applicable Rules made under the Act, Listing Regulations issued by Securities and Exchange Board of India (SEBI). The Certificates form part of this Integrated Annual Report.

Materiality Determination

This Integrated Annual Report provides fair and balanced information about the relevant matters that substantively affect your Company's ability to create value both positively and negatively, including risks and opportunities and favourable and unfavourable performance or prospects.

To identify material information or matters, we have taken a holistic perspective by regularly engaging with the various key stakeholders.

You can find more information about Hindustan Unilever Limited at www.hul.co.in

Find more information about HUL Compass Commitments:
https://www.hul.co.in/planet-and-society/

Integrated Annual Report along with other related documents can be downloaded:
https://www.hul.co.in/investor-relations/annual-reports/

Overview

Reports

Financial Statements

Standalone Financial Statements

Consolidated Financial Statements

Others

Our History

Marking the beginning of our journey of becoming Hindustan Unilever Limited, a consignment of crates marked 'Sunlight' landed at the Kolkata harbour, over 130 years ago, in 1888.

Subsequently, many more brands were launched that became household names - such as Lifebuoy in 1895, followed by Pears in 1902, Lux flakes in 1905, and Vim scouring powder in 1913. The growth trajectory was on a strong upward trend, and the bouquet of offerings was expanding.

Since the 1880s, the Company has travelled the years alongside the country. In May 1933, the Company set up a soap factory in Mumbai and on October 17th, the same year, Lever Brothers India Limited was incorporated in India. A new chapter had begun in our journey - one marked by innovation and growth, mergers and acquisitions; one in which we overcame challenges and strove to become the largest FMCG Company in India.

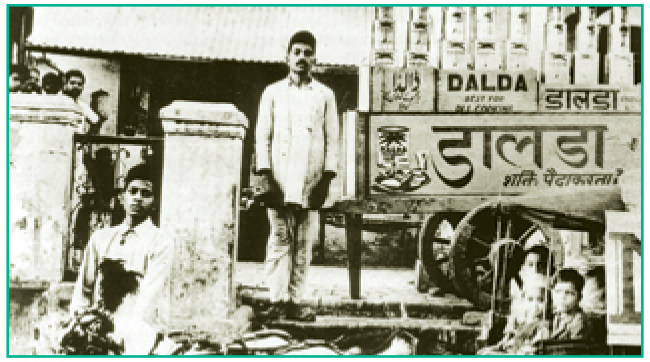
Lever Brothers India Limited, Hindustan Vanaspati Manufacturing Company Limited and United Traders Limited merged in 1956 to form Hindustan Lever Limited (HLL), and the first shares were offered by the Company to the public. The Company's name changed to Hindustan Unilever Limited in 2007.

From simple beginnings, we have grown with the times powered by our deep understanding of India and Indian consumers.

We made strategic mergers - the Company acquired the Tata Oil Mills Limited in 1994, one of the largest mergers in the sector at the time. The Company made acquisitions that brought us brands like Kissan, Kwality and Lakmé. Brooke Bond India and Lipton India merged in 1994 to form Brooke Bond Lipton India Limited, which merged with HLL in 1996, and in 1998, Pond's India merged with the Company. During 2020, in one of the largest FMCG M&A transactions, GlaxoSmithKline Consumer Health Limited (GSK CH) merged into your Company which added the iconic brands Horlicks and Boost to our portfolio.

We were the first FMCG Company to set up a research centre in the 1960s. In the 1970s, we supported the Government's drive to develop rural India by setting up manufacturing operations and developing livelihood opportunities around them. At the turn of the new millennium, the Company launched the rural health and hygiene initiative 'Lifebuoy Swasthya Chetna' and the livelihood initiative 'Project Shakti', that helps rural women become entrepreneurs. To address the water challenges in the country, we launched Hindustan Unilever Foundation, a not-for-profit subsidiary in 2010. To address social, environmental and economic challenges and concerns of local communities, we launched Project Prabhat a sustainable community development initiative.

The Company has grown with the times as it journeyed through history, always with the belief that 'what is good for India, is good for HUL'. Today, nearly 90 years later, Hindustan Unilever continues to work with the same belief as it continues to strive towards a better future and helps people feel good, look good and get more out of life.



To know more about the History of HUL:
https://www.hul.co.in/our-company/hul-history/

Purpose and Values

A belief that sustainable business drives superior performance lies at the heart of our Compass Strategy

Our Vision is to be a leader in sustainable business. We will demonstrate how our purpose-led, future-fit business model drives superior performance delivering consistent, competitive, profitable and responsible growth.

Our Values

"Our history is a story of growth powered by ideas and values. Products, brands and profits followed in their wake. And while we will change to meet the challenges of our times, our values will not."

Integrity
We do the right thing in every decision we make, supporting our long term success

Responsibility
We take care of the people we serve and the world in which we operate

Respect
We treat people with dignity, honesty and fairness, and celebrate the diversity of people

Pioneering
We have a passion for leading our industry, winning in the market, and intelligent risk-taking

At a Glance

9 out of 10 Indian households use one or more of our brands

Nearly **90 years** of presence in the country

Our brands are available in around **9 million** outlets

Strong brands with purpose

Our 50+ brands help people feel good, look good and get more out of life

16 brands with turnover of over **₹1,000 crores**

We operate across **15 distinct** categories

Read more about our brand and consumers on pages 29-32

Using our scale for good

Our commitments towards the Planet and Society are delivering a significant impact

Plastic Neutral in 2021, 1.16 lakh tonnes plastic waste collected and safely disposed

Over 1.9 trillion litres of cumulative water potential created
(till financial year 2020-21)

94% reduction
in CO_2 emissions
((kg/tonne of production) in our manufacturing operations compared to 2008 baseline)

Read more about our planet and society on pages 37-38

Powered by our people

Our purposeful and inclusive culture attracts the best talent

44/56 Gender Balance
in management *(female/male)*
(excluding employees onboarded with the merger of GSK CH)

21,000
employees

#1
Employer of choice across industries

A proud ALLY
#UnitedWithPride

Read more about our people on pages 33-34

Our Financial Highlights

(Standalone)

Turnover	Turnover growth	Profit After Tax
₹50,336 cr	11%	₹8,818 cr
EPS growth	**Dividend per share**	**Cash from operations**
11%	₹34	₹11,684 cr

Our Three Divisions

Home Care

What we stand for:

To make people's homes a better world, and to make our world a better home.

₹16,578 cr
Revenue

₹3,193 cr
EBIT

Beauty & Personal Care

What we stand for:

To be the most positive beauty business for people and the planet.

₹19,460 cr
Revenue

₹5,354 cr
EBIT

Foods & Refreshment

What we stand for:

To make brands that not only taste and feel good, but that are a force for good.

₹14,105 cr
Revenue

₹2,623 cr
EBIT

Our Wide and Resilient Portfolio

Chairman's Statement

Dear Shareholders,

We live in a volatile world. We witnessed a devastating pandemic that brought into sharper focus challenges such as climate change and social inequity. We also saw unprecedented volatility in the business environment and geopolitical tensions between nations. Amid this tumultuous phase, society continued to look up to businesses to help build a sustainable, equitable and fair future.

Hindustan Unilever Limited, a Company that reaches 9 out of 10 Indian households with its brands, can help address the evolving needs of the Indian consumer and create a bright future.

The India FMCG landscape

India remains one of the fastest growing Fast Moving Consumer Goods (FMCG) markets. However, the high inflation in recent times has led to a marked slowdown in growth rates.

The recent slowdown notwithstanding, the penetration of FMCG products both in urban and rural India, provides significant headroom for growth. More people entering the middle class, a large working population, increasing nuclear family structures, urbanisation and rapid adoption of technology, all bode well for FMCG growth in the country.

The Indian consumer is evolving rapidly. The pandemic has accelerated several trends that will continue to have far-reaching effects on the Indian consumer - an increased affinity towards holistic health and wellbeing, a massive shift in the adoption of digital technology and importantly, a heightened consciousness amongst consumers on sustainability and social equity. The Indian consumer is increasingly choosing superior products and brands that are also good for the people and the planet.

HUL – creating a future-fit business

At Hindustan Unilever, we pride ourselves on understanding and serving the needs of people. The last two years of the pandemic had a significant impact on the nation and its citizens. At the same time, we believe that it has made us an even more agile and resilient organisation. We have been taking several actions to help us stay relevant in an increasingly volatile and challenging business environment.

Embedding technology to build an intelligent enterprise

India has nearly 800 million internet users and has the highest mobile data consumption per user in the world. Rapid digitisation has transformed the market across sectors, and winning in the future will require businesses to adopt digital capabilities across the value chain.

At HUL, we identified the digital opportunity early on, and have been leading a technology-based agenda 'Reimagine HUL' for several years now. This agenda is about leveraging data, harnessing the latest technologies, and emerging business models to redefine how we engage with consumers, customers, and the way we operate. Our strong technology backbone made a substantial difference during the pandemic, helping the business navigate challenges with enhanced speed and agility.

We are now on a journey to build an intelligent enterprise that will enable us to create a tech-powered and human-centric solution that fits the complexity of the business and emerging consumer needs. This will enable our core business to become smarter and more efficient through data-led and machine-augmented processes, create platforms and ecosystems that will help deliver differentiated customer and consumer value, and help build a value chain that delivers the scale and efficiency of the large but acts with the nimbleness and agility of the small.

Preparing to serve consumers of the future

At HUL, we pride ourselves on our ability to address the needs of every single Indian across the socio-economic pyramid, while also anticipating and building markets of the future.

Over the last decade, we have launched several products delivering higher-order benefits, such as liquid detergents, salon-like hair solutions, advanced skincare and cosmetic products, meal-makers and green tea for health-conscious consumers, amongst others. Faced with a growing consumer need for health, hygiene and sanitation during the pandemic, we innovated with speed and launched several new products such as fabric sanitiser, fruit and vegetable wash, anti-bacterial dishwash and even an entire range of dishwasher detergent.

We are creating a portfolio that caters to the evolving consumer. For instance, we have expanded our Nutrition portfolio with a 'High Science' range that addresses specific nutritional needs – such as Horlicks Diabetes Plus for diabetics and Horlicks Mothers Plus for nursing mothers.

Leading social and environmental change

At Hindustan Unilever, we have always strived to grow our business while protecting the planet and doing good for the people. We believe that to generate superior long-term value, we need to care for all our stakeholders – our consumers, customers, employees, shareholders and above all, the planet and society. We call it the multistakeholder model of sustainable growth. With more people entering the consumption cycle and adding to the pressure on natural resources, it will become even more important to decouple growth from environmental impact and drive positive social change.

The Unilever Compass is our fully integrated business strategy that lays the pathway for us to deliver superior value to all our stakeholders and at the same time, realise our vision of being the leader in sustainable business. Translating the Compass into action are multi-year commitments in the areas of environment, social equity and governance.

In India, we have made significant progress against our commitments. We have already become a plastic neutral business. Water is another area of focus for us. Along with partners, Hindustan Unilever Foundation (HUF), has created a cumulative and collective water potential of over 1.9 trillion litres that is equal to the drinking water needs of India's entire population for a year.

Another key commitment that we have made is to build more resilient and equitable communities by raising living standards, advancing equity, diversity and inclusion and preparing people for the future of work. As part of this, we will ensure that everyone who directly provides goods and services to the Company will earn at least a living wage or income by 2030. We believe that we can help raise standards of living for not only those who work with us but also impact the communities where we operate. Our 'Shakti Ammas' are a classic example. We have empowered over 1.6 lakh women in rural India to become Shakti entrepreneurs. The project helps them generate income for themselves and also cater to the needs of their communities. Our purpose-driven brands such as Dove through its #StopTheBeautyTest or Brooke Bond Red Label through the 6-pack-band, have been campaigning for a fairer, more inclusive society.

Integrity and good governance

The future will also necessitate a paradigm shift in the way businesses are governed. Corporations are increasingly being evaluated on environmental and social metrics, as well as on their corporate governance.

William Hesketh Lever, at the very inception of Unilever, had said, "I believe that nothing can be greater than a business, however small it may be, that is governed by conscience; and that nothing can be meaner or more petty than a business, however large, governed without honesty and without brotherhood." At HUL, responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles which are reinforced at all levels within the Company.

The responsibility for the governance of the Company lies with the Board, and Independent Directors oversee crucial processes. In HUL, all our Board committees except one, are chaired by the Independent Directors. For years now, we have had a Board composition which has more Independent Directors than Whole Time Directors, a reflection of our governance-led approach.

We are committed to doing things the right way, which includes taking business decisions and acting in ways that are ethical and in compliance with applicable legislation. This is our road to consistent, competitive, profitable, and responsible growth and to creating long-term value for our shareholders, our people, and our business partners.

I would like to thank you, our shareholders, for your continued support and trust in Hindustan Unilever Limited.

Regards,

Nitin Paranjpe
Chairman

Chief Executive Officer and Managing Director's Statement

Dear Shareholders,

The year 2021-22 was yet another challenging year for all of us. The severe second wave of the Covid-19 pandemic had a significant humanitarian and economic impact.
We witnessed socio-political unrest in several parts of the world, resulting in the disruption of global supply chains and unprecedented volatility in commodity costs. In this uncertain operating environment, our focus remained on the health and safety of our people, ensuring uninterrupted supply of our products, meeting the evolving demand of our consumers, caring for the communities, safeguarding the environment and protecting our business model.

Against this challenging backdrop, our robust results for the financial year 2021-22 demonstrate strategic clarity, strength of our brands, our execution prowess and agility.
I am very happy to report that we have crossed the 50,000 crores turnover mark in this fiscal, with our turnover at ₹50,336 crores. Our turnover growth at 11% and underlying volume growth at 3% was significantly ahead of the market. More than 75% of our business is winning both value and volume market shares. Our market share gain this year was the highest that we have had in more than a decade. EBITDA margin remained healthy at 24.8%, 20bps lower than the financial year 2020-21. PAT at ₹8,818 crores was up 11%. Our track record of strong cash generation continued in the year. The Board of Directors have proposed a final dividend of ₹19 per share, subject to approval of shareholders at the AGM. Together with interim dividend of ₹15 per share, the total dividend for the year amounts to ₹34 per share.

As we gradually came out of the challenging phase of the pandemic, the heightened consumption of health and hygiene products moderated while a demand for discretionary and out-of-home products increased. The consumer trends that we witnessed a year earlier, continued to evolve further. E-Commerce continued to grow with more people shopping online; consumers continued to prefer products that enhanced their health and wellbeing; and there was a significant shift towards buying products that they saw as making a positive impact on people and the planet.

We have been addressing evolving consumer needs through our wide and resilient portfolio. We now have 2x more superior products versus 2019. Alongside providing superior functional benefits, our brands have been striving to drive positive social change through their marketing campaigns and have been recognised for their efforts at various forums. For instance, Dove's #StopTheBeautyTest campaign won a silver at Cannes and we were the most awarded advertiser at the prestigious Emvies.

In our Beauty and Personal Care portfolio, we continued to grow our core. Leveraging our Winning in Many Indias (WiMI) philosophy, we designed products based on specific needs of our consumers across different regions in the country. For instance, our Skin Cleansing brands such as Lifebuoy and Lux, introduced winning products by regions, keeping consumer centricity at the heart of the product design philosophy. Our market share in Hair Care touched a 15 year high in 2021. During the year, TRESemmé launched the Thick and Full Shampoo and Conditioner with Biotin and Wheat Protein and expanded its hair mask range. In Skin Care, Dove launched Love & Care – a new range of hand & body moisturisers while Pond's introduced its gold beauty range including Facewash, Serum, Day Crème, Peel-off Mask and a Night Crème. Lakmé expanded its cosmetics range with volume mascara, highlighter and liquid concealer. With e-Commerce gaining relevance with consumers, we continued to strengthen our play in the Masstige beauty segment and now have three fully-operational digital-first brands – Simple, Love Beauty & Planet, and Baby Dove. We are investing in technology driven commerce ahead of the curve with capabilities such as Virtual Try-on and Artificial Intelligence (AI) Skin Analyzer on the Lakmé Direct-to-Consumer platform. At the same time, in our Premium Beauty portfolio and formats of future we are driving market development through innovations and extensive sampling.

In our Home Care business, our purpose-driven brands such as Surf excel, Wheel and Vim continued to champion social causes through their communication and sustained their high performance in fabric wash and household care segments. Surf excel is now the biggest laundry brand and in the last five years, our liquid detergents and fabric conditioners business has grown four times. Rin celebrated India's Olympic fencer Bhavani Devi's story of grit, determination, and hard work while Sunlight through the 'Tantir Rong' during Durga Pujo, supported the handloom weavers of Bengal.

Building on consumer insights, Domex launched a superior product backed by a breakthrough patented Fresh Guard technology which fights malodour in toilets. With urbanisation and nuclear families on the rise, we are increasingly seeing a demand for convenient cleaning solutions.
We are continuously innovating to deliver superior products that are also sustainable. Surf excel has been leading this journey and has become environment-friendly with biodegradable actives, 100% recyclable plastic bottles, made with 50% recycled plastic and a portfolio-wide pipeline of water-saving products.

Our Foods and Refreshment brands continued to attract new consumers through superior products, impactful innovations and purposeful activations. Tea, for example, strengthened its leadership position and leveraged the WiMI strategy to deliver superior products that are tailor-made for varied consumer tastes. Our Ice Creams and Frozen Desserts portfolio made a strong comeback and was ahead of pre-pandemic levels. It was made possible through impactful innovations like the Crackle tub or the Trixy cup, integrated campaigns to reach consumers both online and offline, and ICNow, our initiative to serve the evolving online consumer. In our journey towards making nutrition available to more consumers, we carried out extensive market development activities for our nutrition portfolio, consisting of iconic brands like Horlicks and Boost, and even launched a 'High Science' range of products such as Diabetes Plus, Mother's Plus and more. In line with evolving consumer needs, during the last two years, we have launched several products that offer positive nutrition – foods that are rich in protein, fibre, fruits and vegetables, omega 3, vitamins and minerals.

As consumers continue to move online, the Indian retail landscape witnessed rapid change. We continued to work with all our partners to ensure that they remain future-fit while at the same time attend to our consumers' changing needs. We are helping traditional trade embrace technology through the Shikhar app that enables zero-touch online ordering and has helped solve two biggest challenges that retailers face - capital and space. Today, we have over 8 lakh stores enrolled on Shikhar.

This year, we faced unprecedented inflation in commodities, packaging as well as transport costs. Our teams moved dynamically to ensure business continuity by securing material supply, onboarding new suppliers fast, flexing formulations and making strategic buying interventions. In fact, we localised sourcing of many of our chemicals and leveraged the growing domestic chemicals industry, to reduce our import dependency. To remain future-fit in an increasingly technology-enabled world, we are now employing sophisticated digital tools to identify new innovation partners, monitoring and reviewing quality performance, and tracking logistics and supply risks in real time.

Underlying all our actions was our commitment to create a positive impact for people and the planet. We continued to make steady progress on our Compass commitments and became plastic neutral in 2021. This means we collected and safely disposed more plastic packaging from the streets of India than we use in packaging the products we sell. Hindustan Unilever Foundation, our not-for-profit subsidiary that works in the area of water management, along with its partners, created a cumulative water potential of 1.9 trillion litres. We eliminated coal usage across our operations replacing it with greener alternatives such as biomass and biodiesel. This is a significant step towards our commitment to achieving zero emissions in our operations by 2030. To address the growing inequality in our country and reduce the widening gap between minimum and living wage, we have made an ambitious commitment to ensure that everyone across our value chain shall earn a living wage by 2030.
In our endeavour to create a diverse workforce, we are steadily enhancing women representation on the shop floor through Project Samavesh. Similarly, through the Ahilya initiative, we are empowering women to become sales professionals. Through our Shakti initiative, that helps enhance livelihoods and financially empower rural women, we have now reached over 1.6 lakh Shakti entrepreneurs. We also aim to achieve 5% representation of people with disabilities in our workforce by 2025.

In the near future, with geopolitical tensions and commodity price inflation, the business environment will continue to be challenging.
I truly believe that with a compelling business strategy, our five growth fundamentals – Purposeful Brands, Improved Penetration, Impactful Innovation, Design for Channel and Fuel for Growth, and the future-fit technology that we have built over the last few years, holds us in good stead. In fact, the last two years of the pandemic has made us even more responsive and resilient as a business. Our competitive advantage continues to be our purpose-driven set of people and a wide and diversified product portfolio with more than 50 trusted brands across 15 distinct categories.

I would like to take this opportunity to thank all our people who have been tirelessly working to ensure that we continue to be the most preferred FMCG Company in an extremely challenging environment. Most importantly, I would like to thank you, our shareholders, for your overwhelming trust, support, and confidence in Hindustan Unilever Limited.

Warm regards,

Sanjiv Mehta
Chief Executive Officer and Managing Director

Board of Directors

Mr. Nitin Paranjpe

Chairman and
Non-Executive Director

Mr. Sanjiv Mehta
C M M
Chief Executive Officer and
Managing Director

Mr. Ritesh Tiwari
M M M
Executive Director,
Finance & IT and Chief Financial Officer

Mr. Dev Bajpai
M
Executive Director, Legal & Corporate
Affairs and Company Secretary

Mr. Wilhelmus Uijen
M
Executive Director,
Supply Chain

Mr. O. P. Bhatt
C C M M
Independent Director

Dr. Sanjiv Misra
C M M
Independent Director

Ms. Kalpana Morparia
C M M
Independent Director

Mr. Leo Puri
M M
Independent Director

Dr. Ashish Gupta
M M
Independent Director

Ms. Ashu Suyash
M M M
Independent Director

C Chairman
M Member

- Audit Committee
- Corporate Social Responsibility Committee
- Risk Management Committee*
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

For detailed Profile of Directors refer pages 316-320

Note - Mr. Dev Bajpai acts as the Company Secretary to all the Committees of the Board.
**Mr. Ravishankar A, Group Controller is a member of Risk Management Committee.*

Management Committee

Mr. Sanjiv Mehta
Chief Executive Officer and
Managing Director

Mr. Ritesh Tiwari
Executive Director,
Finance & IT and Chief Financial Officer

Mr. Dev Bajpai
Executive Director, Legal & Corporate
Affairs and Company Secretary

Mr. Wilhelmus Uijen
Executive Director,
Supply Chain

Ms. Priya Nair
Executive Director,
Beauty & Personal Care

Mr. Srinandan Sundaram
Executive Director,
Foods and Refreshment

Ms. Anuradha Razdan
Executive Director,
Human Resources

Dr. Vibhav Sanzgiri
Executive Director,
Research and Development

Ms. Prabha Narasimhan
Executive Director,
Home Care

Mr. Kedar Lele
Executive Director,
Customer Development

Note - Mr. Deepak Subramanian will succeed Ms. Prabha Narasimhan as Executive Director, Home Care w.e.f. 1st July, 2022.

Mr. Madhusudhan Rao was appointed as Executive Director, Beauty and Personal Care in succession to Ms. Priya Nair, who was appointed as Chief Marketing Officer, Beauty & Wellbeing at Unilever.

Awards and Recognition

Brands with Purpose Grow

'Client of the Year' at the Effie Awards 2021

Dove's #StopTheBeautyTest campaign won a Silver Cannes Lion Award

Lifebuoy's 'Hackwashing' campaign won a Cannes Bronze Lion Award

Companies with Purpose Last

HUL won AIMA's 8th Business Responsibility Summit & Project Excellence Contest & Awards in the Covid-19 category

HUL emerged as the 'No. 1 Dream Company to Work For 2021' as part of the Dare2Compete survey, co-powered by Forbes India and CRISIL Limited

No. 1 Employer across sectors as per InsideIIM's 2021 brand perception study

HUL was named 'No. 1 Employer across Sectors at all B-schools' as per InsideIIM's 2021 brand perception study

'Outstanding Company of the Year' by CNBC TV18 at the 17th India Business Leader Awards 2021

HUL's factory in Dapada recognised by World Economic Forum as 'Advanced 4th Industrial lighthouse'

HUL received the 'Sustainable Factory of the Year Award' for its Pondicherry HPC Factory at the 12th edition of Frost & Sullivan and TERI's Sustainability 4.0 Awards 2021

HUL was recognised as a champion in 'Leading Practices in Diversity & Inclusion' at the PeopleFirst HR Excellence Awards 2021

HUL was recognised as a champion in Leading Practices in Pandemic Response at the PeopleFirst HR Excellence Awards 2021

HUL won PeopleStrong's New Code of Work Award 2021

People with Purpose Thrive

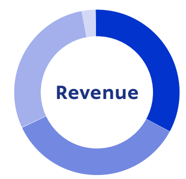
Our Chief Executive Officer and Managing Director, Sanjiv Mehta was conferred with the Business Today MindRush 2021 Award for Best CEO – Medium Company

Our Executive Director, Human Resources, Anuradha Razdan was awarded 'CHRO of the Year' Award at the PeopleFirst HR Excellence Awards 2021

Our Executive Director, Beauty and Personal Care, Priya Nair, was recognised in Fortune India's 'Most Powerful Women in Business' 2021 list

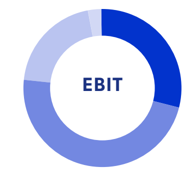
Our Performance

Financials



Segmental Revenue (%)

Home Care	30%
Beauty & Personal Care	39%
Foods & Refreshment	29%
Others	2%



Segmental Results (%)

Home Care	27%
Beauty & Personal Care	50%
Foods & Refreshment	21%
Others	2%

Standalone

(₹ in crores)

Statement of Profit & Loss Account	2021-22	2020-21	2019-20
Turnover	50,336	45,311	38,273
Other Income (includes other operating income)	1,250	1,198	1,245
Finance Cost	(98)	(108)	(106)
Earnings Before Interest and Taxes (EBIT)	11,478	10,312	8,667
Profit Before Taxation	11,773	10,717	9,289
Profit After Taxation (PAT)	8,818	7,954	6,738
Earnings Per Share	37.53	33.85	31.13
Dividend Per Share	34.00	40.50+	25.00

+ includes Special Dividend

(₹ in crores)

Balance Sheet	2021-22	2020-21	2019-20
Property, Plant and Equipment	6,714	6,409	5,138
Intangible Assets	45,221	45,241	431
Other Assets	17,802	16,466	14,033
Total Assets	**69,737**	**68,116**	**19,602**
Share Capital	235	235	216
Other Equity	48,525	47,199	7,815
Other Liabilities	20,977	20,682	11,571
Total Equity and Liabilities	**69,737**	**68,116**	**19,602**

Key Ratios and EVA	2021-22	2020-21	2019-20
EBITDA (% of Turnover)	24.8	25.0	25.1
Fixed Asset Turnover (No. of Times)	1.0	0.9	6.9
PAT/Turnover (%)	17.5	17.6	17.6
Return on Capital Employed (%)	107.8	113.0	103.4
Operating profit margin (%)	22.8	22.8	22.6
Economic Value Added (EVA) (₹ crores)	4,435	3,810*	6,085

*Opening balances adjusted for GSK CH merger

Others	2021-22	2020-21	2019-20
HUL Share Price on BSE (Per Share of ₹1)*	2,049	2,431	2,298
Market Capitalisation (₹ crores)	4,81,396	5,71,133	4,97,514

*Based on year-end closing prices quoted on BSE Limited

Information on 10 years record of Financial Performance is available at
www.hul.co.in/investor-relations/annual-reports/hul-annual-report-related-documents.html

Our Performance

Environmental, Social and Governance

Environmental

HUL became **coal-free across its operations** in 2021

In 2021, your Company became Plastic Neutral and arranged for collection and safe disposal of over **1.16 lakh tonnes of plastic waste**

Over 1.9 trillion litres of water potential created by HUF cumulatively through improved supply and demand water management

(till financial year 2021)

Social

>7 million people reached through Project Prabhat initiatives near our locations that focus on economic empowerment, environmental sustainability, health and education

>2 lakh people have access to safe sanitation through Project Suvidha

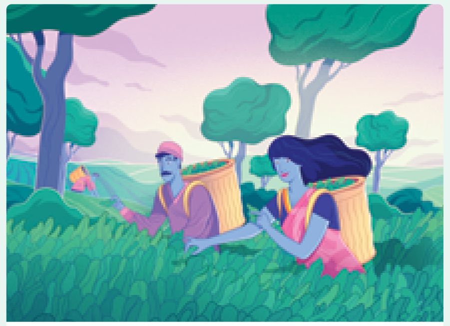
Governance

4/5 Board Committees - led by Independent Directors

4 years in a row Corporate Governance leadership position - IFC-BSE-IiAS

94% reduction in CO_2 emissions *(kg/tonne of production)* in HUL's manufacturing operations over 2008 baseline

47% reduction in water consumption (in m^3/tonne of production) in HUL's manufacturing operations over 2008 baseline



54% reduction in the total waste generated *(kg/tonne of production)* from HUL's factories over 2008 baseline

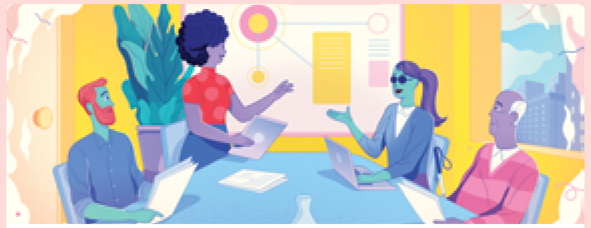
93% of tomatoes used in Kissan ketchup were from sustainable sources

68% of Tea in India sourced from sustainable sources

Over 1.6 lakh Shakti entrepreneurs empowered through the Shakti programme

MISSION HO2PE

To battle the shortage of medical oxygen during the pandemic, your Company's **Mission HO_2PE - airlifted over 5,500 oxygen concentrators** from across the world



Audit and Nomination & Remuneration Committees

Comprise only of Independent Directors

BUSINESS INTEGRITY
IT'S HOW WE WORK

100%

Employees trained on **Code of Business Principles** and policies related to Governance

Evolving Consumer Trends Shaping the FMCG Industry in India

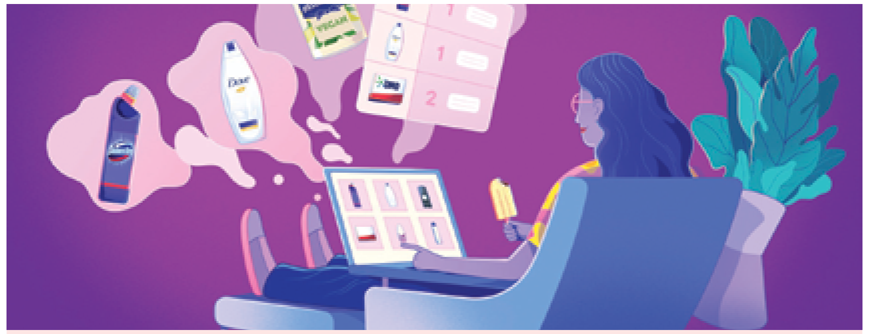
Holistic health

The pandemic exposed consumers to unprecedented health risks leading to a reassessment of their priorities. Consumers are adopting healthier food habits and fitness regimes while prioritising personal wellbeing. This is driving consumer preferences for:

- Paying more attention to on-package ingredients
- Avoiding 'chemical-sounding' alternatives
- Focus on hygiene

Affinity towards natural & traditions

The pandemic led consumers across all age groups to lean towards traditions in foods, beauty regimes and health and wellness. People want products which offer functional benefits aligned with their cultural needs and seek immunity boosting, energising or stress relieving benefits rooted in traditions.



Information-based shopping

People, especially in urban India now treat information gathering as an integral part of the shopping experience. A good number of urban consumers check at least two data points (beyond prices and discounts) when they are buying something, and roughly half of them do some sort of online research - including product reviews, manufacturing methods, and how a product compares with alternatives in terms of features.

Un-stereotype

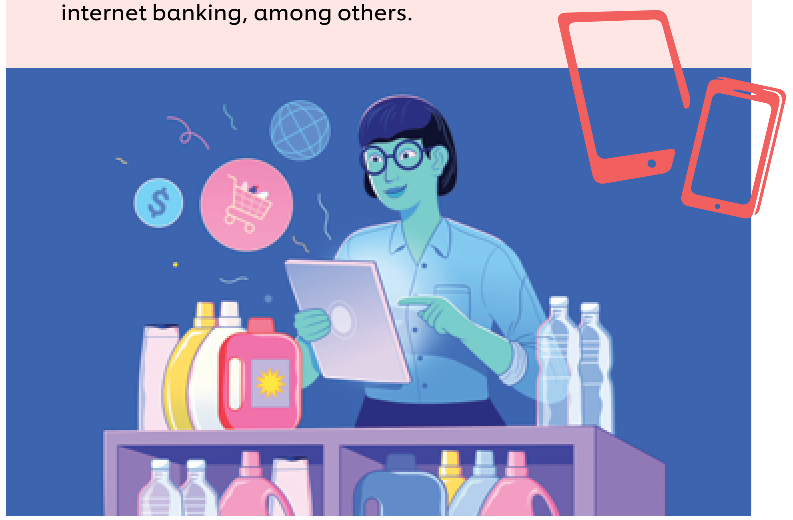
With the rise in education and opportunity, the consumers are on a journey of social mobility. There is also an emerging realisation that the old-fashioned templates can often hamper this progress. People are now looking to break these stereotypes of societal prejudice- of appearances, roles and origins to celebrate the unique self.

Net Zero- sustainable living

Consumers are becoming conscious of their individual contribution to climate change. Eco-anxiety is driving environmental activism and purchasing decisions. Consumers worried about climate change are also reducing the use of plastic, cutting food waste and increasingly recycling more, among other activities. In addition to this, consumers also expect brands to play a more active role in driving social change.

Digitalisation: From resistance to reliance

The pandemic has accelerated digital transformation in India, by forcing consumers to adopt new habits of online shopping, food delivery and contactless payments. The last two years have accelerated digitalisation across payments, online commerce, internet banking, among others.



Our Strategy

Our strategic choices and actions help us fulfill our purpose and vision

Developing our portfolio

Growing the Core

Accelerating Market Development

Driving Premiumisation

Win with our brands as a force for good, powered by purpose and innovation

Improve the health of the planet

Improve people's health, confidence and wellbeing

Contribute to a fairer, more socially inclusive world

Win with differentiated science and technology

Lead in the channels of the future

Accelerate pure-play and omni-channel e-Commerce

Strengthen e-B2B presence

Drive category leadership through shopper insight

Build differentiated structures and capabilities

Empowered Business Units

Winning in Many Indias (WiMI)

Digital transformation (Reimagine HUL)

Build a purpose-led, future-fit organisation and growth culture

Unlock capacity through agility and digital

Be a beacon for diversity, inclusion and values-based leadership

Upskill through lifelong learning

Operational Excellence through the 5 Growth Fundamentals

1 Purposeful brands

2 Improved penetration

3 Impactful innovation

4 Design for channel

5 Fuel for growth

Our growth creates value through a multi-stakeholder model

Consumers

Refer pages 29-32

Suppliers & business partners

Refer page 36

Our people

Refer pages 33-34

Planet & society

Refer pages 37-38

Customers

Refer page 35

Shareholders

Refer pages 39-41

Our 4G Growth model

Consistent growth

Competitive growth

Profitable growth

Responsible growth

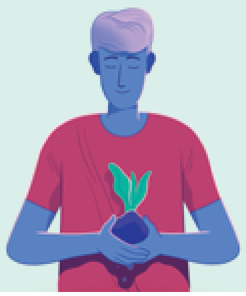
HUL Compass Commitments
Environmental, Social and Governance

Win with our brands as a force for good, powered by purpose and innovation

Improve the health of the planet

Climate action

- Net zero emissions for all our products from sourcing to point of sale by 2039
- Halve greenhouse gas impact of our products across the lifecycle by 2030
- Zero emissions in our operations by 2030
- Replace fossil-fuel derived carbon with renewable or recycled carbon in all our cleaning and laundry product formulations by 2030
- Share the carbon footprint of every product we sell



Protect and regenerate nature

- Deforestation-free supply chain in palm oil, paper and board, tea, soy and cocoa by 2023
- Help protect and regenerate land, forests and oceans by 2030
- 100% sustainable sourcing of our key agricultural crops
- Empower farmers and smallholders to protect and regenerate farm environments
- Contribute to 3 trillion litres of water potential in India through HUF by 2025
- Implement water stewardship programmes in 12 locations in water stressed areas by 2030
- 100% of our ingredients will be biodegradable by 2030

Waste-free world

- Collect and process more plastic than we sell
- 100% reusable, recyclable or compostable plastic packaging by 2025
- 15% recycled plastic by 2025
- Halve food waste in our operations by 2025
- Maintain zero waste to landfill in our factories

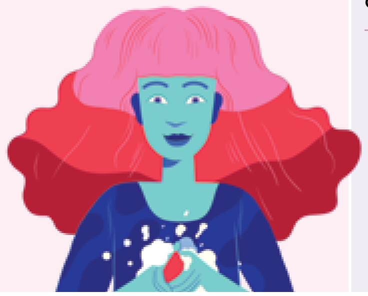
Improve people's health, confidence and wellbeing

Positive nutrition

- Double the number of products sold that deliver positive nutrition by 2025
- 70% of our portfolio to meet WHO-aligned nutritional standards by 2022
- 95% of packaged ice cream to contain no more than 22g total sugar per serving by 2025
- 95% of packaged ice cream to contain no more than 250 kcal per serving by 2025
- 85% of our Foods portfolio to help consumers reduce their salt intake to no more than 5g per day by 2022

Health and wellbeing

- Take action through our brands to improve health and wellbeing and advance equity and inclusion
- We will focus on:
  - Gender equity
  - Body confidence and self-esteem
  - Mental wellbeing
  - Hand hygiene
  - Sanitation
  - Oral health
  - Skin health and healing



Contribute to a fairer, more socially inclusive world

Equity, diversity and inclusion

- Achieve an equitable and inclusive culture by eliminating any bias and discrimination in our practices and policies
- Accelerate diverse representation at all levels of leadership
- 5% of our workforce to be made up of people with disabilities by 2025
- Spend ₹2,000 crores annually with diverse businesses by 2025
- Increase representation of diverse groups in our advertising

Raise living standards

- Ensure that everyone who directly provides goods and services to HUL will earn at least a living wage or income by 2030
- Help 2 million small and medium-sized enterprises grow their business by 2025

Future of work

- Help equip 1.5 million young people with essential skills by 2030
- Pioneer new models to provide our employees with flexible employment options by 2030
- Reskill or upskill our employees with future-fit skills by 2025

Respect human rights

Respect and promote human rights and the effective implementation of the UN Guiding Principles, and ensure compliance with our Responsible Sourcing and Business Partner Policy

Our responsible business fundamentals

- Business integrity
- Safety at work
- Employee wellbeing
- Product safety and quality
- Responsible innovation
- Safeguarding data
- Responsible advertising and marketing
- Engaging with stakeholders
- Responsible taxpayer
- Committed to transparency

Our Business Model

A belief that sustainable business drives superior performance lies at the heart of our Compass.

What we depend on..

Relationships

Purposeful people
Our 21,000 talented people invest their skills and time in our offices, factories, R&D Centres and are increasingly working in more flexible and agile ways.

Trusted suppliers
Around 1,300 supplier partners source materials and provide critical services for us.

Committed partners
Our relationships with governments, customers, NGOs, and other organisations help us to increase our impact beyond what we could achieve on our own.

Resources

Input materials
We use thousands of tonnes of agricultural raw materials, packaging materials, and chemicals for our products.

Financial resources
Capital from our shareholders allows us to invest for the long-term.

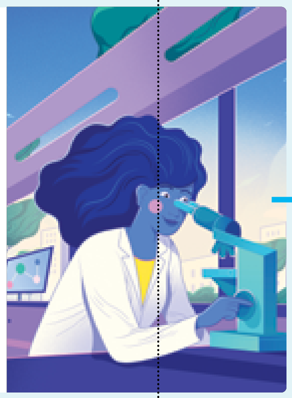
Intangible assets
50+ brands, R&D capabilities and intellectual property, such as patents and trademark, manufacturing excellence, technological capabilities, and organisational design set us apart.

Owned and leased assets
29 Company owned factories, 11 offices, and 35 logistics warehouses spread all across the country.

What we do..

1 Consumer insights
We track changing consumer sentiment through our People Data Centre, combining social listening with traditional consumer research.

2 Innovation
Our marketing and R&D teams use these insights, plus the best ideas and thinking from specialists outside the Company to develop our brands and products.

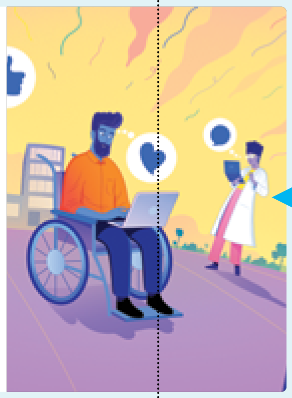


3 Sourcing
Each year, we buy large quantities of raw materials and packaging materials to make our products and services to run our business.

4 Manufacturing
Our factories and third-party manufacturers convert materials into the product we sell.

5 Logistics
A countrywide network of logistics warehouses ultimately deliver our products to millions of retail outlets.

6 Marketing
We are one of the largest advertisers in the country based on media spends. We create an increasing amount of tailored digital content ourselves to connect with consumers and make it easy for them to choose our brand.



7 Sales
We use many channels to make our brands available to consumers wherever and whenever they shop. Our products are available in 9 million retail outlets.

8 Consumer use
More than 9 out of 10 Indian households use our products every day to feel good, look good and get more out of life.

All underpinned by the management of our principal risks: pages 42-47

The value we create for...

Consumers Refer pages 29-32
We aim to provide superior-quality products and purposeful brands that take action on the issues that matter to people and planet.

Our people Refer pages 33-34
We aim to reward people fairly for the work they do, while helping them find their purpose so they become the best they can be with the Company.

Customers Refer page 35
We partner with large and small retailers to grow our business and theirs.

Suppliers & business partners Refer page 36
We partner with suppliers to help innovate our products and support mutual and sustainable growth.

Planet & society Refer pages 37-38
We aim to improve the health of the planet while contributing to a fairer and more socially inclusive world.

Shareholders Refer pages 39-41
We aim to deliver consistent, competitive, profitable and responsible growth.

Contributing to the SDGs

- 1 NO POVERTY
- 2 ZERO HUNGER
- 3 GOOD HEALTH AND WELL-BEING
- 5 GENDER EQUALITY
- 6 CLEAN WATER AND SANITATION
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 15 LIFE ON LAND
- 17 PARTNERSHIPS FOR THE GOALS

Reimagine HUL

Our journey to an intelligent enterprise

The rapid digitalisation of India, has led to the fragmentation of consumer choice, channel shifts and the creation of new service ecosystems. This has and will continue to impact how consumers interact with brands, how they shop and where they shop. Keeping this in mind, the Reimagine HUL journey envisioned in 2016 has accelerated our shift towards becoming an "Intelligent Enterprise", by keeping Data, Technology & Analytics at its core. This has enabled us to seamlessly connect our consumers, customers and operations ecosystems leading to a superior experience for our stakeholders while improving agility and responsiveness across the business.

- 2014-15: Winning in Many Indias
- 2015-16: Reimagine HUL
- 2016-17: Pulling disparate data-WiMI
- 2017-18: Machine Learning
- 2018-19: e-B2B Shikhar
- 2019-20: Automated Warehousing
- 2020-21: Direct to consumer
- 2021-22: India's 1st FMCG Lighthouse Factory*

*World Economic Forum

Consumer Ecosystem

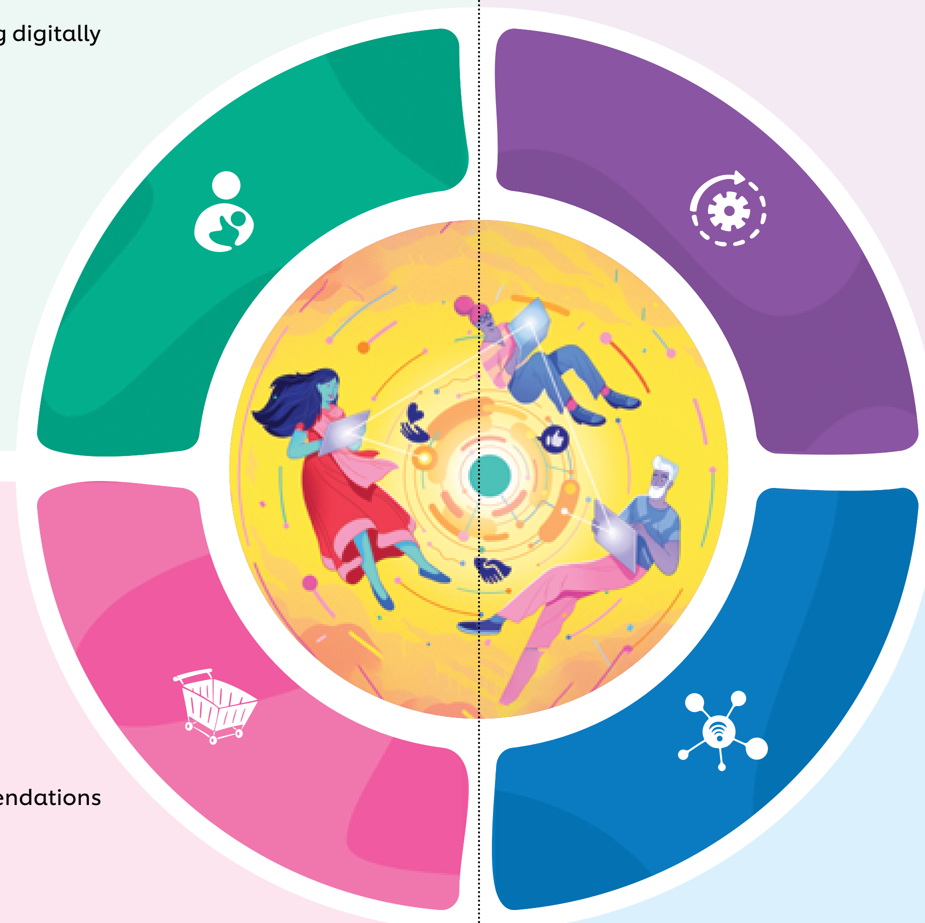
Lakmé D2C website

To match the rapidly evolving consumer journey, we are focused on faster-better innovation, leveraging next generation media tools to reach consumers effectively and efficiently, and building consumer engagement platforms.

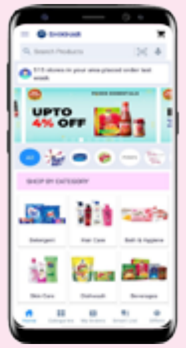
Lakmé was amongst the forerunners in the digital curve, we are now able to sharply identify consumer cohorts, engage consumers through technology, enabling an end-to-end consumer experience.

Lakmé– Digital First:

* Largest Instagram following across beauty brands in India
* 30% of its business coming digitally
* 20 lakh D2C website visits per month
* Engaging consumers (beauty tech)
* Virtual try-ons



Customer Ecosystem



Shikhar e-B2B app

We are building competitive moats across demand capture, demand fulfilment and demand generation enabled by digitalisation and data-driven analytics.

Our e-B2B app, Shikhar, is giving retailer the flexibility to order at any point of time without waiting for the salesman to visit the store, providing recommendation for the right assortment and ensuring reliable service to the retailer.

Shikhar:

* Covers > 8 lakh stores
* Anytime ordering
* Reliable service
* Easy credit
* Analytics-based recommendations

Operation Ecosystem

The digitalisation of our processes is enabling greater agility, flexibility and efficiency across our value chains.

To enable agile production, we have set up nano factories that allow us to produce in batches of kilograms rather than tonnes.

Our lighthouse factory in Dapada uses 4th industrial revolution technologies, driving efficient growth while keeping sustainability at its core.

The advanced dispatch centres are compressing fulfilment timelines leading to faster dispatches and demand capture.

Dapada Lighthouse Factory

Samadhan Warehouse

Highlights:

* India's 1st FMCG Lighthouse Factory (World Economic Forum)
* 3 Nano factories – manufacturing 100+ SKUs
* Advanced fulfilment centre for N+1 delivery

Data, Technology and Analytics Ecosystem

Through the integration of data from multiple internal and external sources, we have built capabilities which combine disparate sets of data from trade, consumers, media, and financial data to analyse multiple business levers. This has helped improve the speed and quality of decision making.

Highlights:

* Scientific Whitespace Mapping
* Decision support AI systems
* Machine Learning led demand planning
* Data Lake to join up most granular data across functions

Report of Board of Directors and Management Discussion and Analysis

Our fast-changing world

We operate in a complex and volatile world. Our strategy is constantly evolving to adapt to the trends and forces shaping our markets and impacting our stakeholders.

Hindustan Unilever Limited is part of the Fast-Moving Consumer Goods (FMCG) industry which continues to be one of the biggest long-term sustainable business opportunities that our country offers. Despite being one of the fastest growing markets globally for FMCG products, India's per capita FMCG consumption is still amongst the lowest in the world. Rural markets account for more than 60% of our country's population and contribute to just about 30% of FMCG consumption; thus, offering significant headroom for growth. Rising affluence, large working population, nuclear family structures, urbanisation and rapidly increasing adoption of technology will positively impact the growth of FMCG industry in the country.

The operating environment this year continued to remain volatile and challenging. India witnessed a devastating second wave of Covid-19 during the June quarter with a significant humanitarian and economic impact. Due to the disruption in global supply chains, inflation in many key commodities like crude oil derivatives, palm oil and packaging rose to historic highs. The latter half of the year witnessed a marked moderation in the FMCG market growth with volumes being impacted due to high inflation. This was more pronounced in rural markets.

As we gradually emerged from the challenging phase of the pandemic, the consumption of hygiene products moderated. With mobility going up, there was an increase in demand for discretionary and out of home products. Consumers are also increasingly choosing brands which they see as making a positive impact on the world.

India is undergoing rapid digital transformation, new-age technologies are transforming the landscape of consumer goods market, bringing opportunities for brands, consumers, and customers alike. E-Commerce continues to gain traction as more consumers shop online and with more digital-first brands entering the market. With a technology-focused approach, retailers are reinventing their business models to stay more connected in the digital world.

The two years of pandemic has made us a stronger, better business which is much more resilient and responsive. As the economy, consumer and channel landscapes rapidly evolve, we continue to be agile to leverage our strengths, capture opportunities and navigate through the challenges. Our strategy is constantly evolving in line with the trends and forces shaping our markets and impacting our multi-stakeholders. We remain committed to delivering 4G growth - growth that is consistent, competitive, profitable, and responsible.

A. Stakeholder review

Our Compass and our business model are designed to create value for our stakeholders. Understanding their changing needs helps us make informed strategic decisions.

Our multi-stakeholder model

We have identified six stakeholder groups that are critical to our future success: consumers, our people, customers, suppliers & business partners, planet & society, and shareholders. The stakeholder review on pages 29 to 41 explains how we have worked to create value for each of our stakeholders in the financial year 2021-22 as well as how our business benefits from these vital relationships.

In light of our purpose and strategy to create long-term value as set out on page no. 20, we take steps to understand the needs and priorities of each stakeholder group through a number of mediums, including by direct engagement or via their delegated committees and forums. We have provided a high-level summary of how we engaged with stakeholders and had regard to their interests, when setting our strategy and taking decisions concerning the business in the last year. This has been provided in the Business Responsibility Report on pages 72 to 85.

Consumers

Our brands are evolving to meet the changing needs of consumers.

Value and values

As we gradually emerged from the challenging phase of the pandemic and Covid-related restrictions, the consumer uncertainty and anxiety started receding. Driven by high inflation and choices fuelled by digitalisation, consumers have become more conscious and selective.

The varying impact of the pandemic has also led to some shoppers treating themselves to more premium products while others are increasingly cost-conscious, looking for the best-performing products they can afford. Despite the gradual easing of restrictions and people spending more time out of their homes, online shopping and the demand for convenience stayed strong; e-everything is here to stay.

Consumers continue to be increasingly discerning – looking for highly effective and quality products, with ingredients that are good for them and good for the environment. There is compelling evidence that brands with purpose grow. Our own research shows a strong correlation between brand purpose and brand attractiveness (referred to as brand power), which, in turn, drives market share and growth.

Our three Divisions anticipated and met consumers' needs through innovative products, strong marketing capabilities including digital and performance marketing, and purpose-driven brands. We are harnessing new Artificial Intelligence (AI) powered innovation tools to spot trends early and test new product concepts. Our nano-factories provide us the flexibility to manufacture on-trend products in small batches, reducing the time from idea to shelf.

Beauty & Personal Care

We want to be the most positive beauty business for people and the planet

We believe in beauty that not only does less harm, but also does more good – beauty that's both inclusive and sustainable. To achieve our new Positive Beauty vision, we are using our scale to create positive change and drive growth through our big brands, impactful innovation and portfolio transformation.

In the Beauty & Personal Care (BPC) division, we operate in categories that play a significant role in consumers' lives and touch a vast majority of Indian households. The current nascent stage of evolution of many of our BPC categories presents an excellent opportunity to boost penetration, consumption, and premiumisation, presenting a healthy long-term potential. With a portfolio of iconic, well-loved and purposeful brands that span the price-benefit pyramid, we ensure that our brands are accessible and aspirational for all consumers across the country.

Growing the core

We are growing our core business by investing in our purposeful brands and delivering superior products. India is a diverse country - with different climatic conditions, varied skin and hair types and even differing quality of water. We are bringing to life our product philosophy of designing for India and Winning in Many Indias (WiMI).

In our Skin Cleansing portfolio, our brands Lifebuoy and Lux have introduced winning products by regions with consumer centricity at the heart of the product design philosophy. We are also bringing this thinking of 'Design for Many Indias' into Skin Care & Hair Care with products like Pond's Light Moisturiser that is specifically designed to perform in hot and humid weather. In addition, we are leveraging our WiMI philosophy to market our products across different regions.

We continue to strengthen brand equity through consistent, purposeful communication on our iconic brands. Clinic Plus, Dove and Sunsilk were rated as the top 3 Hair Care brands in the country as per 'Kantar Brand Health Check Report'. Lifebuoy continues to build the habit of handwashing, through the 'H for Handwashing' campaign. The brand is also scaling up its telemedicine initiative through the 'Mobile Doctorni'. Similarly, Clinic Plus, launched a film under its inspiring #MeriBetiStrong campaign to educate mothers on the issue of domestic violence. We have committed to extend our reach to over one lakh women across our ecosystem and educate them on their rights as well as provide them with appropriate resources to address this issue.

Accelerating Premium Beauty and Market Development

We are energised by the huge opportunity to accelerate Premium Beauty and lead Market Development in categories like hair conditioners, serums, body lotions, body wash and sunscreen to name a few. Our priority is to drive growth in our five big beauty master-brands, Dove, Pond's, TRESemmé, Lakmé and Indulekha, which span across categories. We are doing this through on-trend and relevant innovations, solutions that are designed for consumers and channels of the future, and by driving adoption of key future formats. Through compelling communication, we are addressing key category triggers and barriers, as well as scaling up education-led sampling. This year, TRESemmé launched the Thick and Full Shampoo and Conditioner with Biotin and Wheat Protein and expanded its hair care range. In Skin Care, Dove launched Love & Care, a new range of hand and body moisturisers while Pond's introduced its gold beauty range including Facewash, Serum, Day Crème, Peel off Mask and a Night Crème. Lakmé expanded its cosmetics range with volume mascara, highlighter and liquid concealer. The female intimate hygiene brand VWash, which was acquired by us in the previous year, continued to gain traction with consumers. We are also creating new capabilities for driving 'beauty' market development through salons, medical marketing and online marketing, which serves as a distinct competitive advantage.

We continue to strengthen our 'naturals' strategy by building specialist brands like Indulekha and Hamam. This year, we expanded the Indulekha franchise into relevant benefit segments like anti-dandruff, as well as e-Commerce relevant formats like masks and serums. Another pillar of our naturals strategy involves natural variants of our existing brands like Clinic Plus Egg Protein shampoo, TRESemmé Botanique, Glow & Lovely Ayurvedic Care, Lifebuoy Neem and Turmeric, Pears Naturale etc.

Winning with the consumer of the future

Since the consumers' shopping journey is increasingly moving online, e-Commerce continues to gain relevance. Last year, we had set up the Premium Beauty Business Unit (PBBU) within the Beauty & Personal Care organisation to strengthen our play in 'Masstige' beauty segment. This unit is now fully operational with three digital-first brands Simple, Love Beauty & Planet and Baby Dove. PBBU is not just about building brands but also about incubating organisation-wide capabilities fit for the fast-changing digital world. We have created an agile innovation model that enables us to pick up trends and launch the product in minimal time, scaling it up as it succeeds. We are building nano factory setups and a flexible supply chain that allow us to produce quickly and in small batch sizes. We have also developed Performance Marketing, D2C and e-Commerce capabilities required to target the digital native consumers.

Technology-driven commerce will continue to grow disproportionately, and we are investing in it ahead of the curve. Lakmé's leading Beauty Tech Solutions like virtual try-on and Artificial Intelligence (AI) Skin Analyser on its D2C platform allow consumers to replicate their offline journeys online. Lakmé is the most followed Indian beauty brand on Instagram with around 30% of its sales now through digital channels. We continue to strengthen our content platform 'Be Beautiful' which educates consumers on their Beauty & Personal Care needs, and are also creating new ecosystems that can help us scale Influencer Marketing and lead the curve on upcoming opportunities like Social Commerce.

Home Care

Making people's homes a better world, and our world a better home

As we work to make the lives of our consumers easier, cleaner and safer, we are also leading our industry towards a cleaner future through the power of science and innovation. Last year, 'Get-Set-Clean', our online platform for housekeeping and cleaning tips, stepped up to create meaningful content to ease consumers' worries around the pandemic. Our relentless focus on serving consumer preferences and needs through our strong purposeful brands continue to fuel strong competitive growth thereby extending our market leadership.

Building purpose-led brands

Putting purpose at the heart of every action and communication, our brands continue to drive salience with consumers. Through its purposeful activations, our biggest brand Surf excel is spreading its philosophy of 'Daag Acche Hain' or 'Dirt is Good'. Our latest Surf excel Holi campaign encourages people to celebrate joyous moments like a child would, with family and friends, and lead fulfilling lives. Wheel continued to uphold the concept of equal partnership between husband and wife through its campaign that depicted men actively participating in household chores challenging social stereotypes. This year Rin celebrated India's Olympic fencer Bhavani Devi's story of grit, determination, and hard work, inspiring millions to keep persevering in pursuit of their dreams. Sunlight's Pujo campaign 'Tantir Rong' this year supported the handloom weavers of Bengal and decided to add back colours to their lives by generating demand and awareness for their art.

Our dishwash portfolio continued its resilient performance. Vim with its well-defined purpose of 'change your outlook, move beyond dishes' focussed on breaking the societal stereotype that dishwashing is solely a woman's responsibility. Based on a clear consumer need, our home hygiene brand Domex launched a superior product backed by a breakthrough patented Fresh Guard technology which fights malodour in toilets for 100 flushes.

Upgrading consumers to higher order benefits

Over the years, we have witnessed great success in upgrading consumers and premiumising our portfolio, and we continued this strategy during the year, where our premium products outperformed the rest of the portfolio. Through our portfolio which straddles the price-benefit pyramid, we continue to actively engage with consumers in their upgradation journey. For instance, Surf excel has been driving upgradation in detergent powders, led by Surf excel Easy Wash and Surf excel Matic. Premiumisation continues to be an important agenda for the dishwash business and with a strong and scalable consumer contact programme, Vim liquid continues to pioneer premiumisation in the country.

Creating categories of the future through market development

With the changing demographics in our country, urbanisation and nuclear families, the need for more convenient ways for cleaning and laundry continue to develop. Over the years, our Fabric Care business has developed strong expertise in seeding and scaling new categories. Led by effective market development actions we have been able to drive relevance for our liquid detergents, matic liquids and fabric conditioners portfolio. We continue to invest in newer formats like Surf excel Smart shots and Smart sprays for effective fabric care and Vim Matic range for dishwashers.

Towards a clean future

We know that consumers want sustainable products that perform just as well as conventional ones. In 2021, we embarked on our clean future journey with Rin and Surf excel. Rin has launched an environment-friendly and superior product. Surf excel's product and packaging has become environment-friendly with biodegradable actives, 100% recyclable plastic bottles, made with 50% recycled plastic and a portfolio-wide pipeline of water-saving products. Another example is the new 'Smart Fill' machine, an in-store vending model which offers consumers option to reuse plastic bottles by refilling our home care products through this machine.

We are committed to transition from fossil fuel-derived chemicals in our cleaning and laundry products by 2030. During the year, we took a step forward in this journey by partnering with 'Tuticorin Alkali Chemicals and Fertilizers Limited' and 'Carbon Clean Solutions' for Soda Ash, one of the key raw materials for our laundry products, using carbon capture technology.

Foods & Refreshment

Taste good, feel good, force for good

Our brands continue to provide great-tasting, nutritious and sustainable foods for consumers – using our world-class innovation and brand purpose to inspire change.

Grow the core

Through a combination of superior products, impactful innovations and purposeful activations, our brands continue to attract new consumers. Our market leadership position in tea was further strengthened during the year, enabled by a very strong portfolio that straddles the price-benefit segment serving the different needs of consumers. Leveraging our Winning in Many Indias (WiMI) strategy, we continue to build tea blends which are suited to the tastes and preferences of consumers. Our iconic brand Red Label is bringing to life the taste of togetherness through its 'Swad Apnepan Ka' campaign.

During the year, the Ice Cream and Frozen Desserts business recovered strongly and was significantly ahead of pre-pandemic levels. We scaled up our in-home consumption portfolio through innovative, delicious products like the Kwality Wall's Cadbury Crackle tub and the Trixy cup. Offering sweet delicacies to consumers during festive season, Kwality Wall's activated integrated campaigns to reach consumers offline as well as online. ICNOW, our digital initiative for home delivery of Ice Creams is receiving a good response from consumers.

Kissan strengthened its market leadership in ketchups and introduced new pack sizes offering more convenience and value for consumers. Building on its credentials of 'restaurant-like-food' at home, Knorr activated its campaigns on soups and Chinese gravy mixes.

Creating categories of the future through market development

Our strong brands and capabilities in the Health Food Drinks (HFD) space continue to serve the nutritional needs of our consumers. During the year, we expanded the reach of our Nutrition business by integrating it with HUL's sales systems and processes. We are now focussing on building category relevance and driving penetration through market development. Our persuasive media campaigns and extensive sampling programmes are reaching out to millions of consumers. To address nutrition needs at various stages of life we have expanded the Horlicks portfolio with the high sciences range such as Diabetes Plus, Mother's Plus, etc. All these actions are enabling us to gain market share and penetration in HFD.

Our new product offerings in Foods portfolio viz. Hellmann's Mayonnaise, Kissan Peanut Butter are gaining traction with consumers and building scale. Strengthening our coffee portfolio we recently launched BRU Beaten Coffee, a product that is specifically designed for taste preferences of coffee lovers in North and West of India. Our functional tea portfolio which includes brands like Lipton Green Tea and Red Label Natural Care continues to do well. During the year, we expanded Lipton Darjeeling tea nationally.

Foods & Refreshment as a force for good

As one of India's largest F&R businesses, HUL is using its scale and reach in its efforts to encourage the wider food ecosystem to become healthier and more sustainable.

Over the last two years, we have launched several products that offer positive nutrition – foods that are rich in protein, fibre, fruits and vegetables, Omega-3, vitamins and minerals. Our HFD portfolio is designed for macro and micro nutrition supplementation to help alleviate childhood malnutrition. The Horlicks Plus range addresses specific adult health issues such as protein supplementation, loss of calcium in women, and sugar and cholesterol management for diabetics.

HUL is amongst the largest buyers of agri-commodities like tomatoes, cereals, tea, coffee and dairy. We have partnered with 'Sahyadri Farms', a farmers' co-operative based in Maharashtra, for sustainable sourcing of tomatoes, helping consumers experience products made from great quality tomatoes, at affordable prices, while providing better livelihood to farmers. We are now extending this sourcing model to other agri-commodities.

We are also one of the co-founders and co-funders of Trustea – The India Sustainable Tea Programme. Trustea has played a pivotal role in achieving sustainable sourcing and zero deforestation commitments in tea.

Our people

When we take care of our people, our people take care of the business.

This year reinforced the importance of being a safe, inclusive and supportive place to work for all our employees. Health and safety of our employees, their families and the people in our extended value chain remained our #1 priority. We continued to nurture a culture in which our people can thrive, become future-fit and bring their best selves to work.

Supporting our people through the pandemic

We have continued to help our people protect themselves from Covid-19 with enhanced timely testing and vaccinations to keep our workplaces as safe and productive as possible. We ensured that our people and their families received medical care through our facilities and healthcare resources, telehealth options and connections with community resources. We increased our medical staff and infrastructure, and leveraged our strong affiliations with 200+ hospitals to provide prompt medical support to our people.

Our team of 130+ employee volunteers went above and beyond to support our Covid-19 impacted employees and their families with timely medical assistance. We created a dedicated HUL Healthcare Helpline for anytime Covid-19 assistance and also facilitated vaccination for our employees and people in our extended value chain.

Safety at work

Safety of our employees and people in our extended value chain is at the core of everything that we do. We launched a safety awareness programme "BeSafe" in 2021 and trained over 12,000 employees to further strengthen our safety culture. We have rolled out a new incident management tool to enhance faster and easier reporting.

Our Total Recordable Frequency Rate* (TRFR) was 0.31 accidents per million hours worked (1st October 2020 to 30th September 2021) as compared to 0.34 in the same period last year.

Sadly, two of our employees were involved in a fatal car accident. When fatalities occur, our first priority is to support the needs of the families of the individuals involved. Road safety is one of the focus areas for us and we have been taking several preventive measures to reduce road incidents. We have strengthened our Safe Travel Policy and have been training our employees as well as our extended driver network about safe on-road behaviours.

Wellbeing for all

Alongside safety at work, supporting our people's physical, mental and emotional wellbeing has never been more important. We dialled up our systematic approach on wellbeing with customised interventions for various employee segments. We provided our people a range of tools to help them to focus on their wellbeing.

In a wider focus on mental health across the business, we took this conversation to our frontline teams, training 45 blue-collar Mental Health Champions (MHCs) across 10 factory locations and we have over 850+ trained MHCs. As a result of our sustained efforts, we saw the reflections in our annual employee survey, UniVoice, with 85% office based employees and 96% factory employees sharing their belief that the Company cares for their wellbeing.

Attracting and retaining talent

In an highly competitive talent market, we made concerted efforts to attract and retain talent. We continued to build meaningful and deep engagements with students, digitally as well as on campus, to strengthen our employer brand and attract the best talent for the Company. Our purpose-led and future-fit vision and culture ensured that we cemented our position as the 'No. 1 Employer of Choice' across industries in 2021. In a resurgent talent market, our voluntary attrition continued to be well below the FMCG industry benchmarks.

Preparing for the Future of Work

The world of work is changing. Our 2021 employee survey showed that 91% of our people believe we have become simpler, faster and more agile in the last 12 months. Covid-19 has been a catalyst to expand flexible and more inclusive ways of working. We also continue to build organisational capabilities with a clear focus on functional learning to enable our people to upskill and reskill for their roles and help them prepare for the changing landscape of work. In our latest employee survey, 87% of our people in offices and 94% of our people in factories believe that the Company provides opportunities for skill development to advance them towards a successful future.

* (TRFR: Employee + Contractor)

a) Becoming more agile

We are transforming how we work at HUL by introducing more flexible and agile ways of working that unlock capacity and help individuals find a meaningful and balanced way of working. Our AI-powered internal talent marketplace allows us to match people with specific skills to projects that require them. This helped us assign resources to over 500 business critical projects when teams faced capacity constraints.

b) Nurturing our growth culture

Our endeavour is to shape a Growth Culture based on three tenets: Human, Purposeful and Accountable. Using our future-fit plans, our people are shaping development and career plans based on their purpose. We sustained very high engagement levels – 85% in offices and 95% in factories – which places us in the top quartile for employee engagement compared to industry benchmark.

c) New ways of working

We implemented a best-in-class Return to Workplace programme and co-created our hybrid ways of working, keeping employee context and flexibility at the heart. We continue to create flexible working options for our people and have launched new employment models, U-Work and Open2U, built on the premise of providing flexibility combined with security.

d) A beacon for equity, diversity & inclusion

We also want to be a workplace where everyone feels they belong and are able to thrive. This means creating an inclusive culture free from the barriers that limit people in reaching their true potential. We have identified our equity, diversity and inclusion priorities – gender, people with disabilities and LGBTQI+ communities. We are building the capabilities of our business leaders and HR practitioners to support equity advocacy, diversity awareness and psychological safety in their teams.

We continue to make progress in our commitment to be gender balanced across our managerial levels within the next few years. In calendar year 2021, we improved our gender balance from 42% to 44%* at managerial levels. Another step in our diversity journey has been the introduction of 250+ women in our extended sales ecosystem and the addition of 186 women on our shopfloor. In 2021, we also launched the HUL ProUd network as an employee resource group for LGBTQI+ employees and allies.

To support the agenda of ending the silence on domestic violence, in March 2021, we launched the #UnMute campaign. We aim to address the issues related to women safety by enabling our employees and extended value chain, to become the voice of allyship on women's safety and domestic violence. As part of this campaign, we have raised awareness among employees and over 100,000 women in our extended value chain on safety at work, safety in public spaces and safety at home. We aim to continue this journey and reach 500,000 women by the end of 2022.

*excluding employees onboarded with the merger of GSK CH

Customers

We work with our many retail partners to help them grow sustainably alongside the Company.

We have a long-standing relationship with our customers that is based on trust and mutuality of interest. We continue to work with all our partners including small family-owned stores to large organised retail and e-Commerce to serve the evolving needs of our shoppers. Our endeavour is and has always been to ensure that our brands are easily available wherever shoppers choose to shop.

Our brands are present in over 9 million retail outlets spread across the country through a network of 3500+ distributors, who are the backbone of our retail reach. We also reach our consumers through large, organised retailers, e-Commerce and omnichannel customers as well as our own D2C platforms. As a gateway to the people who buy and use our products, these customer partners are critical to our success.

Selling with purpose

Protecting lives and livelihoods of our people and of those in our extended value chain became even more important during the pandemic. During the second wave of Covid-19, we extended medical assistance via our Medical and Occupational health team as well as through Covid-19 warriors working on ground across the country. We continued to follow appropriate safety protocols while also using our learning from the previous year to ensure the smooth running of operations.

Through our Shakti initiative, which helps enhance livelihoods and financially empower rural Indian women, we have now reached over 1.6 lakh Shakti entrepreneurs. We are now working to create a larger social impact by making these Shakti entrepreneurs future-fit through sessions on nutrition awareness, waste recycling, women empowerment etc. With these inputs, they could truly become vehicles of social change and impact in their villages.

A shifting retail landscape

India's retail landscape is rapidly evolving as technology continues to influence consumer behaviour, with shoppers' path to purchase now spanning various channels and devices. The fast-evolving shoppers of today move seamlessly between online and offline channels, seeking convenience, value and premiumisation across categories. To service the needs of these discerning digital shoppers, we have adapted a D4C (Design for Channel) approach in launching brands and SKUs. At the same time, we also have a few premium brands going D2C through digital means.

Traditional Kirana stores, which continue to be the largest ecosystem for consumers to access their favourite brands, is witnessing the evolution of e-B2B and eB2C offerings. At the same time, organised retail is undergoing consolidation and customers are expanding with omnichannel offerings. We are seeing the rise of new models like social commerce, where people shop through social media platforms, and quick commerce, where people expect to receive their orders in less than an hour, often, within 15 minutes of the orders being placed.

Partnering for growth

As the customer landscape continues to evolve, we have been taking several steps to ensure that our partners and distributors remain future-fit. We are supporting traditional trade in their efforts to embrace technology. Shikhar – our e-B2B solution for online ordering - to give our retailers a safe, non-contact way of interacting with us at convenient times to place orders, track stock and shipments, and see prices and promotions. With a large number of our traditional trade business having access to Shikhar app, our ability to accept their orders allowed us to service the needs even during Covid-led lockdowns. This solves two main challenges that a retailer faces: capital and space, by empowering them to order online at their convenience, getting fast and reliable service and improving assortment. Not only does this create a better experience for our customers, but it also helps them increase sales. We have scaled up Shikhar by onboarding over 8 lakhs stores.

We are increasingly designing products and organising our business to suit the requirements of our Modern Trade and e-Commerce channel partners. We are collaboratively working with them to create growth plans based on shopper centric innovations and activations. We continue to enhance our capabilities such as performance marketing, deploying advanced analytical tools and executing Market Development initiatives at scale to engage shoppers both online and in-stores.

The Pharma channel offers a strategic growth opportunity and an essential platform for operating in the more premium and specialised Health & Beauty segment. This year, we piloted various initiatives to understand the product portfolio, content and in-store execution, and the route-to-market interventions needed to win in this channel. We are also engaging with medical professionals and pharmacists to educate them on products and their benefits, through our 'Expert' channel.

Suppliers & business partners

We are working more closely with our many suppliers and partners to deliver our strategy.

Our supplier ecosystem is an integral part of our business delivery helping us to innovate our products and drive mutual and sustainable growth. Involving lakhs of people in India as well as around the world - from small local producers to large multinationals, we partner with around 1,300 suppliers who provide us with goods and services such as raw materials, logistics, advertising, professional services and much more.

Strengthening agility and resilience

The pandemic-induced restrictions continued to challenge supply chains, with lockdowns affecting our suppliers' businesses in many parts of the world. Commodities, packaging and transport, all experienced significantly high levels of inflation. We also experienced a marked increase in supply volatilities from the pandemic as well as by supply-demand imbalances, energy crisis, production curbs, cross border restrictions and geopolitical challenges.

To ensure business continuity, our teams acted fast by securing material supplies, onboarding many new suppliers, making strategic interventions and designing to value. We operated in a dynamic manner, shortened our planning cycles to ensure we responded quickly to the changing environment. Our R&D and Supply Chain teams worked closely with local suppliers for capability development to improve supply reliability, while also increasing value chain transparency and cost competitiveness. We localised sourcing of many of our chemicals by developing alternative supplier capacity in India and leveraged the growing domestic chemicals industry, to reduce our import dependency. We have developed manufacturing capabilities for small quantities, making the production process more agile and responsive.

We worked closely with our supply partners and made strategic interventions to manage prices and demand spikes/supply shocks, utilising multi-modal logistics. We looked at all cost lines of our P&L with a sharp focus to cut costs and minimise the impact of inflation. Further, we extended our efficiency improvement programme to our suppliers to reduce inefficiencies and wastage from their processes, thereby reducing cost and enabling growth.

Collaborative and intelligent growth

We worked alongside our suppliers to respond to the demand variations across product categories during the current volatile environment. The value of data insights, smarter sourcing and more real-time visibility of goods and logistics became clearer. This is a key focus for us - we are using increasingly sophisticated digital tools to identify new potential innovation partners, onboarding new suppliers by conducting virtual audits, monitoring and reviewing quality performance online, and tracking logistics and supply risks in real time.

Partnering with purpose

The support of our suppliers, who are the gateway to the lakhs of people in our wider supply chain, is critical to our progress towards key aims such as reducing carbon emissions, protecting nature, and improving diversity and inclusion. We can only achieve our ambitious goals by bringing our supply partners with us – in doing so, we believe we are positioning both our business and theirs for growth. Our 'Partner with Purpose' programme aims at building an open, inclusive supplier ecosystem to deliver growth, while doing good for the people and planet.

We worked extensively with our supply partners on integrating better with our supply chain. For instance, producing packaging materials closer to our factories helps us improve material availability while reducing carbon footprint. For agricultural commodities like Tea, Coffee, Tomato, Dairy and Cereals, we are developing integrated local partnerships across the value chain to help drive transparency, sustainability, competitiveness and resilience, while creating a positive social impact on smallholder farmers. Partnerships based on clear standards of responsible sourcing strengthen our supply chain and the businesses within it. Our Responsible Sourcing & Business Partner Policy (RSBPP) sets out our commitment to conduct business with integrity, and with respect for universal human and labour rights as well as environmental sustainability. It's a crucial part of the due diligence we undertake to identify and encourage remediation of issues by suppliers. We are launching a refreshed RSBPP in 2022 with an expanded focus on climate and nature – and a new requirement for suppliers to pay a living wage instead of a minimum wage, which will be introduced progressively covering all by 2030.

Planet & society

Our Business will not prosper without a healthy planet and society.

Our approach to sustainability continues to recognise the interconnection of the planet and society – and that sustainability can be a driver of business performance.

Improving the health of our planet

India has seen several incidents linked to global warming in 2021 alone, from a glacier collapse in the Himalayas, to a sweltering heat wave and three cyclones that occurred within a few days of each other causing considerable damage to lives and livelihoods. The urgency to tackle climate change, reduce plastic waste and protect nature has never been greater.

Climate action

Climate Action is at the heart of our business strategy. We are committed to the Unilever Climate Transition Action Plan that sets out the steps that will be taken to reduce emissions and achieve net zero in our operations by 2030.

A waste-free world

Your Company has achieved plastic neutrality by collecting and responsibly processing over 1.16 lakh tonnes plastic in 2021. We have a framework called 'Less Plastic, Better Plastic, No Plastic' with which we evaluate our plastic footprint. For instance, we have reduced virgin plastic usage by replacing them with Post-Consumer Recycled (PCR) plastic for Vim Dishwash, Surf excel Matic, Surf excel Easy Wash, Rin Matic and Comfort etc.

We are working with leading organisations such as UNDP and Xynteo to change consumer behaviour of plastic segregation at source to build a better ecosystem for post consumer recycle uses and it's circularity. So far, the project has reached out to more than 75,000 households.

Protect and regenerate nature

We continue to work towards a deforestation-free supply chain. Unilever's People & Nature Policy enhances supplier requirements around no deforestation and human rights for our key commodities. Our Regenerative Agriculture Principles guides our suppliers and farmers, including smallholders, on how to nourish soil and water, capture carbon and restore land. We are sourcing nearly 95% of tomatoes used in Kissan ketchup sustainably. We have sourced and procured over 68% of tea from sustainable sources and by the end of 2021, 100% of the chicory was sourced sustainably.

Through the Hindustan Unilever Foundation (HUF), a not-for-profit company that works in the area of water management, we reached over 10,000 villages. Along with its partners, the foundation has delivered a cumulative and collective water potential of over 1.9 trillion litres through improved supply and demand water management, over 1.3 million tonnes of agricultural and biomass production, and over 60 million person-days of employment in financial year 2020-21.

A fairer, more inclusive world

We are helping to build more resilient and equitable communities by raising living standards, advancing equity, diversity and inclusion.

Raising living standards

Growing inequality in society has direct impact on consumption and India has one of the highest gap. We have taken an ambitious target to ensure everyone in our value chain who directly provide goods/services to us shall earn a living wage by 2030. Through Prabhat, our community development initiative around HUL's sites, we have trained women and youth in employable and future-fit skills such as IT, electrical, plumbing, solar technician, tailoring, beauty and more. In our journey to build a fairer and more inclusive future, we have been training people with disabilities, transgenders, sex workers, widows and other vulnerable communities, through Project Prabhat's 18 livelihood centres.

Equity, diversity and inclusion

We believe that until social justice and fairness become commonplace, it is our responsibility to drive equity and create a fairer, more socially inclusive society. We have achieved 44%* gender diversity in 2021 across our managerial base and have a strong roadmap to be gender balanced by 2025. Through several programmes we are striving to enhance women representation on the shop floor. Samavesh is our project to improve women participation in our factory shop floors. With our Ahilya initiative, we are empowering women to become sales professionals. Our ambition is to achieve 5% of our workforce to be made up of people with disabilities by 2025.

* excluding employees onboarded with the merger of GSK CH

Improving health, confidence and wellbeing

Through our brands and our operations, we continue to promote health and wellbeing, inclusive beauty and positive nutrition – finding ways to power growth through purpose.

Health and wellbeing

Lifebuoy's purpose is preventing illness and saving lives through handwashing with soap. Its 'H for Handwashing' education campaign has been teaching children the importance of handwashing since its inception. To drive awareness on Covid Prevention in communities, Lifebuoy and the Federation of Indian Chambers of Commerce and Industry (FICCI) partnered for a new public service campaign called 'It's In Your Hands'. The campaign made a humble appeal to the people of the country, asking them to play their part in fighting the virus by practising proper hygiene, wearing a mask in the right way, maintaining social distancing, getting vaccinated and washing hands with soap.

Based on our learning from 2020, we took steps to augment health infrastructure in Covid-19 hotspots during the second Covid-19 wave. In response to the severe shortage of medical oxygen and to reduce the pressure on healthcare infrastructure, we airlifted over 5,500 oxygen concentrators from across the world. Under Mission HO_2PE, these were made available in the most impacted areas in the country. We initiated a partnership through which we executed a model that delivers oxygen concentrators to Covid-19 patients at home through a borrow-use-return model.

During the year, we launched three more Suvidha centres with the centre in Dharavi, Mumbai being one of the largest community toilets in India. 'Suvidha' is a first-of-its-kind urban water, hygiene and sanitation community centre, that was first set up at Ghatkopar, one of the largest slums in Mumbai. Inspired by the success of the first seven Suvidha centres, along with Municipal Corporation of Greater Mumbai & HSBC. We have announced the plan for establishment of 10 more Suvidha centres across the city.

Positive nutrition

Your Company's 'Future Foods' ambition demonstrates our commitment to being a force for good. Your Company is continuously working to improve its products to help people transition towards healthier diets. Your Company's aim is to help people make the transition to healthier eating by providing positive nutrition. Foods that deliver positive nutrition are defined as products containing impactful amounts of vegetables, fruits, proteins, fibre, unsaturated fatty acids or micronutrients such as vitamins, zinc, iron and iodine. Your Company has committed to double the number of products sold that deliver positive nutrition by 2025.

Respecting and promoting human rights

We aim to advance and promote respect for human rights in everything we do – within our workplaces, through our supply and distribution chains and through our brands. With our suppliers, peers, industry bodies, trade unions and civil society we are working to address human rights impact and ensure that all those connected to our value chain are treated with respect, dignity and fairness.

In addition to this, our Code of Business Principles ('the Code') upholds the principles of human rights and fair treatment. The Code also conforms to the International Labour Organisation (ILO) principles. The principles of human rights are followed in the same spirit within and outside the organisation when engaging with business partners.

Shareholders

We are focusing on our strategic choices to deliver 4G growth i.e. consistent, competitive, profitable and responsible growth

This financial year was unpredictable and challenging with continued pressure from Covid-19 and unprecedented cost inflation. As global supply chains were disrupted, firstly, due to the pandemic and then later due to the geopolitical crisis, inflation in many commodities like crude oil derivatives, vegetable oils, packaging, etc. rose to historic highs resulting in significant input cost pressures. High inflation also resulted in a marked moderation in FMCG market growth with volumes declining in second half of the year.

Our performance

In a challenging environment, we have shown resilience and agility to deliver strong all-round performance. Our reported turnover and net profit grew 11% and 11% respectively in financial year 2021-22. We further cemented our leadership position with highest YoY market share gains* in more than a decade. More than 75% of our business is winning market share, both value and volume. We have gained market shares in all our divisions, across price segments and across regions.

In our divisions, Home Care delivered a strong performance, growing 19% led by double-digit growth in both Fabric Care and Household Care. Beauty & Personal Care grew 8% with Skin Cleansing and Hair Care performing well on a strong base comparator. Skin Care and Colour Cosmetics portfolio which was impacted due to Covid-19 led mobility restrictions recovered during second half of the year and was ahead of pre-pandemic levels in the latter half of the year. Foods & Refreshment continued to perform well and grew 7% on an exceptionally high base. Ice Cream made a strong comeback and was significantly ahead of pre-pandemic levels. Tea delivered another year of strong performance, strengthening value and volume market leadership.

Our dynamic financial management, a strong savings programme and calibrated pricing actions helped protect our business model against rising input costs as we kept our EBITDA margins at a healthy 25%. Our cash from operations (after taxes) was at ₹11,684 crores.

* As per Nielsen Market Report (for HUL relevant categories)

Your Directors are pleased to recommend a final dividend of ₹19/- per equity share of face value of ₹1/- for the year ended 31st March, 2022. The interim dividend of ₹15/- per share was paid on 12th November, 2021. The total dividend for the financial year ended 31st March, 2022 amounts to ₹34/- per share of face value of ₹1/- each.

Our strategic choices for growth

Last year we set out in detail the Compass strategy to deliver our vision. The five clear choices we have made in our strategy – portfolio, brands, channels, structure & capabilities, and culture – the continued delivery of our five Growth Fundamentals, have been playing an important role in building momentum across the business.

Developing our portfolio

We continue to invest in building a future-fit portfolio and create long-term value. We are strengthening our core, creating categories of the future through market development, and driving premiumisation by upgrading consumers to higher order benefits.

We are driving growth in our core portfolio by focusing on product superiority and building purposeful brands. Our biggest brand Surf excel, for instance continued to build its relevance through the iconic campaign 'Dirt is Good' and has been delivering strong results for us.

With a wide and resilient portfolio that straddles the price-benefit pyramid our consumers are able to choose their trusted brands at various price points. Even our highly penetrated categories like Fabric Wash and Tea offer opportunities to grow through premiumisation. Our brands like Surf excel, Dove, TRESemmé, Brooke Bond are responding to the needs of the consumers and leading premiumisation in their respective categories. In early 2021, we also setup the Premium Beauty Business unit (PBBU) to strengthen our play in the fast growing 'Masstige' beauty segment. Overall, these actions have yielded good results as our premium portfolio grew ahead of the rest of the portfolio during the financial year 2021-22.

We have a strong track record of seeding and building scale in new categories through market development activities.

Report of Board of Directors and Management Discussion and Analysis

For instance, our liquid detergents and fabric conditioners grew 4 times in last 5 years to become a ₹1,700 crores business. We are also covering portfolio white spaces through Mergers & Acquisitions. Indulekha, a specialist natural hair care brand with strong Ayurveda credentials has grown 6x since its acquisition in 2016. VWash, a female intimate hygiene brand acquired in 2020 is gaining good traction with consumers. With the merger of GSK CH, we acquired strong brands and capabilities in the functional nutrition space. Overall, our market development portfolio performed well in the financial year 2021-22.

Winning with our brands as a force for good, powered by purpose and innovation

We see an increasing number of consumers preferring trusted brands that not only deliver great products, but also positively impact people and planet. With more than 100 PhD scientists working across three R&D centres in India and access to the work done by 5,000 people in Global R&D function of Unilever, we have the largest R&D function across FMCG companies in India. Using world-class technology, we continuously strive to bring superior products which are also good for the planet. For instance, our brand Surf excel has launched a new formulation for its liquid detergent with biodegradable actives, packed in 100% recyclable plastic bottles made with 50% recycled materials. Horlicks has launched Diabetes Plus which is scientifically made to support dietary management of at-risk and diabetic individuals. By harnessing digital, artificial intelligence (AI) capabilities, as well as the latest IT solutions, our newly set up Agile Innovation Hub is transforming HUL's speed of innovation using a unique digital innovation workflow.

Leading in the channels of the future

Advancement in technology is increasingly influencing consumer behaviour. While traditional Kirana stores continue to be the largest ecosystem for consumers to access their favourite brands, e-Commerce is growing at a fast pace. There is also consolidation amongst customers, evolution of the e-B2B firms and omnichannel ecosystems. With quick commerce, shoppers now have a choice of express/instant deliveries in many places. As the distribution landscape is rapidly transforming, we are clearly focussed in ensuring that our brands are available wherever shopper wants to shop.

Design for Channel has been one of the strategic thrusts for us and we are designing products and organising our business for organised retail by collaborating with our customers and partners. Shikhar, our e-B2B online ordering solution is a real gamechanger for us. We believe that by helping smaller retailers engage with the digital economy through Shikhar, we can help them build more resilient and profitable businesses that also grow our sales. We have now scaled Shikhar to cover more than 8 lakhs stores.

We are also expanding our digital presence through D2C platforms – we now have D2C websites for our premium brands like Lakmé, Indulekha, Simple and a multi-brand platform UShop. This allows consumers access to their favourite brands directly from our platforms and get it home delivered giving them a unique shopping experience. All these initiatives have now enabled us to capture more than 20% of our demand digitally and gives us a unique ability to run our demand generation and demand fulfilment activities in a disruptive way.

Building differentiated structure and capabilities

Rapid digitalisation in our country has transformed the market dynamics across sectors. This has led to fragmentation of consumer choice, new channel shifts and the creation of service ecosystems. Our Reimagine HUL journey continues to help us accelerate our shift towards becoming an "Intelligent Enterprise". Subsequent to the digitalisation of our process, we are now focussing on creating connected ecosystem across consumer, customer and operation, supported by data, technology and analytics at its core.

As part of the consumer ecosystem, we are focused on faster-better innovation, leveraging next generation media tools to reach consumers effectively and efficiently, and building consumer engagement platforms. In the customer ecosystem, we are building competitive moats across demand capture, demand fulfilment and demand generation by digitalising our operations and leveraging data-driven analytics. To drive agility and resilience for our business, optimise costs with a focus on sustainable growth, our supply chain is undergoing a transformation. We continue to treat data as an enterprise asset and are enabling data-led decision making in all parts of our business. We are integrating data from disparate internal and external data sources and are analysing them to enable better and faster data-led decision making across the business.

Winning in Many Indias (WiMI) has been a cornerstone of our strategy. Looking at the diverse nature of our country we have de-averaged India into 15 consumer clusters. This brings us close to the consumers and allows us to capture consumer trends at a granular level. With the help of these rich granular insights, we are able to deploy customised strategies to drive growth. As consumers increasingly become more discerning our WiMI strategy will continue to keep us future-fit.

Building a purpose-led, future-fit organisation and growth culture

We believe that when employees are clear on their purpose in life and how this connects to the work they do, they are more engaged and willing to go the extra mile. Working with purpose is at the heart of our culture. This also helps us attract the best talent, as evidenced by our status as number one employer of choice across industries in the country. We are transforming how we work at HUL by introducing more flexible and agile ways of working. We continue on our journey to build a diverse and inclusive organisation through our progressive policies. We are reskilling and upskilling our people, and embracing hybrid ways of work to prepare for the future of work. We continue to build organisational capabilities with clear focus on functional learning priorities and embedding digital-first mindset to make our people future-fit.

Technology absorption

The Company continues to derive sustainable benefit from the strong foundation and long tradition of R&D at Unilever, which differentiates it from others. New products, processes and benefits flow from work done in various Unilever R&D centres across the globe, including in India. The Unilever R&D labs in Mumbai, Bengaluru and Gurgaon work closely with the business to create exciting innovations that help us win with our consumers. With world-class facilities, and a superior science and technology culture, Unilever attracts the best talent to provide a significant technology differentiation to its products and processes.

The R&D programmes, undertaken by Unilever globally, are focused on the development of breakthrough and proprietary technologies with innovative consumer propositions. The global R&D team comprises highly qualified scientists and technologists working in the areas of Home Care, Beauty & Personal Care, Foods & Refreshment and Water Purification and critical functional capability teams in the areas of Regulatory, Clinicals, Digital R&D, Product & Environment Safety and Open Innovation.

We have an existing Technical Collaboration Agreement (TCA) and a Trademark License Agreement (TMLA) with Unilever since 2013. Your Company is enjoying the benefits of an increasing stream of new products and innovations, backed by technology and know-how from Unilever. The pace of innovations and the scope of services have expanded over the years. Unilever's global resources are providing greater expertise and superior innovations. This has helped in bringing to the Indian consumers bigger, better and faster innovations.

The TCA provides for payment of royalty on net sales of specific products manufactured by your Company, with technical know-how provided by Unilever. The TMLA provides for the payment of trademark royalty as a percentage of net sales on specific brands where Unilever owns the trademark in India including use of 'Unilever Corporate logo'.

Your Company maintains strong and healthy interactions with Unilever through a well-coordinated management exchange programme, which includes setting out governing guidelines pertaining to identifying areas of research, agreeing timelines, resource requirements, scientific research based on hypothesis testing and experimentation. This leads to new, improved and alternative technologies, supporting the development of launch-ready product formulations based on research, and introducing them to markets. Your Company continuously imports technology from Unilever under the TCA, which is fully absorbed.

Your Company also receives continuous support and guidance from Unilever to drive functional excellence in marketing, supply management, media buying and IT, among others, which help your Company build capabilities, remain competitive and further step-up its overall business performance. Unilever is committed to ensuring that the support in terms of new products, innovations, technologies and services is commensurate with the needs of your Company and enables it to win in the marketplace.

B. Our risks and opportunities

Our risk appetite and approach to risk management

Risk management is integral to your Company's strategy and to the achievement of HUL's long-term goals. Our success as an organisation depends on our ability to identify and leverage the opportunities generated by our business and the markets we operate in. In doing this we take an embedded approach to risk management which puts risk and opportunity assessment at the core of the Board's agenda, which is where we believe it should be.

HUL's appetite for risk is driven by the following:

- Our growth should be consistent, competitive, profitable, and responsible;
- Our actions on issues such as plastic and climate change must reflect their urgency, and not be constrained by the uncertainty of potential impacts;
- Our behaviours must be in line with our Code of Business Principles (Code) and Code Policies;
- Our ambition to continuously improve our operational efficiency and effectiveness.

Our approach to risk management is designed to provide reasonable, but not absolute, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to HUL's Senior Management and Board & Board Committees including, where appropriate, the Chief Executive Officer and Managing Director, Chief Financial Officer, Audit Committee, Risk Management Committee.

For each of our principal risks we have a risk management framework detailing the internal controls we have in place and who is responsible for managing both the overall risk and the individual controls mitigating that risk. Our assessment of risk considers short and long term as well as internal and external risks including financial, operational, sectoral, sustainability (particularly Environment, Social and Governance related risks), information, cyber security, legal & compliance and any other risks as may be determined by the Company Leadership teams. How the identified risks are changing as well as emerging risk areas are reviewed on an ongoing basis, and formally by Risk Management Committee and the Board at least twice a year.

Processes

HUL engages in a wide range of processes and activities across all its operations covering strategy, planning, execution and performance management. Risk management is integrated into every stage of this business cycle. These procedures are formalised and documented and are increasingly being centralised and automated into transactional and other information technology systems.

Risk and Internal Adequacy

The Board advised by the Risk Management Committee, where appropriate, regularly reviews the significant risks and decisions that could have a material impact on HUL. These reviews consider the level of risk that HUL is prepared to take in pursuit of the business strategy and the effectiveness of the management controls in place to mitigate the risk exposure.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal controls environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Principal risks

In the following pages we have identified the risks that we regard as the most relevant to our business. These are the risks that we see as most material to HUL's business and performance at this time. There may be other risks that could emerge in the future.

Our principal risks have not changed this year. However the Macro economic and Geopolitical movements, rapidly evolving business transformation, heightened ESG focus and increasing vulnerability of systems and information have accentuated the risks in these areas. Much of our risk mitigation focus during the year has been on managing these risks.

Key areas where we believe there is an increased level of risk compared to last year are as under–

1. **Macro-economic and geopolitical volatility**

   Heightened risk due to inflationary and supply chain pressures, geopolitical and Covid-19 uncertainties.

2. **Systems & Information**

   Greater exposure to Cyber risks with increased digitisation of business and the cyber attacks being increasingly active and sophisticated.

3. **Rapidly changing Business Models**

   Rapidly evolving consumer behaviour, new-demand spaces and changing shopping habits; Transforming retail channel landscape; Pandemic accelerated reconfiguration of work protocols-hybrid models; Heightened ESG focus.

The potential impact and likelihood of certain principal risks remain heightened due to the Covid-19 pandemic. These risks are the safety and wellbeing of our employees and the extended value chain, continuity of operations, and IT availability.

We regularly review our risk areas and the Company leadership retains the responsibility for determining the nature and extent of significant risks and drawing out commensurate mitigation plans. We identify the most relevant risks for our business and reflect on whether the level of risk associated with each of our principal risks is increasing or decreasing.

We set out below our principal risks, certain mitigating actions that we believe help us to manage our risks and the increase/decrease corresponding to each of the these.

Risk	Risk Description	Management of Risk	Level of risk
Brand preference	**Our success depends on the value and relevance of our brands and products to our consumers and on our ability to innovate and remain competitive.** Consumer tastes, preferences and behaviours are changing more rapidly than ever before. We see a growing trend for consumers preferring brands which both meet their functional needs and have an explicit social or environmental purpose. Under indexation of product portfolio in segments where substantial market is moving to, may lead to loss of market share and long-term competitive disadvantage. Our ability to create innovative products that continue meeting the needs of consumers and deploy the right communication, both in terms of messaging content and medium is critical to the continued strength of our brands. The Covid-19 pandemic has driven significant changes in consumer habits and demands which requires rapid evolution of portfolio and continued innovations to remain relevant and competitive.	Your Company monitors external market trends and collates consumer, customer and shopper insights in order to develop category and brand strategies. We invest in markets and segments where we have built, or are confident that we can build, competitive advantage. Our R&D function actively identifies ways to translate trends in consumer preferences into new technologies for incorporation in future products. Our innovation management process converts category strategies into projects which deliver new products to market. We develop product ideas both in-house and with selected partners to enable us to respond to rapidly changing consumer trends with speed. Our brand communication strategies are designed to optimise digital communication opportunities. We develop and customise brand messaging content specifically for each of our chosen communication channels (both traditional and digital) to ensure that our brand messages reach our target consumers. Our brand teams are driving social purpose into their brand's proposition and communications.	↔ No Change
Legal & Regulatory	**Compliance with laws and regulations is an essential part of HUL's business operations.** Proliferation or instability in regulatory policies related to levy of direct/indirect taxes, data privacy, corporate governance, listing & disclosure, food quality compliance, labour laws, consumer communications, imports among others, may lead to adverse impact on growth and profitability and increased exposure to civil and/or criminal actions leading to damages, fines and criminal sanctions against us and/or our employees with possible consequences for our corporate reputation. Changes to laws and regulations could have a material impact on the cost of doing business.	HUL is committed to complying with the laws and regulations of the country. In specialist areas, the relevant teams are responsible for setting detailed standards and ensuring that all employees are aware of and comply with regulations and laws specific and relevant to their roles. Our legal and regulatory specialists are involved in monitoring and reviewing our practices to provide reasonable assurance that we remain aware of and are in line with all relevant laws and legal obligations.	↔ No Change

Report of Board of Directors and Management Discussion and Analysis

Risk	Risk Description	Management of Risk	Level of risk
Supply chain	**Our business depends on purchasing materials, efficient manufacturing and the timely distribution of products to our customers.** Our supply chain network is exposed to potentially adverse events such as physical disruptions, environmental and industrial accidents, labour unrest, trade restrictions or disruptions at a key supplier, which could impact our ability to deliver orders to our customers. The cost of our products can be significantly affected by the cost of the underlying commodities and materials from which they are made. Fluctuations in these costs may negatively impact business especially if such movements are not effectively managed. Covid-19 and geopolitical uncertainity around the world has challenged and continues to challenge the resilience and continuity of our supply chain. Maintaining manufacturing and logistics operations will continue to require ongoing focus and flexibility.	We have contingency plans designed to enable us to secure alternative key material supplies at short notice, to transfer or share production between manufacturing sites and to use substitute materials in our product formulations and recipes. Commodity price risk is actively managed through forward buying of traded commodities, other hedging mechanisms and product pricing. Trends are monitored and modelled regularly and integrated into our forecasting process. We have policies and procedures designed to ensure the health and safety of our employees and the products in our facilities, and to deal with major incidents including business continuity and disaster recovery.	↑ Increased
Business transfor-mation	**Successful execution of business transformation projects is key to delivering their intended business benefits and avoiding disruption to other business activities.** HUL is continually engaged in major change projects, including acquisitions, disposals and organisational transformation, to drive continuous improvement in our business and to strengthen our portfolio and capabilities. We have an extensive programme of transformation projects. Ineffective execution of strategic business transformation projects could result in under-delivery of the expected benefits/synergies, inability to unlock growth opportunities and a significant negative impact on the value of the business. Continued digitalisation of our business models and processes, together with enhancing data management capabilities, is a critical part of our transformation.	All acquisitions, disposals and transformation projects have steering groups in place led by senior leadership teams. Sound project discipline is followed in all transformation projects and these projects are resourced by dedicated and appropriately qualified personnel. All such projects are monitored through strong governance and reviewed by the Board of the Company for delivery of maximum synergies. The digitalisation of our business is led by a dedicated specialist team together with representatives from all parts of the business to ensure an integrated and holistic approach. New ways of working and business models are constantly being explored to manage our business optimally in changing times.	↔ No Change
Macro-Economic Volatility	Uncertain macro-economic outlook coupled with geopolitical uncertainties may impact consumer demand for our products, disrupt sales operations and/or impact the profitability of our operations. Prolonged and accentuated inflationary pressure; rise in unemployment, fall in disposable incomes could lead to a demand shock.	HUL's flexible business model allows us to adapt our portfolio and respond quickly to develop new offerings that suit consumers' and customers' changing needs during economic downturns. We regularly update our forecast of business results and cash flows and, where necessary, rebalance investment priorities. We believe that many years of exposure to challenging market conditions have given us experience of operating and developing our business successfully during periods of economic & political instability.	↑ Increased
Plastic packaging	**We use a significant amount of plastic to package our products. A reduction in the amount of virgin plastic we use, the use of recycled plastic and an increase in the recyclability of our packaging are critical to our future success.** Consumer and customer responses to environmental impact of plastic waste and emerging regulations by Government to tax or ban the use of certain plastics, require us to find solutions to reduce the amount of plastic we use; increase recycling post-consumer use; and to source recycled plastic for use in our packaging. Not only is there a risk around finding appropriate replacement materials, due to high demand, but the cost of recycled plastic or other alternative packaging materials could significantly increase in the foreseeable future and this could impact our profitability. We could also be exposed to higher costs as a result of taxes or fines if we are unable to comply with plastic regulations which would again impact our profitability and reputation.	We are working on three different streams to address the risk: Advocacy: We are working with Government and Industry bodies on packing substitutes, central regulation for all States, improving recycling infrastructure for plastics, framing of EPR regulation framework. Collection and Recovery: We are driving waste management pilots through tie-ups with various companies/NGOs deploying mass collection, processing and disposal models. We are also helping consumers to understand waste segregation and disposal methods. In 2021, we achieved plastic neutrality by collecting and responsibly processing over 1.16 lakh tonnes plastic. Design and development of alternative packaging: We are committed to make 100% of our plastic packaging reusable, recyclable or compostable by 2025 and are working on innovative solutions for accelerated development of alternative packaging and associated Supply Chain capability in order to reduce usage of virgin plastic.	↔ No Change
Systems & information	**Your Company's operations are increasingly dependent on IT systems and the management of information.** The cyber-attack threat of unauthorised access and misuse of sensitive information or disruption to operations continues to increase. Such an attack could inhibit our business operations in a number of ways, including disruption to sales, production and cash flows, ultimately impacting our results. Increasing digital interactions with customers, suppliers and consumers place greater emphasis on the need for secure and reliable IT infrastructure and careful management of the information that is in our possession to ensure data privacy. Given the changes in ways of working of all our employees as well as our customers and suppliers, with increased activities online, there has been a greater reliance on certain elements of our IT infrastructure. We are particularly reliant on third party experts in this space and thus the impact of any disruptions on their operations also poses a risk for us. Accelerated pace of digitisation of our operations also gives rise to the need to detect and mitigate risks arising from technological advancements such as deployment of AI, Robotics Process Automation, Machine Learning.	To reduce the impact of external cyber-attacks impacting our business we have firewalls and threat monitoring systems in place, complete with immediate response capabilities to mitigate identified threats. We also maintain a robust system for the control and reporting of access to our critical IT systems. This is supported by an annual programme of testing of access controls. We have policies covering the protection of both business and personal information, as well as the use of IT systems and applications by our employees. Our employees are trained to understand these requirements. We also have a set of IT security standards and closely monitor their operation to protect our systems and information. Hardware that runs and manages core operating data is fully backed up with separate contingency systems to provide real-time backup operations should they ever be required. We have standardised ways of hosting information on our public websites and have systems in place to monitor compliance with appropriate privacy laws and regulations, and with our own policies. We are increasingly putting in place review and monitoring frameworks for new age automations to assess inherent open risks and mitigate the same.	↑ Increased

Report of Board of Directors and Management Discussion and Analysis

Risk	Risk Description	Management of Risk	Level of risk
Quality and safety	**The quality and safety of our products are of paramount importance for our brands and our reputation.** The risk that raw materials are accidentally or maliciously contaminated throughout the supply chain or that other product defects occur due to human error, equipment failure or other factors cannot be excluded. Labelling errors can have potentially serious consequences for both consumer safety and brand reputation. Therefore on-pack labelling needs to provide clear and accurate ingredient information so that consumers can make informed decisions regarding the products they buy.	Our product quality processes and controls are comprehensive, from product design to customer shelf. Our internal safety and quality norms are constantly reviewed to ensure that our products meet the most stringent norms. HUL has a robust quality inspection process in all manufacturing and warehousing locations to avoid and detect quality and safety issues. Our key suppliers are externally certified, and the quality of material received is regularly monitored to ensure that it meets the rigorous quality standards that our products require. We have processes in place to ensure that the data used to generate on- pack labelling is compliant with applicable regulations and HUL labelling policies in order to provide the clarity and transparency needed for consumers.	↔ No Change
Talent	**Ensuring employee safety and wellbeing is a key priority for us. A skilled workforce and agile ways of working are essential for the continued success of our business** Covid-19 has had a significant impact on people's lives, therefore helping our employees manage this impact and their ability to work effectively require continued focus. Covid-19 accelerated the shift to remote working. We are now working in an interweaving ecosystem of physical and virtual work spaces and our ability to manage hybrid ways of working will be the key to operational effectiveness. There is an imminent need to re-engage and redeploy our workforce to pre-covid levels. With the rapidly changing nature of work and skills, there is a risk that our workforce is not equipped with the skills required for the new environment. Our ability to attract, develop and retain a diverse range of skilled people is critical if we are to compete and grow effectively. The loss of management or other key personnel or the inability to identify, attract and retain qualified personnel could make it difficult to manage the business and could adversely affect operations and financial results.	In light of Covid-19, we have been proactive and swift in ensuring safe working conditions and providing the necessary infrastructure and equipment across all operations to strictly adhere to government guidelines on Covid-19 safety measures. Our working spaces have been reconfigured with renewed protocols in line with return to work requirements post Covid-19. We constantly invest in upskilling, reskilling, redeployment and dynamic allocation of our talent. We regularly review our ways of working to drive speed and simplicity through our business in order to remain agile and responsive to marketplace trends. We are adopting flexible ways of working to unlock internal capacity and optimise talent deployment. Over the years we have developed a good equity to attract top talent. We have an integrated management development process which includes regular performance reviews underpinned by a common set of leadership behaviours, skills and competencies. We have development plans to upskill and reskill employees for future roles and will bring in flexible talent to access new skills. We have targeted programmes to attract and retain top and niche talent and we actively monitor our performance in retaining a diverse talent pool within HUL.	↔ No Change

Risk	Risk Description	Management of Risk	Level of risk
Ethics	**HUL's brands and reputation are valuable assets and the way in which we operate, contribute to society and engage with the world around us is always under scrutiny.** Acting in an ethical manner, consistent with the expectations of customers, consumers and other stakeholders, is essential for the protection of the reputation of HUL and its brands. Any significant breach to our Code by employees or extended enterprises would lead to damage to HUL's corporate reputation and business results.	Our Code and our Code Policies govern the behaviour of our employees, suppliers, distributors and other third parties who work with us. Our processes for identifying and resolving breaches of our Code and our Code Policies are clearly defined and regularly communicated throughout HUL. Data relating to such breaches is reviewed by HUL Management Committee and by relevant Board Committees that help to determine the allocation of resources for future policy development, process improvement, training and awareness initiatives. Our Responsible Sourcing Business Partner Policy help us improve the lives of the people in our supply chains by ensuring human rights are protected and makes a healthy and safe workplace a mandatory requirement for our suppliers We have detailed safety standards and monitor safety incidents at the highest level. Through our Brands with Purpose agenda, a number of our brands are taking action on societal issues such as fairness and equality	↔ No Change
Climate change	**Climate change and governmental actions to reduce such changes may disrupt our operations and/or reduce consumer demand for our products.** Climate change may impact our business in various ways through increased costs or reduced growth and profitability. Physical environment risks such as water scarcity could impact our operations, reduce demand for our products that require water during consumer use or decrease sales on account of reduced product efficacy due to water shortage. Uncertainty in timing and severity of summer, winter and monsoon may impact the seasonal swings that we get on our mixes. Increased frequency of extreme weather events such as high temperatures, hurricanes or floods could cause increased incidence of disruption to our supply chain, manufacturing and distribution network. Market risks associated with the energy transition and rising energy prices could disrupt our operations and increase costs. Our inability to reduce our carbon footprint and meet conscious consumption agenda across consumer segments may be detrimental to our reputation and growth in the long term.	As part of our sustainability targets, we monitor climate change and are responding by ensuring that we reduce the environmental impact of our operations to the extent possible. • Remove as much carbon from our operations and supply chain as we can • Sustainably source all our key commodities • Ensure deforestation-free supply chain In order to deal with the water scarcity and quality problems in the country, we are making water saving formulations available for seasonal deployment across portfolios. We also have ongoing plans to de-seasonalise our product portfolios to deal with extreme unfavourable seasonal swings. We monitor governmental developments around actions to combat climate change and take proactive action to minimise the impact on our operations.	↑ Increased

Report of Board of Directors and Management Discussion and Analysis

Opportunities

	Opportunities	What We are doing to respond to
Growing in channels of the future	With the advent of technology-enabled distribution models there has been a hyper fragmentation of channels. Accelerated growth of e-Commerce and Modern Trade has brought about a huge opportunity to tap into these channels and drive business growth. Covid-19 has caused rapid digitisation of purchase behaviours which require us to accelerate development of our e-Commerce and e-RTM capabilities. Strategically designed and flawlessly executed e-RTM, B2B solutions and E2E Supply Chain transformation would open up a huge opportunity to tap into the new age channels and drive business growth.	While HUL continues to drive growth in the traditional trade and route to market, it is also critical to increase the Company's footprint in emerging channels. Covid-19 has accelerated the shift of consumers to online with the trend of e-everything becoming highly discernible. Your Company is working on rapid proliferation of technology enabled distribution models to engage key customers and consumers strategically. Several new initiatives have been piloted which include digitisation of general trade through our eB2B app Shikhar, smart demand capture, leveraging opportunities in Omni channel, B2B2C and e-Commerce.
Future-fit portfolio	HUL's strategic investment choices in keeping with changing consumer demographics, aspirations and spending power will bring about an opportunity for growth and improved margins. There is a huge headroom to grow through building our product portfolio in high growth spaces such as masstige, health and hygiene, digital first brands, naturals and therapeutics.	Our strategy and our business plans are designed to ensure that resources are prioritised towards high growth segments. As an outcome of Covid-19 there has been an upswing in categories like health, hygiene and nutrition. We have a strong pipeline of relevant innovations and are staying close to consumers by proactively spotting consumer insights and capturing potential trends to adapt to the emerging demand patterns in the short term and prepare for any structural changes in the medium term. We are also focused on making brands aspirational and driving premiumisation across the breadth of the product portfolio. HUL has significantly enhanced brand propositions and marketing investments to increase adoption in under-penetrated categories.
Digital transformation	Digital Transformation Opportunities arising from rapidly emerging digital technologies, analytics and big data present a chance to make meaningful interventions and develop capabilities across the value chain redefining the way we do business. The ability to keep our operations future-fit through building digital capabilities in systems, workforce and business models will help us stay agile and respond in time to evolving stakeholder requirements.	HUL has been a leader in using big data and analytics as a tool to drive sustainable growth. We continue to drive organisation-wide digital transformation agenda under the umbrella of 'Reimagine HUL' to capture the digital opportunity. Pre-empting the imminent disruption, we have established a sharp digitalisation agenda in each function. These include those around our core ERP platform using Cloud, Artificial Intelligence and other digital technologies. Each day we build new capabilities in Systems, Workforce and Business Models with strong focus on external orientation and partnerships across large IT Companies/Industry Bodies. We are also invested to make sure that our talent is digitally enabled and future-fit to ride the digital transformation wave.
ESG focus	The effects of climate change and nature loss are becoming ever more apparent and increasingly urgent. Our stakeholders recognise that responsible business practices are critical to generating long term value. Your Company is committed to operate and grow the business in a responsible way. Our Compass commitments guide our purpose and vision. Your Company has the opportunity to leverage its ESG credentials for a consumer perception benefit.	HUL is a frontrunner in sustainable business practices. Through the Compass we have integrated our sustainability and business strategies. We aim to demonstrate that robust financial results are not contrary to sustainable business; in fact, they are complementary. The Company has a strong governance mechanism in place consisting of cross functional steering committees to action our ESG commitments. We are constantly driving advocacy around sustainability and getting broader industry participation to lead the change.

Financial Review

Results

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Turnover	50,336	45,311
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	12,503	11,324
Profit before exceptional items and tax	11,773	10,717
Profit for the year	8,818	7,954

Division Wise Turnover

(₹ in crores)

	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Turnover	Others*	Turnover	Others*
Home Care	16,470	108	13,883	76
Beauty & Personal Care	19,157	303	17,709	255
Foods & Refreshment	14,020	85	13,148	56
Others (including Exports and consignment sales)	689	361	571	298
Total	**50,336**	**857**	**45,311**	**685**

* Others include service income from operations, relevant to the respective businesses.

Summarised Profit and Loss Account

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Turnover	50,336	45,311
Other operational income	857	685
Total Revenue from operations	**51,193**	**45,996**
Operating Costs	38,690	34,672
Profit before Depreciation, Interest, Tax (PBDIT)	12,503	11,324
Depreciation	1,025	1,012
Profit before Interest & Tax (PBIT)	11,478	10,312
Other Income (net)	295	405
Profit before exceptional items	11,773	10,717
Exceptional items	(34)	(227)
Profit before Tax (PBT)	11,739	10,490
Taxation	2,921	2,536
Profit for the year	8,818	7,954
Basic EPS (₹)	37.53	33.85

Key Financial Ratios:

Particulars	2021-22	2020-21
Return on Net Worth (%)	18.6	17.0
Return on Capital Employed (%)	107.8	113.0
Basic EPS (after exceptional items)	37.53	33.85
Debtors Turnover	28.1	30.2
Inventory Turnover	13.8	14.0
Interest Coverage Ratio	129.2	108.8
Debt Service Coverage Ratio	21.4	20.2
Current Ratio	1.3	1.3
Debt Equity Ratio	0.02	0.02
Operating Profit Margin (%)	22.8	22.8
Net Profit Margin (%)	17.5	17.6

The calculation for above ratios (including restatement of prior year ratios, wherever necessary) is in accordance with formula prescribed by Guidance note on Schedule III issued by the Institute of Chartered Accountants of India.

Opening balances for FY 2020-21 have been adjusted for GSK CH merger

Increase in Return on Net Worth is led by PAT growth

There is no significant change (i.e. change of 25% or more as compared to the FY 2020-21) in the other key financial ratios.

Report of Board of Directors and Management Discussion and Analysis

Detailed explanation of ratios

(i) Return on Net Worth

Return on Net Worth (RONW) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing total comprehensive income by average shareholder's equity.

(ii) Return on Capital Employed

Return on Capital Employed (ROCE) indicates the ability of a Company's management to generate returns for both the debt holders and the equity holders. It measures a Company's profitability and the efficiency with which its capital is used. It is calculated by dividing profit before exceptional items, interest and tax by capital employed. Capital Employed = tangible net worth + total debt + deferred tax liability.

(iii) Basic EPS

Earnings Per Share (EPS) is the portion of a Company's profit allocated to each share. It serves as an indicator of a Company's profitability. It is calculated by dividing Profit for the year by Weighted average number of shares outstanding during the year.

(iv) Debtors Turnover

Debtors Turnover measures the efficiency at which the firm is managing the receivables. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing turnover by average trade receivables.

(v) Inventory Turnover

Inventory Turnover measures the efficiency with which a Company utilises or manages its inventory. It establishes the relationship between sales and average inventory held during the period. It is calculated by dividing turnover by average inventory.

(vi) Interest Coverage Ratio

The Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing earnings available for debt service by interest payments.

(vii) Debt Service Coverage Ratio

Debt Service coverage ratio is used to analyse the firm's ability to pay-off current interest and instalments. It is calculated by dividing earnings available for debt service by debt service.

(viii) Current Ratio

The Current Ratio indicates a Company's overall liquidity position. It measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

(ix) Debt Equity Ratio

Debt Equity ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing total debt by shareholder's equity.

(x) Operating Profit Margin (%)

Operating Profit Margin is used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing EBIT by turnover.

(xi) Net Profit Margin (%)

The net profit margin is equal to how much net profit is generated as a percentage of revenue. It is calculated by dividing net profit by turnover.

Other Financial Disclosures

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statement relates on the date of this Integrated Annual Report.

During the financial year, there was no amount proposed to be transferred to the Reserves.

Capital Expenditure (including Intangible Assets)during the financial year was at ₹919 crores (₹4,051 crores in the previous financial year).

During the financial year, your Company did not accept any public deposits as defined under Chapter V of the Companies Act, 2013.

Your Company manages cash and cash flow processes assiduously, involving all parts of the business. There was cash and bank balance of ₹3,618 crores (financial year 2020-21: ₹4,321 crores), as on 31st March, 2022. The Company's low debt equity ratio provides ample scope for gearing the Balance Sheet, should the need arise. Foreign Exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially significant uncovered exchange rate risks in the context of Company's imports and exports. The Company accounts for mark-to-market gains or losses every quarter end, are in line with the requirements of Ind AS 21. The details of foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 are mentioned below:

(₹ in crores)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Foreign Exchange earnings	1,527	1,407
Foreign Exchange outgo	3,131	2,698

Includes all Indian subsidiaries, excludes Unilever Nepal Limited

Performance of subsidiaries

The summary of performance of the subsidiaries is provided as below:

Unilever India Exports Limited

Unilever India Exports Limited is a wholly owned subsidiary of the Company and is engaged in FMCG exports business. The focus of the FMCG exports operation is two-fold: to develop overseas markets by driving distribution of brands, such as Vaseline, Dove, Pears, BRU, Red Label, Lakmé, Horlicks, Boost and to effectively provide cross-border sourcing of FMCG products to other Unilever companies across the world.

The topline growth of the Company was driven by robust growth in Personal Wash, Personal care, and Culinary products portfolio. Brands like Dove, Vaseline, Lakmé, Glow & Lovely, Horlicks, Lifebuoy, Knorr and Kissan have registered healthy growth in the focused markets.

Lakme Lever Private Limited

Lakme Lever Private Limited is a wholly owned subsidiary of the Company. The Company is engaged in Salons business and also operates a manufacturing unit at Gandhidham which carries out job work operations for your Company by manufacturing toilet soaps, bathing bars and detergent bars.

The company delivered robust topline and bottom line growth led by recovery in the salon business which was impacted by Covid-19 during the previous financial year. With focus on safety, quality of operations, expert treatments and prudent cost optimisation, the salon business continues to perform well in the beauty services category. Job work business continues its strong top line and bottom line growth momentum.

It has over 400 owned/managed and franchisee salons. At Lakmé Salon, safety and wellbeing of our experts and consumers have always been the topmost priority. This is assured by detailed Lakmé SOPs, rigorous training and high-quality products. The stringent safety and hygiene protocols rolled out after the first wave were strengthened when salons reopened post wave 2. The extended team comprising the housekeeping staff, experts, salon managers and business partners have been trained and audited continuously to ensure complete adherence to protocols. The safety standards were communicated in an authentic and credible manner leveraging walk throughs and client testimonials with the Safer than Home campaign. This has improved company's 'Net Promoter Score' which is in the healthy range of 85 to 90%.

Innovations like Free Spirits – vibrant colours, Beautysutra facials and manicure/pedicure treatments and Tresplex hair treatments added excitement to our comprehensive Runway Secrets portfolio. Thematic campaigns – Good Hair Day, Happy New You and Hair Tech helped gain new clients and sustain existing ones. Lakmé Salon was awarded several awards notable amongst which are Best Franchisor – Beauty and Wellness at the Franchise India Summit and Best National Salon Chain at the Salon Congress.

Hindustan Unilever Foundation

Hindustan Unilever Foundation (HUF) is a not-for-profit company that anchors water management related community development and sustainability initiatives of Hindustan Unilever Limited. The company operates the 'Water for Public Good' programme, with a specific focus on water conservation, building local community institutions to govern water resources and enhancing farm-based livelihoods through adoption of judicious water practices. HUF's programmes currently reach over 10,000 villages* in 46 Districts in 8 States and 2 Union Territories across India in partnership through 15 NGO partners and multiple co-funders. The Company also supports several knowledge initiatives in water conservation, governance and behaviour change.

By the end of financial year 2020-21, the cumulative and collective achievements through partnered programmes of the Company (independently assured) include:

- Water Conservation: Over 1.9 trillion litres of water potential created;
- Crop Yield: Additional agriculture production of over 1.3 million tonnes has been generated;
- Livelihoods: Over 60 million person-days of employment have been created though water conservation and increased agriculture production*.

Unilever Nepal Limited

Unilever Nepal Limited (UNL), a subsidiary of your Company and is engaged in manufacturing, marketing and sale of detergents, foods and refreshment products, toilet soaps, personal products and laundry soaps in Nepal.

During the year, UNL enhanced its growth trajectory which was broad based across all categories. UNL has maintained its bottom-line performance, driven by mix, judicious price management and by leveraging the current manufacturing capability. Transformation programmes such as Distributor Management System and SAP migration

*The significant reach and livelihood impact are on account of HUF's support to MGNREGS programme partnership in West Bengal with PRADAN, a reputed non-profit organisation. This programme reaches out to over 7,000 villages across 54 blocks in 6 districts.

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are helping in faster decision-making, localised and swifter innovation delivery and increased speed-to market.

Unilever India Limited

Unilever India Limited is a wholly owned subsidiary of your Company that had been incorporated to leverage the growth opportunities in a fast-changing business environment. Presently, it is in the process of setting up its manufacturing facility at Sumerpur, Uttar Pradesh. It is proposed to manufacture detergent powder at this facility.

This company is on-track to commission its factory and start commercial production in the financial year 2022-23.

Other Subsidiaries

Pond's Exports Limited is a subsidiary of your Company which was engaged in leather business and has currently discontinued operations.

Bhavishya Alliance Child Nutrition Initiatives is a not-for-profit subsidiary of your Company and has discontinued operations.

Daverashola Estates Private Limited is a subsidiary of your Company which currently has no business activity. There is an ongoing litigation on the property owned by the company in Tamil Nadu.

Jamnagar Properties Private Limited is a subsidiary of your Company and has currently discontinued operations.

Levers Associated Trust Limited, Levindra Trust Limited and **Hindlever Trust Limited,** subsidiaries of your Company, act as trustees of the employee benefits trusts of your Company.

The Scheme for merger of Ponds Exports Limited and Jamnagar Properties Private Limited into Unilever India Exports Limited was filed with the Hon'ble National Company Law Tribunal, Mumbai on 1st July, 2021. As on date, the final order on the company petition for merger is awaited.

During the year, your Company has obtained a certificate from the Statutory Auditors certifying that the Company is in compliance with the Foreign Exchange Management Act with respect to the downstream investment made in its subsidiary company i.e. Unilever India Limited.

C. Others

Cost Audit

In terms of the Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the cost audit is applicable for following businesses such as Coffee, Drugs and Pharmaceuticals, Insecticides, Milk Powder, Organic Chemicals, Other Machinery, Petroleum Products and Tea. The accounts and records for the above applicable businesses are made and maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

Employee Stock Option Plan (ESOP)

Details of the shares issued under Employee Stock Option Plan (ESOP), as also the disclosures in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, are uploaded on the website of the Company https://www.hul.co.in/investor-relations/annual-reports/hul-annual-report-related-documents/. No employee has been issued share options during the year equal to or exceeding one percent of the issued capital of the Company at the time of grant.

Pursuant to the approval of the Members at the Annual General Meeting held on 23rd July, 2012, the Company adopted the '2012 HUL Performance Share Scheme'. In accordance with the terms of the Performance Share Scheme, employees are eligible for award of conditional rights to receive equity shares of the Company at the face value of ₹1/- each. These awards will vest only on the achievement of certain performance criteria measured over a period of three years. The Company confirms that the 2012 HUL Performance Share Scheme complies with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014.

No shares were awarded to employees under the '2012 HUL Performance Share Scheme' in the financial year 2021-22.

The employees of the Company are eligible for Unilever share award plans, namely Performance Share Plan (PSP) and the SHARES plan. Through PSP, all managers are eligible to receive a conditional grant of Unilever shares on an annual basis. The Target PSP share award is equivalent to 50% of the Target Bonus for Managers and 100% of the Target Bonus for Senior Leaders. The actual share grant is determined by the line manager basis the employees' sustained impact, leadership and future-fit talent profile. These shares vest after a 3 year period with vesting being determined by Company performance against metrics.

Under the SHARES Plan, eligible employees can invest in the shares of Unilever PLC (Holding Company) up to a specified amount and after three years, one share is granted to the employees for every three shares invested, subject to the fulfilment of conditions of the plan. The Holding Company charges the Company for the grant of shares to the Company's employees based on the market value of the shares on the exercise date.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') have been appended as an Annexure to this Integrated Annual Report. Details of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Rules are available on the Company's website at https://www.hul.co.in/investor-relations/annual-reports/hul-annual-report-related-documents/.

Dividend

Your Directors are pleased to recommend a final dividend of ₹19/- per equity share of face value of ₹1/- each for the year ended 31st March, 2022. The interim dividend of ₹15/- per equity share was paid on Friday, 12th November, 2021.

The final dividend, subject to the approval of Members at the Annual General Meeting on Thursday, 23rd June, 2022, will be paid on or after Monday, 27th June, 2022 to the Members whose names appear in the Register of Members, as on the Book Closure date, i.e. from Friday, 17th June, 2022 to Thursday, 23rd June, 2022 (both days inclusive). The total dividend for the financial year, including the proposed final dividend, amounts to ₹34/- per equity share and will absorb ₹7,989 crores. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

Unpaid/Unclaimed Dividend

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016/Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹12.11 crores of unpaid/unclaimed dividends were transferred during the financial year to the Investor Education and Protection Fund.

Mergers and Acquisitions

There were no mergers/acquisitions during the year.

Particulars of Loan, Guarantee or Investments

Details of loans, guarantee or investments made by your Company under Section 186 of the Companies Act, 2013, during financial year 2021-22 are appended as an Annexure to this Integrated Annual Report.

Governance, Compliance and Business integrity

The Legal function of the Company continues to be a valued business partner that provides solutions to protect your Company and enable it to win in the volatile, uncertain, complex and ambiguous environment. Through its focus on creating 'value with values', the function provides strategic business partnership in the areas including product claims, mergers and acquisitions, legislative changes, combatting unfair competition, business integrity and governance.

As the markets continue to be disrupted with newer technologies and ever-evolving consumer preferences, the need to have a framework around data security and privacy is paramount. Your Company continues to ensure it has an appropriate framework and safeguards for data privacy of its stakeholders with enhanced legal and security standards. The legal function of your Company continues to embrace newer technologies to make the function future ready to support the growth agenda of the business.

Your Company is of the view that the menace of counterfeits can be effectively addressed if enforcement actions are supplemented with building awareness amongst the consumers of tomorrow. Your Company continued to engage with various stakeholders including e-Commerce Channel Partners, Industry Bodies and Regulators to curb the menace of counterfeiting on the e-Commerce platforms.

One of the key activities undertaken by your Company in this direction is propagating intellectual property awareness, particularly among school students. Your Company believes it is important to educate students on intellectual property and build awareness and understanding of the subject so that students start respecting intellectual property rights from a young age.

The Legal function of your Company works with leading industry associations, national and regional regulators and key opinion formers to develop a progressive regulatory environment in the best interest of all stakeholders.

Business Integrity

Our principles and values apply to all our employees through our Code of Business Principles (Code) and Code Policies. Our employees undertake mandatory annual training on these Policies via online learning modules and sign an annual Business Integrity Pledge. Our Business Integrity governance framework includes clear processes for dealing with Code breaches.

During the financial year, we closed 52 incidents across all areas of our Code and Code Policies, with 21 confirmed breaches. During the year, we terminated the employment

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of 7 employees as a consequence of such breaches. The Code and Code Policies reflect our desire to fight corruption in all its forms. We are committed to eradicating any practices or behaviours though our zero-tolerance approach to such practices. The Code of Business Principles is periodically refreshed and updated so that it provides a current reflection of the way we do business at Unilever. Our Code and Code Policies have been reviewed to align them with the changes in the internal and the external environment.

Our Responsible Sourcing Business Partner Policy help to give us visibility of our third parties to ensure their business principles are consistent with our own.

Corporate Governance

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter-alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2022 is available on the Company's website on https://www.hul.co.in/investor-relations/annual-reports/.

Prevention of Sexual Harassment at Workplace

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, your Company has constituted Internal Committees (IC). Your Company's POSH Policy is now inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders including employees who identify themselves with LGBTQI+ community.

While maintaining the highest governance norms, the Company has appointed external independent persons who have prior experience in the areas of women empowerment and prevention of sexual harassment, as Chairpersons of each of the Internal Committees. During the year, 2 complaints with allegations of sexual harassment were received by the Company and they were investigated and resolved as per the provisions of the POSH Act. To build awareness in this area, the Company has been conducting induction/refresher programmes in the organisation on a continuous basis. During the year, your Company organised offline training sessions on the topics of Gender Sensitisation and Code Policies including POSH for all office and factory based employees.

Related Party Transactions

In line with the requirements of the Companies Act, 2013 and amendment to the Listing Regulations, your Company has formulated a revised 'Policy on Related Party Transactions', which is also available on the Company's website at https://www.hul.co.in/investor-relations/corporate-governance/. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions and subsequent material modifications are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and/or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013, and Listing Regulations.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, as per the materiality threshold adopted by the Board of Directors, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

Board of Directors and Key Managerial Personnel

During the year, based on the recommendation of Nomination and Remuneration Committee, the Board of the Directors approved the appointment of Ms. Ashu Suyash (DIN: 00494515) as an Additional Director - Independent Director, of the Company, with effect from 12th November, 2021, which was subject to shareholders approval.

Securities Exchange Board of India vide Third Amendment Regulations, 2021 read with the corrigendum to Listing Regulations has stipulated the requirement of attaining approval of shareholders by means of a special resolution, for appointment of an Independent Director on the Board of Directors either at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier, effective from 1st January, 2022. Even though the requirement of obtaining shareholder approval was effective only from 1st January, 2022, as part of good Corporate Governance practice, the Company has received approval of the Members of the Company by means of Special Resolution through Postal Ballot for appointment of Ms. Ashu Suyash as an Independent Director of the Company for a period of 5 (five) years with effect from 12th November, 2021 to 11th November, 2026.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee appointed Mr. Nitin Paranjpe (DIN: 00045204) as an Additional Director - Non-Executive Director designated as Chairman of the Company with effect from 31st March, 2022, subject to approval of shareholders. Mr. Sanjiv Mehta will continue as the Chief Executive Officer and Managing Director of the Company with effect from 31st March, 2022. The Board of Directors had expressed their deep sense of appreciation and gratitude to Mr. Sanjiv Mehta for the immense contribution made by him as Chairman of the Board and the Company and the manner in which he had led the Board and the Company.

Members at the 83rd Annual General Meeting of the Company held on 30th June, 2017 had approved the appointment of Mr. Dev Bajpai (DIN: 00050516), as the Whole-time Director of the Company for a period of five years with effect from 23rd January, 2017 till 22nd January, 2022. The Board of Directors had based on the recommendation of Nomination and Remuneration Committee and subject to approval of the Members, approved the re-appointment of Mr. Dev Bajpai, as a Whole-time Director and Company Secretary of the Company for a further period of 5 years, with effect from 23rd January, 2022 to 22nd January, 2027.

The Company has received approval of the Members of the Company on 16th April, 2022 through Postal Ballot for appointment of Mr. Nitin Paranjpe as Non-Executive Director and re-appointment of Mr. Dev Bajpai as a Whole-time Director.

As per the provisions of the Act, the Independent Directors are not liable to retire by rotation. The Independent Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and the Listing Regulations. All other Directors, except the Managing Director, will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-election.

The details of training and familiarisation programme and Annual Board Evaluation process for Directors have been provided in the Corporate Governance Report. The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for key managerial personnel and other employees, forms part of the Corporate Governance Report of this Annual Report.

During the year, five meetings of the Board of Directors were held. The details of meetings held and Director's attendance are provided in the Corporate Governance Report, which forms part of this Integrated Annual Report.

Management Committee

The day-to-day management of the Company is vested with the Management Committee, which is subjected to the overall supervision and control of the Board. The Management Committee is headed by the Chief Executive Officer and Managing Director, and has Functional/Business Heads as its members.

During the year, the Board of Directors approved the appointment of Mr. Srinandan Sundaram, Executive Director, Customer Development as Executive Director, Foods and Refreshment in succession of Mr. Sudhir Sitapati, who had decided to pursue an external opportunity.

Further, the Board of Directors approved the appointment of Mr. Kedar Lele as Executive Director, Customer Development and a Member of Management Committee replacing Mr. Srinandan Sundaram. Ms. Priya Nair, currently, Executive Director Beauty & Personal Care has been appointed Chief Marketing Officer, Beauty & Wellbeing at Unilever. Accordingly, the Board of Directors approved the appointment of Mr. Madhusudhan Rao as Executive Director, Beauty & Personal Care and a Member of Management Committee of the Company in succession to Ms. Priya Nair.

Ms. Prabha Narasimhan, Executive Director, Home Care decided to leave the Company to pursue an external opportunity. The Board of Directors of the Company approved the appointment of Mr. Deepak Subramanian as Executive Director, Home Care and a Member of Management Committee of the Company, in succession to Ms. Prabha Narasimhan.

The Board places on record its appreciation for the leadership and invaluable contribution made by Mr. Sudhir Sitapati, Ms. Priya Nair and Ms. Prabha Narasimhan during their tenure as Members of Management Committee of the Company.

Report of Board of Directors and Management Discussion and Analysis

Auditors

M/s. B S R & Co. LLP, Chartered Accountants were re-appointed as Statutory Auditors of your Company at the Annual General Meeting held on 29th June, 2019, for the second term of five consecutive years. The Auditors have confirmed that they are not disqualified from being re-appointed as Auditors of the Company.

The Report given by the Auditors on the financial statement of the Company is part of this Integrated Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Companies Act, 2013.

M/s. R A & Co., Cost Accountants carried out the cost audit for applicable businesses during the year. The Board of Directors has appointed M/s. R A & Co., Cost Accountants as Cost Auditors for the financial year 2022-23.

The Board of Directors had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2021-22.

The Secretarial Audit Report forms part of this Integrated Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Disclosure

The details in relation to Internal Financial Controls, Director's Remuneration Policy and the composition of Audit Committee, establishment of Vigil Mechanism for raising concerns by Directors, employees, any other persons including vendors, contractors, sub-contractors, consultants, trainees, shareholders, former employees or any other third parties, is provided in the Corporate Governance Report forming part of this Integrated Annual Report.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the Company's going concern status and operations in future.

Compliance with Secretarial Standards

The Company has complied with all the applicable provisions of Secretarial Standard on Meetings of Board of Directors (SS-1), Revised Secretarial Standard on General Meetings (SS-2), Secretarial Standard on Dividend (SS-3) Secretarial Standard on Report of the Board of Directors (SS-4) respectively issued by Institute of Company Secretaries of India.

Stakeholder Engagement

Our multi-stakeholder model aims to respect the interests of and be responsive towards all stakeholders. Stakeholder engagement and partnership are essential to grow your Company's business and to reach the ambitious targets set out in the Compass sustainability commitments. The Code of Business Principles, which is the statement of values and represents the standard of conduct for everyone associated with your Company, and the Code Policies guide how we interact with our partners, suppliers, customers, employees, shareholders, Government, Non-Governmental Organisations (NGOs), trade associations and industry bodies. Through the underlying standards set in Code and Code Policies, your Company is committed to transparency, honesty, integrity and openness in all its engagements with the various stakeholders. Details on stakeholder engagement is provided in the Business Responsibility Report on pages 72 to 85.

Outlook

Our overarching goal remains the delivery of 4G growth – that is, growth which is consistent, competitive, profitable and responsible. In the backdrop of a challenging operating environment in this fiscal, we dynamically managed our business to deliver strong bottomline performance whilst growing our consumer franchise and made significant progress on our strategic priorities.

We will continue to take this approach in financial year 2022-23 where operating environment is expected to remain challenging with further input cost inflation and soft FMCG market growth. Our strategic clarity, the strength of our brands, our execution prowess, agility and adaptability will continue to hold us in good stead. We remain confident of outpacing FMCG market growth and maintaining margins at healthy levels.

Notwithstanding these near-term challenges, Indian FMCG sector offers significant potential for growth. In the mid-long term, we will continue to create value for all our stakeholders by growing ahead of the market, delivering modest margin expansion and through disciplined use of capital.

Responsibility Statement

The Directors confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively

Appreciations and Acknowledgments

Your Directors place on record their deep appreciation to all employees for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an industry leader.

Your Directors would also like to acknowledge the excellent contribution by Unilever to your Company in providing the latest innovations, technological improvements and marketing inputs across almost all categories in which it operates. This has enabled the Company to provide higher levels of consumer delight through continuous improvement in existing products, and introduction of new products.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from its suppliers, distributors, retailers, business partners and others associated with it as its trading partners. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be your Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

The Directors regret the loss of lives and are deeply grateful,share their immense respect for every person who risked their life and safety to fight this pandemic.

Your Directors also take this opportunity to thank all Shareholders, Business Partners, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 27th April, 2022

Annexure to the Report of Board of Directors

Statement of Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2021-22, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director(s) and Company Secretary during the financial year 2021-22.

Sl. No.	Name of Director(s)/KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	Sanjiv Mehta	Chief Executive Officer and Managing Director	179.61	Refer note iv.
2	Ritesh Tiwari	Executive Director, Finance & IT and Chief Financial Officer	53.07	
3	Dev Bajpai	Executive Director, Legal & Corporate Affairs and Company Secretary	65.54	
4	Wilhelmus Uijen	Executive Director, Supply Chain	93.66	

ii. The percentage increase in the median remuneration of Employees for the financial year was 3.3%.

iii. The Company has 8,480* permanent Employees on the rolls of Company as on 31st March, 2022.

iv. Average increase made in the salaries of Employees other than the managerial personnel in the financial year was ~8%. In a post pandemic world, the work force dynamics and employee preferences are changing rapidly with companies facing a very competitive talent market. HUL has taken proactive reward and career related measures to ensure our talent feels valued and maintain our competitiveness. The Board of Directors based on the recommendation of the Nomination and Remuneration Committee, has provided an increase of 8% in salary and allowances for Mr. Ritesh Tiwari and Mr. Dev Bajpai which shall be effective from 1st June, 2022. The increase in remuneration for Mr. Sanjiv Mehta and Mr. Wilhelmus Uijen will be placed before the Nomination and Remuneration Committee in due course for its consideration.

v. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Note:

a) The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions and the limits approved by the Members. The remuneration of Non-Executive Directors, details of which are provided in the Corporate Governance Report, is in accordance with the Differential Remuneration Policy, as detailed in the said Report. The ratio of remuneration and percentage increase of remuneration for Non-Executive Directors are therefore not considered for the purpose above.

b) Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the financial year 2021-22.

c) Employees for the purpose above include all employees excluding employees governed under collective bargaining.

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 27th April, 2022

* Includes employees working for Hindustan Unilever Limited, its subsidiaries and group companies.

Annexure to the Report of Board of Directors

Particulars of Loans, Guarantees or Investments

Details of loans, guarantee or investments made by your Company under Section 186 of the Companies Act, 2013, during the financial year 2021-22 are given below:

Amount outstanding as at 31st March, 2022

(₹ crores)

Particulars	Amount
Loans given	436
Guarantee given	-
Investments made	4,122

Loan, Guarantee and Investments made during the financial year 2021-22

Name of Entity	Relation	Amount (₹ crores)	Particulars of loan, guarantee and investments	Purpose for which the guarantee and investments are proposed to be utilised
Lakme Lever Private Limited	Subsidiary	38	Loan	Business purpose
Unilever India Exports Limited	Subsidiary	398	Loan	Business purpose
Rudraksh Detergent and Chemicals Private Limited	-	4	Loan	Business purpose
Unilever India Limited	Subsidiary	300	Investments	Business purpose
Mutual Funds+T-bills#	-	827	Investments	Cash Management

For details refer to Note 6 of Notes to the standalone financial statements

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 27th April, 2022

Annexure to the Report of Board of Directors

Annual Report on Corporate Social Responsibility (CSR) Activities
(Pursuant to the Companies (Corporate Social Responsibility) Rules, 2014)

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY, INCLUDING OVERVIEW OF PROJECTS/ PROGRAMMES UNDERTAKEN:

A belief that sustainable business drives superior performance lies at the heart of our work at Hindustan Unilever Limited. We seek to deliver long-term sustainable growth while driving change on urgent issues like climate and nature, social inequality, and health and wellbeing. We need to bridge the divide to a fairer, more socially inclusive world. A world where we all live with, rather than at the expense of, nature and the environment.

Our Compass, which is our sustainable business strategy, was set out to help us deliver superior performance, drive sustainable and responsible growth. It lays the pathway for us to realise our vision of being the leader in sustainable business. Giving focus to the Compass are time-bound multi-year priorities that cover the full spectrum of our business and wider ecosystem.

Our Compass strategy is a comprehensive and ambitious set of commitments that will help us to:

- Improve the health of the planet;
- Improve people's health, confidence and wellbeing; and
- Contribute to a fairer, more socially inclusive world.

For more details on sustainable business strategy https://www.hul.co.in/planet-and-society/.

Our CSR is not limited to philanthropy, but encompasses holistic community development, institution-building and sustainability-related initiatives. Our CSR Policy aims to provide a dedicated approach to community development in the areas of water conservation, health and hygiene, skill development, education, social advancement, gender equality, empowerment of women, ensuring environmental sustainability and rural development projects.

The CSR Policy of the Company, as approved by the Board of Directors, is available on the Company's website at https://www.hul.co.in/investor-relations/corporate-social-responsibility/.

A brief overview of your Company's CSR projects are given below. The activities undertaken by the Company are not expected to lead to any additional surplus beyond what would have accrued to the Company in the course of normal operations.

This report is divided into two parts – **Section A** provides details of the initiatives that are covered under the Schedule VII of the Companies Act, 2013 ('the Act') and are considered for the purpose of computing prescribed CSR spends. Funds earmarked for certain projects that could not be utilised in the financial year 2021-22, have been classified as 'Ongoing Projects' as per Section 135(6) of the Act, due to the second wave of Covid-19. The details of which have been provided at point no. 8(b) of this Report.

Section B of this Report deals with initiatives that are for societal good but are not included for the purpose of computing CSR spends.

SECTION A:

i. Covid-19 Relief Work

The Covid-19 pandemic has been one of the biggest challenges faced by the world in recent times. As a Company driven by purpose, your Company stands united with India. After announcing our commitment of ₹100 crores to help the nation fight Covid-19 during the first wave, significant work has been carried out by our teams to help combat the situation. As a responsible Company, we continued with our efforts in the second and third wave to ensure that we overcome this global health crisis together.

Medical & Health Support

Taking learnings from 2020, your Company collaborated with medical institutions and Government(s) to strengthen health infrastructure in Covid-19 hotspots.

In response to the severe shortage of medical oxygen and to reduce the pressure on healthcare infrastructure, we airlifted over 5,500 oxygen concentrators from across the world. Under Mission HO_2PE, these were made available in the most impacted areas in the country. We initiated a partnership through which we delivered oxygen concentrators to Covid-19 patients at home through a borrow-use-return model.

Furthermore, in 2021, HUL donated around 50 ventilators to address the severe strain on medical facilities in certain areas. To support communities around some of our manufacturing locations, the Company partnered the local administration in establishing isolation facilities or Covid-19 care wards.

Your Company endeavoured to facilitate and cover the cost of vaccination for the extended value chain including employees, dependents, field force, distributors, Shakti Ammas and service providers. Your Company amplified awareness to reduce vaccine hesitancy.

Creating public awareness

To drive awareness on Covid-19 prevention in communities, your Company and the Federation of Indian Chambers of Commerce and Industry (FICCI) partnered for a new public service campaign called 'It's In Your Hands'. The campaign made a humble appeal to people of the country, asking them to play their part in fighting the virus by practising proper hygiene, wearing a mask in the right way, maintaining social distancing, getting vaccinated and washing hands with any soap.

ii. Water Conservation Programme:

Hindustan Unilever Foundation (HUF) is a not-for-profit company that was set up in 2010 to support and amplify scalable solutions that can help address India's water challenges - specifically for rural communities that intersect with agriculture. HUF established its 'Water for Public Good' programme anchored in the belief that water is for common good and must be governed by citizen communities. The aim was to catalyse effective solutions to India's water challenges involving the Government, communities, experts, and mission-based organisations. Across diverse river basins and hydrogeological zones, three core pillars define HUF's work with rural communities:

- **Know more:** Build water numeracy to help quantify availability, budget and allocate water use
- **Save more:** Promote scientific citizen-led water conservation and governance efforts
- **Use less:** Drive behaviour change for responsible water use in agriculture.

The foundation partners with non-profit organisations in water-stressed regions across the country to support rural communities with water conservation solutions and promotes the adoption of water-saving, regenerative agricultural practices amongst farmers.

The project has delivered a cumulative and collective water potential of over 1.9 trillion litres through improved supply and demand water management, over 1.3 million tonnes of additional agricultural and biomass production, and over 60 million person-days of employment due to project interventions*. To underscore the importance of the water potential created by HUF; one billion litres of water can meet the drinking water needs of over 8 lakhs adults for an entire year.

* Independently assured

In 2021-22, HUF's programmes reached over 10,000 villages in 8 States and 2 Union Territories.

Key highlights under HUF's three strategic programme pillars in 2021-22 are:

- **Know More (Water Numeracy):** In Odisha, frontline workers who were part of Odisha Livelihood Mission were equipped with digital watershed planning tools and online training content to help deliver appropriate water conservation structures in five districts.
- **Save More (Citizen-led scientific water conservation):** HUF supported a consortium of NGOs on a river rejuvenation programme under the National Rural Employment Guarantee Scheme (MGNREGS) in West Bengal. Water conservation structures were established across 2,000 micro-watersheds covering nearly 7,000 villages.
- **Use Less (Behaviour change in water use):** Several HUF programmes engage a cadre of community-based rural professionals to transform water and input usage among farmers in major cropping systems like paddy in Punjab and sugarcane in eastern Uttar Pradesh. The foundation has also initiated a district transformation programme in the Marathwada region of Maharashtra to improve water security and the wellbeing of women farmers in the drought-prone region by promoting a regenerative farming model across the Osmanabad district.

As part of HUF's Covid-19 response support, the foundation piloted an initiative to help over 23,000 vulnerable families unlock Government benefits in Balrampur, Uttar Pradesh. This pilot helps families apply for Government schemes and was implemented to facilitate economic and food security for farming households.

iii. 'Swachh Aadat, Swachh Bharat' (SASB):

Suvidha – Community Hygiene Centres

The Community Hygiene Centre - 'Suvidha' is a first-of-its-kind urban water, hygiene and sanitation community centre, that was first set up at Ghatkopar, one of the largest slums in Mumbai. During the year, your Company launched its biggest Suvidha centre in Dharavi, Mumbai. This is one of the largest

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community toilets in India. Your Company has seven Suvidha centres in Mumbai in partnership with HSBC to give people access to clean water, sanitation and laundry facilities.

- Over 2 lakhs* people have access to safe sanitation through this public private partnership
- The centres cumulatively save over 35 million* litres of water every year through rainwater harvesting and wastewater treatment at the centres.
- 90% users** find Suvidha easy to access and inclusive
- 99% users** report that the toilets are clean and hygienic on all days
- There has been 1.4 times** reduction in the incidence of diarrhoea amongst Suvidha users
- Suvidha centres have also had a significantly positive psychological impact, with 7 in 10 Suvidha users** reporting that using Suvidha has improved their self-esteem.

Inspired by the success of the first seven Suvidha centres, your Company, the Municipal Corporation of Greater Mumbai (MCGM), and HSBC along with other partners have also signed a Memorandum of Understanding announcing 10 more Suvidha centres for the city. These 10 locations have been identified in collaboration with the MCGM basis the needs of the communities.

Swachh Aadat Curriculum

Swachh Aadat Swachh Bharat (SASB) programme is in line with the Government of India's Swachh Bharat Abhiyan ('Clean India Mission') and continued to promote good health and hygiene practices.

Your Company created the Swachh Aadat Curriculum that teaches children in classes 1-5 the importance of adopting three clean habits of washing hands with soap, safe drinking water practices and using clean toilets over a 21-day period.

The textbook version of the curriculum was rolled out in Government schools in Bihar, Gujarat, Maharashtra, Uttarakhand and Haryana.

In the absence of in-school learning during the pandemic, your Company launched a digital curriculum that was piloted in Chhattisgarh, Maharashtra and Delhi teaching primary school students the importance of hygiene in these unprecedented times in a fun and interesting manner.

* Based on estimations for all seven Suvidha centers

** Impact study of Suvidha Centres, RTI & Ipsos Kantar, 2021

iv. Project Shakti

Project Shakti is your Company's initiative that aims to financially empower and provide livelihood opportunities to women in rural India.

The Company has always believed that:

(1) For the country to grow, people living in its villages have to be empowered with livelihood skills and opportunities;

(2) Women in the villages have to be empowered if the households have to progress in villages.

Keeping this in mind, your Company had launched the Shakti programme. The Shakti Entrepreneurs are given training for familiarisation with your Company's products and basic tenets of distribution management. Your Company has a team of Rural Sales Promoters (RSPs) who coach and help Shakti Entrepreneurs in managing their business. Across 18 States, Project Shakti has over 1.6 lakhs Shakti Entrepreneurs whom we call 'Shakti Ammas'. This programme has helped 'Shakti Ammas' become self-confident, improve their self-esteem and learn communication skills. Most importantly, our interventions have helped in building and fostering an entrepreneurial mindset amongst Shakti Entrepreneurs.

The RSPs train Shakti entrepreneurs in sales and administrative skills, including order taking and book keeping. The training imparted to the 'Shakti Ammas' results in promotion of education and employment enhancing vocational skills, livelihood enhancement and empowerment of women. These training activities are permitted under Schedule VII of the Companies Act and are treated as part of CSR spends by the Company.

We are now working towards equipping the Shakti Entrepreneurs with future-fit skills. We are also conducting sessions on nutrition awareness and waste-recycling. We believe that these training sessions will help our Shakti Entrepreneurs in driving social change in their communities.

v. Prabhat

Prabhat is the community development initiative of your Company that aims to create sustainable and inclusive communities. It contributes to a fairer, more socially and environmentally inclusive world, while using HUL's scale for good. In the last eight years, the initiative has positively benefitted over seven million lives across 21 states and two union territories.

The key pillars of Prabhat include:

Economic empowerment

Through Prabhat's 17 livelihood centres, women and youth are trained on vocational skills and entrepreneurship development, making them future-fit. Training is provided in areas like graphic designing, cloud computing, para-pharmacist, para-vet, IT, electrical, plumbing, solar technician, tailoring, beauty and more. Inclusivity is built by involving people with disabilities, transgenders, sex workers, widows and other vulnerable communities. Over 95,000 people have been imparted skill development and training in the farm and non-farm sectors, while 50,000 people have secured employment. Our farm-based value chain related entrepreneurship programmes such as 'Project Mooo' have helped dairy farmers improve milk yield and productivity through digital inclusion. The other value chains include crops like maize, pulses and other vegetables.

Health and nutrition

Aligning with the National Nutrition Mission, Prabhat's 'Poshan Saathi' programme focuses on improving the health and nutritional status of women of reproductive age, pregnant and lactating women and adolescent girls as well as children under the age of five years. In 2021, the programme was live in six locations, benefitting more than four lakhs women and children.

To provide access to affordable and quality health care, Prabhat Telemedicine Centres and Prabhat Swasthya Seva have been started in 10 locations. The services include doctor consultations on phone and equipment for home-healthcare like pulse oximeters, medicines and oxygen concentrators. Free bi-monthly health camps were also conducted in co-ordination with the Public Health Centres (PHCs), to help and support the holistic health and wellbeing of communities.

Environmental sustainability

Through Prabhat, your Company is making a positive impact on the environment and building resilience in communities. Plastic is regularly collected and recycled into value-added products and wet waste is converted into biogas for street lighting. Water for agriculture is conserved by engaging with farmers both on the supply and demand side while improving its overall governance as a resource.

Education

Through Prabhat, your Company supports the renovation of infrastructure in aanganwadis across locations. Aanganwadis provide basic health care along with nutrition education and supplementation as well as pre-school activities.

Humanitarian relief

Through Prabhat, your Company distributed hygiene kits as part of Covid-19 relief work, benefitting more than 1.2 million people in 2021. Prabhat also created awareness on Covid-19 across villages and created employment opportunities for women by stitching face masks and cloth bags. During the Chiplun floods in Maharashtra, your Company made essentials like grocery kits, drinking water and other hygiene-related items available to the flood-hit communities immediately.

vi. Asha Daan

Asha Daan is a home in Mumbai for abandoned and differently-abled children, HIV-positive patients and destitute people. Since the inception of Asha Daan in 1976, your Company has been looking after the maintenance and upkeep of the premises. At any time, there are over 350 - 400 inmates at Asha Daan. The project for the re-development of Asha Daan has been planned and all the necessary statutory approvals have been obtained. The first phase of the re-development project has been initiated and it is expected that this phase shall be completed within the next 2-3 years.

vii. Nutrition

The importance of nutrition and awareness on a balanced diet were the key focus areas and your Company improved accessibility to nutritious meals by providing mid-day-meals to school students and supplementary food to out-of-school children.

Owing to the pandemic, schools remained closed for most days of the year. A contingent plan was developed, and dry ration was distributed to target beneficiaries. Over 1.85 lakh kits containing staples, pulses, cooking oil and spices were distributed to children including their families.

A new programme was launched to increase awareness on the importance of nutrition amongst cancer patients in convalescence. Monthly awareness workshops were conducted with mothers and caretakers of cancer patients, on nutrition and different foods that can be given to them to speed up their recovery. Additionally, nutrition kits were provided to 800 cancer patients undergoing treatment to help them with good nutrition.

As co-founders, your Company and the 'Power of Nutrition' have initiated a behaviour change programme for hygiene and nutrition using mobile technology to reach women in Gujarat. The partnership features a unique mix of a voice-based mobile service and an on-ground arm that delivers critical nutrition and hygiene information to mothers of children aged 0-5 years living in rural parts of India. The partnership is in alignment with the Government of India's initiative, Poshan Abhiyan, to address undernutrition in the country.

viii. Plastic Waste Management – Behaviour Change & Upliftment of Safai Saathis

Your Company made clear commitments to make 100% of its plastic packaging reusable, recyclable or compostable by 2025. In 2021, your Company became plastic neutral four years ahead of its target.

HUL also aims to improve the lives of waste pickers (Safai Saathis) through project 'Utthaan' (Upliftment) in partnership with United Nations Development Programme (UNDP) India. The initiative will impact 3,000 waste pickers and their families in Mumbai and Delhi with better access to Government social protection schemes covering food, health, safety, security and financial inclusion.

Your Company has launched the 'Bin Boy' campaign that aims to inspire individuals to segregate household waste at source and ensure that waste stays out of the environment and in the circular economy. The campaign through its child protagonist 'Appu', aims to drive behaviour change among citizens and urge them to segregate waste at homes and residential societies. Through an engaging narrative and thought-provoking dialogue, the campaign draws attention to the seriousness of mixed waste disposal and need for immediate action. The campaign was broadcast on major television channels and through digital and social media as well.

To advocate and create awareness in the area of waste management, your Company has partnered with Xynteo India Private Limited. Your Company has developed a curriculum called 'Waste No More' to create awareness and drive behaviour change on waste segregation and recycling among school children. The programme has reached out to more than three lakhs students. Your Company in partnership with State Bank of India (SBI) and MCGM have set up a Dry Waste Collection and Segregation Centre in Mumbai. In the next couple of years four more centres are expected to be opened in the cities of Mumbai and Aurangabad, in Maharashtra.

To know more about your Company's plastic waste management initiatives, please visit https://www.hul.co.in/planet-and-society/.

ix. Ankur

Ankur was set up in 1993 as a centre for special education for children with disabilities at Doom Dooma in Assam. Ankur has provided free special educational, vocational, and rehabilitative training to over 350 physically and mentally challenged children from underprivileged background.

x. Sanjeevani

Your Company runs a free mobile medical service camp 'Sanjeevani' for the local community near Doom Dooma factory in Assam. There are two mobile vans dedicated to the project. Each vehicle has one male and one female doctor, two nurses, a medical attendant and a driver. The vans are equipped with basic kits such as diagnostic kit, blood pressure measuring unit, medicines and a mobile stretcher. Over 6,000 camps have been organised in villages so far. More than 3.5 lakhs patients have been treated through these service camps since its inception.

xi. Development and maintenance of public areas and contribution to Technology Business Incubator

Your Company contributed to the area of maintenance and development of road central medians and protection of flora and fauna of the public areas near the Company's Head Office, its Regional Offices and Factory locations along with contribution to Non-Academic Technopark Technology Business Incubator (TBI) not located within an academic Institution but approved and supported by Department of Science and Technology, Government of India.

SECTION B

Improve people's health, confidence and wellbeing:

i. Handwashing Behaviour Change Programme

Your Company's Lifebuoy handwashing behaviour change initiative helps in promoting the benefits of handwashing with soap at key times during the day and encouraging people to adopt and sustain good handwashing behaviour.

In 2020, Lifebuoy, launched the award-winning 'H for Handwashing' campaign with the Delhi Government. In 2021, the Ministry of Education endorsed the campaign and issued a letter to departments of education across states. The Government of Haryana, Himachal Pradesh and Punjab have participated by conducting handwashing workshops in schools as a part of their back-to-school activities. Lifebuoy launched its first-ever children's 'Alphabet Book', authored by Ruskin Bond. This book is being used as a learning resource across Government and Government-aided schools in Haryana, Himachal Pradesh and Punjab.

From 2010 to 2021, your Company has reached out to over 74 million people in India through the handwashing behaviour change initiatives. Your Company has been driving handwashing behaviour change programmes in partnership with Global Alliance for Vaccine Initiative (GAVI) and NGO partners in Uttar Pradesh, Jharkhand, Orissa, Madhya Pradesh and Maharashtra. Through the programmes, the practice of using soap at critical occasions, awareness and knowledge of 'how visibly clean is not clean' is spread across communities, thereby protecting people from infections.

ii. Wellbeing and Nutrition Initiatives

Your Company's 'Future Foods' ambition demonstrates our commitment to being a force for good. Your Company is continuously working to improve its products to help people transition towards healthier diets. Your Company's aim is to help people make the transition to healthier eating by providing positive nutrition. Foods that deliver positive nutrition are defined as products containing impactful amounts of vegetables, fruits, proteins, fibre, unsaturated fatty acids or micronutrients such as vitamins, zinc, iron and iodine. Your Company has committed to double the number of products sold that deliver positive nutrition by 2025.

iii. Domex Disinfect for Safety Initiative

Domex, your Company's Home and Hygiene brand, expanded its product offering to professional spaces and businesses as we gradually unlock from the pandemic. Product donations to key institutions like municipal corporations, hospitals and schools were made to improve the overall hygiene standards. Domex also worked with the MCGM to disinfect public spaces identified by the civic bodies in respective wards in Mumbai. Around 2 lakhs Domex disinfectant products were donated towards various disinfection drive initiatives.

Improve the health of the planet:

i. Reducing GHG, Waste, Water in Manufacturing

In 2021, your Company eliminated the usage of coal as fuel in all manufacturing sites with the help of various infrastructure improvements and interventions. CO_2 emissions were reduced by 94%* in per tonne of our production. Water usage (cubic meter per tonne of production) was reduced by 47%** in our manufacturing operations. Total waste generated from the factories reduced by 54%**.

In 2021, your Company collected and disposed over 1.16 lakh tonnes of plastic waste. Your Company maintained the status of 'zero non-hazardous waste to landfill' in all its factories and offices. 100% of the non-hazardous waste generated in our factories was recycled or reused or sent for energy recovery in environment friendly ways.

ii. Sustainable Sourcing

In 2021, 93% of tomatoes used in Kissan ketchup continued to be sourced sustainably. Similarly, over 68% of tea procured was sourced sustainably. By the end of 2021, 100% of the chicory was sourced sustainably as all the chicory farmers supplying to HUL were covered under the Unilever Sustainable Agriculture Code providing farmers knowledge and expertise in sustainable agriculture practices.

Contribute to a fairer, more socially inclusive world:

i. Glow & Lovely Careers

Glow & Lovely Careers is a programme designed to help women create an identity for themselves by providing them career guidance, skill-based courses and information on job opportunities. The platform addresses multiple skilling barriers that girls and women in India face including limited

* compared to 2008 baseline

access to transportation, lack of parental permission, high cost of courses and very few quality local institutes. The Glow & Lovely Careers website offers skill based courses in partnership with well-known edtech companies like edX, English Edge, Hello English, start-ups such as www.testbook.com and www.idreamcareer.com, and internship opportunities through online training partner Internshala. The Glow & Lovely Careers community on 'Sheroes' application provides the opportunity to share and learn from like-minded women, interact with experts, and discover career growth opportunities. Over 1.6 million users have registered under the programme till the end of 2021. The programme has facilitated over 5 lakhs course enrolments and supported over 4 lakhs users in accessing relevant Career Guidance.

ii. Kwality Wall's Vending Operations

Our Kwality Wall's mobile vending initiative, 'I am Wall's', has provided entrepreneurship opportunities to around 11,500 people and around 250 differently-abled persons across India (based on internal records). This programme has helped vendors become self-sufficient micro-entrepreneurs selling ice creams on the move, helping us reach more consumers on the street. It equips people with skills such as sales, customer service and problem-solving and provides many young people with work experience as they step into the job market.

Your Company's work over the last several years has touched a large number of people in India. To scale up your Company's initiatives, partnerships are crucial. Your Company is working in partnership with Government(s), NGOs, suppliers and others to help forge alliances and address big societal challenges.

The above is a brief overview of the CSR projects undertaken by your Company and the work your Company does under the Compass strategy.

Your Company has shared further progress on the sustainability initiatives and partnerships in the Business Responsibility Report in line with the key principles enunciated in the 'National Guidelines on Responsible Business Conduct' (NGBRCs). The Business Responsibility Report forms a part of this Integrated Annual Report.

2. COMPOSITION OF CSR COMMITTEE:

Name of the Members	Category of Directorship	Attendance
O. P. Bhatt – Chairperson	Independent Director	2/2
Sanjiv Misra – Member	Independent Director	2/2
Kalpana Morparia – Member	Independent Director	2/2
Leo Puri – Member*	Independent Director	1/1
Sanjiv Mehta – Member	Executive Director	2/2
Ritesh Tiwari – Member#	Executive Director	1/1
Srinivas Phatak – Member#	Executive Director	1/1

*Mr. Leo Puri was appointed as a member of the Committee w.e.f. 1st May, 2021

#Mr. Ritesh Tiwari was appointed as a Member of the Committee w.e.f 1st May, 2021 replacing Mr. Srinivas Phatak.

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

The web-link is as follows:
https://www.hul.co.in/investor-relations/corporate-social-responsibility/

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014.

Reports pertaining to Impact Assessment carried out for Water Conservation Projects and Project Suvidha are available on the website at https://www.hul.co.in/investor-relations/corporate-social-responsibility/.

A brief outline of the aforesaid Impact Assessment is given herein below:

Water Conservation Projects* - HUF's programmes work at the intersection of water and agriculture. The programmes implemented in partnerships with credible NGOs impact rural communities across 8 states and 2 union territories that represent India's varied ground water and rainfall conditions. The impact assessment covered the variables resulting in the outcomes generated on key programme indicators. The review of impact indicators for the period of 1st April 2020 to 31st March 2021 substantiated the following outcomes from HUF programmes through its Programme Implementation Agencies:

- 36,000 - water conservation structures created
- 26,000 hectares - area covered under plantations
- Over 10,000 villages - benefiting from programmes
- 4,00,000 - farmers benefitting from programmes

Project Suvidha – Addressing the needs of an ever-growing population amidst rapid urbanisation, and accelerating progress on the Sustainable Development Goals, Hindustan Unilever Limited set up the Suvidha (Convenience) centre in 2016 in close consultation with the Municipal Corporation of Greater Mumbai. Currently, there are 7 Suvidha centers in operation. Co-funded by HSBC India, Suvidha is a unique community hygiene centre that provides access to quality sanitation services to the urban poor. Inclusive by design, the centre provides safe, private, hygienic, and odour-free toilet facilities for women, men, children and people with disabilities. The centre also gives users access to handwashing stations, clean drinking water and subsidised laundromat services. The centers are supported by United Way Mumbai and Pratha Samajik Sanstha. Impact of Suvidha Centers in Mumbai:

- More than 2,00,000 men, women, and children have access to clean sanitation facilities
- 9 in 10 users find Suvidha centers easy to access and inclusive
- 7 in 10 users have agreed that using a Suvidha center has improved their self esteem
- Cumulatively 35 million litres of water saved every year

* Figures are rounded off to the nearest thousand.

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5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
Not Applicable			

(₹ in crores)

6.	Average net profit of the Company as per Section 135(5)	9,221.44
7.	a) Two percent of average net profit of the Company as per Section 135(5):	184.43
	b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	c) Amount required to be set off for the financial year, if any	Nil
	d) Total CSR obligation for the financial year (7a+7b-7c)	184.43

8. (a) CSR amount spent or unspent for the financial year:

(₹ in croress)

Total Amount Spent for the financial year	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
157.58	28.15	14th April, 2022	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act (Refer Note 1)	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (₹ in crores)**	(8) Amount spent in the current financial year (₹ in crores)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crores)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Project Prabhat	(ii) & (x)	Yes	Pan India	-	3 years	16.21	14.25	1.96	Both		
2.	Water Conservation Projects	(iv)	No	Pan India	-	3 Years	21.07#	9.88#	11.19	No	Hindustan Unilever Foundation (HUF) – Refer Note 2	CSR00001805
3.	Suvidha Sanitation Facility	(i) to (iv)	Yes	Maharashtra	Mumbai	3 Years	15.00	-	15.00	No	United Way of Mumbai	CSR00000762
	Total						**52.28**	**24.13**	**28.15**			

**Represents budget for the financial year 2021-22

#Excluding amount of ₹ 0.68 lakh pertaining to administrative overheads

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ in crores)

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act (Refer Note 1)	(4) Local area (Yes/No)	(5) Location of the project	(6) Amount spent for the project	(7) Mode of implementation Direct (Yes/No)	(8) Mode of implementation– Through implementing agency	
				District, State			Name	CSR Registration number
1.	Project Shakti	(ii)	No	Pan India	71.20	Yes	NA	NA
2.	Project SASB	(i) & (iv)	No	Pan India	5.35	Yes	NA	NA
3.	Asha daan	(iii)	Yes	Mumbai, Maharashtra	0.70	Yes	NA	NA
4.	Ankur	(iii)	Yes	Tinsukia, Assam	0.32	Yes	NA	NA
5.	Sanjeevani	(i)	Yes	Tinsukia, Assam	0.51	Yes	NA	NA
6.	Promoting Nutrition & Hygiene	(i)	No	Pan India	6.54	No	Refer Note 2	-
7.	Covid-19 Relief Work	(i) to (xii)	No	Pan India	37.36	Yes	NA	NA
8.	Plastic Waste Management	(iv)	Yes	Mumbai, Maharashtra	10.62	Yes	NA	NA
	Total				132.60			

Notes for 8(b) & 8(c):

Note 1

i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widow;

vii. Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympics sports;

viii. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

x. Rural development projects;

xi. Slum area development; and

xii. Disaster management, including relief, rehabilitation and reconstruction activities.

Note 2:

i) Prabhat Implementing Agencies

Sl. No.	Name of Organisation	CSR registration number
1	American India Foundation	CSR00001977
2	Institute of Livelihood Research and Training	CSR00001484
3	Yusuf Meherally Centre	CSR00006724
4	SHARP	CSR00002238
5	SAKSHI	CSR00000232
6	Help Foundation	CSR00002524
7	Head Held High	CSR00000919
8	Apollo Telemedicine Networking Foundation	CSR00006181
9	Parmarth Swayam Sewi Sansthan	CSR00005857
10	Anudip Foundation	CSR00000060

ii) Project Promoting Nutrition & Hygiene Implementing Agencies

Sl. No.	Name of Organisation	CSR registration number
1	SAKSHI	CSR00000232
2	Ekta Shakti Foundation	CSR00000685
3	Cancer Patients Aid Association (CPAA)	CSR00000926

iii) HUF through various other implementation agencies

People's Action for National Integration (PANI); Center for International Projects Trust (CIPT); Vikram Sarabhai Centre for Development Interaction (an activity of Nehru Foundation for Development) (VIKSAT); Professional Assistance for Development Action (PRADAN); Swayam Sikshan Prayog (SSP); Self-Reliant Initiatives through Joint Action (SRIJAN); Villgro Innovations Foundation; BAIF Development Research Foundation (BAIF); Advanced Center for Water Resources Development and Management (ACWADAM); Mysore Resettlement and Development Agency (MYRADA), Parmarth Samaj Sevi Sansthan (PSSS); Forum For Knowledge and Social Impact (FKSI); Arthan Foundation

(d) Amount spent in Administrative Overheads: ₹0.71 crores

(e) Amount spent on Impact Assessment, if applicable: ₹0.14 crores

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹185.73 crores

(g) Excess amount for set off, if any:

(₹ in crores)

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the Company as per Section 135(5)	184.43
(ii)	Total amount spent for the financial year	185.73
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.30
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9 (a) Details of Unspent CSR amount for the preceding three financial years:

(₹ in crores)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any: Name of the Fund	Amount (₹)	Date of transfer	Amount remaining to be spent in succeeding financial years
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ in crores)

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project	(7) Amount spent on the project in the reporting financial year	(8) Cumulative amount spent at the end of reporting financial year	(9) Status of the project- Completed/ Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) – Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable

On behalf of the CSR Committee

Nitin Paranjpe
Chairman
(DIN: 00045204)

O. P. Bhatt
Chairman, CSR Committee
(DIN: 00548091)

Mumbai, 27th April, 2022

Annexure to the Report of Board of Directors

Business Responsibility Report

SECTION A – GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L15140MH1933PLC002030
2.	Name of the Company	Hindustan Unilever Limited
3.	Registered address	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai–400 099
4.	Website	www.hul.co.in
5.	E-mail id	levercare.shareholder@unilever.com
6.	Financial Year reported	1st April, 2021 to 31st March, 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	• 20231 Soaps • 20233 Detergents • 20236 Shampoos • 20235 Toothpastes • 20234 Deodorants • 20237 Cosmetics • 10791 Tea • 10792 Coffee • 10750 Packaged Foods (including Frozen Desserts) • 27501 Water Purifiers • 28195 Air Purifiers • 10794 Malt based foods
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	• Home Care (Fabric Care, Home and Hygiene and Life Essentials) • Beauty & Personal Care (Skin Cleansing, Skin Care, Hair Care, Oral Care, Colour Cosmetics and Deodorants) • Foods & Refreshment (Culinary products, Foods, Health Food Drinks, Tea, Coffee, Ice cream and Frozen Desserts)
9.	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations	None
	ii. Number of National Locations	• **Registered Office:** Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099 • **Research Centres:** 64, Main Road, Whitefield P O, Bangalore - 560 066 Research & Development Centre, Plot No. 67, Sector-32, Gurgaon - 122 001, Haryana • **Regional Offices (East):** Brooke House, 9 Shakespeare Sarani, Kolkata - 700 071 • **Regional Offices (West):** Uttara, Plot No. 2, Sector No. 11, CBD Belapur, Navi Mumbai - 400 614 • **Regional Offices (North):** Block No. A, Plot No. B, South City I, Delhi - Jaipur Highway, Gurgaon - 122 001 24 floor, One Horizon Center, Golf Course Road, DLF Phase 5, Gurgaon - 122 002 • **Regional Offices (South):** 101, Santhome High Road, Chennai - 600 028 Business Precinct, Prestige Shantiniketan, Whitefield Main Road, Bangalore – 560 048 • **Regional Offices (Central):** Office Space Number 101, 102, 103, 108 and 109, Shalimar Titanium, Vibhuti Khand, Gomti Nagar, Lucknow, Uttar Pradesh – 226 010 Unit No. 511 to 514, 5th Floor, Princes' Business Skypark, Block No. 22,23,24, Sch No. 54, Pu-3 Commercial, Opposite Orbit, A.B Road, Indore - 452001, Madhya Pradesh Details of manufacturing locations is provided at page no. 301 of this Integrated Annual Report.
10.	Markets served by the Company	India

(₹ in lakhs)

SECTION B – FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital	23,496
2.	Total Turnover	50,33,476
3.	Total profit after taxes	8,81,809
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average Net profit of the Company for last three financial years:	18,573
5.	List of activities in which expenditure in 4 above has been incurred: Please refer to CSR Annual Report from page no. 60 to 66 of this Integrated Annual Report.	

SECTION C – OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	As on 31st March, 2022, the Company has 12 Subsidiary Companies. Hindustan Unilever Foundation and Bhavishya Alliance Child Nutrition Initiatives - both are not-for-profit Companies incorporated to promote and implement the CSR agenda. Both the Companies work in the areas of social, economic and environmental concerns and contribute to the sustainability initiatives of the Company. In addition, Unilever India Exports Limited and Lakme Lever Private Limited also contribute to the sustainability initiatives of the Company.
2.	Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(ies)?	
3.	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Your Company works with stakeholders in its extended value chain through its Business Responsibility initiatives. Your Company also requires its third-party business partners to adhere to business principles set out in the Responsible Sourcing and Business Partnering Policy (RSBPP), which underpins the third-party compliance programme.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

Details of Director/Directors Responsible for BR

The details of members of CSR Committee and their roles and responsibilities are elaborated in CSR Annual Report and Corporate Governance Report forming part of this Integrated Annual Report.

The DIN details of the CSR Committee members are as follows:

Name	Designation	DIN
O. P. Bhatt*	Independent Director	00548091
Sanjiv Misra	Independent Director	03075797
Kalpana Morparia	Independent Director	00046081
Leo Puri	Independent Director	01764813
Sanjiv Mehta	Chief Executive Officer and Managing Director	06699923
Ritesh Tiwari	Executive Director, Finance & IT and Chief Financial Officer	05349994

*Chairman of the CSR Committee

Details of BR Head:

The Company has robust governance mechanisms to monitor the progress of the Company's Compass sustainability commitments. The Compass leadership team reports commitments on to the Chief Executive Officer and Managing Director and Management Committee on a quarterly basis.

Particulars	Details
DIN	06699923
Name	Sanjiv Mehta
Designation	Chief Executive Officer and Managing Director

PRINCIPLE-WISE (AS PER NVGS) BR POLICY/POLICIES (REPLY IN Y/N)

Respect and Integrity for its people, environment and other businesses have always been at the heart of your Company's Corporate Responsibility. Your Company's Corporate Purpose is to make Sustainable Living Commonplace and it believes that this is the best way to deliver long-term sustainable growth.

This purpose is supported by the Code of Business Principles ('CoBP or Code'), which describes the standards that everyone at the Company follow. Our Compass sustainability commitments are the Company's blueprint for achieving sustainable growth.

CoBP and the Company's Compass sustainability commitments framework supplement the requirements under the National Voluntary Guidelines issued by the Ministry of Corporate Affairs and cover principles beyond those enunciated under the National Guidelines.

The National Voluntary Guidelines provide the following nine principles.

Principle 1: Ethics, Transparency and Accountability [P1]	Principle 6: Environment [P6]
Principle 2: Products Lifecycle Sustainability [P2]	Principle 7: Policy Advocacy [P7]
Principle 3: Employees' Wellbeing [P3]	Principle 8: Inclusive Growth [P8]
Principle 4: Stakeholder Engagement [P4]	Principle 9: Customer Value [P9]
Principle 5: Human Rights [P5]	

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any national/international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		CoBP of the Company confirms to the United Nations Global Compact (UNGC) guidelines and International Labour Organisation (ILO) principles.								
4	Has the policy been approved by the Board. If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		CoBP and the Compass Sustainability commitments are frameworks adopted by Unilever globally and have been adopted by the Company.								
5	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		CoBP is administered under the overall supervision of the Management Committee of the Company, headed by the Chief Executive Officer and Managing Director. The Audit Committee of the Board reviews the implementation of CoBP. The CSR Committee of the Board reviews the implementation of the Company's Compass sustainability commitments besides the scope that has been laid out for this Committee under the Companies Act, 2013.								
6	Indicate the link for the policy to be viewed online	Compass sustainability commitments: https://www.hul.co.in/planet-and-society/ CoBP: https://www.hul.co.in/files/origin/the-codeof-business-principles-english.pdf Responsible Sourcing and Business Partnering Policy (RSBPP): https://www.hul.co.in/files/origin/cobp-responsible-sourcing.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders'?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	-	Y	Y	Y	Y	-	-	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: **Not Applicable**

GOVERNANCE RELATED TO BR

The Management Committee of the Company reviews complaints, issues and concerns received under the CoBP framework as well as the implementation of the CoBP on a monthly basis. The Audit Committee of the Company reviews the implementation of the CoBP on a quarterly basis. The CSR Committee of the Company comprising a majority of Independent Directors is responsible for formulating, implementing and monitoring the CSR Policy of the Company. The Committee meets at least twice a year to review progress on various sustainability initiatives, including progress under the Compass sustainability commitments.

Reporting progress to stakeholders on Compass sustainability commitments forms an important part of the governance procedures of your Company.

Your Company's Compass sustainability commitments can be accessed at https://www.hul.co.in/planet-and-society/. In line with the requirements of the Companies Act, 2013, your Company has also published the CSR Annual Report which forms part of this Annual Report. The CSR Annual Report and this Business Responsibility Report can be accessed at https://www.hul.co.in/investor-relations/annual-reports/.

PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Businesses should conduct and govern themselves with ethics, transparency and accountability

The standards on ethics, transparency and accountability are stated under the CoBP and Code policies of your Company. Code is the statement of values and represents the standard of conduct which everyone associated with your Company is expected to observe in all business endeavours. Directors and Employees are often the first to realise that there may be something not in order requiring redressal by the Company. The purpose of the Whistle Blower Policy is that not only Directors and employees but also any other persons including vendors, contractors, sub-contractors, consultants, trainees, shareholders, former employees or any other third parties (collectively called as "Persons") must be able to raise concerns regarding any potential violation easily without any fear of retaliation. Whistle Blower Policy expects all individuals associated with the Company to be the guardian of Company's core values and the corporate purpose. The Whistle Blower Policy provides an avenue to report matters directly to the Management or to the Chairman of the Audit Committee. The CoBP and Whistle Blower Policy and their implementation are explained in detail under the Report of Board of Directors and the Corporate Governance Report.

PRINCIPLE 2: PRODUCTS LIFECYCLE SUSTAINABILITY

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Consumers increasingly prefer responsible brands and responsible businesses. Your Company's brands have integrated responsibility and sustainability into both their purpose and products. For example, your Company's brands such as Pureit (Water), Domex (Sanitation) and Lifebuoy (Hygiene) have driven the water, sanitation and hygiene (WASH) agenda in India. Your Company has reached over 154 million people through its initiatives in the area of health and wellbeing and has also contributed to an important national agenda through its Swachh Aadat, Swachh Bharat programme.

Life Cycle Analysis (LCA) is one of several techniques your Company uses to understand the impact of its products across each stage of their life cycle – from the sourcing of raw materials to product manufacturing, distribution, consumer use and disposal. We use LCA in three main ways:

1. **New Product Design:** LCA is used to compare the environmental performance of new vs. existing products - helping to guide the choices made by product developers. It is also used to communicate the environmental performance of our products to consumers.
2. **Existing products:** LCA helps the Company identify opportunities to improve the environmental impact of existing products. It can also improve the quality and availability of data used by us and others e.g. it is used when working with suppliers to reduce the environmental impact of our ingredients.
3. **Science and Methodology:** Your Company engages with partners to develop and promote the science used for LCA, aiming to improve both the robustness and scope of life cycle-based approaches and assessment. Your Company has contributed to the science of LCA assessment methods in a number of areas including land use, biodiversity and water-related impacts.

Sustainable purpose, sustainable products

The Company's purpose-driven brands are not limited to being socially relevant but are also environmentally sustainable. Many of your Company's food products are made from sustainably sourced agricultural raw materials. For example, 93% of tomatoes used in your Company's Kissan ketchup are from sustainable sources. This sustainable sourcing is enabled through partnerships with multiple stakeholders. Over 68% of the tea sourced in India was from sustainable sources. In 2021, we continued our process of buying RSPO (Round table on Sustainable Palm Oil) certified palm oil to achieve the ambition of reaching 100% sustainable sourcing. Your Company has embarked upon a journey to source deforestation-free palm oil by 2023 by working with supply partners. Your Company uses 98% of paper and board in packaging sourced from mills that are certified sustainable by Forest Stewardship Council (FSC). Your Company is also working through its supplier partners with over one lakh smallholder farmers for sustainable farming of tea, tomato, chicory and gherkins.

The Company has taken an environment-friendly target of net zero emissions in its operations by 2030. One of our achievements include elimination of coal across all our operations by replacing it with green alternatives such as biomass and biodiesel.

Product safety

Being responsible also means ensuring that your Company's products are of high quality and completely safe for use by its consumers, employees and the environment. Unilever has a Safety & Environmental Assurance Centre (SEAC) which assures the safety and environmental sustainability of the products as well as the processes used to manufacture them. Your Company works closely on all safety and environmental assurance aspects with SEAC and releases any new product to the market after a successful product safety assessment from SEAC. Your Company is also committed to make all ingredients and formulations biodegradable by 2030, to minimise their impact on water and aquatic ecosystems.

Your Company also follows processes and change management protocols to ensure that consumers get quality products and their safety is assured during the life cycle of product distribution and usage.

In addition to strong processes on product evaluation, your Company has been active in applying and further developing the LCA approach for application to products and brands. Annually*, Unilever conducts a simplified LCA exercise on representative products across various countries including India which involves studying the environmental impacts of a product – from the sourcing of raw materials, such as via mining or agriculture, to product manufacture, distribution, consumer use and disposal. The methodology is consistent with ISO 14040 and was recognised by the United Nations Environment Programme as one of first examples of an organisational LCA.

PRINCIPLE 3: EMPLOYEES' WELLBEING

Businesses should promote the wellbeing of all employees

Your Company's wellbeing strategy is central to employee experience and productivity. In our endeavour to unlock wellbeing, we implemented a powerful framework – 'Wellbeing for All', that offers customised solutions to employees, including all the blue-collared workforce who have also benefitted through additional support on medical facilities, mental wellbeing and one-on-one connects with management team members. This has enabled us to create safe psychological spaces within the organisation enabling employees to bring their best selves to work.

* The footprint results are externally assured by PriceWaterhouse Coopers (PwC).

Safety Vision – An incident-free organisation

Your Company's purpose in safety is driven by deep care for our people and partners, and we do not want anyone to get injured at work, travelling to work or in any other activity outside of work. During the year 2021, your Company continued to address key risks in our operation including special focus on safe travel. Your Company's safety performance is regularly reviewed by Central Safety, Health and Environment Committee, which consists of all Members of Management Committee and is led by the Chief Executive Officer and Managing Director.

Employee Wellbeing

During the year, we continued to embed 'House of Wellbeing', our holistic wellbeing framework offering customised solutions to five target audiences - 1) Line Leaders, 2) Teams, 3) Line Managers, 4) Individuals and 5) Impacted Individuals. The segmented approach has helped create a bouquet of solutions in varying degree of intensity and frequency. We invested over 15,000 hours in employee wellbeing through a range of tools and resources.

To support Line Leaders during Covid-19 - we designed 'People Leaders Check-in Circles', for leaders to come together in small groups to share their realities in a safe space. The sessions were facilitated by world-class thought leaders. We conducted 17 such people leaders circle covering 120+ leaders within HUL. With prolonged Covid-19, there was a need for systemic support for individuals, especially impacted individuals. We extended support for 100+ employees and family members across the country during this period with grief counselling with our expert grief counsellors. Our Employee Assistance Programme (EAP) offers 24*7 support to employees and their families in eight local languages - all of it one click, one text, one call away. We have a team of expert counsellors assisting employees with practical information and counselling on a variety of topics.

We dialled up the conversation around mental health in our frontline teams, training 45 blue-collar Mental Health Champions (MHCs) across 10 factory locations and we have over 850+ trained MHCs. As a result of our sustained efforts, we saw the reflections in our annual employee survey, UniVoice, with 85% office based employees and 96% factory employees sharing their belief that Unilever cares for their wellbeing.

Building capabilities for the future

With the world changing at a fast pace, we are continually adapting to remain future-fit. Your Company is **'Reimagining HUL'** by leveraging these tectonic shifts

Business Responsibility Report

to deliver a frictionless consumer & customer experience and to create a future-fit organisation that continues to deliver competitive growth. As your Company transforms itself to become a more intelligent consumer-tech enterprise, it is building talent, capabilities and culture to win in the new decade. This transformation journey is being undertaken at the organisational level with a clear focus on functional priorities.

To build an intelligent enterprise enabled by AI and machine augmented value chain with data, technology and analytics at the centre of it, your Company ran a bespoke 'Learning Week' aiming to trigger upskilling & agility with focus on Data & Digital.

To foster a culture of outperformance, your Company is building leaders of the future to perform and transform in this dynamic environment. As part of this, all employees have embarked on a journey of creating their individual future-fit plans that will have an optimal balance of their purpose, wellbeing, standards of leadership and key focus skills, given the context of their roles. This will be supplemented by a detailed action plan that each leader and employee will create for their own development.

To build a future-fit organisation that is equipped to thrive in today's dynamic world, an e-Commerce accelerator has been created to fast-track e-Commerce knowledge and enable teams/ individuals to stay future-fit. E-commerce Accelerator Hub provide three learning tracks – Essentials, Enhanced and Elite – which are designed and developed to drive knowledge, understanding and awareness of all things e-Commerce created in partnership with 'EConsultancy'.

Your Company continues to leverage newer channels of learning with platforms like Degreed, Udemy and LinkedIn learning. Your Company has seen a shift in consumption of learning, to byte-sized modules consumed on the go. Over the year, your Company clocked 85,000 learning hours, with 87% employees logging on to online learning platform-Degreed.

Equity, Diversity and Inclusion (ED&I)

In your Company's endeavour to build a diverse and inclusive organisation, in 2021 your Company's approach to ED&I has been to raise a voice of allyship and advocacy, catalyse through progressive policies and support the evolving households and employee's relationship with work, while sustaining the brilliant basics that have served well so far.

As an organisation, your Company believes that flexibility will be a core feature of our new relationship with work. To build a balanced organisation, our objective has been to create a work life blend for women–which allows them to have thriving careers while having time carved out to refresh, recharge and re-energise. Our aim is to be gender balanced in our managerial levels in the next few years and keeping with this view, in 2021 we have managed to improve our gender balance from 41.78% in 2020 to 44.08%* at managerial levels. Another step in our diversity step has also been the introduction of 250+ women in the sales outer core as a part of Project Ahilya and addition 57 women in Haldia and Kidderpore factories.

After the lauch a gender-neutral policy to support the survivors of abuse in 2020, in March 2021, your Company launched campaign #UnMute: end the silence on domestic violence. With this initiative, we aimed to address the issues around women safety by not only enabling our employees and supporting our extended value chain, but also by becoming a voice of allyship on women's safety and domestic violence. Under this campaign, so far, we have managed to cover all our employees and over 100,000 women in our ecosystem and we aim to reach an additional 500,000 women by the end of 2022.

In 2021, your Company also launched HUL ProUd network as an employee resource group for LGBTQI+ employees and allies. The HUL ProUd network is a channel within the Global Unilever ProUd Network and has more than 400 members in the group.

Affirmative action and prevention from sexual harassment

Your Company believes in providing Equal Opportunity/ Affirmative Action. It has a Policy on Affirmative Action and a Policy on Prevention of Sexual Harassment at Workplace (POSH) to provide a work environment that ensures every person at the workplace is treated with respect & dignity and is afforded equal treatment. Issues relating to sexual harassment are dealt with as per the Company's POSH Policy, the CoBP and applicable laws. Your Company's POSH Policy is now not only gender neutral but also LGBTQI+ inclusive. The Policy clearly details the governance mechanisms for redressal of sexual harassment issues relating to women and other genders/sexual orientations. Communication is sent to all employees on a regular basis on various aspects of POSH through e-articles and other means of communication. During the year 2021-22, two complaints with allegation of sexual harassment were received by the Company and the same were handled as per the provisions of the Prevention of Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

More than 8,500 employees and third-party business partners were trained on Prevention of Sexual Harassment at Workplace and related topics. Trainings included:

- Induction/Refresher/Gender Sensitisation sessions for new joiners/trainees/interns/third-party business partners on the subject of POSH; and
- Blue collar Employees across locations were taken through training programmes on appropriate workplace behaviours, gender sensitisation and POSH.

Fair labour practices

Your Company drives fairness in the workplace by advancing human rights across its operations and extended supply chain. Your Company has an excellent record on industrial relations. Your Company currently has over 12,060 blue collar employees and has over 8,450 people employed on contractual/temporary basis as on 31st March, 2022.

Freedom of association, participation and collective bargaining

All workers are free to exercise their right to form and/ or join trade unions or to refrain from doing so and to bargain collectively.

There are over 357 female blue collar employees and over 20 permanent blue collar employees with disabilities in your Company's factories.

During the last year, your Company entered into long-term settlements with around 2,331 employees across India.

Managing grievances

Your Company's grievance redressal mechanisms ensure that all employees and third parties can raise issues and concerns. The CoBP and Whistle Blower Policy provide for reporting of issues like child labour, sexual harassment, etc, in confidence. The Company has established a vigil mechanism for all its stakeholders to report their genuine concerns, details of which have been given in the Corporate Governance Report. During the financial year, there have been no complaints alleging child labour, forced labour, involuntary labour and discriminatory employment.

PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

Businesses should respect the interests of, and be responsive towards all stakeholders', especially those who are disadvantaged, vulnerable and marginalised.

Your Company actively engages with stakeholders in its own operations and beyond to bring transformational change.

Internal and external stakeholder engagement and partnership is essential to grow your Company's business and to reach the ambitious targets set out in the Compass. The Code and Code Policies guide how your Company interacts with the partners – among other suppliers, customers, Governments, Non-Governmental Organisations (NGOs) and trade associations. Only authorised and appropriately trained employees or representatives can engage with these groups. All engagement must be conducted in a transparent manner with honesty, integrity and openness; in compliance with local and international laws and in accordance with Unilever's values. The Company engages in multiple ways with important stakeholders:

Suppliers

Every day, we work with thousands of suppliers who are helping us achieve success in the market. Our suppliers help us innovate, create value, build capacity and capability, deliver quality and service and drive market transformation. Last two years have been particularly challenging for our suppliers and partners. Initial lockdowns affected production, and their cash flow. Border restrictions hampered logistics; and Government regulations to protect people and ensure safe working environments demanded new ways of working, often at very short notice. Our suppliers were looking up to us for support in terms of working capital and simple ways to engage so that there is clarity in the ways of working. The Company introduced a number of interventions to support suppliers during the pandemic, including permissions from Government for keeping production of essential products running, providing cashflow relief. We started a programme 'Together We Can' with suppliers to secure availability of essential materials and protect our financial model. We continue investing in long-term mutually beneficial relationships with our key suppliers through our 'Partner with Purpose' programme, so we can share capabilities and co-innovate for mutual and sustainable growth.

* excluding nutrition business

Consumers and customers

The year 2021 has seen unprecedented challenges in the external environment. Your Company has consistently showed resilience and strength of purpose across different stakeholders in its pandemic response, prioritising safety and wellbeing while ensuring availability of your Company's essential products and services to consumers. While your Company had a strong start to the year, the onset of the second wave led to drops in both consumption and growth. However, the Customer Development team continued to follow a consistent strategy of driving flawless execution through the agile execution framework and building business models for future by innovating & adopting technology.

- **Following the People**

  Channelling the robust 'Winning In Many Indias' (WiMI) structure, your Company has successfully pin-pointed demand shifts induced by reverse migration, resurgence of neighbourhood stores and growth of e-Commerce during the Covid-19 pandemic. Combining external indicators and mobility data with trends seen in internal sales, your Company has successfully identified focus districts and focus portfolios for driving distribution, and further collaborated with Government bodies to ensure essential products reach outlets for consumers in need during lockdowns. By aligning business goals with these focus areas, the Company maximised growth, availability and brand presence across categories and population strata in these focus areas.

- **Working with Technology**

  The technological strength and data-driven decision making came to the fore during the last year, when digital journeys managed to mitigate many of the challenges faced due to physical restrictions amidst strict lockdowns. Your Company's investment in an e-B2B order capturing app Shikhar has enabled retailers to place contactless orders safely and has also provided them visibility on fulfilment of these orders through logistics tie-ups and intuitive interfaces. Your Company has also developed a highly-used One-Stop App platform for distributors, sales officers and managers across your Company to improve engagement and provide actionable insights on-the-go.

- **Protecting the extended value chain**

  Your Company has shown empathy and solidarity towards not just immediate employees, but also towards the employees of our business partners, customers, and retailers, prioritising their safety and welfare. Your Company has ensured distribution of sanitisers, face masks and face shields to all our extended value chain workers and enforced social distancing and staggered working during periods of high footfall in organised retail, demonstrating our People First culture in market and winning hearts across.

- **Landing Integration:**

  Another massive project undertaken by your Company was integration of the nutrition business. This complex integration involved multiple workstreams like optimisation of new distributors, along with business terms harmonisation, training, and onboarding of large field teams, outlet migration, along with the entire technological deployment to enable ongoing business processes.

- **Levercare:**

  Your Company has Levercare, a toll-free number, an e-mail and a postal address where consumers can reach the Company directly. Levercare gives consumers the promise of better service and helps the Company to connect with consumers and understand their needs, expectations and aspirations. It helps consumers voice their queries, grievances and offer suggestions and ideas. Levercare has leveraged technology to deliver personalised service that helps build one-on-one relationships with consumers and customers to delight them. Detailed description of more such initiatives is given in Principle 9 (Customer Value).

Shareholders and investors

Your Company regularly interacts with its shareholders and investors through results announcements, annual report, Company's microsite on performance highlights, media releases, Company's website and subject-specific communications. The Annual General Meeting gives the shareholders an opportunity to come in direct communication with the Board of Directors and the Management. During this meeting, the Board engages with shareholders and answers their queries on varied subjects.

Your Company has a designated e-mail address for shareholders. The Investor Service Department regularly engages with the shareholders to resolve queries, grievances, if any, and provides guidance to shareholders for any Company-related matters. The Investor Relations team also interacts regularly with investors and analysts, through quarterly results calls, one-on-one and group meetings, participation at investor conferences.

Government

Your Company co-operates and engages with governments, regulators and legislators, both directly and through trade associations, in the development of proposed legislation and regulation which may affect business interests.

NGOs

Your Company is building transformational partnerships in collaboration with NGOs and other stakeholders who share the Company's vision for a sustainable future. These partnerships are instrumental in improving the quality of people's lives, achieving the Company's sustainability targets and driving the business growth. Your Company's wholly owned subsidiary, Hindustan Unilever Foundation, partners with several NGOs for undertaking water conservation programmes. The Company has also partnered with NGOs for implementing the Swachh Aadat curriculum and conducted projects for waste collection and segregation.

Media

Your Company engages with media to update about the developments in the Company. Regular interactions with print, television and online media take place through press releases, media events and quarterly results announcements. Your Company also ensures timely and appropriate responses to media for any information requests within the stipulated disclosure norms.

Employee engagement

Your Company has several communication processes instituted to ensure a two-way communication channel with its employees. Last year, employee communications continued to be in focus against a backdrop of the second Covid-19 wave and the subsequent gradual return to workplace. The communication channels leveraged last year include:

- Virtual townhalls on Covid-19 and Return to Work to address any concerns on vaccination, medical support, Company policies & initiatives, safety of the workplace and more
- Quarterly Report Back: Quarterly performance update was delivered by the Management Committee to all employees.
- Others: The Company has other in-house communication channels both digital and offline that help employees to connect, bond, inspire, express and celebrate their achievements.

PRINCIPLE 5: HUMAN RIGHTS

Businesses should respect and promote human rights

Your Company seeks to uphold and promote human rights in its operations, in relationships with business and partners; and by working through external initiatives such as the United Nations Global Compact. Unilever has identified eight human rights issues as priority and is committed to addressing them across its operations globally. The eight priority issues are: discrimination, fair wages, forced labour, freedom of association, harassment, health and safety, land rights and working hours. Unilever's approach to managing these critical human rights issues globally is elaborated on the Unilever website.

Unilever's Human Rights Progress Report of 2021 looks at the work that has been done to continue implementing the UN Guiding Principles on Business and Human Rights.

In India, your Company fully adheres to Unilever's approach to human rights. In addition to this, your Company's CoBP upholds the principles of human rights and fair treatment. The Code also conforms to the ILO principles.

The principles of human rights are followed in the same spirit within as well as outside the organisation when engaging with business partners. Your Company's RSBPP for suppliers reinforces the principles of human rights and labour rights for all suppliers of your Company and is available on Unilever's website. No complaints were received regarding human rights violation during the year.

PRINCIPLE 6: ENVIRONMENT

Businesses should respect, protect and make efforts to restore the environment

In line with Compass sustainability commitments, Company's aim is to grow the business whilst decoupling the environmental footprint from growth and increasing the positive social impact. As part of our Compass targets, we monitor climate change and are responding by ensuring that we reduce the environmental impact of our operations.

Your Company has undertaken multiple initiatives, which are elaborated as under:

- **Climate Action: Zero Emissions in our Operations by 2030**

  Your Company has reduced 94% CO_2 emissions (vs 2008 baseline). Additionally, we successfully eliminated Coal across our operations and added seven Megawatt (MW) of Renewable Energy (RE) solar/wind.

  Additionally, across our manufacturing locations, various Energy conservation projects have been implemented such as installation of Energy efficient HVAC Systems, Energy efficient Pumps, Motors, Blowers, Variable Frequency Drives (VFD's), Air compressor efficiency improvement and pressure optimisation, LED lights, etc.

- **Protect and regenerate nature: Implement Water Stewardship Programmes in 12 Locations in Water Stressed areas by 2030**

  Your Company has initiated the deployment of Water Stewardship Programme (as per AWS methodology) at Sonipat, India.

  Additionally, across our manufacturing locations, we have implemented various water conservation initiatives such as rainwater harvesting projects, maximising direct rainwater use in processes and utilities, increase in steam condensate reuse, improving recovery efficiency and maximising use of RO plants, optimisation in sanitation cycles, reduction of cooling tower drift losses and boiler blowdown optimisation.

- **Waste-free world: Halve Food Waste in our Operations by 2025**

  To minimise food waste across our operations, we have implemented the Food Waste hierarchy (Reduce, Reuse and Recycle). Few examples include reduction of waste at source, donations, animal feed, composting, etc.

  Additionally, across manufacturing operations, factories have identified creative reuse opportunities for various waste streams. For example, replacing small bags with reusable jumbo bags, reusing packaging material such as drums after washing and cleaning in collaboration with supplier, developing inhouse composing facility for organic waste, sludge reduction by improving efficiency of cleaning process and by introducing sludge drying facilities. All factories have provided segregation at source facilities to improve recyclability.

- **Maintain zero waste to landfill in our factories**

  Your Company maintained the status of 'zero waste to landfill' across all its factories in 2021. 100% of the non-hazardous waste generated at our factories was recycled or reused or sent for energy recovery in environment friendly ways.

Monitoring procedures

The progress on sustainability is monitored at different levels as mentioned below:

- **Compass Sustainability Governing Council:** The top leadership from respective business verticals and functions constitute the Compass Sustainability Governing Council. The Company has a governance mechanism and scorecard to monitor the progress on sustainability commitments. The Council reports the progress to the Chief Executive Officer and Managing Director, and Management Committee on a quarterly basis.
- **Global Environmental Performance Monitoring Portal:** The 'SHE (Safety, Health and Environment) Team' monitors the performance against set targets and provides feedback as well as management updates. Audits are conducted at sites randomly selected by above team through reputed external auditors.
- **Environment Sub-Committee:** The Environment Sub-committee consists of team members from various functions such as Supply Chain, Engineering, Finance, Research and Development, Legal and Corporate SHE Team. It is led by the Executive Director, Supply Chain and convenes periodically to assess EPR (Extended Procure Responsibility) plan execution, Environmental performance in sites (e.g., reduction in water consumption, reduction in waste generation, improved methods for waste disposal, reduction in electricity usage and CO_2 emission, etc.) and initiatives like rainwater use in operations etc.

Risk Assessment

All the emissions/waste generated by your Company are generally within the permissible limits given by respective state Pollution Control Boards (PCBs).

PRINCIPLE 7: POLICY ADVOCACY

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Your Company's approach to advocacy is guided by the CoBP. The Code provides that any contact by the Company or its business associates with Government, legislators, regulators or NGOs must be done with honesty, integrity, openness and in compliance with applicable laws. Only authorised individuals can interact with these organisations. Prior internal approval is required for initiating any contact between the Company, its representatives and officials, aimed at proactively addressing changes/suggestions to regulation or legislation.

The Company is represented in key industry and business associations which include Confederation of Indian Industry (CII), Federation of Indian Chamber of Commerce and Industry (FICCI), Associated Chamber of Commerce and Industry of India (ASSOCHAM), Bombay Chamber of Commerce and Industry (BCCI), Advertising Standards Council of India (ASCI) and Indian Beauty and Hygiene Association (IBHA).

Many of the Board and Senior leadership team members are associated with several global bodies like the World Economic Forum (WEF), UNGC, apart from the leading business Chambers in India.

Your Company participates in multi-stakeholder engagements and, when relevant, responds to public consultations. Some of the key issues on which your Company engaged with the Government in financial year 2021-22 include:

- Effective plastic waste management.
- Engagement with Government on 'Ease of Doing Business' initiatives, including simplifying and harmonising State and Central laws and compliances.
- Recommending changes on upcoming e-Commerce policy to mitigate the issue of counterfeits and fakes sold online.
- Recommending changes to Consumer Protection Regulations.
- IPR: Recommending changes in the Trademark Act for more effective enforcement against infringers and counterfeiters, parallel imports and better process for recognition and protection of well-known trademarks.
- Effective changes to the Prevention of Sexual Harassment at Workplace Act.
- Recommending changes and suggestions under the Labour Codes and relevant rules.
- Recommendations on changes in the Legal Metrology Act and Packaged Commodity Rules on decriminalising offences, easing compliances, etc.
- Recommending changes to the proposed law on Drugs and Magic Remedies.
- Representation to Government on the draft membrane based water purification system regulations.
- Engaging with the Government on the proposed Data Privacy law and the Non-personal data framework report.
- Provided inputs to Ministry of Corporate Affairs and SEBI on Business Responsibility and Sustainability Report (BRSR) which are new requirements for sustainability reporting by listed entities.
- Representation to SEBI on the proposed amendments to the Related Party Transactions (RPT) framework.
- Company has also written thought papers bringing out Industry perspective on subjects such as Exports, Tea Industry & its development, promoting Make in India.

PRINCIPLE 8: INCLUSIVE GROWTH

Businesses should support inclusive growth and equitable development

Your Company's inclusive growth approach focuses on improving the livelihoods of smallholder farmers, supporting small-scale retailers and helping young entrepreneurs. Some of the important initiatives are mentioned below:

Improving livelihoods of smallholder farmers

Your Company has been associated with a number of smallholder farmers through its supplier partners, training them on good agricultural practices like drip irrigation, nutrient management, pest and disease management to improve their livelihood. Through these programmes, smallholder farmers (SHFs) have benefitted by a higher yield, more certain demand and higher incomes.

Your Company is one of the co-founders of Trustea – the India Sustainability Tea Programme. The programme has now expanded into a much larger scale in the industry. Through the programme, 6,70,000 plantation workers (56% of them women workers) and 88,000 SHFs (about 42% of India's tea SHFs) have been positively impacted.

Over 1 lakh smallholder farmers have benefitted by implementing Unilever Sustainable Agriculture Code. We are working with farmers and suppliers to drive up social and environmental standards in our supply chain.

Your Company has worked with its suppliers to partner with smallholder farmers for cultivation of tomatoes. Your Company provides vital support by imparting tomato farmers with knowledge and expertise in sustainable agriculture practices for tomato cultivation. This includes the latest agricultural techniques, irrigation practices, and the recommendation of the right type of seeds. Till date, your Company has reached out to over 6,000 SHFs who cultivated tomatoes on more than 10,000 acres of land.

Your Company has expanded the sustainable sourcing programme to Chicory farming, where 4,000 smallholder farmers benefit from the programme.

Empowering women micro-entrepreneurs

Your Company's inclusive growth approach focuses on improving the livelihoods of smallholder farmers, supporting small-scale retailers and helping young entrepreneurs. Some of the important initiatives are mentioned below:

Empowering women micro-entrepreneurs, Project Shakti is your Company's initiative to provide livelihood enhancing opportunities to women micro entrepreneurs in rural India. The Shakti Ammas are given training for familiarisation with your Company's products and basic tenets of distribution management. Currently, there are over 1,60,000 micro-entrepreneurs as part of Project Shakti.

Empowering communities through Prabhat

Project Prabhat is a community development initiative of the Company, which aims at creating sustainable and inclusive communities around the Company's sites. By doing so, it is contributing towards a fairer and more socially and environmentally inclusive world, while using Company's scale for good. Through Prabhat's pillars of Economic Empowerment, Environmental Sustainability and Health & Nutrition, your Company has reached out to more than seven million people across 21 States and two Union territories since its inception in 2013.

Under Economic Empowerment, women and youth are provided skill and entrepreneurship training making them future ready for jobs/business. Prabhat Livelihood Centres in 17 locations have provided skill development to over 95,000 women and adolescents in the farm and non-farm sector and successfully generated employment for more than 50,000 people, 70% of which are women. Focusing on the health and wellbeing of women, Prabhat Poshan Saathi Programme has sensitised more than four lakh women on nutrition. Using life cycle approach, a cadre of outreach workers are trained to support rural women in their holistic nutrition journey. To provide access to affordable and quality health care, Prabhat Telemedicine Centres and Prabhat Swasthya Seva have been started in 10 locations. In order to drive a positive impact on the environment, we run specific interventions on water conservation, waste management and afforestation in the communities. Through Prabhat, your Company prevented over 65,000 kgs of waste from reaching landfills.

During the pandemic, more than 2.5 million individuals were provided with humanitarian relief such as grocery and hygiene kits. These kits used 3 lakhs environment friendly cloth bags made by Prabhat Livelihood Centre beneficiaries, helping them with additional income. Along with this, more than 800 wall paintings related to the Covid-19 pandemic were painted in the rural hinterland to spread awareness amongst the community.

PRINCIPLE 9: CUSTOMER VALUE

Businesses should engage with and provide value to their customers and consumers in a responsible manner

While servicing more than two million outlets with an extensive network of customers and business partners, your Company has built a future-fit model evolved in response to learnings over the past year. Some of the key areas where we have taken a leap are:

- **Focus on Omnichannel:** Omni channel has emerged as a growing channel and it is extremely important to drive differential growth in this channel. Your Company has created teams exclusively to focus on niche aspects such as search and discoverability in the omnichannel space, acquiring new capabilities like performance marketing and visibility optimisation across platforms and partners in this fast-growing and highly competitive arena. Your Company continues to share this expertise and help channel partners evolve and adapt to suit the changing shopping behaviour insights emerging from the rich data ecosystem.
- **Modern Trade (MT) and e-Commerce:** Your Company continues to innovate across with key customers through customer centric activations and plans, building differentiated packs for niche MT and e-Commerce shoppers. Your Company continues to enhance capabilities and other digital advancements to engage shoppers both online and in stores. Through systems like OneMT Customer Portal, your Company has eliminated mundane manual effort across the value chain and replaced it with tightly governed and highly efficient, scalable systems to enable faster and more empowered customer decision making. Your Company continues to democratise data across employees and build a culture of data-led working with insights for growth.
- **Pharma and Expert Channel:** Integration of Nutrition business provided your Company with huge opportunity to bring growth in width and depth for the Pharma channel. Your Company has evolved the strategy for this channel with new portfolio while bringing 'expert' marketing expertise to capture the business opportunity and growth ambitions.
- **Project Shakti:** During the lockdown – Shakti Entrepreneurs ensured the availability of essential products in villages. All Shakti Entrepreneurs have moved to Direct-Bank-Transfer - empowering them to be educated and become in charge of their business finances and terms. Your Company continues to drive social impact on awareness and empowerment to ensure it becomes a beacon of social change at the village level.

Responsible marketing and communication

Your Company has four clearly defined principles that guide its communications with consumers:

- Your Company is committed to building trust through responsible practices and through transparent communication – both directly to consumers and indirectly through other key stakeholders.
- It is your Company's responsibility to ensure that its products are safe and that the Company provides clear information on their use and any risks that are associated with their use.
- Your Company fully supports a consumer's right to know what is in the products and is transparent in terms of ingredients, nutrition values and the health and beauty properties of its products.
- Your Company uses a combination of channels, which includes product labels, websites, careline phone numbers and leaflets to communicate openly with its consumers.
- Your Company also supports industry self-regulation and the development of self-regulatory codes for all its marketing and advertising activities and applies these codes across its businesses. Your Company is one of the founder members of ASCI, a self-regulatory body which has developed principles and codes in the area of advertising and marketing. During the year, 14 complaints were filed with ASCI against advertisements made by your Company.
- Your Company has certain legal cases, including those relating to consumer/customer disputes. At the end of the year, there were 71 consumer cases pending.

Labels and Pack Information

All Company products comply with the applicable regulations such as the Consumer Protection Act, Drugs and Cosmetics Act, Legal Metrology Act, Bureau of Indian Standards Specifications, Trademark Act and Copyright Act, Food Safety and Standards Act, Tea Act, Tea Board Regulations for Labels and Pack Information.

The food and beverage products also carry a nutritional information table on the back of pack in compliance with local legislation. As part of Guideline Daily Amounts (GDA) labelling, 100% of your food and beverage products included energy per portion information on the front of the pack and percentage GDA for five nutrients on the back of the pack*. In addition to national laws and self-regulatory codes in India, your Company also applies Unilever's principles to the marketing and advertising of all its food and beverage products (updated in February 2020) directed at children (below 12 years). These principles require that marketing practices*:

- Do not convey misleading messages.
- Do not undermine parental influence. Advertisements always show parents as gatekeepers to the product being consumed.
- Do not encourage 'pester power'.
- Do not suggest time/sense of urgency or price minimisation pressure.
- Do not encourage unhealthy dietary habits.
- Do not use broadcast or print media personalities in a way that obscures the distinction between programme or editorial content or commercial promotion.
- Do not direct any Marketing Communications to children under 12 years of age in traditional media like TV and radio, and to under 13 in social media.
- Do not use influencers who are under the age of 12.

Your Company is also a signatory of the India Policy on Marketing Communications to Children. In accordance, your Company pledges to advertise products to children under the age of 12 that meet common 'Food & Beverage Alliance of India' nutrition criteria and/or Unilever Highest Nutrition Standards. Where differences in criteria exist, we shall apply the strictest criteria across all Marketing Communications directed to children.

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 27th April, 2022

* Where applicable and legally permissible in accordance with local or regional industry agreements

Corporate Governance Report

COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

At Hindustan Unilever Limited, we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral part of its day to day business. The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term.

With almost 90 years of heritage in India, the corporate governance framework of the Company has evolved over the decades and is inspired by our core values of Respect, Integrity, Responsibility & Pioneering. Conducting our operations with integrity and respect for the many people, organisations and environments our business touches, has always been at the heart of our corporate responsibility.

Our history is a story of growth powered by ideas and values. Our business has always been driven by a sense of purpose and the belief that businesses must have purpose beyond profit. We continue to believe that the only way a business will succeed is by making a positive contribution to addressing the challenges the world faces.

At HUL, responsible corporate conduct is fundamental to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At HUL, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and in compliance with applicable legislations. Our Code of Business Principles ('the Code') is an extension of our values and reflects our continued commitment to ethical business practices across our operations. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code inspires us to set high standards of governance which not only meet applicable legislation but go beyond in many areas of our functioning.

"I believe that nothing can be greater than a business, however small it may be, that is governed by conscience; and that nothing can be meaner or more petty than a business, however large, governed without honesty and without brotherhood."

– William Hesketh Lever

To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Corporate Governance Code adopted by the Board acts as a comprehensive framework within which the Company, Board of Directors ('the Board'), Statutory Board Committees may effectively operate for the benefit of its varied stakeholders.

The Board is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

In recognition of its high standards of governance practices, your Company was conferred with several awards over the last few years, and we are committed to raise the bar of Corporate Governance excellence with each passing day. During the year 2021, HUL was recognised in the 'Leadership' category on the Corporate Governance Scorecard developed jointly by International Finance Corporation (IFC) and Bombay Stock Exchange (BSE)-Institutional Investor Advisory Services India Limited (IiAS).

THE BOARD OF DIRECTORS

HUL is a professionally managed Company functioning under the overall supervision of the Board. The Board has ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board has delegated the operational conduct of the business to the Chief Executive Officer and Managing Director of the Company. The Management Committee of the Company is headed by the Chief Executive Officer and Managing Director and has business/functional heads as its members, who manage the day-to-day affairs of the Company.

Composition

The Board of your Company comprises highly experienced persons of repute, eminence and has a good and diverse mix of Executive and Non-Executive Directors with majority of the Board Members comprising Independent Directors including Independent Women Directors. The Board composition is in conformity with the applicable provisions of Companies Act, 2013 ('the Act') and Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time. As on date of this Integrated Annual Report, the Board consists of eleven Directors comprising one Non-Executive Director designated as the Chairman, six Independent Directors including two Women Directors and four Executive Directors including the Chief Executive Officer and Managing Director. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board as part of its succession planning exercise, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company.

During the year, the following appointments/ re-appointments were made:

Ms. Ashu Suyash was appointed as an Additional Director - Independent Director by the Board to hold office for a term of upto 5 (five) consecutive years with effect from 12th November, 2021 to 11th November, 2026.

SEBI vide Third Amendment Regulations, 2021 read with the corrigendum to Listing Regulations has stipulated the requirement of obtaining approval of shareholders by means of a special resolution, for appointment of an Independent Director on the Board of Directors either at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier, effective from 1st January, 2022. Even though the requirement of obtaining shareholder approval was effective only from 1st January, 2022, as part of good Corporate Governance practice, the Company sought approval of the Members by means of special resolution through Postal Ballot for appointment of Ms. Ashu Suyash as an Independent Director of the Company for a period of 5 (five) years, which was approved by the Members with effect from 12th November, 2021 to 11th November, 2026.

Mr. Dev Bajpai was re-appointed as a Whole-time Director of the Company for a period of 5 (five) consecutive years with effect from 23rd January, 2022 to 22nd January, 2027.

Mr. Nitin Paranjpe was appointed as Non-Executive Director designated as Chairman with effect from 31st March, 2022. The Company has received approval of the Members of the Company on 16th April, 2022 through Postal Ballot for appointment of Mr. Nitin Paranjpe as Non-Executive Director and re-appointment of Mr. Dev Bajpai as a Whole-time Director.

Further, Mr. Sanjiv Mehta stepped down as the Chairman of the Board with effect from 31st March, 2022 thereby delinking the position of Chairman and Chief Executive Officer and Managing Director. This step is in the right direction in embracing progressive Corporate Governance practices and in keeping with the stated Company position. Mr. Mehta will continue to hold the position of Chief Executive Officer and Managing Director of the Company. In line with the above change, Mr. Paranjpe was appointed as the Non-Executive Chairman of the Company with effect from 31st March, 2022. All the said appointments and re-appointments have been recommended by the Nomination and Remuneration Committee to the Board of the Company.

The Board places on record its deep sense of appreciation and gratitude for the immense contribution made by Mr. Mehta and for leading the Board as the Chairman of the Company.

Corporate Governance Report

The details of each Member of the Board along with the number of Directorship(s)/Committee Membership(s)/ Chairmanship(s), date of joining the Board and their shareholding in the Company are provided herein below:-

Composition and Directorship(s)/Committee Membership(s)/Chairmanship(s) and number of other Board and Committees as on 31st March, 2022:

Name and Category	Date of joining the Board	Number of shares held in the Company	Directorship(s) in other Companies#	Membership (s) of Committees of other Companies##	Chairmanship(s) of Committees of other Companies##
Non-Executive Chairman					
Nitin Paranjpe	31.03.2022	1,24,509	-	-	-
Chief Executive Officer and Managing Director					
Sanjiv Mehta	01.10.2013	1,410	-	-	-
Executive Director, Finance & IT and Chief Financial Officer					
Ritesh Tiwari	01.05.2021	2,630	1	-	-
Executive Director, Legal & Corporate Affairs and Company Secretary					
Dev Bajpai	23.01.2017	51,576	1	-	-
Executive Director, Supply Chain					
Wilhelmus Uijen	01.01.2020	-	2	-	-
Independent Directors					
O. P. Bhatt	20.12.2011	245	4	3	1
Sanjiv Misra	08.04.2013	-	-	-	-
Kalpana Morparia	09.10.2014	-	2	1	1
Leo Puri	12.10.2018	-	1	-	-
Ashish Gupta	31.01.2020	-	1	-	-
Ashu Suyash	12.11.2021	-	1	1	-

#Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

##Includes only Audit Committee and Stakeholders' Relationship Committee.

None of the Directors of your Company are related to each other.

The names of the listed entities along with the category of Directorship for all the Directors form part of Profile of Directors from pages 316 to 320.

The number of Directorship(s), Committee Membership(s)/ Chairmanship(s) of all Directors is within the respective limits prescribed under the Act and Listing Regulations as amended from time to time.

Appointment and Tenure

The Directors of the Company are appointed/re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the General Meetings or through means of Postal Ballot. In accordance with the Articles of Association of the Company and provisions of the Act, all Directors, except the Managing Director and Independent Directors of the Company, are liable to retire by rotation at the Annual General Meeting (AGM) each year and, if eligible, offer themselves for re-election. The Executive Directors on the Board have been appointed as per the provisions of the Act and serve in accordance with the terms of employment with the Company.

None of the Independent Director(s) of the Company resigned before the expiry of their tenure.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and Listing Regulations.
- In keeping with progressive governance practices, your Company shall, for the purpose of determining the composition of the Board, treat all Independent Directors who are henceforth appointed from the Financial Year 2022-23 and, thereafter, and who complete ten years on the Board, as Non-Independent.

Any person who becomes Director or Officer, including an employee who is acting in a managerial or supervisory capacity, shall be covered under Directors' and Officers' Liability Insurance Policy. The Policy shall also cover those who serve as a Director, Officer or equivalent of an outside entity at Company's request. The Company has provided insurance cover in respect of legal action against its Directors under the Directors' and Officers' Liability Insurance.

Board Meetings

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. The Board/Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The Board business generally includes consideration of important corporate actions and events including:-

- quarterly and annual results announcements;
- oversight of the performance of the business;
- declaration of dividends;
- development and approval of overall business strategy;
- board succession planning;
- review of the functioning of the Committees; and
- other strategic, transactional and governance matters as required under the Act, Listing Regulations and other applicable legislations.

The notice of Board/Committee Meetings is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The Agenda of the Board/ Committee Meetings is set by the Company Secretary in consultation with the Chairman of the Company. The Agenda is circulated a week prior to the date of the Meeting. The Board Agenda includes an Action Taken Report comprising of actions emanating from the Board Meetings and status updates thereof. The Agenda for the Board and Committee Meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee Meetings includes detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. Video/audio-conferencing facilities are also used to facilitate Directors travelling or located at other locations to participate in the Meetings.

Prior approval from the Board is obtained for circulating the agenda items with shorter notice for matters that form part of the Board and Committee Agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

During the financial year 2021-22, all the Board and Committee meetings were conducted through audio visual means as per the circulars/rules issued by Ministry of Corporate Affairs (MCA) and SEBI from time to time, for conducting meetings during the pandemic. During the financial year 2021-22, five Board Meetings were held on 29th April, 2021, 22nd July, 2021, 19th October, 2021, 20th January, 2022, and 24th February, 2022. The interval between any two Board Meetings was well within the maximum allowed gap of 120 days. During the year, the Board also transacted some of the business under its terms of reference by passing resolutions by circulation.

Attendance for the Board

Name of the Directors	Category of Directorship	Attendance
Sanjiv Mehta – Chairperson*	Executive Director	5/5
Srinivas Phatak#	Executive Director	1/1
Ritesh Tiwari#	Executive Director	4/4
Dev Bajpai	Executive Director	5/5
Wilelmus Uijen	Executive Director	5/5
O. P. Bhatt	Independent Director	5/5
Sanjiv Misra	Independent Director	5/5
Kalpana Morparia	Independent Director	5/5
Leo Puri	Independent Director	5/5
Ashish Gupta	Independent Director	4/5
Ashu Suyash##	Independent Director	2/2

*Mr. Nitin Paranjpe was appointed as the Non-Executive Director designated as Chairman of the Company with effect from 31st March, 2022. Mr. Sanjiv Mehta will continue as the Chief Executive Officer and Managing Director of the Company with effect from 31st March, 2022.

#Mr. Ritesh Tiwari was appointed as the Whole-time Director and Chief Financial Officer with effect from 1st May, 2021 succeeding Mr. Srinivas Phatak who ceased to be the Whole-time Director and Chief Financial Officer with effect from 1st May, 2021.

##Ms. Ashu Suyash was appointed as an Independent Director with effect from 12th November, 2021.

Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee Meetings. The Company Secretary attends all the Meetings of the Board and its Committees, either in the capacity of Secretary of the Board/Committees or as a Member of the

Committee. The Company Secretary advises/assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the Meetings.

With a view to leverage technology and reducing paper consumption, the Company has adopted a web-based application for transmitting Board/Committee Agenda and Pre-reads. The Directors of the Company receive the Agenda and Pre-reads in electronic form through this application, which can be accessed through web browser or iPad. The application meets high standards of security and integrity that are required for storage and transmission of Board/Committee Agenda and Pre-reads in electronic form.

Statutory Compliance Monitoring Tool

The Company has in place a web-based Statutory Compliance Monitoring Tool, which has been implemented to streamline and manage compliance tracking of all the statutory & legal compliances needed to be followed by the Company and provides the necessary assurance to the Board.

Confirmation and Certification

The Company annually obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from M/s. S. N. Ananthasubramanian & Company, Company Secretaries, under Regulation 34(3) and Schedule V Para C Clause (10)(i) of Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI and MCA or any such authority and the same forms part of this Integrated Annual Report.

Board Independence

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Act and Regulation 16 of Listing Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/disclosures received from the Directors and on evaluation of the relationships disclosed, supported by a certificate from M/s. S. N. Ananthasubramanian & Company, Company Secretaries, as per the requirement of Regulation 25(9) of the Listing Regulations, the Board confirms, that the Independent Directors fulfill the conditions as specified under Schedule V of the Listing Regulations and are independent of the management. The Board includes six Independent Directors.

Separate Independent Directors' Meetings

The Independent Directors meet at least once in a quarter, without the presence of Executive Directors or Management representatives. They also have a separate meeting with the Chairman of the Board, to discuss issues and concerns, if any.

The Independent Directors met four times during the financial year ended 31st March, 2022 on 29th April, 2021, 22nd July, 2021, 19th October, 2021 and 20th January, 2022. The Independent Directors inter alia discuss the issues arising out of Committee meetings and Board discussion including the quality, quantity and timely flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to these formal meetings, interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

Directors' Induction and Familiarisation

The Board familiarisation Programme comprises the following:-

- Induction Programme for Directors including Non-Executive Directors;
- Immersion sessions on business and functional issues; and
- Strategy sessions.

All Directors on their appointment are taken through a detailed induction and familiarisation programme when they join the Board of your Company. The induction programme is an exhaustive one that covers the history, culture and background of the Company and its growth over the last several decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions. The programme also covers the Company's Compass Commitments.

The Chief Executive Officer and Managing Director and the Company Secretary are jointly responsible for ensuring that induction and training programmes are conducted for Directors. The Chief Executive Officer and Managing Director, provides an overview of the organisation, its history, culture, values and purpose. The Management Committee Members and Functional Heads take the Directors through their respective businesses and functions. As a part of induction programme, the Directors also visit the Company's manufacturing locations and undertake market visits to understand the operations of the Company. The Directors are exposed to the Board constitution, procedures, matters reserved for the Board and major risks facing the business and mitigation programmes. The Independent Directors are made aware of their roles and responsibilities at the time of their appointment and a detailed Letter of Appointment is issued to them.

In the Board Meetings, immersion sessions deal with different parts of the business and bring out all facets of the business besides the shape of the business. These immersion sessions provide a good understanding of the business to the Directors. Similar immersion sessions are also convened for various functions of the Company. These sessions are also an opportunity for the Board to interact with the next level of management. To make these sessions meaningful and insightful, pre-reads are circulated in advance. Deep dive sessions are also organised on specific subjects for better appreciation by the Board of its impact on the business. There are opportunities for Independent Directors to interact amongst themselves every quarter and many themes for such immersion sessions come through on account of these structured interactions and meetings of Independent Directors. The process of Board Evaluation also throws up areas where the Board desires focused sessions.

Every year, Strategy Board Meeting is organised generally at a location where the Company has an office or an establishment. It provides the Board an opportunity to understand Company's footprint in that market and also interact with Company's leadership and business teams in that market. The strategy session focuses on the strategy for the future and covers all parts of the business and functions, the course corrections, if any, required to be undertaken and gives a good perspective of the future opportunities and challenges. For the financial year 2021-22, two full day Board Strategy Meeting was conducted which included detailed presentation on key topics concerning the overall Company's strategy including consumer & market insights, strategy for the business and functional divisions of the Company.

An update on the Compass Sustainability Priorities and the Company's Environmental, Social and Governance (ESG) strategy was made to the Board. In addition, an update on Corporate Governance, Digital Impact on Indian landscape, Reimagine HUL journey to an 'Intelligent Enterprise', Talent Capabilities was also presented to the Board.

The details of training programmes attended by Independent Directors are available on the website at https://www.hul.co.in/investor-relations/corporate-governance/.

Board Evaluation

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. The Board along with the Nomination and Remuneration Committee has laid down the criteria of performance evaluation of Board, its Committees and Individual Directors which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

For Independent Directors, evaluation is carried out based on the criteria viz.

- the considerations which led to the selection of the Director on the Board and the delivery against the same;
- contribution made to the Board/Committees;
- attendance at the Board/Committee Meetings;
- impact on the performance of the Board/Committees;
- instances of sharing best and next practices, engaging with top management team of the Company;
- participation in Strategy Board Meetings, etc.

During the year, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Peer Evaluation of the Directors. The exercise was led by the Chief Executive Officer and Managing Director along with the Chairperson of the Nomination and Remuneration Committee of the Company. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board, Board oversight and effectiveness, performance of Board Committees, Board skills and structure, etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board plays a very constructive role which is challenging as well as supportive. The Board has a good focus on extant issues such as performance, compliance & controls, strategy and succession planning. The Board Members have open discussions on key topics and have a collaborative approach and is encouraging of differing opinions. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committees.

The Board also noted that given the changing external environment, the Company should be prepared for any likely disruption. The Board agreed that the Board was focused on the right direction of creating a 'purpose-driven' organisation. The evaluation exercise also highlighted the need for having better understanding of competitive landscape in a dynamic business environment and importance of being updated in the emerging technology areas relevant for the Company. These areas have been identified for the Board to engage itself with and the same will be acted upon.

Progress on recommendations from last year's Evaluation cycle was also discussed.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as part of good governance practices. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meeting of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

During the year, all recommendations of the Committees of the Board have been accepted by the Board.

The Board has constituted the following Committees:-

Constitution of the Committees

Audit Committee
- Kalpana Morparia
- O. P. Bhatt
- Sanjiv Misra
- Ashish Gupta
- Ashu Suyash

Nomination and Remuneration Committee
- Sanjiv Misra
- O. P. Bhatt
- Kalpana Morparia
- Ashu Suyash

Corporate Social Responsibility Committee
- O. P. Bhatt
- Sanjiv Misra
- Kalpana Morparia
- Leo Puri
- Sanjiv Mehta
- Ritesh Tiwari

Stakeholders' Relationship Committee
- O. P. Bhatt
- Sanjiv Mehta
- Leo Puri
- Ritesh Tiwari

Risk Management Committee
- Sanjiv Mehta
- Ritesh Tiwari
- Dev Bajpai
- Wilhelmus Uijen
- Ashish Gupta
- Ashu Suyash
- Ravishankar A

• Chairperson • Member

Audit Committee

The Company's Audit Committee comprises 5 (five) members and all the members are Independent Directors. Audit Committee is chaired by Ms. Kalpana Morparia and Mr. O. P. Bhatt, Dr. Sanjiv Misra, Dr. Ashish Gupta and Ms. Ashu Suyash, Independent Directors of the Company act as members of the Committee. Ms. Ashu Suyash was appointed as a member of the Committee with effect from 20th January, 2022. All the members of the Committee have relevant experience in financial matters.

Terms of Reference of Audit Committee

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The detailed terms of reference of the Audit Committee are contained in the 'Corporate Governance Code' which is available on the website of the Company at https://www.hul.co.in/investorrelations/corporate-governance/. The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

Key Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;	Quarterly
Reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval;	Quarterly, Annually
Reviewing management discussion and analysis of financial condition and results of operations;	Annually
Recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;	Periodically, Annually
Reviewing and monitoring the Statutory Auditor's independence and performance and effectiveness of audit process;	Annually
Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;	Quarterly
Reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;	Quarterly
Reviewing management letters/letters of internal control weaknesses issued by the Statutory Auditors;	Periodically
Evaluating internal financial controls and risk management systems;	Periodically
Verifying that the systems for internal controls in relation to SEBI (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively;	Annually
Reviewing the functioning of the Code of Business Principles and Vigil Mechanism;	Quarterly
Reviewing the utilisation of loans and/or advances from/investment in the Subsidiary exceeding ₹100 crores of 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;	Quarterly
Recommending the appointment and the remuneration to be paid to the Cost Auditor.	Annually

● Quarterly ● Annually ● Periodically

In addition to quarterly meetings for consideration of financial results, special meetings of the Audit Committee are convened. In these meetings, the Audit Committee reviews various businesses/functions, business risk assessment, controls, critical IT applications with implications of security and internal audit and control assurance reports of all the major divisions of the Company.

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors, Group Controller and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board. The Audit Committee also meets the internal and external auditors separately, without the presence of Management representatives.

The Audit Committee met six times during the financial year ended 31st March, 2022 on 29th April, 2021, 22nd July, 2021, 23rd July, 2021, 19th October, 2021, 20th December, 2021 and 20th January, 2022.

Attendance for the Committee Meetings

Name of the Members	Category of Directorship	Attendance
Kalpana Morparia – Chairperson	Independent Director	6/6
O. P. Bhatt – Member	Independent Director	6/6
Sanjiv Misra – Member	Independent Director	6/6
Ashish Gupta – Member	Independent Director	5/6

Ms. Ashu Suyash was appointed as a member of the Committee w.e.f. 20th January, 2022

Internal Controls and Risk Management

The Company has robust system for Internal Audit and Corporate Risk assessment and mitigation. The Company has an independent Internal Audit Department assisted by outsourced audit teams.

The Internal Audit plan is approved by Audit Committee at the beginning of every year. The conduct of Internal Audit is oriented towards the review of internal controls and risks in the Company's operations and covers factories, sales offices, warehouses and centrally controlled businesses and functions. Every quarter, the Audit Committee is presented with a summary of significant audit observations and follow-up actions thereon.

Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with Corporate Policies. There is an ongoing process to track the evolution of risks and delivery of mitigating action plans.

Mr. Amit Agarwal is the Internal Auditor of the Company.

The Company's internal financial control framework, established in accordance with the Committee of Sponsoring Organisation (COSO) framework, is commensurate with the size and operations of the business and is in line with requirements of the Act. The Company's internal financial controls framework is based on the 'three lines of defense model'. The Company has laid down Standard Operating Procedures and policies to guide the operations of the business.

Unit heads are responsible to ensure compliance with the policies and procedures laid down by the Management. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. The Management, Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Dr. Sanjiv Misra, Independent Director as the Chairperson and Mr. O. P. Bhatt, Ms. Kalpana Morparia and Ms. Ashu Suyash as members of the Committee. Mr. Sanjiv Mehta ceased to be a member of the Committee with effect from 20th January, 2022 and Ms. Ashu Suyash was appointed as a member of the Committee with effect from 20th January, 2022.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments.

Terms of Reference of Nomination and Remuneration Committee

The detailed terms of reference of the Nomination and Remuneration Committee are contained in the 'Corporate Governance Code' which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Key Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
Determine/recommend the criteria for appointment of Directors, Members of Management Committee and Key Managerial Personnel;	Periodically
Identify candidates who are qualified to become Directors and who may be appointed on the Management Committee, or as a Key Managerial Personnel;	Periodically
Evaluate the balance of skills, knowledge and experience on the Board and prepare a description of the role and capabilities required for Independent Director(s);	Periodically
Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc;	Annually
Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole;	Annually
Ensure succession planning (including the development of a diverse pipeline for succession) to the Board and the leadership development plans to enhance such succession planning;	Periodically
Recommend to the Board, all remunerations, in whatever form, payable to Senior Management;	Periodically
Review and recommend to the Board candidates for election as members to the Board Committees and for the election as chairman for each Board Committee from the appointed members of the Board Committee	Periodically

● Quarterly ● Annually ● Periodically

The Committee also plays the role of Compensation Committee and is responsible for administering Stock Option Schemes as applicable to the employees of the Company.

The Nomination and Remuneration Committee met four times during the financial year ended 31st March, 2022 on 28th April, 2021, 23rd July, 2021, 20th January, 2022, and 24th February, 2022.

Attendance for the Committee Meetings

Name of the Members	Category of Directorship	Attendance
Sanjiv Misra – Chairperson	Independent Director	4/4
O. P. Bhatt – Member	Independent Director	4/4
Kalpana Morparia – Member	Independent Director	4/4
Ashu Suyash – Member#	Independent Director	1/1
Sanjiv Mehta – Member*	Executive Director	3/3

#Ms. Ashu Suyash was appointed as a member of the Committee w.e.f. 20th January, 2022

*Mr. Sanjiv Mehta ceased to be the member of the Committee w.e.f. 20th January, 2022

Board Membership Criteria and list of core skills/expertise/competencies identified in the context of the business:

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

In terms of requirement of Listing Regulations, the Board has identified the following skills/expertise/competencies of the Directors as given below: -

Skills and its description	Nitin Paranjpe	Sanjiv Mehta	Ritesh Tiwari	Dev Bajpai	Wilhelmus Uijen	O. P. Bhatt	Sanjiv Misra	Kalpana Morparia	Leo Puri	Ashish Gupta	Ashu Suyash
Leadership experience of running large enterprise Experience in leading well-governed large organisations, with an understanding of organisational systems and processes, complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance.	√	√				√	√	√	√		√
Experience of crafting Business Strategies Experience in developing long-term strategies to grow consumer/FMCG business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.	√	√	√			√	√		√	√	√
Understanding of Consumer and Customer Insights in diverse environments and conditions Experience of having managed organisations with large consumer/customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits.	√	√	√	√	√	√	√		√	√	
Finance and Accounting Experience Leadership experience in handling financial management of a large organisation along with an understanding of accounting and financial statements.		√	√			√	√	√	√		√
Experience in overseeing large and complex Supply Chain Experience in overseeing large and complex supply chain operations, management of innovations, understanding of emerging technologies including digital information technologies and their disruptive impact.	√	√			√						
Understanding use of Digital/Information Technology across the FMCG value chain Understanding the use of digital/Information Technology across the value chain, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organisation.	√	√	√		√				√	√	
Experience of large companies and understanding of the changing regulatory landscape Experience of having served in large public companies in diverse industries to provide Board oversight to all dimensions of business and Board accountability, high governance standards with an understanding of changing regulatory framework.	√	√		√		√	√	√	√		√

Reward Policy

The Reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and reinforces the performance culture of the Company. This philosophy is set forth into practice by various policies governing the different elements of total reward. The intent of all these policies is to ensure that the principles of Reward philosophy are followed in entirety, thereby facilitating the Company to recruit and retain the best talent. The ultimate objective is to gain competitive advantage by creating a reward proposition that inspires employees to deliver Company's promise to consumers and achieve superior operational results.

The guiding principles for Company's reward policies/ practices are as follows:

- **Open, Fair and Consistent:** increase transparency and ensure fairness and consistency in reward framework;
- **Insight and Engagement:** make reward truly relevant to the employees by using leading edge tools that help the Company 'hear' how employees feel about their reward;
- **Innovation:** continuously improve Company's reward through innovations based on insight, analytics and Unilever's expertise;
- **Simplicity, Speed and Accuracy:** simplify reward plans and processes and deliver the information employees need quickly, clearly and efficiently;
- **Business Results:** Company's business results are the ultimate test of whether reward solutions are effective and sustainable.

The appointment of Executive Directors, Key Managerial Personnel, Management Committee Members and other employees is by virtue of their employment with the Company and therefore, their terms of employment vis-a-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies. The total reward for Executive Directors, Key Managerial Personnel and Management Committee Members is reviewed and recommended to the Board of Directors for their approval, by the Nomination and Remuneration Committee annually, taking into account external benchmarks alongwith the combination of Company's and individual's performance.

A fair portion of Executive Directors' total reward is linked to Company's performance. This creates alignment with the strategy and business priorities to enhance shareholder value. Long-term incentives, in the form of Performance Share Plan, seek to reward Executive Directors, Management Committee Members and other eligible employees by aligning their deliverables to business results.

In line with the Evaluation Policy of the Company, the Nomination and Remuneration Committee considers the outcome of the annual Evaluation before recommending the changes in the remuneration of the Executive Directors and appointment/re-appointment of Directors.

Non-Executive Independent Directors are eligible for sitting fees and commission not exceeding the limits prescribed under the Act. The remuneration payable to Non-Executive Directors is decided by the Board of Directors subject to the approval of Members of the Company.

Independent Directors are currently paid sitting fees of ₹30,000/- for attending every meeting of the Board or Committee thereof. In line with the globally accepted governance practices, the Board of Directors adopted a 'Differential Remuneration Policy' for Non-Executive Directors remuneration which is available on the Company's website at https://www.hul.co.in/investor-relations/corporate-governance/.

As per the Differential Remuneration Policy, Non-Executive Independent Directors are entitled to fixed commission on profits at the rate of ₹15 lakhs for each financial year. In addition, Non-Executive Independent Directors are entitled to a remuneration linked to their attendance at the meetings of the Board or Committees thereof and also on the basis of their position in various Committees of the Board, whether that of a Chairman or a Member of the Committee(s). The remuneration payable to the Independent Directors under the Differential Remuneration Policy is within the overall limit of ₹300 lakhs, as approved by the Members at the Annual General Meeting held on 29th June, 2015. The criteria adopted by the Company for Differential Remuneration Policy is as under:

(₹ in lakhs)

Particulars	Commission (p.a.)
Fixed Commission: Base Fixed Commission for Independent Directors	15.00
Additional Variable Commission:	
Corresponding to the percentage of attendance at all the Board and Committee Meeting(s)	5.00
In the capacity of Chairperson of the Committee(s)*	2.00
In the capacity of Member of the Committee(s)*	1.00

*Committee includes Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk Management Committee.

The Non-Executive Directors who complete their term of office as per conditions of appointment shall be paid a one-time commission of ₹10 lakhs.

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees and commission. The Company has not granted any stock options to any of its Non-Executive Independent Directors.

The details of remuneration paid to Executive and Non-Executive Directors for the financial year ended 31st March, 2022 are provided hereinafter:

Details of Remuneration paid to the Executive Directors

(₹ in crores)

	Sanjiv Mehta**	Dev Bajpai	Wilhelmus Uijen**	Ritesh Tiwari#	Srinivas Phatak#
Salary	3.734	2.868	3.360	1.985	0.234
Allowances	9.278	0.407	4.139	1.098	0.096
Bonus^^	4.323^	1.424	1.631	0.818	-
Perquisite - Long Term Incentives (LTI)$	4.286	2.440	1.346	1.673	1.025
Perquisite - Others*	0.004	0.004	0.705	0.004	0.002
Contribution to Provident Fund	0.448	0.344	0.344	0.238	0.028
Contribution to Pension	-	0.516	-	0.159	0.019
Total	**22.073**	**8.004**	**11.524**	**5.975**	**1.404**

*Inclusive of perquisites on account of Housing, Medical, Club Fee, Car etc.

#Mr. Ritesh Tiwari was appointed as a Whole-time Director and Chief Financial Officer of the Company w.e.f. 1st May, 2021 succeeding Mr. Srinivas Phatak.

** Bonus and Perquisites are shown net of Income Tax. As per the terms of employment, Income Tax is borne by the Company and is included in allowances.

^ During financial year 2020-21, Senior Management was awarded a lower bonus in view of the Covid-19 pandemic that has been restored now to the normative levels.

^^ Annual Bonus incentivises year-on-year delivery of stretching short-term financial, strategic and operational objectives selected to support our annual business strategy and the ongoing enhancement of shareholder value. The bonus amount is linked to: (1) business performance measured through the lens of growth, profitability and cash generation, and (2) individual contribution.

$ Long-term Share schemes incentivise Senior Management's focus on the sustained delivery of high-performance results over the long-term. The amount of shares awarded is linked to business performance measured over a 3-year period across four parameters, namely Competitive growth, cash, capital efficiency and progress on sustainability initiatives.

Details of Remuneration paid to the Independent Directors

(₹ in lakhs)

Name	Sitting Fees*	Commission#	Total
O. P. Bhatt	5.70	26.00	31.70
Sanjiv Misra	5.10	24.00	29.10
Kalpana Morparia	5.10	24.00	29.10
Leo Puri	2.10	21.83	23.93
Ashish Gupta	3.30	21.15	24.45
Ashu Suyash^	1.20	9.08	10.28

*Includes sitting fees paid for attending Board and Committee Meetings.

^Ms. Ashu Suyash was appointed as an Independent Director of the Company with effect from 12th November, 2021.

#The Commission for the financial year ended 31st March, 2022 as per the differential remuneration parameters will be paid to Independent Directors, on a pro-rata basis, subject to deduction of tax, after adoption of financial statements by the Members at the AGM to be held on 23rd June, 2022.

Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee comprises Mr. O. P. Bhatt, Independent Director as the Chairperson and Dr. Sanjiv Misra, Ms. Kalpana Morparia, Mr. Leo Puri, Mr. Sanjiv Mehta and Mr. Ritesh Tiwari as the members of the Committee. Mr. Ritesh Tiwari was appointed as a member of the Committee succeeding Mr. Srinivas Phatak with effect from 1st May, 2021. Mr. Leo Puri was appointed as a member of the Committee with effect from 1st May, 2021.

The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the areas of CSR.

Terms of Reference of Corporate Social Responsibility Committee

The detailed terms of reference of the Corporate Social Responsibility Committee is contained in the 'Corporate Governance Code' which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Key Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
Formulate and recommend to the Board the CSR Policy and activities to be undertaken;	Annually
Recommend the amount of expenditure to be incurred on CSR activities;	Annually
Formulate and review the Annual Action Plan in pursuance of the CSR Policy;	Periodically
Oversee the manner of execution of projects or programmes; the modalities of utilisation of funds and implementation schedules for the projects/programmes;	Periodically
Impact assessment, monitoring and reporting mechanism for the projects/programmes.	Annually

● Quarterly ● Annually ● Periodically

During the financial year ended 31st March, 2022, the Committee met twice on 28th April, 2021 and 18th October, 2021.

Attendance for the Committee Meetings

Name of the Members	Category of Directorship	Attendance
O. P. Bhatt – Chairperson	Independent Director	2/2
Sanjiv Misra – Member	Independent Director	2/2
Kalpana Morparia – Member	Independent Director	2/2
Leo Puri – Member*	Independent Director	1/1
Sanjiv Mehta – Member	Executive Director	2/2
Ritesh Tiwari – Member#	Executive Director	1/1
Srinivas Phatak – Member#	Executive Director	1/1

*Mr. Leo Puri was appointed as a member of the Committee w.e.f. 1st May, 2021

#Mr. Ritesh Tiwari was appointed as a member of the Committee w.e.f. 1st May, 2021 succeeding Mr. Srinivas Phatak

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises Mr. O. P. Bhatt, Independent Director as the Chairperson and Mr. Leo Puri, Mr. Sanjiv Mehta and Mr. Ritesh Tiwari, as Members of the Committee. Mr. Ritesh Tiwari was appointed as a member of the Committee succeeding Mr. Srinivas Phatak with effect from 1st May, 2021. Mr. Leo Puri was appointed as a member of the Committee with effect from 1st May, 2021.

The role of Stakeholders' Relationship Committee includes resolving the grievances of shareholders, ensuring expeditious share transfer process in line with the proceedings of the Share Transfer Committee, evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company.

The Committee has periodic interactions with the representatives of the Registrar and Share Transfer Agent of the Company. SEBI, the capital market regulator had issued guidelines and undertook a number of measures for raising industry standards for Registrar and Share Transfer Agent to facilitate effective shareholder service. In order to ensure compliance with various guidelines and measures issued by SEBI to improve investor services, the Committee invites the Registrar and Share Transfer Agent to join the Committee Meeting for sharing an update on the steps and actions taken by them. The Committee also invites Shareholders for an interaction during the meeting to get a direct feedback on investor service.

Terms of Reference of Stakeholders' Relationship Committee

The detailed terms of reference of the Stakeholders' Relationship Committee is contained in the 'Corporate Governance Code' which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Key Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
Consider and resolve the grievances of shareholders;	Periodically
Review of adherence to the service standards adopted by the Company in respect of various services being rendered by its Registrar & Share Transfer Agent;	Periodically
Recommend to improve service levels for the investors;	Periodically
Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders.	Periodically

● Quarterly ● Annually ● Periodically

During the financial year ended 31st March, 2022, the Committee met twice on 28th April, 2021 and 18th October, 2021.

Attendance for the Committee Meetings

Name of the Members	Category of Directorship	Attendance
O. P. Bhatt – Chairperson	Independent Director	2/2
Leo Puri – Member*	Independent Director	1/1
Sanjiv Mehta – Member	Executive Director	2/2
Ritesh Tiwari– Member#	Executive Director	1/1
Srinivas Phatak – Member#	Executive Director	1/1

*Mr. Leo Puri was appointed as a member of the Committee w.e.f. 1st May, 2021

#Mr. Ritesh Tiwari was appointed as a member of the Committee w.e.f. 1st May, 2021 succeeding Mr. Srinivas Phatak

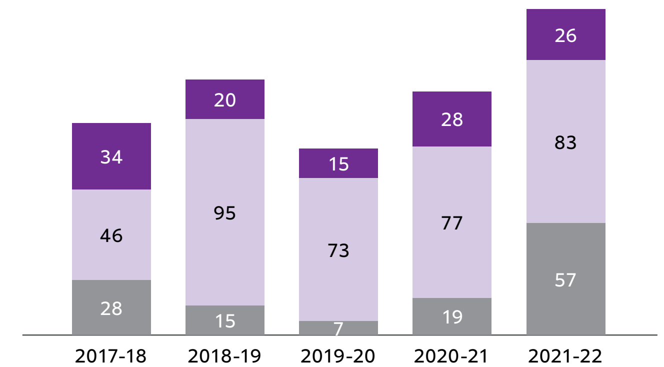
Details of Shareholders'/Investors' Complaints

Mr. Dev Bajpai, Executive Director, Legal & Corporate Affairs and Company Secretary is the Compliance Officer for resolution of Shareholders'/Investors' complaints. During the financial year ended 31st March, 2022, 166 complaints were received from the shareholders. All complaints except one have been redressed to the satisfaction of the shareholders as on 31st March, 2022.

Particulars	Complaints Received	Complaints Redressed
Non-Receipt of Dividend	26	26
Non-Receipt of Shares lodged for Transfer	83	82
Others	57	57
Total	**166**	**165***

*An interim reply was filed in the pending complaint.

Trend of Complaints Received and Resolved



* Includes complaints related to TDS on dividend, IEPF and transfer/transmission of shares.

Risk Management Committee

Knowing the importance of managing and pre-empting risks effectively for having a sustainable business, the Company has constituted a Risk Management Committee, in line with the Listing Regulations.

The Risk Management Committee of the Company comprises Mr. Sanjiv Mehta as the Chairperson, Dr. Ashish Gupta, Ms. Ashu Suyash, Mr. Ritesh Tiwari, Mr. Dev Bajpai, Mr. Wilhelmus Uijen and Mr. Ravishankar A, Group Controller as the members of the Committee. Mr. Ritesh Tiwari was appointed as a member of the Committee succeeding Mr. Srinivas Phatak with effect from 1st May, 2021. Dr. Ashish Gupta and Ms. Ashu Suyash, Independent Directors of the Company were appointed as members of the Committee with effect from 1st May, 2021 and 20th January, 2022, respectively.

The role of Risk Management Committee includes the implementation of Risk Management Systems and Framework, review of the Company's financial and risk management policies, assess risk and formulate procedures to minimise the same.

Terms of Reference of Risk Management Committee

The detailed terms of reference of the Risk Management Committee is contained in the 'Corporate Governance Code' which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Key Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
To identify the internal and external risks, inter alia, financial, operational, sectoral, sustainability/ESG, information, cyber security risks, legal and regulatory risks;	● (Periodically)
Oversee the implementation of the risk management policy and the adequacy of risk management systems;	● (Periodically)
Ensure appropriate methodology, processes and systems are in place to monitor and evaluate risks.	● (Periodically)

● Quarterly ● Annually ● Periodically

During the financial year ended 31st March, 2022, the Risk Management Committee met twice on 23rd September, 2021 and 24th February, 2022 for reviewing the Company level risks and mitigation plans and actions. The gap between two meetings was not more than 180 days as stipulated under the Listing Regulations.

Attendance for the Committee Meetings

Name of the Members	Category of Directorship	Attendance
Sanjiv Mehta – Chairperson	Executive Director	2/2
Ashish Gupta– Member	Independent Director	2/2
Ashu Suyash – Member*	Independent Director	1/1
Ritesh Tiwari– Member#	Executive Director	2/2
Dev Bajpai – Member	Executive Director	2/2
Wilhelmus Uijen – Member	Executive Director	2/2
Ravishankar A – Member	Group Controller	2/2

*Ms. Ashu Suyash was appointed as a member of the Committee w.e.f. 20th January, 2022

#Mr. Ritesh Tiwari was appointed as a member of the Committee w.e.f. 1st May, 2021 succeeding Mr. Srinivas Phatak

Other Committees

Apart from the above statutory Committees, the Board of Directors has constituted the following Committees to enhance the level of governance and also to meet the specific business needs. The below Committees report to the Board of Directors of the Company.

Share Transfer/Transmission Committee

The Share Transfer/Transmission Committee has been formed to look into share transfer and related applications received from Shareholders, with a view to accelerate the transfer procedures. The Committee comprises three Executive Directors of the Board. The Committee inter-alia considers applications for transfer, transmission, split, consolidation of share certificates and cancellation of any share certificate in compliance with the provisions in this regard. As per Regulation 40 of Listing Regulations, as amended, shares of the Company can be transferred only in dematerialised form with effect from, 1st April, 2019. Further, with effect from 24th January, 2022, listed companies shall issue securities in dematerialised mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub division/splitting/consolidation of securities, transmission/transposition of securities.

The Committee is authorised to sign, seal or issue any new share certificate or letter of confirmation as the case may be as a result of transfer, consolidation, splitting or in lieu of share certificates lost, defaced or destroyed. The Committee meets generally on a weekly basis to ensure that share transfers and other related requests are registered and actioned within a period of 15 days from the date of receipt thereof.

Committee for Allotment of Shares under ESOPs

The Committee for Allotment of Shares under ESOPs has been constituted for approval, issue and allotment of shares under ESOP Schemes. The Committee comprises three Executive Directors of the Board and is constituted to expedite the process of allotment and issue of shares to eligible employees under the Stock Option Plan of the Company.

Administrative Matters Committee

The Administrative Matters Committee has been set up to oversee routine operations that arise in the normal course of the business, such as decision on banking relations, delegation of operational powers, appointment of nominees under statutes, etc. The Committee comprises three Executive Directors of the Board.

Committee for approving Disposal of Surplus Assets

The Committee for approving Disposal of Surplus Assets has been set up and entrusted with the responsibility of identifying the surplus assets of the Company and to authorise sale and disposal of such surplus property. The Committee is fully authorised to take necessary steps to give effect to sale and transfer of the ownership rights, interest and title in such identified properties, for and on behalf of the Company. The Committee comprises three Executive Directors of the Board.

GOVERNANCE OF SUBSIDIARY COMPANIES

The minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary companies are presented to the Audit Committee. The Company does not have a material subsidiary as on the date of this Integrated Annual Report, having a net worth exceeding 10% of the consolidated net worth or income of 10% of the consolidated income of your Company. The information in respect of the loans and advances in the nature of loans to subsidiaries pursuant to Regulation 34 of the Listing Regulations is provided in Notes to the standalone financial statements.

COMPANY POLICIES

Code of Business Principles and Whistle Blower Policy

The Code of Business Principles ('the Code') is the Company's statement of values and represents the standard of conduct which all employees are expected to observe in their business endeavours. The Code reflects the Company's commitment to principles of integrity, transparency and fairness. It forms the benchmark against which the world at large is invited to judge the Company's activities. The copy of the Code is available on the website of the Company at https://www.hul.co.in/files/origin/the-code-of-business-principles-english.pdf.

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to all individuals associated with HUL to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the Code of the Company.

The Company has provided dedicated e-mail addresses kalpana.morparia@unilever.com and cobp.hul@unilever.com for reporting such concerns. Alternatively, individuals can also send written communications to the Company. The employees are encouraged to voice their concerns by way of Whistle Blowing and all the employees have been given access to the Audit Committee. The Policy provides an avenue to every employee and every person as defined therein to report concerns directly to the Management or to the Chairperson of the Audit Committee. The Company Secretary is the designated officer for effective implementation of the Policy and dealing with the complaints registered under the policy. All cases, registered under the Code and the Whistle Blower Policy of the Company, are reported to the Management Committee and are subject to the review of the Audit Committee. The Whistle Blower Policy is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to ensuring that all employees work in an environment that is inclusive and provides an opportunity to bring their best selves at workplace. The Company is also committed to provide a work environment that ensures every person is treated with dignity, respect and afforded equal treatment. The Company has formulated a Policy on Prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing everyone who visits our workplace, experiences an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. Our POSH Policy is now more inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders including employees who identify themselves with LGBTQI+ community.

Your Company has constituted Internal Committees (IC) as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. While maintaining the highest governance norms, the Company has appointed external independent persons who work in this area and have the requisite experience in handling such matters, as Chairpersons of each of the Committees.

Number of Complaints received during the financial year 2021-22	2
Number of Complaints disposed of during the financial year 2021-22	2
Number of Complaints pending as on 31st March, 2022	-

Policy on avoiding Conflict of Interest

The Board of Directors are responsible for ensuring that systems and processes are in place to avoid conflict of interest by the Board Members and the Management Committee. The Board has adopted the Code of Conduct for the members of the Board and Senior Management Team. The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, they are required to make adequate disclosure to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The Code also restricts Directors from accepting any gifts or incentives in their capacity as a Director of the Company, except what is duly authorised under the Company's Gift Policy. The Members of the Board and the Management Committee annually confirm the compliance of the Code of Conduct to the Board. The Code of Conduct is in addition to the Code of Business Principles of the Company. A copy of the said Code of Conduct is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/. In addition, Members of the Board and Management Committee also submit, on an annual basis, the details of individuals to whom they are related and entities in which they hold interest and such disclosures are placed before the Board.

The Members of the Board inform the Company of any change in their Directorship(s), Chairmanship(s)/Membership(s) of the Committees, in accordance with the requirements of the Act and Listing Regulations. Transactions with any of the entities referred above are placed before the Board for approval. Details of all Related Party Transactions are placed before the Audit Committee on quarterly basis.

Policy on Related Party Transactions

The Company has not entered into any Material Related Party Transaction (RPT) during the year. In line with requirements of the Act and Listing Regulations, your Company has formulated a 'Policy on Related Party Transactions', which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

During the year under review, the Board reviewed the 'Policy on Related Party Transactions' as per the Listing Regulations and made relevant changes to bring it in line with the regulatory changes.

The Policy intends to ensure that proper reporting, disclosure and approval processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and/or entered in the ordinary course of business and are at arm's length. All Related Party Transactions entered during the year were in ordinary course of business and on arm's length basis. No Material Related Party Transactions as defined in the Listing Regulations were entered during the financial year by your Company.

Policy on Material Subsidiary

The Company has adopted a policy on Material Subsidiary in line with the requirements of the Listing Regulations. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The Policy on Material Subsidiary is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Policy on Dividend Distribution

The Board of Directors has adopted Dividend Distribution Policy in terms of the requirements of Listing Regulations. The Policy is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Share Dealing Code

The Company has instituted a mechanism to avoid Insider Trading and abusive self-dealing in the securities of the Company. In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations'), the Company has established systems and procedures to prohibit insider trading activity and has framed the Share Dealing Code. The Share Dealing Code of the Company prohibits the Directors of the Company and other specified employees from dealing in the securities of the Company on the basis of any Unpublished Price Sensitive Information (UPSI), available to them by virtue of their position in the Company. The objective of this Share Dealing Code is to prevent misuse of any UPSI and prohibit any insider trading activity, in order to protect the interest of the shareholders at large.

The Company has put in place a mechanism for monitoring the trades done by designated employees (Special Employees) as well as generation of system based disclosures in line with the Share Dealing Code. The Board of Directors of the Company has adopted the Share Dealing Code and formulated the Code of Practices and Procedures for Fair Disclosure in terms of the requirements of SEBI PIT Regulations. The details of dealing in Company's shares by Specified Employees (which include Directors and members of the Management Committee) are placed before the Board for information on quarterly basis. The Share Dealing Code also prescribes sanction framework and any instance of breach of Share Dealing Code is dealt with in accordance with the said sanction framework. The Company Secretary has been appointed as the Compliance Officer for ensuring implementation of the Share Dealing Code. A copy of the Share Dealing Code of the Company is made available to all employees of the Company and compliance of the same is ensured.

The Share Dealing Code is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/dealing-in-hul-shares/.

AFFIRMATION AND DISCLOSURE

All the members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2022 and a declaration to that effect, signed by the Chief Executive Officer and Managing Director, is attached and forms part of this Integrated Annual Report.

The Members of the Management Committee have made disclosure to the Board of Directors relating to transactions with potential conflict of interest with the Company. There were no material, financial or commercial transaction, between the Company and Members of the Management Committee that may have a potential conflict with the interest of the Company at large.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations.

No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

Fees paid to Auditors

The total fee for all services paid by your Company and its Subsidiaries to M/s. B S R & Co. LLP, Chartered Accountants, Statutory Auditors and all the entities in the network firm/network entity, of which Statutory Auditors are a part, during the financial year 2021-22 is ₹4.82 crores and estimated fees to be paid for the financial year 2022-23 shall be ₹5.82 crores.

Disclosure of Pending Cases/Instances of Non-Compliance

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the capital market during the last three years.

The Company has been impleaded in certain legal cases related to disputes over title to shares arising in the ordinary course of share transfer operations. However, none of these cases are material in nature, which may lead to material loss or expenditure to the Company.

Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

1. **Risk Management Policy of the Company with respect to the Commodities and Forex:**

   Commodities form a major part of the raw materials required for Company's products portfolio and hence commodity price risk is one of the important market risks for the Company. The commodities we source are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks. Your Company has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability.

   The Commodity Risk Management (CRM) team of Unilever, based on intelligence and monitoring, forecasts commodity prices and movements and advises the Procurement team on cover strategy. A robust planning and strategy ensure that Company's interests are protected despite volatility in commodity prices.

   Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to firm commitment. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially uncovered exchange rate risks in the context of the Company's imports and exports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31st March, 2022 are disclosed in Note No. 38 to the standalone financial statements..

2. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

a. Total exposure of the listed entity to commodities during the financial year – ₹12,000 crores

b. Exposure of the listed entity to material commodities:

Commodity Name	Exposure towards the material commodity (₹ in crores)	Exposure in Quantity terms towards the material commodity	Unit of Measurement#	% of such exposure hedged through commodity derivatives				
				Domestic Market		International Market		
				OTC	Exchange	OTC	Exchange	Total
Brent Benzene Kerosene	3,354	21,01,736*	Barrels	-	-	40%	-	40%
Vegetable Oil	2,722	2,14,33,103	KG/TO	-	-	-	-	-
Tea	3,216	15,85,45,966	KG	-	-	-	-	-

*Quantity Derived basis Labsa volumes and formulation

#KG – Kilograms; TO – Tonnes

c. Commodity risks faced and management of Risks by the Company during the year are disclosed in Note No. 38 to the standalone financial statements.

Compliance with the Discretionary Requirements under the Listing Regulations

- **The Board:** The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:
- **Shareholders' rights:** The Company ensures that the disclosure of all the information is disseminated on a non-discretionary basis to all the shareholders. The quarterly results alongwith the press release, investor presentations, recordings and transcripts of earnings call are uploaded on the website of the Company at https://www.hul.co.in/investor-relations/quarterly-results/.
- **Audit qualifications:** Company's financial statements are unqualified.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

Secretarial Audit Report

The Company has undertaken Secretarial Audit for the financial year 2021-22 which, inter-alia, includes audit of compliance with the Act, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the SEBI and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Integrated Annual Report.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2021-22 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

Corporate Governance Code Audit

The Board of Directors has adopted 'Corporate Governance Code', a statement of practices and procedures to be followed by the Company and its officers and employees. The Corporate Governance Code lays down the principles governing Compliances for Board of Directors, Key Managerial Personnel, Risk Management, Shareholders and Grievances etc., which will be the guiding force for the Company to maintain highest governance standards. The Board of Directors has amended the Corporate Governance Code including the framework, policies and the terms of references of the Committees to align with the amendments to the Act, Listing Regulations and for adoption of the best governance practices. The Corporate Governance Code is available on Company's website at https://www.hul.co.in/investor-relations/corporate-governance/.

The Company had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries as the Auditor for the audit of the practices and procedures followed by the Company under the Corporate Governance Code. The Company has received the Corporate Governance Code Audit Report for the financial year 2021-22.

SHAREHOLDER INFORMATION

General Body Meetings

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:

Financial year ended	Date and Time	Venue	Special resolution passed
31st March, 2019	29th June, 2019 2.30 p.m.	Unilever House, B. D. Sawant Marg, Chakala, Andheri (E), Mumbai – 400 099	• Increase in overall limits of Remuneration for Managing/ Whole-time Director(s). • Re-appointment of Mr. Aditya Narayan as an Independent Director for a second term. • Re-appointment of Mr. O. P. Bhatt as an Independent Director for a second term. • Re-appointment of Dr. Sanjiv Misra as an Independent Director for a second term. • Continuation of term of Dr. Sanjiv Misra on attaining age of 75 years. • Re-appointment of Ms. Kalpana Morparia as an Independent Director for a second term. • Continuation of term of Ms. Kalpana Morparia on attaining age of 75 years.
31st March, 2020	30th June, 2020 3.00 p.m.	Annual General Meeting held through Video Conferencing/Other Audio Visual Means facility	• No special resolution was passed in this meeting
31st March, 2021	22nd June, 2021* 3.00 p.m.	Annual General Meeting held through Video Conferencing/Other Audio Visual Means facility	• No special resolution was passed in this meeting

*All the Members of the Board of Directors as on the date of AGM, had attended the meeting.

Postal Ballot

During the year, following Resolutions were passed by the Company through Postal Ballot.

a. Special Resolution:

S. No	Particulars of Resolution
1.	Appointment of Ms. Ashu Suyash as an Independent Director of the Company for a period of five years with effect from 12th November, 2021.

Voting Pattern

Particulars	% of Votes
Votes in favour of the Resolution	99.98%
Votes against the Resolution	0.02%

Procedure for Postal ballot

Pursuant to the provisions of Section 110 of the Act read with Rule 22 of Companies (Management and Administration) Rules, 2014 (Management Rules), as amended, the Company had issued Postal Ballot Notice dated 29th November, 2021 to the Members, seeking their consent with respect to appointment of Ms. Ashu Suyash as an Independent Director of the Company for a period of five consecutive years with effect from 12th November, 2021. In compliance with provisions of Section 108 and Section 110 and other applicable provisions, of the Act read with the Management Rules, the Company had provided remote e-voting facility to all the Members of the Company.

The Company engaged the services of KFin Technologies Limited, Registrar and Share Transfer Agents (RTA) of the Company for facilitating e-voting to enable the Members to cast their votes electronically. The Board of Directors had appointed Mr. S. N. Ananthasubramanian (FCS 4206, COP 1774), Practising Company Secretary, to act as the Scrutiniser for Postal Ballot process. The voting period commenced on Tuesday, 14th December, 2021 at 9.00 a.m. (IST) and ended on Wednesday, 12th January, 2022 at 5.00 p.m. (IST). The cut-off date, for the purpose of determining the number of Members was Friday, 3rd December, 2021 and the total number of Members as on cut-off date was 10,77,871.

The Scrutiniser, after the completion of scrutiny, submitted his report to Mr. Dev Bajpai, Company Secretary, who was duly authorised by the Chairperson to accept, acknowledge and countersign the Scrutiniser's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.

The consolidated results of the voting by Postal Ballot and e-voting were announced on 13th January, 2022. The results were also displayed on the website of the Company at www.hul.co.in and on the website of KFin Technologies Limited at https://evoting.kfintech.com/ and also communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE).

b. Ordinary Resolutions:

S. No	Particulars of Resolution(s)
1.	Appointment of Mr. Nitin Paranjpe as a Non-Executive Director of the Company with effect from 31st March, 2022.
2.	Re-appointment of Mr. Dev Bajpai as a Whole-time Director of the Company for a period of five years with effect from 23rd January, 2022 to 22nd January, 2027.

The Company had appointed Mr. S. N. Ananthasubramanian (FCS 4206, COP 1774) Practicing Company Secretary, to act as the Scrutiniser, for conducting the Postal Ballot process for the resolutions mentioned above, in a fair and transparent manner.

No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Integrated Annual Report.

Annual General Meeting for the financial year 2021-22

Date	23rd June, 2022
Venue	Annual General Meeting through Video Conferencing/Other Audio Visual Means facility [Deemed Venue for Meeting: Registered Office: Unilever House, B. D. Sawant Marg, Chakala, Andheri East, Mumbai - 400 099]
Time	2.30 p.m. (IST)
Book Closure Dates for Final Dividend	Friday, 17th June, 2022 to Thursday, 23rd June, 2022 (both days inclusive)

Calendar of financial year ended 31st March, 2022

The Company follows April-March as the financial year. The meetings of Board of Directors for approval of quarterly financial results during the financial year 2021-22 were held on the following dates:

First Quarter Results	22nd July, 2021
Second Quarter and Half yearly Results	19th October, 2021
Third Quarter Results	20th January, 2022
Fourth Quarter and Annual Results	27th April, 2022

Tentative Calendar for financial year ending 31st March, 2023

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year 2022-23 are as follows:

First Quarter Results	19th July, 2022
Second Quarter and Half yearly Results	21st October, 2022
Third Quarter Results	20th January, 2023
Fourth Quarter and Annual Results	27th April, 2023

Dividend

The Board of Directors at their meeting held on 27th April, 2022, recommended a final dividend of ₹19/- per equity share of face value of ₹1/- each, for the financial year ended 31st March, 2022. Together with the interim dividend of ₹15/- per equity share of face value of ₹1/- each paid on 12th November, 2021, the total dividend for the financial year ended 31st March, 2022 amounts to ₹34/- per share of face value of ₹1/- each. final dividend, if approved by Members, will be paid on or after 27th June, 2022.

Unpaid/Unclaimed Dividends

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividends not encashed/claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund ('IEPF') Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid/unclaimed for a continuous period of seven years to the demat account of IEPF established by the central Government. The Members, whose dividends/shares are transferred to the IEPF, can claim their shares/dividends from the IEPF Authority. In accordance with the said IEPF Rules as amended, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and had simultaneously published newspaper advertisement for the same.

In terms of the provisions of the applicable rules, ₹12.11 crores of unpaid/unclaimed dividends and 4,93,357 shares were transferred during the financial year 2021-22 to the IEPF. Further, the Company also paid ₹12.91 crores to IEPF towards dividend in respect of shares that had already been transferred to IEPF pursuant to dividend being unpaid/unclaimed for seven consecutive years.

The Company has appointed a Nodal Officer and Deputy Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at https://www.hul.co.in/investor-relations/unclaimed-and-unpaid-dividend/.

The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 31st March, 2021 on the website of the Company at https://www.hul.co.in/investor-relations/unclaimed-and-unpaid-dividends/ and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in. The details of unpaid and unclaimed dividend amounts lying with the Company as on 31st March, 2022 shall be updated on or before 22nd August, 2022.

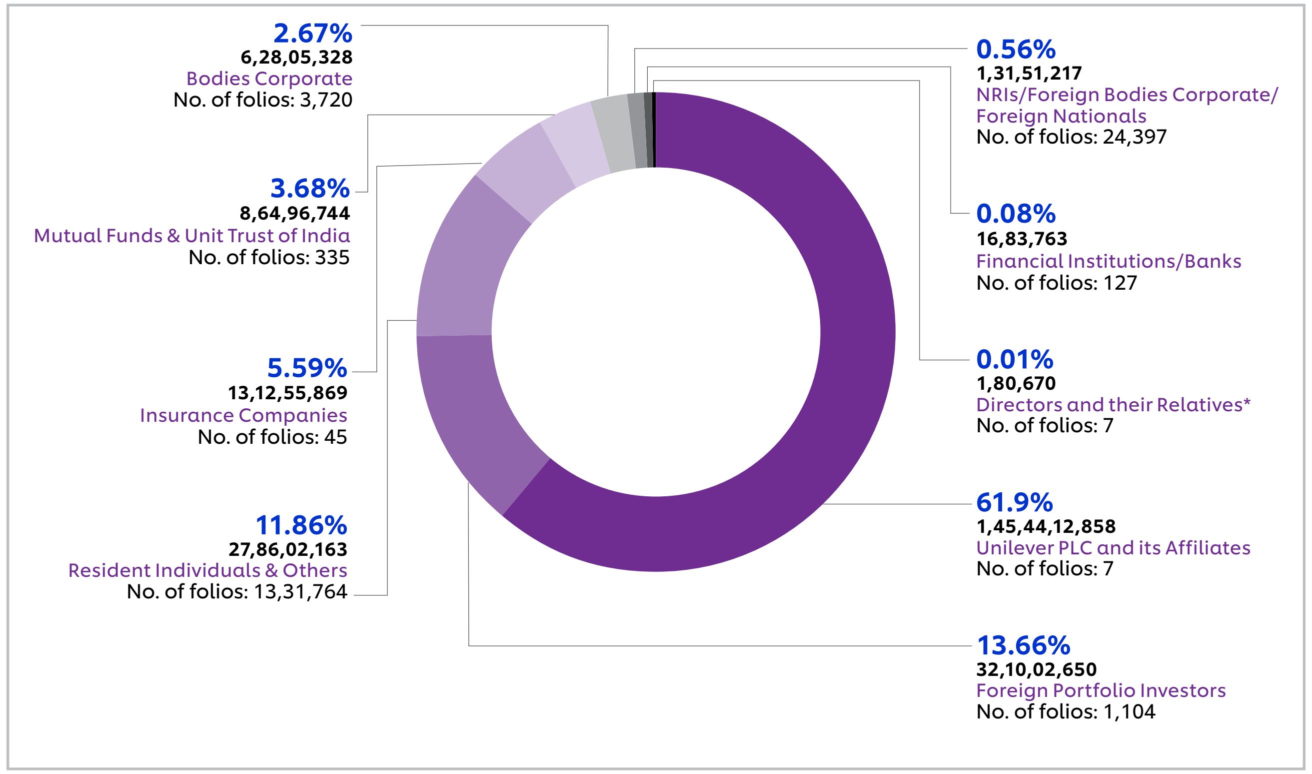
Details of Demat/Unclaimed Suspense Account

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

Distribution of Shareholding as on 31st March, 2022

Holding	Shareholders		Shares	
	Number	%	Number	%
1 – 5000	13,49,392	99.11	15,41,99,335	6.56
5001 – 10000	6,652	0.49	4,66,06,657	1.98
10001 – 20000	3,095	0.23	4,27,64,175	1.82
20001 – 30000	832	0.06	2,01,27,725	0.86
30001 – 40000	353	0.03	1,20,73,305	0.51
40001 – 50000	213	0.01	95,27,878	0.41
50001 – 100000	346	0.02	2,43,17,794	1.04
100001 and above	623	0.05	2,03,99,74,393	86.82
TOTAL	**13,61,506**	**100.00**	**2,34,95,91,262**	**100.00**

Categories of Shareholders as on 31st March, 2022



* includes 1,24,509 shares held by Mr. Nitin Paranjpe, Chairman who is a Non-Resident Indian.

Bifurcation of shares held in physical and demat form as on 31st March, 2022

Particulars	No. of Shares	%
Physical Segment	2,54,74, 264	1.08
Demat Segment		
NSDL (A)	2,26,43,66,964	96.38
CDSL (B)	5,97,50,034	2.54
Total (A+B)	**2,32,41,16, 998***	**98.92***
TOTAL	**2,34,95,91,262**	**100.00**

*includes shares held by Unilever PLC and its Affiliates representing 61.90% of the total shareholding. There are no outstanding GDRs/ADRs/Warrants/Convertible Instruments of the Company.

Listing Details

Name and Address of Stock Exchange	Stock Code
BSE Limited (BSE)	500696
Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	
National Stock Exchange of India Limited (NSE)	HINDUNILVR
Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	
ISIN	INE030A01027

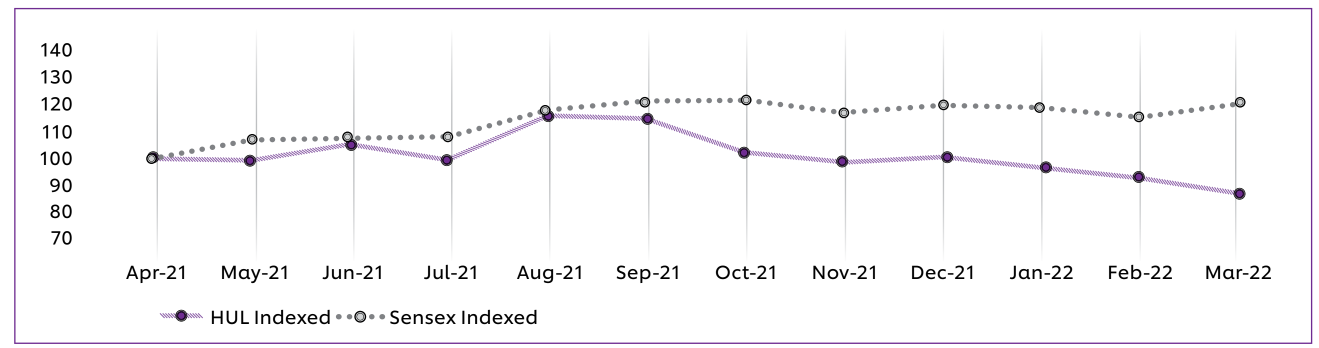
The listing fee for the financial year 2021-22 has been paid to the above Stock Exchanges.

Share Price Data

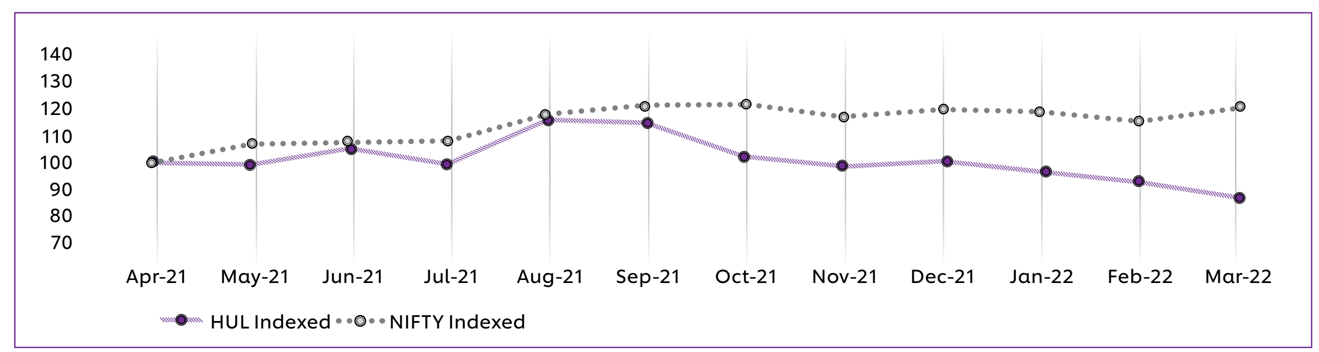
The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the year ended 31st March, 2022 are as under:

	BSE			NSE		
Month	High	Low	Volume	High	Low	Volume
Apr-21	2,504.30	2,300.00	19,43,851	2,505.90	2,300.00	4,22,81,914
May-21	2,446.00	2,320.00	11,23,105	2,446.95	2,319.35	2,65,69,848
Jun-21	2,531.50	2,329.95	26,05,898	2,533.95	2,330.60	3,22,68,417
Jul-21	2,512.00	2,318.15	15,81,958	2,513.40	2,318.00	2,24,40,490
Aug-21	2,736.90	2,325.00	27,00,819	2,737.45	2,324.60	3,52,33,493
Sep-21	2,859.10	2,677.45	22,39,867	2,859.30	2,677.00	3,34,75,102
Oct-21	2,733.25	2,368.30	32,16,963	2,734.00	2,368.00	4,00,11,262
Nov-21	2,445.95	2,286.00	13,51,606	2,449.00	2,284.70	3,25,87,886
Dec-21	2,388.55	2,200.00	17,54,638	2,389.90	2,201.15	2,88,39,519
Jan-22	2,424.90	2,240.60	18,46,514	2,425.00	2,240.90	3,51,55,340
Feb-22	2,333.50	2,120.00	16,93,674	2,333.00	2,120.00	2,81,62,744
Mar-22	2,164.00	1,901.80	26,68,847	2,167.95	1,901.55	5,96,75,399

BSE SENSEX Vs HUL share price (Indexed)



NSE NIFTY Vs HUL share price (Indexed)



Corporate Governance Report

10 - year Performance of Hindustan Unilever Share vis-à-vis Sensex and Nifty

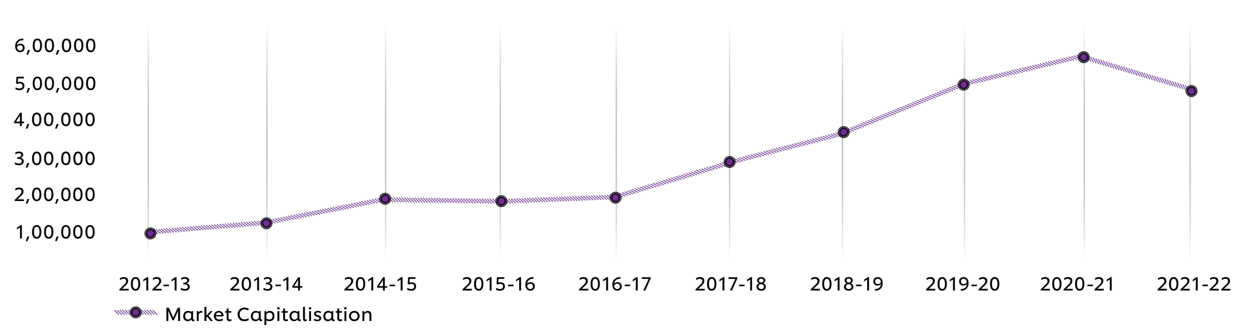
Date of Purchase	HUL Share Price on BSE	HUL Share Performance	BSE Sensex	Sensex Performance	HUL Share Price on NSE	HUL Share Performance	NSE Nifty	Nifty Performance
28-03-2013	466.10	340%	18,835.77	211%	466.95	339%	5,682.55	207%
31-03-2014	603.65	239%	22,386.27	162%	605.55	238%	6,704.20	161%
31-03-2015	872.90	135%	27,957.49	109%	873.55	135%	8,491.00	106%
31-03-2016	869.50	136%	25,341.86	131%	869.50	136%	7,738.40	126%
31-03-2017	909.75	125%	29,620.50	98%	911.75	125%	9,173.75	90%
28-03-2018	1,335.90	53%	32,968.68	78%	1,333.35	54%	10,113.70	73%
29-03-2019	1,707.80	20%	38,672.91	51%	1,706.80	20%	11,623.90	50%
31-03-2020	2,298.20	-11%	29,468.49	99%	2,298.50	-11%	8,597.75	103%
31-03-2021	2,430.80	-16%	49,509.15	18%	2,431.50	-16%	14,690.70	19%
31-03-2022	2,048.90		58,568.51		2,048.70		17,464.80	

Source: BSE and NSE Website

All comparisons are with respect to 31st March, 2022 (the reference date).

Market Capitalisation

The Market Capitalisation of the Company based on year-end closing prices quoted in the BSE Limited is given below:



Mergers and Demergers

The details of Mergers and Demergers with Companies and respective share exchange ratios are available on 'Investors' page on the website of the Company at https://www.hul.co.in/investor-relations/mergers-demergers-acquisitions/.

Plant Locations

The details of Plant Locations are provided at page no. 301 of this Integrated Annual Report.

Credit Ratings

CRISIL has given the credit rating of CRISIL AAA/Stable for debt instrument/facilities of the Company. The details of Credit Rating are available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Registrar and Share Transfer Agent

M/s. KFin Technologies Limited shall continue to act as the Registrar and Share Transfer Agent of the Company.

Share Transfer System

The Board has delegated the authority for approving transfer, transmission, dematerialisation of shares etc. to the Share Transfer/ Transmission Committee. A summary of transactions so approved by the Committee is placed at the Board Meeting held quarterly. The Company obtains an annual certificate from Practising Company Secretaries as per the requirement of Regulation 40(9) of Listing Regulations and the same is filed with the Stock Exchanges and available on the website of the Company.

In terms of amended Regulation 40 of Listing Regulations w.e.f. 1st April, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, with effect from 24th January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/splitting/consolidation of securities, transmission/transposition of securities. Vide its Circular dated 25th January, 2022, SEBI has clarified that listed entities/RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

Simplified Norms for processing Investor Service Request

SEBI, vide its Circular dated 3rd November, 2021, has made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. Folios wherein any one of the above mentioned details are not registered by 1st April, 2023 shall be frozen. The concerned Members are therefore urged to furnish PAN, KYC and Nomination/Opt out of Nomination by submitting the prescribed forms duly filled by email from their registered email id to einward.ris@kfintech.com or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to M/s. KFin Technologies Limited at Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032.

COMMUNICATION TO SHAREHOLDERS

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as:

Results Announcements	The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Times of India, Business Standards, Maharashtra Times and Loksatta
Integrated Annual Report and AGM	Integrated Annual Report containing audited standalone and consolidated financial statements together with Report of Board of Directors, Management Discussion and Analysis Report, Corporate Governance Report, Auditors Report and other important information are circulated to the Members. In the AGM, the shareholders also interact with the Board and the Management
Media Releases	All our news releases and presentations made at investor conferences and to analysts are hosted on the website of the Company
Company's Website	The Company's website contains a dedicated section for Investors where Annual Reports, quarterly and annual results, stock exchange filings, press releases, quarterly reports, and all statutory policies are available, apart from the details about the Company, Board of Directors and Management. The website also displays vital information relating to the Company and its performance, official press releases and presentation to analysts
Designated Email Ids	Retail Investor - levercare.shareholder@unilever.com Institutional Investor - Investor.Relations-hul@unilever.com Investor Grievance - levercare.shareholder@unilever.com Nodal Officer under IEPF - levercare.shareholder@unilever.com
Stock Exchanges	All price sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS), NSE Digital Exchange platform and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the website of the Company at https://www.hul.co.in/investor-relations/
SCORES (SEBI Investor Grievance Redressal System)	SCORES platform of SEBI facilitates online filing of investor grievance and online view of the status. The Company endeavours to redress the grievance of the Investors as soon as it receives it from the SCORES platform

Investor Services

Web-based Query Redressal System

Members may utilise the facility extended by the Registrar and Share Transfer Agent for redressal of queries, by visiting https://karisma.kfintech.com/ and clicking on 'INVESTORS SERVICES' option for query registration through an identity registration process. Investors can submit their query in the 'QUERIES' option provided on the above website, that would generate the query registration number. For accessing the status/response to the query submitted, the query registration number can be used at the option 'VIEW REPLY' after 24 hours. Investors can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

Alternative Dispute Redressal

Long pending litigations involve significant investment as monetary value of the disputed shares and accrued dividends/other benefits are locked up unutilised till the dispute is settled. Keeping this in mind, the Company has provided an alternate dispute redressal mechanism for shareholders to resolve the shares related disputes pending before the courts/authorities by amicable settlement.

The Company had started this unique initiative of organising Alternative Dispute Redressal meetings wherein aggrieved investors come face to face and get a chance to settle their disputes, some of which were pending for years.

A number of Shareholders have availed the benefit of this process and the Company through its various initiatives keeps exploring the possibilities of settling such issues. The process helps the investors in releasing the locked up investment and save their time consumed in contesting legal proceedings. The objective of this process is to facilitate quick resolution of the dispute between the parties.

The Shareholders who are willing to avail the benefits of Alternative Dispute Redressal Mechanism may approach the Investor Service Department of the Company at the Registered Office of the Company.

Address for Correspondence

- All Members correspondence should be forwarded to M/s. KFin Technologies Limited, the Registrar and Share Transfer Agent of the Company or to the Investor Service Department at the Registered Office of the Company at the addresses mentioned below.
- The Company's dedicated e-mail address for Investors' Complaints and other communications is levercare.shareholder@unilever.com.

M/s. KFin Technologies Limited	Investor Service Department	Compliance Officer
(Formerly known as Karvy Fintech Private Limited) **Unit: Hindustan Unilever Limited** Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad - 500 032 Phone: +91-40-67161500, 6712222 Fax: +91-40–23431551 Toll Free no.: 1800-345-4001 E-mail: einward.ris@kfintech.com Website: www.kfintech.com	Hindustan Unilever Limited Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 4000 99 Phone: +91 - 22 – 50432791/50432792 Fax: +91 - 22 - 28249457 E-mail: levercare.shareholder@unilever.com Website: www.hul.co.in	Mr. Dev Bajpai Executive Director, Legal & Corporate Affairs and Company Secretary E-mail: levercare.shareholder@unilever.com Phone: +91 - 22 – 50432790/ 32754/32789/33070

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of
Hindustan Unilever Limited
Unilever House, B. D. Sawant Marg,
Chakala, Andheri East, Mumbai - 400099

We have examined the following documents:

i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');

ii) Disclosure of concern or interests as required under Section 184 of the Act;
(hereinafter referred to as 'relevant documents')

As submitted by the Directors of Hindustan Unilever Limited ('the Company') bearing CIN: L15140MH1933PLC002030 and having its registered office at Unilever House, B D Sawant Marg, Chakala, Andheri East, Mumbai – 400099, to the Board of Directors of the Company ('the Board') for the Financial Years 2021-22 and 2022-23 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year ended 31st March, 2022, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
01	Mr. Nitin Paranjpe	00045204	31-03-2022	NA
02	Mr. Sanjiv Mehta	06699923	01-10-2013	NA
03	Mr. Ritesh Tiwari	05349994	01-05-2021	NA
04	Mr. Dev Bajpai	00050516	23-01-2017	NA
05	Mr. Wilhelmus Uijen	08614686	01-01-2020	NA
06	Mr. O. P. Bhatt	00548091	20-12-2011	NA
07	Dr. Sanjiv Misra	03075797	08-04-2013	NA
08	Ms. Kalpana Morparia	00046081	09-10-2014	NA
09	Mr. Leo Puri	01764813	12-10-2018	NA
10	Dr. Ashish Gupta	00521511	31-01-2020	NA
11	Ms. Ashu Suyash	00494515	12-11-2021	NA
12	Mr. Srinivas Phatak	02743340	01-12-2017	01-05-2021

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2022.

For S. N. Ananthasubramanian & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No. 606/2019

S. N. Ananthasubramanian
Partner
FCS: 4206 | COP No. 1774
ICSI UDIN: F004206D000217111

Thane, 27th April, 2022

Chief Executive Officer (CEO) & Chief Financial Officer (CFO) Certification

To,

The Board of Directors
Hindustan Unilever Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Hindustan Unilever Limited ("the Company"), to the best of our knowledge and belief, certify that:

a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2022 and to the best of our knowledge and belief, we state that:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

   i) significant changes, if any, in the internal control over financial reporting during the year;

   ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and

   iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Sanjiv Mehta
Chief Executive Officer and Managing Director
DIN: 06699923

Ritesh Tiwari
Executive Director – Finance & IT and Chief Financial Officer
DIN: 05349994

Mumbai, 27th April, 2022

Certificate of Compliance with the Corporate Governance

Independent Auditor's Certificate on compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Hindustan Unilever Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated 29th July, 2019 read with addendums to our engagement letter dated 20th July, 2020, 19th October, 2020 and 16th June, 2021 respectively.
2. We have examined the compliance of conditions of Corporate Governance by Hindustan Unilever Limited ("the Company"), for the year ended 31st March, 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for the Statement

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2022.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
UDIN: 22105149AHWYVS1927

Mumbai, 27th April, 2022

Form No. MR – 3 Secretarial Audit Report

For the Financial Year Ended 31st March, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Hindustan Unilever Limited
CIN: L15140MH1933PLC002030
Unilever House, B. D. Sawant Marg,
Chakala, Andheri (East), Mumbai – 400099

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Hindustan Unilever Limited** (hereinafter called 'the Company') for the **Financial Year ended 31st March, 2022.** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering **the Financial Year ended 31st March, 2022** complied with statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the **Financial Year ended 31st March, 2022** according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable for External Commercial Borrowings as there was no reportable event during the financial year under review;**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable as there was no reportable event during the financial year under review;**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (upto 12th August, 2021) & The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto 15th August, 2021) & The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021) – **Not applicable as there was no reportable event during the financial year under review;**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (upto 09th June, 2021) & The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 2021) – **Not applicable as there was no reportable event during the financial year under review;**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable as there was no reportable event during the financial year under review;** and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The Company has identified and confirmed the following laws as being specifically applicable to the Company:

(a) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;

(b) The Insecticide Act, 1968;

(c) The Drugs and Cosmetics Act, 1940;

(d) The Legal Metrology Act, 2009;

(e) The Legal Metrology (Packaged Commodities) Rules, 2011;

(f) Food Safety and Standards Act, 2006 and Rules 2011 with allied rules and Regulations;

(g) Applicable BIS Standards for various categories and production process.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

(ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including a Woman Independent Director(s). Changes in the composition of Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act;

(ii) Adequate notice is given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting;

(iii) All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

We further report that during the financial year under review, no events/ actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred:

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For S. N. Ananthasubramanian & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No. 606/2019

S. N. Ananthasubramanian
Partner
FCS: 4206 | COP No. 1774
ICSI UDIN: F004206D000191791

Thane,
25th April, 2022

Annexure A to Secretarial Auditors' Report

To,

The Members,
Hindustan Unilever Limited
CIN: L15140MH1933PLC002030
Unilever House, B D Sawant Marg,
Chakala, Andheri (East), Mumbai – 400099

MANAGEMENT'S RESPONSIBILITY

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained reasonable assurance about whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Auditee, are free from misstatement.
6. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

7. We have conducted our Audit remotely, based on the records and information made available to us through electronic platform by the Company, due to Covid–19 pandemic induced lockdown and restrictions/ work from home policy of the Company in place, for the purpose of issuing this report.
8. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
9. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For S. N. Ananthasubramanian & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No. 606/2019

S. N. Ananthasubramanian
Partner
FCS: 4206 | COP No. 1774
ICSI UDIN: F004206D000191791

Thane, 25th April, 2022

Economic Value Added

ADDITIONAL INFORMATION: ECONOMIC VALUE ADDED (EVA)

What is EVA ?

Traditional approaches to measuring Shareholder's Value Creation' have used parameters such as earnings capitalisation, market capitalisation and present value of estimated future cash flows. Extensive equity research has established that it is not earnings per se, but VALUE that is important. A measure called 'Economic Value Added' (EVA) is increasingly being applied to understand and evaluate financial performance.

*EVA = Net Operating Profit after Taxes (NOPAT) - Cost of Capital Employed (COCE), where,

NOPAT = Profits after depreciation and taxes but before interest costs. NOPAT thus represents the total pool of profits available on an ungeared basis to provide a return to lenders and shareholders, and COCE = Weighted Average Cost of Capital (WACC) x Average Capital Employed

*Cost of debt is taken at the effective rate of interest applicable to an "AAA" rated Company like HUL for a short term debt, net of taxes. We have considered a pre tax rate of 6.43% for 2021-22 (6.28% for 2020-21)

*Cost of Equity is the return expected by the investors to compensate them for the variability in returns caused by fluctuating earnings and share prices.

Cost of Equity = Risk free return equivalent to yield on long term Government Bonds (taken at 6.84% for 2021-22) + Market risk premium (taken at 3.68%) (x) Beta variant for the Company, (taken at 0.614) where Beta is a relative measure of risk associated with the Company's shares as against the market as a whole.

Thus HUL's cost of equity = 6.84% + 3.68% (x) 0.614 = 9.09%

What does EVA show?

EVA is residual income after charging the Company for the cost of capital provided by lenders and shareholders. It represents the value added to the shareholders by generating operating profits in excess of the cost of capital employed in the business.

When will EVA increase?

EVA will increase if:

a. Operating profits can be made to grow without employing more capital, i.e. greater efficiency.

b. Additional capital's invested in projects that return more than the cost of obtaining new capital, i.e. profitable growth.

c. Capital is curtailed in activities that do not cover the cost of capital, i.e liquidate unproductive capital.

EVA in practice at Hindustan Unilever Limited.

In Hindustan Unilever Limited, the goal of sustainable long term value creation for our shareholders is well understood by all the business groups. Measures to evaluate business performance and to set targets take into account this concept of value creation.

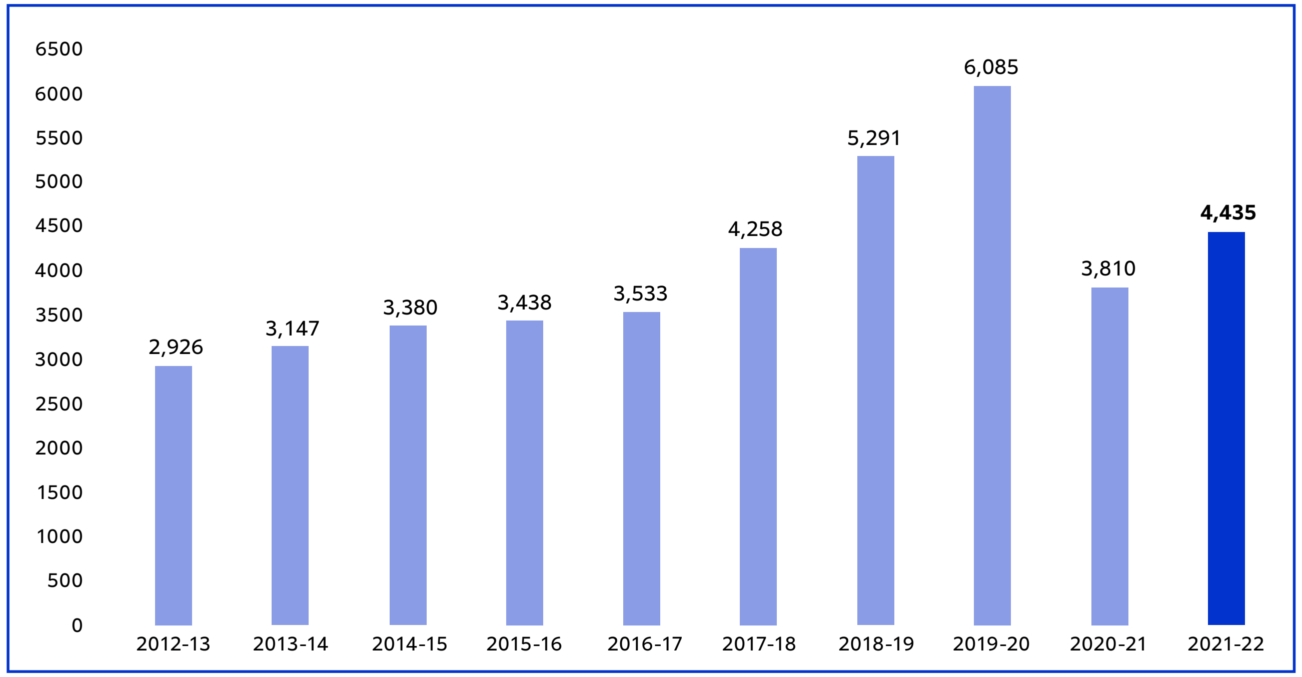
Economic Value Added

(₹ in crores)

		IGAAP			IND AS						
		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Cost of Capital Employed (COCE)											
1.	Average Debt	0	0	0	0	0	0	0	0	0	**0**
2.	Average Equity	4,018	3,715	4,338	5,664	5,831	6,181	6,668	7,227	46,890	**47,156**
3.	Average Capital Employed: (1)+(2)	4,018	3,715	4,338	5,664	5,831	6,181	6,668	7,227	46,890	**47,156**
4.	Cost of Debt, post-tax %	6.02	6.36	5.56	5.43	4.90	5.21	5.77	5.25	4.70	**4.81**
5.	Cost of Equity %	10.07	11.62	10.91	11.98	12.25	14.19	11.84	9.11	8.86	**9.09**
6.	Weighted Average Cost of Capital % (WACC)	10.07	11.62	10.91	11.98	12.25	14.19	11.84	9.11	8.86	**9.09**
7.	COCE: (3)x(6)	405	432	474	679	714	877	789	658	4,153	**4,289**
Economic Value Added (EVA)											
8	Profit after tax, before exceptional items	3,314	3,555	3,843	4,116	4,247	5,135	6,080	6,743	7,963	**8,724**
9.	Add: Interest, after taxes	17	24	11	0	0	0	0	0	0	**0**
10.	Net Operating Profits After Taxes (NOPAT)	3,331	3,579	3,854	4,117	4,247	5,135	6,080	6,743	7,963	**8,724**
11.	COCE, as per (7) above	405	432	474	679	714	877	789	658	4,153	**4,289**
12.	EVA: (10)-(11)	2,926	3,147	3,380	3,438	3,533	4,258	5,291	6,085	3,810	**4,435**

*Opening balance adjusted for GSK CH merger

ECONOMIC VALUE ADDED



Independent Auditor's Report

To the Members of Hindustan Unilever Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Hindustan Unilever Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition – Discounts and rebates

See note 25 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
As disclosed in note 25 to the standalone financial statements, revenue is measured net of any trade discounts and volume rebates to customers ("discounts and rebates"). Certain discounts and rebates for goods sold during the year are only finalised when the precise amounts are known, and revenue therefore includes an estimate of variable consideration. The variable consideration represents the portion of discounts and rebates that are not directly deducted on the invoice and involves estimation by the Company in recognition and measurement of such discounts and rebates. This includes establishing an accrual at year end, particularly in arrangements with customers involving varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. The unsettled portion of the variable consideration results in discounts and rebates due to customers as at year end.	Our audit procedures included: • Understanding the process followed by the Company to determine the amount of accrual for discounts and rebates. • Evaluating the design and implementation and testing operating effectiveness of Company's general IT controls, key manual and application controls over the Company's IT systems including controls over rebates agreements / arrangements, rebate payments / settlements and Company's review over the rebate accruals. • Inspecting on a sample basis, key customer contracts. Based on the terms and conditions relating to discounts and rebates, assessing the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards. • Performing substantive testing by selecting samples of discounts and rebates transactions recorded during the year as well as period end discounts and rebates accruals and matching the parameters used in the computation with the relevant source documents. • Examining historical rebate accrual together with our understanding of current year developments to form an expectation of the rebate accrual as at year end and comparing this expectation against the actual rebate accrual, completing further inquiries and obtaining underlying documentation, on a sample basis, as appropriate. Further, we also performed retrospective review to evaluate the precision with which management makes estimates.
Therefore, there is a risk of revenue being overstated due to fraud through manipulation of discounts and rebates accruals recognised, resulting from pressure the Company may feel to achieve performance targets at the year end. We identified the evaluation of accrual for discounts and rebates as a key audit matter.	• Checking completeness and accuracy of the data used by the Company for accrual of discounts and rebates. • Testing actualisation of estimated accruals on a sample basis. • Testing a selection of rebate accruals recorded after 31 March 2022 and assessing whether the accrual is recorded in the correct period. • Testing a selection of payments made after 31 March 2022 and where relevant, comparing the payment to the related rebate accrual. • Critically assessing manual journal entries posted to revenue, on a sample basis, to identify unusual items and examining the underlying documentation.

Impairment assessment of Food & Refreshment Cash Generating Unit (F&R CGU)

See note 4 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
As disclosed in note 4 to the standalone financial statement, the F&R CGU includes ₹17,301 crores of goodwill and ₹27,210 crores of indefinite life intangible assets which together represents 64% of total assets of the Company as at 31 March 2022. The recoverable value of the F&R CGU which is based on the value in use model, has been derived from discounted cash flow model. This model requires the Company to make significant assumptions such as discount rate, near and long-term revenue growth rate and projected margins which involves inherent uncertainty since they are based on future business prospects and economic outlook. Due to the materiality of above assets in context of the standalone financial statements and sensitivity of discount rate and near and long-term revenue growth rate assumptions where a minor change could have a significant impact on the recoverable value, we have considered the impairment assessment of F&R CGU to be a key audit matter.	Our audit procedures included: • Understanding the process followed by the Company in respect of the annual impairment analysis for F&R CGU. • Evaluating the design and implementation and testing the operating effectiveness of key internal controls related to the Company's process relating to review of the annual impairment analysis, including controls over determination of discount rate, near and long-term revenue growth rate and projected margins. • Challenging the reasonableness of the assumptions, particularly forecasted revenue growth rate and margins based on our knowledge of the Company and market. Assessing historical accuracy by comparing past forecasts to actual results achieved. • Involving the valuation professionals with specialised skills and knowledge to assist in evaluating the impairment model used and assumptions (including discount rate and long-term sales growth rate applied by the Company by comparing it to a range of rates that were independently developed using publicly available market indices and market data for comparable entities). Applying additional sensitivities to assess the reasonableness of the above key assumptions. • Testing data used to develop the estimate for completeness and accuracy. • Performing a sensitivity analysis to evaluate the impact of change in key assumptions individually or collectively to the recoverable value. • Evaluating the adequacy of the Company's disclosures in the standalone financial statements in respect of its impairment testing.

Independent Auditor's Report

Provisions and contingent liabilities relating to taxation, litigations and claims

See note 21 and 24 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The provisions and contingent liabilities relate to ongoing litigations and claims with various authorities and third parties. These relate to direct tax, indirect tax, transfer pricing arrangements, claims, general legal proceedings, environmental issues and other eventualities arising in the regular course of business. As at the year ended 31 March 2022, the amounts involved are significant. The determination of a provision or contingent liability requires significant judgement by the Company because of the inherent complexity in estimating future costs. The amount recognised as a provision is the best estimate of the expenditure. The provisions and contingent liabilities are subject to changes in the outcomes of litigations and claims and the positions taken by the Company. It involves significant judgement and estimation to determine the likelihood and timing of the cash outflows and interpretations of the legal aspects, tax legislations and judgements previously made by authorities.	Our audit procedures included: • Understanding the process followed by the Company for assessment and determination of the amount of provisions and contingent liabilities relating to taxation, litigations and claims. • Evaluating the design and implementation and testing operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of contingent liabilities. • Involving our tax professionals with specialised skills and knowledge to assist in the assessment of the value of significant provisions and contingent liabilities relating to taxation matter, on sample basis, in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. • Inquiring the status in respect of significant provisions and contingent liabilities with the Company's internal tax and legal team, including challenging the assumptions and critical judgements made by the Company which impacted the computation of the provisions and inspecting the computation. • Assessing the assumptions used and estimates of outcome and financial effect, including considering judgement of the Company, supplemented by experience of similar decisions previously made by the authorities and, in some cases, relevant opinions given by the Company's advisors. • Testing data used to develop the estimate for completeness and accuracy. • Evaluating judgements made by the Company by comparing the estimates of prior year to the actual outcome. • Evaluating the Company's disclosures in the standalone financial statements in respect of provisions and contingent liabilities.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;

   (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act; and

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Notes 21 and 24 to the standalone financial statements;

   (b) The Company did not have any long-term contracts for which there were any material foreseeable losses. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts - Refer Note 45 to the standalone financial statements;

   (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

   (d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

      (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

      (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and

   (e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

4. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHWXQC2679

Mumbai
27 April 2022

Annexure A

to the Independent Auditor's report on the standalone financial statements of Hindustan Unilever Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

All amounts in ₹ crores

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Owned properties					
Freehold land	0	TATA Oil Mills Company Limited	No	18 years	Pending litigation
Building	34	HMM Limited	No	2 years	Pending litigation
Building	1	Lakme Lever Private Limited	No	26 years	Pending litigation
Building	1	Ghansham Makhija	No	2 years	Pending litigation
Building	0	Indexport Limited	No	22 years	Pending litigation
Leasehold properties					
Leasehold land	13	Trent Limited	No	23 years	Pending application
Leasehold land	0	TATA Oil Mills Company Limited	No	28 years	Pending litigation

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and granted secured and unsecured loans to companies and other parties, in respect of which the requisite information is as below. The Company has not made any investments in or granted any loans, secured or unsecured, to firms and limited liability partnership.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to any other entity as below:

All amounts in ₹ crores

Particulars	Loans
Aggregate amount during the year ended 31 March 2022	
- Subsidiaries*	436
- Others	4
Balance outstanding as at balance sheet date – 31 March 2022	
- Subsidiaries*	432
- Others	4

* as per the Companies Act, 2013 ('the Act')

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of secured and unsecured loans are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of secured and unsecured loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of secured and unsecured loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not provided any guarantee or security as specified under Sections 185 and 186 of the Act. In respect of the investments made and loans given by the Company, in our opinion the provisions of Sections 185 and 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.

Annexure A

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, statutory dues relating to Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise or Cess or other statutory dues which have not been deposited on account of any dispute are as per Annexure I to this Report.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loans from any lender. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Act. The Company does not hold any investment in any joint venture (as defined under the Act) during the year ended 31 March 2022.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies (as defined under the Act). The Company does not hold any investment in any joint venture (as defined under the Act) during the year ended 31 March 2022.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHWXQC2679

Mumbai
27 April 2022

Annexure A

Annexure I

All amounts in ₹ crores

Name of the Statute	Nature of dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	154	5	1991-2018	Appellate Authority upto Commissioner's level
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	94	6	1994-2017	Customs, Excise and Service Tax Appellate Tribunals of various states
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	206	-	2003-2019	High Courts of various states
Customs Act, 1962	Custom Duty, (including Interest and penalty, if applicable)	297	11	2011-2019	Appellate Authority upto Commissioner's level
Customs Act, 1962	Custom Duty, (including Interest and penalty, if applicable)	58	54	2012-2022	Customs, Excise and Service Tax Appellate Tribunals of various states
Central Sales Tax Act, 1956 and Local Sales Tax Act #	Sales tax (including interest and penalty, if applicable)	118	31	1984-2022	Appellate Authority upto Commissioner's level
Central Sales Tax Act, 1956 and Local Sales Tax Act #	Sales tax (including interest and penalty, if applicable)	85	14	1991-2018	Sales Tax Appellate Tribunals of various states
Central Sales Tax Act, 1956 and Local Sales Tax Act #	Sales tax (including interest and penalty, if applicable)	264	102	1977-2018	High Courts of various states
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	18	9	1997-2007	Supreme Court
Service tax (Finance Act, 1994)	Service tax (including interest and penalty, if applicable)	38	3	2005-2017	Appellate Authority upto Commissioner's level
Service tax (Finance Act, 1994)	Service tax (including interest and penalty, if applicable)	120	7	2005-2017	Customs, Excise and Service Tax Appellate Tribunals of various states
Goods and Service Tax Act, 2017	Goods and Services tax (including interest and penalty, if applicable)	7	0	2018-2022	Appellate Authority upto Commissioner's level
Goods and Service Tax Act, 2017	Goods and Services tax	366	90	2017-2018	Delhi High Court
Income Tax Act, 1961	Income Tax (including interest and penalty, if applicable)	98	-	1979-1980, 1991, 2009-2010, 2005-2006	Appellate Authority upto Commissioner's Level
Income Tax Act, 1961	Income Tax (including interest and penalty, if applicable)	272	-	2011-2012, 2013-2014 to 2015-2016	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax (including interest and penalty, if applicable)	1,290	99	2007-2008 to 2011-2012, 2013-2014 to 2015-2016	Income Tax Appellate Tribunal, Chandigarh

Annexure B

to the Independent Auditor's report on the standalone financial statements of Hindustan Unilever Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Section 143(3)(i) of the Companies Act, 2013

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Hindustan Unilever Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHWXQC2679

Mumbai
27 April 2022

Standalone Balance Sheet

as at 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,813	5,786
Capital work-in-progress	3	901	623
Goodwill	4	17,316	17,316
Other intangible assets	4	27,905	27,925
Financial assets			
Investments in subsidiaries, associates and joint venture	5	610	310
Investments	6	2	2
Loans	7	541	385
Other financial assets	8	720	748
Non-current tax assets (net)	9D	1,107	1,200
Other non-current assets	10	175	181
Total - Non-current assets (A)		**55,090**	**54,476**
Current assets			
Inventories	11	3,890	3,383
Financial assets			
Investments	6	3,510	2,683
Loans	7	34	34
Trade receivables	12	1,932	1,648
Cash and cash equivalents	13	988	1,740
Bank balances other than cash and cash equivalents mentioned above	14	2,630	2,581
Other financial assets	8	1,070	1,116
Other current assets	15	580	438
Assets held for sale	16	13	17
Total - Current assets (B)		**14,647**	**13,640**
TOTAL ASSETS [(A) + (B)]		**69,737**	**68,116**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	235	235
Other equity	18A	48,525	47,199
Total - Equity (A)		**48,760**	**47,434**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	19	686	679
Other financial liabilities	20	329	266
Provisions	21	1,553	1,551
Deferred tax liabilities (net)	9C	6,141	5,986
Non-current tax liabilities (net)	9D	1,324	1,359
Total - Non-current liabilities (B)		**10,033**	**9,841**
Current liabilities			
Financial liabilities			
Lease Liabilities	19	285	264
Trade payables			
total outstanding dues of micro enterprises and small enterprises	22	56	64
total outstanding dues of creditors other than micro enterprises and small enterprises	22	8,808	8,563
Other financial liabilities	20	823	892
Other current liabilities	23	638	567
Provisions	21	334	491
Total - Current liabilities (C)		**10,944**	**10,841**
TOTAL EQUITY AND LIABILITIES [(A) + (B) + (C)]		**69,737**	**68,116**
Basis of preparation, measurement and significant accounting policies	2		
Contingent liabilities and commitments	24		

The accompanying notes 1 to 50 are an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2022

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director and
Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT
and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate
Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A
Group Controller

Mumbai: 27th April, 2022

Standalone Statement of Profit and Loss

for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
INCOME			
Revenue from operations	25	51,193	45,996
Other income	26	393	513
TOTAL INCOME		**51,586**	**46,509**
EXPENSES			
Cost of materials consumed	27	15,869	14,951
Purchases of Stock-in-Trade	28	9,274	7,117
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	29	(19)	(391)
Employee benefits expense	30	2,399	2,229
Finance costs	31	98	108
Depreciation and amortisation expenses	32	1,025	1,012
Other expenses	33	11,167	10,766
TOTAL EXPENSES		**39,813**	**35,792**
Profit before exceptional items and tax		**11,773**	**10,717**
Exceptional items (net)	34	(34)	(227)
Profit before tax		**11,739**	**10,490**
Tax expenses			
Current tax	9A	(2,778)	(2,458)
Deferred tax charge	9A	(143)	(78)
PROFIT FOR THE YEAR (A)		**8,818**	**7,954**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	39C	41	(3)
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	9A	(10)	1
Items that will be reclassified subsequently to profit or loss			
Fair value of debt instruments through other comprehensive income	18C	(1)	(0)
Fair value of cash flow hedges through other comprehensive income	18C	85	70
Income tax relating to items that will be reclassified subsequently to profit or loss			
Fair value of debt instruments through other comprehensive income	9A	0	0
Fair value of cash flow hedges through other comprehensive income	9A	(0)	(47)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		**115**	**21**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		**8,933**	**7,975**
Earnings per equity share			
Basic (Face value of ₹1 each)	35	₹37.53	₹33.85
Diluted (Face value of ₹1 each)	35	₹37.53	₹33.85
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes 1 to 50 are an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2022

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director and
Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT
and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate
Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A
Group Controller

Mumbai: 27th April, 2022

Standalone Statement of Changes in Equity

for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year	17	235	216
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year		235	216
Changes in equity share capital during the year	17	0	19
Balance as at the end of the year	17	235	235

B. OTHER EQUITY

	Reserves and Surplus						Items of Other Comprehensive Income (OCI)		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Options Outstanding Account	Retained Earnings	Other Reserves	Debt instruments through OCI	Cash flow Hedges through OCI	Total
As at 31st March, 2020	4	6	153	16	7,664	9	-	(37)	7,815
As at 1st April, 2020 *	4	6	153	16	7,664	9	-	(37)	7,815
Profit for the year	-	-	-	-	7,954	-	-	-	7,954
Other comprehensive income for the year	-	-	-	-	(2)	-	(0)	23	21
Total comprehensive income for the year	-	-	-	-	7,952	-	(0)	23	7,975
Hedging loss/(gain) transferred to non-financial assets (net)	-	-	-	-	-	-	-	34	34
Dividend on equity shares for the year (Note: 36)	-	-	-	-	(8,811)	-	-	-	(8,811)
Issue of equity shares on account of business combination (Refer note 41)	-	-	40,223	-	-	-	-	-	40,223
Stamp Duty on issue of equity shares on account of business combination (Refer note 41)	-	-	(44)	-	-	-	-	-	(44)
Deferred Tax on Stamp duty (Refer note 9A)	-	-	9	-	-	-	-	-	9
Issue of equity shares on exercise of employee stock options	-	-	9	(9)	-	-	-	-	-
Equity settled share based payment credit	-	-	-	(2)	-	-	-	-	(2)
As at 31st March, 2021	4	6	40,350	5	6,805	9	(0)	20	47,199

(All amounts in ₹ crores, unless otherwise stated)

	Reserves and Surplus						Items of Other Comprehensive Income (OCI)		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Options Outstanding Account	Retained Earnings	Other Reserves	Debt instruments through OCI	Cash flow Hedges through OCI	Total
As at 1st April, 2021 *	4	6	40,350	5	6,805	9	(0)	20	47,199
Profit for the year	-	-	-	-	8,818	-	-	-	8,818
Other comprehensive income for the year	-	-	-	-	31	-	(1)	85	115
Total comprehensive income for the year	-	-	-	-	8,849	-	(1)	85	8,933
Hedging loss/(gain) transferred to non-financial assets (net)	-	-	-	-	-	-	-	(85)	(85)
Dividend on equity shares for the year (Note: 36)	-	-	-	-	(7,519)	-	-	-	(7,519)
Deferred Tax on Stamp duty (Refer note 9A)	-	-	(2)	-	-	-	-	-	(2)
Issue of equity shares on exercise of employee stock options	-	-	4	(4)	-	-	-	-	-
Equity settled share based payment credit	-	-	-	(1)	-	-	-	-	(1)
As at 31st March, 2022	4	6	40,352	-	8,135	9	(1)	20	48,525

* There are no changes in other equity due to prior period errors

Refer note 18B for nature and purpose of reserves

The accompanying notes 1 to 50 are an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2022

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director and
Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT
and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate
Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A
Group Controller

Mumbai: 27th April, 2022

Standalone Statement of Cash Flows

for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

	Year ended 31st March, 2022	Year ended 31st March, 2021
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	11,739	10,490
Adjustments for:		
Depreciation and amortisation expenses	1,040	1,069
(Profit) / loss on sale of property, plant and equipment	(99)	(57)
Government grant accrued (net)	-	13
Contingent consideration true up for business combination	(9)	(22)
Finance income	(207)	(350)
Dividend income	(131)	(102)
Other non operating income - Fair value (gain)/loss on investments	(55)	(61)
Interest expense	98	108
Provision for expenses on employee stock options	(1)	(2)
Profit on sale of brand rights	(29)	-
Inventory written off net of Provision/(write back) for Inventory	145	195
Bad debts/assets written off net of Provision/(write back)	(17)	74
Mark-to-market (gain)/ loss on derivative financial instruments	(1)	25
Cash generated from operations before working capital changes	**12,473**	**11,380**
Adjustments for:		
(Increase)/decrease in Non-Current Assets	2	1
(Increase)/decrease in Current Assets	(257)	(395)
(Increase)/decrease in Inventories	(737)	(472)
Increase/(decrease) in Non-Current Liabilities	92	30
Increase/(decrease) in Current Liabilities	111	780
Cash flows generated from operations	**11,684**	**11,324**
Taxes paid (net of refunds)	(2,720)	(2,367)
Net cash flows generated from operating activities - [A]	**8,964**	**8,957**
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(916)	(629)
Sale proceeds of property, plant and equipment	146	97
Purchase of intangible assets	(3)	(3,422)
Sale proceeds of intangible assets (brand rights)	29	-
Investment in subsidiary	(300)	(60)
Contingent consideration paid on business combination	(41)	(33)
Purchase of current investments	(47,928)	(38,450)
Sale proceeds of current investments	47,173	37,076
Stamp duty on issue of equity shares	-	(44)
Loans given to subsidiaries	(436)	(180)
Loans repaid by subsidiaries	284	126
Loans given to others	(4)	-
Investment in term deposits (having original maturity of more than 3 months)	(3,619)	(2,375)
Redemption/maturity of term deposits (having original maturity of more than 3 months)	3,582	6,139
Investment in non-current deposits with banks	(1)	-
Redemption of non-current deposits with banks	-	1
Interest received	171	285
Dividend received from subsidiaries	130	101
Dividend received from others	1	1
Net cash flows used in investing activities - [B]	**(1,732)**	**(1,367)**

(All amounts in ₹ crores, unless otherwise stated)

	Year ended 31st March, 2022	Year ended 31st March, 2021
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(7,519)	(8,811)
Principal payment of lease liabilities	(388)	(383)
Interest paid on lease liabilities	(75)	(81)
Interest paid other than on lease liabilities	(2)	(5)
Proceeds from share allotment under employee stock options/ performance share schemes	0	0
Net cash flows used in financing activities - [C]	**(7,984)**	**(9,280)**
Net decrease in cash and cash equivalents - [A+B+C]	**(752)**	**(1,690)**
Add: Cash and cash equivalents at the beginning of the year	1,740	3,130
Add: Cash acquired under Business Combination	-	300
Cash and cash equivalents at the end of the year (refer note 13)	**988**	**1,740**

Note: The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes 1 to 50 are an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2022

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director and
Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT
and Chief Financial Officer
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Executive Director, Legal & Corporate
Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A
Group Controller

Mumbai: 27th April, 2022

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 1 COMPANY INFORMATION

Hindustan Unilever Limited (the 'Company') is a public limited company domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is in the Fast moving consumer goods (FMCG) business comprising primarily of Home Care, Beauty & Personal Care and Foods & Refreshment segments. The Company has manufacturing facilities across the country and sells primarily in India.

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is

a. Expected to be realised or intended to be sold or consumed in normal operating cycle:
b. Held primarily for the purpose of trading;
c. Expected to be realised within twelve months after the reporting period; or
d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when

a. It is expected to be settled in normal operating cycle;
b. It is held primarily for the purpose of trading;
c. It is due to be settled within twelve months after the reporting period; or
d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The standalone financial statements are presented in Indian National Rupee (INR), the functional currency of the Company. Items included in the standalone financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the standalone statement of profit and loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the standalone statement of profit and loss.

The expenses in standalone statement of profit and loss are net of reimbursements (individually not material) received from Group Companies.

The Company has decided to round off the figures to the nearest crores. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

The standalone financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 27th April, 2022.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities, share based payments and net liability for defined benefit plans that are measured at fair value.

The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 Key Accounting Estimates and Judgements

The preparation of standalone financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

a. Measurement of defined benefit obligations – Note 39
b. Measurement and likelihood of occurrence of provisions and contingencies - Notes 21 and 24
c. Recognition of deferred tax assets –Note 9
d. Key assumptions used in discounted cash flow projections - Note 41
e. Impairment of Goodwill and Intangible assets - Note 4
f. Indefinite useful life of certain intangible assets – Note 4
g. Measurement of Right of Use Asset and Lease liabilities – Note 3 and Note 19

2.3 Amendments to Schedule III of the Companies Act, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the standalone financial statements:

a. Lease liabilities separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
b. Certain additional disclosures in the standalone Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
c. Additional disclosure for shareholding of promoters.
d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.
e. Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.
f. Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income.

2.4 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

a. Ind AS 109: Annual Improvements to Ind AS (2021)
b. Ind AS 103: Reference to Conceptual Framework
c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
d. Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

2.5 Significant Accounting Policies

The significant accounting policies used in preparation of the standalone financial statements have been included in the relevant notes to the standalone financial statements.

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 3 PROPERTY, PLANT & EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at 31st March, 2022	As at 31st March, 2021
Owned Assets	4,810	4,795
Leased Assets	1,003	991
Total Property, plant and equipment	**5,813**	**5,786**
Total Capital work-in-progress	**901**	**623**

A Owned Assets

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts,rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date. When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the standalone statement of profit and loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the standalone statement of profit and loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. Freehold land is not depreciated.

The useful life of major components of Property, Plant and Equipment is as follows:

Asset	Useful life*
Factory Buildings	60 Years
Plant and equipment	3-21 Years
General Furniture and fixtures	10 Years
Office equipment (including Computers)	3-5 Years

* In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets. The exception are as under:

a) Plant and equipment is depreciated over 3 to 21 years

b) Assets costing ₹5,000 or less are fully depreciated in the year of purchase

c) Accelerated Depreciation is charged in case of assets forming part of a restructuring project basis planned remaining useful life of assets.

(All amounts in ₹ crores, unless otherwise stated)

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Total
Gross Block						
Opening balance as at 1st April, 2020	**59**	**1,529**	**3,984**	**133**	**131**	**5,836**
Additions through business combination	421	367	328	1	16	1,133
Additions	-	56	448	6	23	533
Disposals / Reclassifications	(3)	(11)	(49)	(1)	(2)	(66)
Opening balance as at 1st April, 2021	**477**	**1,941**	**4,711**	**139**	**168**	**7,436**
Additions	-	81	573	3	11	668
Disposals / Reclassifications	(0)	(11)	(170)	(8)	(6)	(195)
Balance as at 31st March, 2022	**477**	**2,011**	**5,114**	**134**	**173**	**7,909**
Accumulated Depreciation						
Opening balance as at 1st April, 2020	**-**	**264**	**1,585**	**79**	**83**	**2,011**
Additions *	-	89	524	11	30	654
Disposals / Reclassifications	-	(1)	(20)	(1)	(2)	(24)
Opening balance as at 1st April, 2021	**-**	**352**	**2,089**	**89**	**111**	**2,641**
Additions *	-	81	493	10	26	610
Disposals / Reclassifications	-	(6)	(133)	(8)	(5)	(152)
Balance as at 31st March, 2022	**-**	**427**	**2,449**	**91**	**132**	**3,099**
Net Block						
Balance as at 31st March, 2021	**477**	**1,589**	**2,622**	**50**	**57**	**4,795**
Balance as at 31st March, 2022	**477**	**1,584**	**2,665**	**43**	**41**	**4,810**

*Includes ₹15 crores (31st March, 2021: ₹57 crores) of accelerated depreciation which has been charged to exceptional items under a restructuring project

NOTES:

(a) Buildings include ₹0 crore (31st March, 2021: ₹0 crore) being the value of shares in co-operative housing societies.

(b) The title deeds of certain freehold land and buildings are in the process of perfection of title. Details of such freehold land and buildings are as follows:

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Details as on 31st March, 2022

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Building	34	HMM Limited	No	1st April, 2020	Pending litigation
Building	1	Lakme Lever Pvt. Ltd.	No	1st April, 1996	Pending litigation
Building	1	Ghansham Makhija	No	23rd January, 1981	Pending litigation
Building	0	Indexport Limited	No	24th December, 1999	Pending litigation
Freehold land	0	TATA Oil Mills Company Limited	No	25th September, 2004	Pending litigation
	36				

Details as on 31st March, 2021

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Building	34	HMM Limited	No	1st April, 2020	Pending litigation
Building	1	Lakme Lever Pvt. Ltd.	No	1st Apri, 1996	Pending litigation
Building	1	Ghansham Makhija	No	23rd January, 1981	Pending litigation
Building	0	Indexport Limited	No	24th December, 1999	Pending litigation
Freehold land	0	TATA Oil Mills Company Limited	No	25th September, 2004	Pending litigation
	36				

(c) The Property, Plant and Equipment in 3A includes assets given on lease as follows:

	Building	Plant and equipment	Furniture and fixtures	Office equipment	Total
Gross Block as at 31st March, 2021	0	73	0	0	73
Accumulated Depreciation as at 31st March, 2021	(0)	(39)	(0)	(0)	(39)
Net Block as at 31st March, 2021	**0**	**34**	**0**	**0**	**34**
Gross Block as at 31st March, 2022	0	110	0	0	110
Accumulated Depreciation as at 31st March, 2022	(0)	(64)	(0)	(0)	(64)
Net Block as at 31st March, 2022	**0**	**46**	**0**	**0**	**46**

The lease payments received under operating leases amounting to ₹15 crores (FY 2020-21: ₹12 crores) are recognised as other income in the standalone statement of profit and loss.

(d) The Company has not revalued any of its property, plant and equipment.

B Leased Assets

The Company's lease asset classes primarily consist of leases for Land & Buildings, Plant & Equipment, Furniture & Fixtures and Office equipment. The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(All amounts in ₹ crores, unless otherwise stated)

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

The right-of-use asset is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these, the Company recognises the lease payments as an operating expense.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease Liability and Right-of-Use Asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

	Land & Building	Plant, equipment and others*	Total
Gross Block			
Opening balance as at 1st April, 2020	**341**	**705**	**1,046**
Additions through business combination	47	29	76
Additions	221	470	691
Deletions	(164)	(221)	(385)
Opening balance as at 1st April, 2021	**445**	**983**	**1,428**
Additions #	287	163	450
Deletions	(181)	(133)	(314)
Balance as at 31st March, 2022	**551**	**1,013**	**1,564**
Accumulated Depreciation			
Opening balance as at 1st April, 2020	**77**	**169**	**246**
Additions	188	202	390
Deletions	(118)	(81)	(199)
Opening balance as at 1st April, 2021	**147**	**290**	**437**
Additions	211	194	405
Deletions	(164)	(117)	(281)
Balance as at 31st March, 2022	**194**	**367**	**561**
Net Block			
Balance as at 31st March, 2021	**298**	**693**	**991**
Balance as at 31st March, 2022	**357**	**646**	**1,003**

* Others include Furniture and fixtures & office equipments

\# includes addition of ₹92 crores for the year ended 31st March, 2022 (31st March, 2021: ₹190 crores) pertaining to prior period with corresponding impact taken in lease liabilities.

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

(a) The Company incurred ₹65 crores for the year ended 31st March, 2022 (31st March, 2021: ₹83 crores) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹527 crores for the year ended 31st March, 2022 (31st March, 2021: ₹547 crores), including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹75 crores for the year ended 31st March, 2022 (31st March, 2021: ₹81 crores).

(b) The Company's leases mainly comprise of land and buildings, plant, equipment, furniture and fixtures and office equipments. The Company leases land and buildings for manufacturing and warehouse facilities.

(c) The title deeds of certain Leasehold Land and Building are in the process of perfection of title. Details of such leasehold land and building are as follows:

Details as on 31st March, 2022

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Leasehold Land	13	Trent Limited	No	1st December, 1998	Pending application
Leasehold land	0	TATA Oil Mills Company Limited	No	28th December, 1994	Pending litigation
	13				

Details as on 31st March, 2021

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Leasehold Building	6	Corn Products Company (India) Pvt Ltd	No	31st July, 1964	Lease registration applied for
Leasehold Land	13	Trent Limited	No	1st December, 1998	Pending application
Leasehold land	0	TATA Oil Mills Company Limited	No	28th December, 1994	Pending litigation
	19				

(d) Lease commitments and Lease liability: Refer Note 24 B and Note 19 respectively.

(e) The Company has not revalued any of its right of use assets.

C Capital work-in-progress

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Temporarily suspended projects do not include those projects where temporary suspension is a necessary part of the process of getting an asset ready for its intended use.

(All amounts in ₹ crores, unless otherwise stated)

Ageing of CWIP as on 31st March, 2022

	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	559	243	55	30	887
Projects temporarily suspended	0	4	5	5	14
Total	**559**	**247**	**60**	**35**	**901**

	Amount
Projects which have exceeded their original timeline	374
Projects which have exceeded their original budget	2

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2022

	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Under Progress (A)	**340**	**20**	**1**	**2**	**363**
Project at Kolkata Factory	71	-	-	-	71
Project at Assam Factory	47	-	-	-	47
Project at Rajahmundry Factory	24	-	-	-	24
Project at Khamgaon Factory	20	-	-	-	20
Others*	178	20	1	2	201
Temporarily Suspended (B)	**9**	**2**	**-**	**-**	**11**
Others*	9	2	-	-	11
Total (A+B)	**349**	**22**	**1**	**2**	**374**

*Others comprise of various projects with individually immaterial values.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2022

There were no material projects which have exceeded their original plan cost as at 31st March, 2022.

Ageing of CWIP as on 31st March, 2021

	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	353	141	30	12	536
Projects temporarily suspended	44	37	5	1	87
Total	**397**	**178**	**35**	**13**	**623**

	Amount
Projects which have exceeded their original timeline	384
Projects which have exceeded their original budget	1

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2021

	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Under Progress (A)	255	84	4	-	343
Project at Kolkata Factory	-	53	-	-	53
Project at Chennai Warehouse	28	-	-	-	28
Project at Khamgaon Factory	-	22	-	-	22
Project at Haldia Factory	21	-	-	-	21
Others*	206	9	4	-	219
Temporarily Suspended (B)	41	0	-	-	41
Others*	41	0	-	-	41
Total (A+B)	**296**	**84**	**4**	**-**	**384**

*Others comprise of various projects with individually immaterial values.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2021

There were no material projects which have exceeded their original plan cost as at 31st March, 2021.

For contractual commitment with respect to property, plant and equipment refer Note 24 B(ii).

NOTE 4 GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets purchased are initially measured at cost.

The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in standalone statement of profit or loss as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Design and Know-how	- 10 years
Computer software	- 5 years
Trademarks	- 5 years
Distribution network	- 15 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. Indefinite-life intangible assets comprises of trademarks and brands, for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the brands and the level of marketing support. For indefinite-life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually.

(All amounts in ₹ crores, unless otherwise stated)

		Other intangible assets					
		Indefinite life intangible assets	Finite Life Intangible assets				
	Goodwill	Brands/ Trademarks	Brands/ Trademarks	Knowhow and Design	Computer Software	Others	Total
Gross Block							
Opening balance as at 1st April, 2020	36	311	18	65	36	27	457
Additions through business combinations	17,280	24,335	-	-	4	80	24,419
Additions	-	3,136	-	-	0	-	3,136
Disposals	-	-	-	-	0	-	0
Opening balance as at 1st April, 2021	**17,316**	**27,782**	**18**	**65**	**40**	**107**	**28,012**
Additions	-	-	-	-	3	-	3
Disposals	-	-	-	-	(5)	-	(5)
Balance as at 31st March, 2022	**17,316**	**27,782**	**18**	**65**	**38**	**107**	**28,010**
Accumulated Amortisation and Impairment							
Opening balance as at 1st April, 2020	**-**	**-**	**9**	**26**	**22**	**5**	**62**
Additions	-	-	3	7	5	10	25
Disposals	-	-	-	-	0	-	0
Opening balance as at 1st April, 2021	**-**	**-**	**12**	**33**	**27**	**15**	**87**
Additions	-	-	3	7	6	9	25
Disposals	-	-	-	-	(7)	-	(7)
Balance as at 31st March, 2022	**-**	**-**	**15**	**40**	**26**	**24**	**105**
Net Block							
Balance as at 31st March, 2021	**17,316**	**27,782**	**6**	**32**	**13**	**92**	**27,925**
Balance as at 31st March, 2022	**17,316**	**27,782**	**3**	**25**	**12**	**83**	**27,905**

Other Intangibles include Customer Relationship, Distribution network, etc.

The Company has not revalued any of its intangible assets.

Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangible assets are subject to review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit

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(All amounts in ₹ crores, unless otherwise stated)

from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the standalone statement of profit and loss.

The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the standalone statement of profit and loss.

No impairment was identified in FY 2021-22 (FY 2020-21: Nil).

Significant Cash Generating Units (CGUs)

The Company has identified its reportable segments, i.e. Home Care, Beauty & Personal Care, Foods & Refreshment and Others as the CGUs. The goodwill and indefinite-life intangible assets acquired through business combinations have been allocated to CGU 'Beauty & Personal Care' and "Foods & Refreshment". The carrying amount of goodwill and indefinite-life intangible assets is as under:

	As at 31st March, 2022		As at 31st March, 2021	
	Beauty & Personal Care	Foods and Refreshment	Beauty & Personal Care	Foods & Refreshment
Goodwill	15	17,301	15	17,301
Indefinite life intangible assets	572	27,210	572	27,210
Total	**587**	**44,511**	**587**	**44,511**

The recoverable amount of each CGU has been calculated based on its value in use, estimated as the present value of projected future cash flows.

Following key assumptions were considered while performing Impairment testing

	As at 31st March, 2022		As at 31st March, 2021	
	Beauty & Personal Care	Foods & Refreshment	Beauty & Personal Care	Foods & Refreshment
Average Annual Growth rate for 5 years	8.0%	9.5%	8.0%	11.0%
Terminal Growth rate	5.0%	5.0%	3.5%	3.5%
Weighted Average Cost of Capital % (WACC) post tax (Discount rate)	9.1%	9.1%	8.9%	8.9%
Segmental margins	27.5%	18.6%	28.5%	16.6%

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Company's five-year strategic plan.

(All amounts in ₹ crores, unless otherwise stated)

Weighted Average Cost of Capital % (WACC) for the Company = Risk free return + (Market risk premium x Beta for the Company).

The Company has performed sensitivity analysis and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

NOTE 5 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

Investments in Subsidiaries, Associates and Joint Venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the standalone statement of profit and loss.

	As at 31st March, 2022	As at 31st March, 2021
Investment in Equity Instruments - Subsidiaries		
Quoted		
7,36,560 equity shares [31st March, 2021: 7,36,560] of Nepalese ₹100 each held in Unilever Nepal Limited	5	5
Unquoted		
29,75,000 equity shares [31st March, 2021: 29,75,000] of ₹10 each held in Unilever India Exports Limited	73	73
3,59,07,547 equity shares [31st March, 2021: 3,59,07,547] of ₹10 each held in Lakme Lever Private Limited	172	172
3,60,00,00,000 equity shares [31st March, 2021: 60,00,00,000] of ₹1 each held in Unilever India Limited	360	60
1,79,10,132 equity shares [31st March, 2021: 1,79,10,132] of ₹1 each held in Pond's Export Limited [net of impairment in value of ₹3 crores (31st March, 2021: ₹3 crores)]	-	-
50,00,000 equity shares [31st March, 2021: 50,00,000] of ₹10 each held in Jamnagar Properties Private Limited [net of impairment in value of ₹5 crores (31st March, 2021: ₹5 crores)]	-	-
2,21,700 equity shares [31st March, 2021: 2,21,700] of ₹10 each held in Daverashola Estates Private Limited [net of impairment in value of ₹4 crores (31st March, 2021: ₹4 crores)]	-	-
50,000 equity shares [31st March, 2021: 50,000] of ₹10 each held in Levindra Trust Limited	0	0
50,000 equity shares [31st March, 2021: 50,000] of ₹10 each held in Hindlever Trust Limited	0	0
50,000 equity shares [31st March, 2021: 50,000] of ₹10 each held in Levers Associated Trust Limited	0	0
7,600 equity shares [31st March, 2021: 7,600] of ₹10 each held in Hindustan Unilever Foundation	0	0
10,000 equity shares [31st March, 2021: 10,000] of ₹10 each held in Bhavishya Alliance Child Nutrition Initiatives	0	0
Total	**610**	**310**
Aggregate amount of quoted investments	5	5
Aggregate Market value of quoted investments	879	930
Aggregate amount of unquoted investments	605	305
Aggregate amount of impairment in value of investments	12	12

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(All amounts in ₹ crores, unless otherwise stated)

Investment in Associate

The Company holds 24% of equity holdings in Comfund Consulting Limited and 26% equity and preference capital holding in Aquagel Chemicals (Bhavnagar) Private Limited. The Company does not exercise significant influence or control on decisions of the investees. Hence, they are not being construed as associate companies. These investments are included in "Note 6 - Investments" in the standalone financial statements.

Information About Subsidiaries

Name of the company	Country of incorporation	Principal activities	Proportion (%) of equity interest As at 31st March, 2022	Proportion (%) of equity interest As at 31st March, 2021
Subsidiaries				
Unilever India Exports Limited	India	FMCG export business	100	100
Lakme Lever Private Limited	India	(i) Beauty salons (ii) Job work business	100	100
Unilever India Limited	India	FMCG business	100	100
Unilever Nepal Limited	Nepal	FMCG business	80	80
Pond's Export Limited	India	Leather products business (discontinued operations)	90*	90*
Jamnagar Properties Private Limited	India	Real estate company	100	100
Daverashola Estates Private Limited	India	Real estate company	100	100
Levindra Trust Limited	India	Discharge trust business as a trustee	100	100
Hindlever Trust Limited	India	Discharge trust business as a trustee	100	100
Levers Associated Trust Limited	India	Discharge trust business as a trustee	100	100
Hindustan Unilever Foundation	India	Not-for-profit company in the field of community development initiatives	76*	76*
Bhavishya Alliance Child Nutrition Initiatives	India	Not-for-profit company that works in the area of social development issues	100	100

*Hindustan Unilever Limited (the Company) indirectly holds remaining percentage of the Equity Share Capital through one of its 100% subsidiary (Unilever India Exports Limited).

The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

NOTE 6 INVESTMENTS

Refer note 37 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021
Non-Current Investments		
A. Equity instruments		
Fair value through profit and loss		
Quoted	0	0
Unquoted	1	1
Total (A)	**1**	**1**
B. Other instruments		
Amortised cost		
Unquoted		
Investment in debentures and bonds	0	0
Investment in National Savings Certificates	0	0
Fair value through profit and loss		
Unquoted		
Investment in preference shares	1	1
Total (B)	**1**	**1**
Total Non-Current Investments (A+B)	**2**	**2**
Refer Note 42 for details on non-current investments.		
Current Investments		
C. Other instruments		
Fair value through other comprehensive income		
Quoted		
Investments in treasury bills	2,023	647
Fair value through profit and loss		
Quoted		
Investments in mutual funds	1,487	2,036
Total Current Investments (C)	**3,510**	**2,683**
Total (A+B+C)	**3,512**	**2,685**
Aggregate amount of quoted investments	3,510	2,683
Aggregate Market value of quoted investments	3,510	2,683
Aggregate amount of unquoted investments	2	2
Aggregate amount of impairment in value of investments	0	0

Refer Note 37 for information about fair value measurement and Note 38 for credit risk and market risk of investments.

NOTE 7 LOANS
(Unsecured, considered good unless otherwise stated)

Refer note 37 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Loans to related parties (Refer Note 42)	432	280
Others (including employee loans)	109	105
Total (A)	**541**	**385**
Current		
Others (including employee loans)	34	34
Total (B)	**34**	**34**
Total (A+B)	**575**	**419**

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to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Sub-classification of Loans:		
Loans Receivables considered good- Secured	4	-
Loans Receivables considered good- Unsecured	571	419
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-

Refer Note 38 for information about credit risk and market risk for loans.

1) In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

2) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

   (a) repayable on demand; or

   (b) without specifying any terms or period of repayment

NOTE 8 OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

Indemnification Asset

Initial recognition

Indemnification asset is recognised at fair value at the time when the seller contractually agrees to indemnify, in whole or in part, for a particular uncertainty. It is initially measured on the same basis as defined in the agreement, subject to collectability.

Subsequent measurement

As at each reporting period, the Company re-assesses the indemnification asset that was recognised initially on the same basis as defined in the contract subject to collectability of such asset. The Company derecognises the indemnification asset only when it collects the asset, sells it or otherwise loses the right to it.

Refer note 37 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Security deposits	98	135
Investments in term deposits (with remaining maturity of more than twelve months)	1	0
Indemnification Asset	608	608
Other assets (includes other receivables etc.)	13	5
Total (A)	**720**	**748**
Current		
Security deposits	52	38
Receivables from group companies	169	102
Fair Value of Derivatives	52	29
Consignment Receivables	226	198
Other assets (includes Government grants, other receivables, etc.)	571	749
Total (B)	**1,070**	**1,116**
Total (A+B)	**1,790**	**1,864**

Refer Note 43 for information about receivables from related party.
Refer Note 38 for information about credit risk and market risk for other financial assets.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 9 INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Uncertain Tax position:

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

A. Components of Income Tax Expense

I. Tax expense recognised in Profit and Loss

	Year ended 31st March, 2022	Year ended 31st March, 2021
Current tax		
Current year	2,896	2,617
Adjustments/(credits) related to previous years - (net)	(118)	(159)
Total (A)	**2,778**	**2,458**
Deferred tax charge		
Origination and reversal of temporary differences	143	78
Adjustments/(credits) related to previous years - (net)	-	-
Total (B)	**143**	**78**
Total (A+B)	**2,921**	**2,536**

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to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

II. Tax expense recognised in Other Comprehensive Income

	Year ended 31st March, 2022	Year ended 31st March, 2021
Deferred tax		
(Gain)/loss on remeasurement of net defined benefit plans	10	(1)
(Gain)/loss on debt instruments through other comprehensive income	(0)	(0)
(Gain)/loss on cash flow hedges through other comprehensive income	0	47
	10	**46**

III. Tax expense recognised in Equity

	Year ended 31st March, 2022	Year ended 31st March, 2021
Current tax		
Stamp Duty on issue of equity shares on account of business combination	-	-
Deferred tax		
Stamp Duty on issue of equity shares on account of business combination	2	(9)
	2	**(9)**

B. Reconciliation of Effective Tax Rate

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

	Year ended 31st March, 2022	Year ended 31st March, 2021
Statutory income tax rate applicable for the year	25.2%	25.2%
Differences due to:		
Expenses not deductible for tax purposes	1.0%	1.1%
Income exempt from income tax	-0.3%	-0.2%
Others*	-1.0%	-1.9%
Effective tax rate	**24.9%**	**24.2%**

* Others include prior period adjustment tax refunds and tax on exceptional items.

(All amounts in ₹ crores, unless otherwise stated)

C. Movement in Deferred Tax Assets and Liabilities

Movements during the year ended 31st March, 2021	As at 31st March, 2020	Credit/ (charge) on account of business combination	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Credit/ (charge) in Equity	As at 31st March, 2021
Deferred tax assets/(liabilities)						
Provision for post retirement benefits and other employee benefits	30	-	6	1	-	37
Provision for doubtful debts and advances	14	2	15	-	-	31
Expenses allowable for tax purposes when paid	161	71	(55)	-	9	186
Property, plant and equipment and Intangible assets	(238)	(6,215)	(169)	-	-	(6,622)
Fair value gain/(loss)	(35)	(1)	64	(47)	-	(19)
Impact of Right of Use Asset and Lease Liabilities	0	1	0	-	-	1
Other temporary differences	329	10	61	-	-	400
Total	**261**	**(6,132)**	**(78)**	**(46)**	**9**	**(5,986)**

Movements during the year ended 31st March, 2022	As at 31st March, 2021	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Credit/(charge) in Equity	As at 31st March, 2022
Deferred tax assets/(liabilities)					
Provision for post retirement benefits and other employee benefits	37	22	(10)	-	49
Provision for doubtful debts and advances	31	(4)	-	-	27
Expenses allowable for tax purposes when paid	186	(14)	-	(2)	170
Property, plant and equipment and Intangible assets	(6,622)	(154)	-	-	(6,776)
Fair value gain/(loss)	(19)	2	0	-	(17)
Impact of Right of Use Asset and Lease Liabilities	1	4	-	-	5
Other temporary differences	400	1	-	-	401
Total	**(5,986)**	**(143)**	**(10)**	**(2)**	**(6,141)**

D. Tax Assets and Liabilities

	As at 31st March, 2022	As at 31st March, 2021
Non-current tax assets (net of tax provision)	1,107	1,200
Non-current tax liabilities (net of tax assets)	1,324	1,359

E. Disclosure in Relation to Undisclosed Income

During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 10 OTHER NON-CURRENT ASSETS

	As at 31st March, 2022	As at 31st March, 2021
Capital advances	38	71
Advances other than Capital advances		
Deposit with Government Authorities (Customs, GST, etc.)	133	110
Other advances (includes advances for materials)	13	17
Less: Allowance for bad and doubtful advances	(9)	(17)
Total	**175**	**181**
The movement in allowance for bad and doubtful advances is as follows:		
Balance as at beginning of the year	17	22
Change in allowance for bad and doubtful advances during the year	(7)	(1)
Written off during the year	(1)	(4)
Balance as at the end of the year	**9**	**17**

The Company has not given any advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

NOTE 11 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

Cost of raw materials and stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss.

Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

	As at 31st March, 2022	As at 31st March, 2021
Raw materials [includes in transit: ₹73 crores (31st March, 2021: ₹68 crores)]	1,691	1,228
Packing materials	104	96
Work-in-progress	409	428
Finished goods [includes in transit: ₹34 crores (31st March, 2021: ₹24 crores)] (Refer note (a) below)	1,580	1,542
Stores and spares	106	89
Total	**3,890**	**3,383**

(a) Finished goods includes good purchased for re-sale, as both are stocked together.

(b) During FY 2021-22 an amount of ₹145 crores (31st March, 2021: ₹195 crores) was charged to the standalone statement of profit and loss on account of damaged and slow moving inventory. The reversal on account of above during the year amounted to Nil (31st March, 2021: Nil).

(All amounts in ₹ crores, unless otherwise stated)

NOTE 12 TRADE RECEIVABLES (Unsecured unless otherwise stated)

Refer note 37 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	1,955	1,670
Less: Allowance for expected credit loss	(23)	(22)
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	74	85
Less: Allowance for credit impairment	(74)	(85)
Total	**1,932**	**1,648**
The movement in change in allowance for expected credit loss and credit impairment		
Balance as at beginning of the year	107	34
Change in allowance for expected credit loss and credit impairment during the year	(10)	75
Trade receivables written off during the year	0	(2)
Balance as at the end of the year	**97**	**107**

Refer note 38 for information about credit risk and market risk of trade receivables.

Refer note 43 for information about receivables from related party.

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2022

		Outstanding for following periods from due date of payment					
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables considered good	1,658	194	63	24	8	8	1,955
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	0	2	1	41	0	14	58
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	9	0	7	16
TOTAL (A)	**1,658**	**196**	**64**	**74**	**8**	**29**	**2,029**
Allowance for expected credit loss							23
Allowance for credit impairment							74
TOTAL (B)							97
TOTAL [(A)- (B)]							**1,932**

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(All amounts in ₹ crores, unless otherwise stated)

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2021

	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables considered good	1,302	267	40	48	5	8	1,670
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	9	46	1	0	0	56
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	9	0	0	0	20	29
TOTAL (A)	**1,302**	**285**	**86**	**49**	**5**	**28**	**1,755**
Allowance for expected credit loss							22
Allowance for credit impairment							85
TOTAL (B)							**107**
TOTAL [(A)- (B)]							**1,648**

There are no unbilled recievables as at 31st March, 2022 and 31st March, 2021.

There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

NOTE 13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

	As at 31st March, 2022	As at 31st March, 2021
Cash on hand	0	0
Balances with Banks		
In current accounts	29	121
Term deposits with original maturity of less than three months	753	1,619
Other Cash equivalents		
Treasury bills with original maturity of less than three months	50	-
Overnight Mutual Funds	156	-
Total	**988**	**1,740**

(All amounts in ₹ crores, unless otherwise stated)

NOTE 14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2022	As at 31st March, 2021
Earmarked balances with banks		
Unpaid dividend	218	206
Investments in term deposits (with original maturity of more than three months but less than twelve months)	2,412	2,375
Total	**2,630**	**2,581**

NOTE 15 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Advances other than Capital advances		
Input taxes (GST, etc.)	175	122
Other advances (includes prepaid expenses etc.)	405	316
Total	**580**	**438**

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

NOTE 16 ASSETS HELD FOR SALE

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

	As at 31st March, 2022	As at 31st March, 2021
Groups of assets held for sale		
Land	2	3
Buildings	11	14
Plant and equipment	-	0
Furniture and fixtures	0	0
	13	**17**

The Company has sold land with net book value (NBV) of ₹1 crore (31st March, 2021: ₹0 crore), buildings with NBV of ₹3 crores (31st March, 2021: ₹1 crore) and plant & equipment with NBV of ₹0 crore (31st March, 2021: Nil). The gain on such sale has been credited to the standalone statement of profit and loss under exceptional items.

Notes

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 17 EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Authorised		
2,85,00,00,000 (31st March, 2021: 2,85,00,00,000) equity shares of ₹1 each	285	285
Issued, subscribed and fully paid up		
2,34,95,91,262 (31st March, 2021: 2,34,95,67,819) equity shares of ₹1 each	235	235
Total	**235**	**235**

a) Reconciliation of the number of shares

	As at 31st March, 2022		As at 31st March, 2021	
Equity Shares	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	2,34,95,67,819	235	2,16,48,44,187	216
Add: Shares issued on account of business combination (Refer note 41)	-	-	18,46,23,812	19
Add: ESOP shares issued during the year (Refer note 40)	23,443	0	99,820	0
Balance as at the end of the year	**2,34,95,91,262**	**235**	**2,34,95,67,819**	**235**

*Rounded up to nearest crore.

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares held by Holding Company and Subsidiaries of Holding Company in aggregate

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of ₹1 each		
1,11,43,70,148 shares (31st March, 2021: 1,11,43,70,148) held by Unilever PLC, UK, the Holding Company	111	111
3,40,042,710 shares (31st March, 2021: 3,40,042,710) held by subsidiaries of the Holding Company	34	34

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2022	As at 31st March, 2021
Unilever PLC, UK, the Holding Company		
Number of shares	1,11,43,70,148	1,11,43,70,148
% of holding	47.43%	47.43%

(All amounts in ₹ crores, unless otherwise stated)

e) Details of shareholdings by the Promoter's of the Company

S. no	Promoter Name	As at 31st March, 2022 Number of shares	As at 31st March, 2022 % of total shares	As at 31st March, 2021 Number of shares	As at 31st March, 2021 % of total shares	% Change in the year
1	Unilever Plc	1,11,43,70,148	47.4%	1,11,43,70,148	47.4%	-
2	Unilever UK&CN Holdings Limited	6,00,86,250	2.6%	6,00,86,250	2.6%	-
3	Unilever Overseas Holdings B V	1,88,65,000	0.8%	1,88,65,000	0.8%	-
4	Unilever Overseas Holdings AG	6,87,84,320	2.9%	6,87,84,320	2.9%	-
5	Brooke Bond Group Limited	10,67,39,460	4.5%	10,67,39,460	4.5%	-
6	Brooke Bond Assam Estates Limited	3,28,20,480	1.4%	3,28,20,480	1.4%	-
7	Brooke Bond South India Estates Limited	5,27,47,200	2.2%	5,27,47,200	2.2%	-
	Total Promoters shares outstanding	**1,45,44,12,858**	**61.9%**	**1,45,44,12,858**	**61.9%**	**-**
	Total HUL shares outstanding	**2,34,95,91,262**		**2,34,95,67,819**		

S. no	Promoter Name	As at 31st March, 2021 Number of shares	As at 31st March, 2021 % of total shares	As at 31st March, 2020 Number of shares	As at 31st March, 2020 % of total shares	% Change in the year #
1	Unilever Plc	1,11,43,70,148	47.4%	1,11,43,70,148	51.5%	-4.1%
2	Unilever UK&CN Holdings Limited	6,00,86,250	2.6%	6,00,86,250	2.8%	-0.2%
3	Unilever Overseas Holdings B V	1,88,65,000	0.8%	1,88,65,000	0.9%	-0.1%
4	Unilever Overseas Holdings AG	6,87,84,320	2.9%	6,87,84,320	3.2%	-0.2%
5	Brooke Bond Group Limited	10,67,39,460	4.5%	10,67,39,460	4.9%	-0.4%
6	Brooke Bond Assam Estates Limited	3,28,20,480	1.4%	3,28,20,480	1.5%	-0.1%
7	Brooke Bond South India Estates Limited	5,27,47,200	2.2%	5,27,47,200	2.4%	-0.2%
	Total Promoters shares outstanding	**1,45,44,12,858**	**61.9%**	**1,45,44,12,858**	**67.2%**	**-5.3%**
	Total HUL shares outstanding	**2,34,95,67,819**		**2,16,48,44,187**		

Pursuant to issuance of Company's shares to GlaxoSmithKline Consumer Healthcare Limited (GSKCH) shareholders on account of HUL-GSKCH merger

f) Shares reserved for issue under options

	As at 31st March, 2022		As at 31st March, 2021	
Equity Shares	Number of shares	Amount	Number of shares	Amount
Under 2012 HUL Performance Share Scheme: equity shares of ₹1 each, at an exercise price of ₹1 per share (refer note 40)	-	-	25,049	0
	-	-	**25,049**	**0**

For terms and other details Refer note 40.

g) Aggregate value of Issued, Subscribed and Paid-up Share Capital as on the Balance Sheet date for the period of preceding five years includes:

i. Aggregate of 18,46,23,812 (31st March, 2021: 18,46,23,812) Equity shares of ₹1 each allotted as fully paid-up pursuant to HUL-GSKCH merger without payment being received in cash (Refer Note 41).

ii. Aggregate of 6,17,811 (31st March, 2021: 10,07,036) Equity shares allotted under the Employee stock option plan/ performance share schemes as consideration for services rendered by employees for which only exercise price has been received in cash.

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to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 18 OTHER EQUITY

Refer Standalone Statement of Changes in Equity for detailed movement in Other Equity balance

A. Summary of other Equity balance

	As at 31st March, 2022	As at 31st March, 2021
Capital Reserve	4	4
Capital Redemption Reserve	6	6
Securities Premium	40,352	40,350
Employee Stock Options Outstanding Account	-	5
Retained Earnings	8,135	6,805
Other Reserves	9	9
Items of Other Comprehensive Income		
- Fair value of Cash flow hedges through OCI	20	20
- Fair value of Debt instruments through OCI	(1)	(0)
Total Other Equity	**48,525**	**47,199**

B. Nature and purpose of reserves

(a) Capital Reserve: During amalgamation, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	4	4
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**4**	**4**

(b) Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	6	6
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**6**	**6**

(c) Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. In case of business combinations, the difference between fair value and nominal value of shares issued on the acquisition date is accounted as securities premium.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	40,350	153
Add: Issue of equity shares on account of business combination	-	40,223
Less: Stamp Duty on issue of equity shares on account of business combination	-	(44)
Add: Deferred Tax on Stamp duty	(2)	9
Add: Issue of equity shares on exercise of employee stock options	4	9
Balance at the end of the year	**40,352**	**40,350**

(d) Employee Stock Options Outstanding Account: The fair value of the equity-settled share based payment transactions is recognised in standalone statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	5	16
Less:Issue of equity shares on exercise of employee stock options	(4)	(9)
Less:Equity settled share based payment credit	(1)	(2)
Balance at the end of the year	**-**	**5**

(e) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Remeasurements of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	6,805	7,664
Add: Profit for the year	8,818	7,954
Add: Other comprehensive income for the year (Remeasurement of Net Defined Benefit Plans)*	31	(2)
Less: Dividend on equity shares during the year	(7,519)	(8,811)
Balance at the end of the year	**8,135**	**6,805**

*Movement in Remeasurement of Net Defined Benefit Plans

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	-	-
Add: Gain/ (loss) on remeasurment of net defined benefit plans, net of tax	31	(2)
Less: Transfer to retained earnings	(31)	2
Balance at the end of the year	**-**	**-**

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(All amounts in ₹ crores, unless otherwise stated)

(f) Other Reserves: The Company has recognised Other Reserves on amalgamation of Brooke Bond Lipton India Limited as per statutory requirements. This reserve is not available for capitalisation/ declaration of dividend/ share buy-back. Further it also includes capital subsidy.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	9	9
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**9**	**9**

(g) Items of Other Comprehensive Income

i) **Fair value of cash flow hedges through Other Comprehensive Income:** The effective portion of the fair value change of the cash flow hedges measured at fair value through other comprehensive income is recognised in Cash flow hedges through Other Comprehensive Income. Upon derecognition, if the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the standalone statement of profit and loss at the same time as the related cash flow.

ii) **Debt Instruments through Other Comprehensive Income:** The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the standalone statement of profit and loss.

C. Other Comprehensive Income accumulated in Other Equity, net of tax

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

	Cash flow hedges through Other Comprehensive Income	Debt instruments through Other Comprehensive Income	Total
As at 1st April, 2020	(37)	-	(37)
Fair value of debt instruments through other comprehensive income	-	(0)	(0)
Fair Value of cash flow hedges through other comprehensive income	70	-	70
Hedging loss/(gain) transferred to non-financial asset (net)	34	-	34
Tax on above	(47)	0	(47)
As at 1st April, 2021	**20**	**(0)**	**20**
Fair value of debt instruments through other comprehensive income	-	(1)	(1)
Fair Value of cash flow hedges through other comprehensive income	85	-	85
Hedging loss/(gain) transferred to non-financial asset (net)	(85)	-	(85)
Tax on above	(0)	0	0
As at 31st March, 2022	**20**	**(1)**	**19**

(All amounts in ₹ crores, unless otherwise stated)

D Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Refer note 44 for information on ratios.

NOTE 19 LEASE LIABILITIES

Lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

	As at 31st March, 2022	As at 31st March, 2021
Non - Current		
Lease liabilities payable beyond 12 months	686	679
Current		
Lease liabilities payable within 12 months	285	264
Total	**971**	**943**
The movement in Lease liabilities (Non-current and Current) is as follows:		
Balance as at beginning of the year	943	775
Add: Addition	440	608
Add: Accretion of interest	75	81
Less: Payments	(463)	(464)
Less: Others (including foreclosure)	(24)	(57)
Closing balance as at 31st March	**971**	**943**

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 20 OTHER FINANCIAL LIABILITIES

Refer note 37 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Security deposits	22	28
Employee and ex-employee related liabilities	301	187
Contingent consideration payable on business combination	6	51
Total (A)	**329**	**266**
Current		
Unpaid dividends [Refer (a) below]	218	206
Salaries, wages, bonus and other employee payable	252	249
Fair Value of Derivatives	4	4
Contingent consideration payable on business combination	40	41
Consignment Payables	259	244
Other payables (including trade deposits, retention money for purchase of property, plant & equipment, etc.) [Refer (b) below]	50	148
Total (B)	**823**	**892**
Total (A+B)	**1,152**	**1,158**

Refer note 38 for information about liquidity risk of other financial liability.

a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as 31st March, 2022 (31st March, 2021: Nil).

b) Includes ₹28 crores of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31st March, 2022 (31st March, 2021: Not Applicable). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 21-22" ("UCSRA – FY 2021-22") of the Company within 30 days from end of financial year. Refer note 33 for more information about Corporate Social Responsibility expense.

NOTE 21 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Provision for employee benefits (pension, post medical retirement benefits, etc.) [Refer Note 39]	351	220
Other provisions (including for statutory levies) - net [Refer (a) below]	1,202	1,331
Total (A)	**1,553**	**1,551**
Current		
Provision for employee benefits (gratuity and compensated absences) [Refer Note 39]	43	92
Other provisions (including restructuring) [Refer (a) below]	291	399
Total (B)	**334**	**491**
Total (A+B)	**1,887**	**2,042**

(All amounts in ₹ crores, unless otherwise stated)

a) Movement in Other provisions (Non-current and Current)

	Indirect Tax related	Legal and Other Matters #	Total
Opening balance as at 1st April, 2020	**558**	**834**	**1,392**
Add: Additions due to business combination (refer Note 41)	240	103	343
Add: Provision/reclassified during the year	64	105	169
Less: Amount utilised/reversed/reclassified during the year	(57)	(117)	(174)
Opening balance as at 1st April, 2021	**805**	**925**	**1,730**
Add: Provision/reclassified during the year	15	76	91
Less: Amount utilised/reversed/reclassified during the year	(90)	(238)	(328)
Balance as at 31st March, 2022	**730**	**763**	**1,493**

including restructuring provisions, etc.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

The provisions for indirect taxes and legal matters comprises of numerous separate cases that arise in the ordinary course of business. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

The Company does not expect any reimbursements in respect of the above provisions.

NOTE 22 TRADE PAYABLES

Refer note 37 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of micro enterprises and small enterprises [Refer (a) below]	56	64
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	116	101
Trade payables	8,692	8,462
Total	**8,864**	**8,627**

a) Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

		As at 31st March, 2022	As at 31st March, 2021
A(i).	Principal amount remaining unpaid	56	64
A(ii).	Interest amount remaining unpaid	-	-
B.	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	0	0
C.	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
D.	Interest accrued and remaining unpaid	-	-
E.	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Note: Identification of micro and small enterprises is basis intimation received from vendors

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues- MSME	56	-	-	-	-	56
Undisputed dues - Others	8,633	175	-	-	-	8,808
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**8,689**	**175**	**-**	**-**	**-**	**8,864**

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2021

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues- MSME	46	18	-	-	-	64
Undisputed dues - Others	8,253	309	-	-	1	8,563
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**8,299**	**327**	**-**	**-**	**1**	**8,627**

NOTE 23 OTHER CURRENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Statutory dues (including provident fund, tax deducted at source and others)	525	474
Others (including advance from customers etc.)	113	93
Total	**638**	**567**

NOTE 24 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A Contingent Liabilities

	As at 31st March, 2022	As at 31st March, 2021
Claims against the Company not acknowledged as debts		
Income tax matters	1,248	1,076
Indirect Tax matters	792	728
Legal and Other Matters	281	281
Corporate Guarantee given (Refer (iv) below)	-	1

(i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

(All amounts in ₹ crores, unless otherwise stated)

(ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(iii) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

(iv) Corporate Guarantee given to Yes Bank Limited for credit facility availed by Broadcast Audience Research Council (BARC).

B Commitments

i) Lease commitments

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets and leases with term less than twelve months.

	As at 31st March, 2022	As at 31st March, 2021
Not later than one year	67	79
Later than one year and not later than five years	66	108
Later than five years	-	-

ii) Capital commitments

	As at 31st March, 2022	As at 31st March, 2021
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	360	419

iii) Other commitments

Pursuant to approval received under Production Linked Incentive Scheme of Government of India, the Company has committed investment in plant & machinery, infrastructure, etc through own and contract manufacturers over a course of 3 years starting FY 2020-21.

NOTE 25 REVENUE FROM OPERATIONS

Sale of products:

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Income from services rendered:

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Commission income on consignment sales:

Commission income on consignment sales (Consignment selling agency fees) is charged for rendering of services and for the use of the Company's sales and distribution network. Such revenue is recognised in the accounting period in which the services are rendered in accordance with the agreement with the parties.

Government grants:

The Company has received approval under the Production Linked Incentive Scheme of the Government of India for specific product categories. Incentive under the scheme is subject to meeting certain committed investments and defined incremental sales threshold. Such grants are recognised as other operating revenue when there is a reasonable assurance that the Company will comply with all necessary conditions attached to that.

Income from such grants is recognised on a systematic basis over the periods to which they relate.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of products	50,336	45,311
Other operating revenue*		
Income from services rendered	281	225
Commission income on consignment sales	315	264
Government grants (GST budgetary support and Production linked incentives) #	140	108
Others (including scrap sales, rentals, etc)	121	88
Total	**51,193**	**45,996**

Previous period figures have been re-classified from Others for better presentation

Reconciliation of Revenue from sale of products with the contracted price

	Year ended 31st March, 2022	Year ended 31st March, 2021
Contracted Price	56,076	50,905
Less: Trade discounts, volume rebates, etc.	(5,740)	(5,594)
Sale of products	**50,336**	**45,311**

* There is no material adjustment made to contract price for revenue recognised as other operating revenue

Segment-wise Revenue from operations

The Company has following major segments:-

(a) Home Care include Fabric Solutions, Home and Hygiene, etc
(b) Beauty & Personal Care include Skin Cleansing, Skin Care, Hair Care, etc
(c) Foods & Refreshment include Tea, Health Food Drinks and Coffee, etc
(d) Others include Exports, Consignment, etc.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Home Care	16,578	13,959
Beauty & Personal Care	19,460	17,964
Foods & Refreshment	14,105	13,204
Others (includes Exports, Consignment, etc.)	1,050	869
Total	**51,193**	**45,996**

(All amounts in ₹ crores, unless otherwise stated)

NOTE 26 OTHER INCOME

Interest income is recognised using the effective interest rate (EIR) method. Dividend income on investments is recognised when the right to receive dividend is established. Refer Note 37 on financial instruments for policy on measurement at fair value through profit or loss.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest income on		
Bank deposits	95	213
Current investments	80	6
Others (including interest on Income tax refunds)	32	131
Dividend income from		
Subsidiaries	130	101
Non-current investments	1	1
Other non-operating income		
Fair value gain on investments measured at fair value through profit or loss*	55	61
Total	**393**	**513**

*Includes realised gain on sale of investment of ₹52 crores (31st March, 2021: ₹52 crores).

NOTE 27 COST OF MATERIALS CONSUMED

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2022	Year ended 31st March, 2021
Raw materials consumed	13,124	12,667
Packing materials consumed	2,745	2,284
Total	**15,869**	**14,951**

NOTE 28 PURCHASES OF STOCK-IN-TRADE

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2022	Year ended 31st March, 2021
Purchases of stock-in-trade	9,274	7,117
Total	**9,274**	**7,117**

NOTE 29 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening inventories		
Finished goods	1,542	1,325
Work-in-progress	428	254
Closing inventories		
Finished goods	(1,580)	(1,542)
Work-in-progress	(409)	(428)
Total	**(19)**	**(391)**

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 30 EMPLOYEE BENEFITS EXPENSE

Short Term Employee Benefits

Short term employee benefits including salaries and performance incentives, are charged to standalone statement of profit and loss on an undiscounted, accrual basis during the period of employment.

Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a Government administered fund and charged as an expense to the standalone statement of profit and loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plans

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. The Company also provides for retirement/post-retirement benefits in the form of gratuity, pensions (in respect of certain employees), compensated absences (in respect of certain employees) and medical benefits (in respect of certain employees) including to the employees of group companies.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the standalone statement of profit and loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the standalone statement of profit and loss. Any differences between the expected interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the standalone statement of profit and loss.

The defined benefit plan surplus or deficit on the Balance Sheet date comprises fair value of plan assets less the present value of the defined benefit liabilities using a discount rate by reference to market yields on Government bonds at the end of the reporting period.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the standalone statement of profit and loss. The Company recognises termination benefits at the earlier of the following dates:

(a) when the Company can no longer withdraw the offer of those benefits; or

(b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(All amounts in ₹ crores, unless otherwise stated)

Share-Based Payments

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

For cash-settled share-based payments, the fair value of the amount payable is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses. Refer Note 40 for details.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries and wages	1,883	1,830
Contribution to provident and other funds	162	155
Defined benefit plan expense (Refer note 39)	91	40
Share based payments to employees (Refer note 40)	101	56
Staff welfare expenses	162	148
Total	**2,399**	**2,229**

NOTE 31 FINANCE COSTS

Finance costs includes costs in relation to pensions and similar obligations, interest on lease liabilities which represents the unwind of the discount rate applied to lease liabilities and also include interest costs in relation to financial liabilities.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest expense on bank overdraft, security deposit and others	2	0
Net interest on the net defined benefit liability (Refer Note 39)	15	13
Unwinding of discount on provisions and liabilities	3	6
Unwinding of discount on employee and ex-employee related liabilities	3	4
Interest on lease liabilities	75	81
Others (including interest on taxes)	-	4
Total	**98**	**108**

NOTE 32 DEPRECIATION AND AMORTISATION EXPENSES

Refer note 3 and 4 for accounting policy on depreciation and amortisation cost

	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on property, plant and equipment (owned assets)*	595	597
Depreciation on property, plant and equipment (leased assets)	405	390
Amortisation on intangible assets	25	25
Total	**1,025**	**1,012**

*In addition to the above, ₹15 crores (31st March, 2021: ₹57 crores) of accelerated depreciation has been charged to exceptional items under a restructuring project.

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 33 OTHER EXPENSES

	Year ended 31st March, 2022		Year ended 31st March, 2021	
Advertising and promotion		4,718		4,737
Carriage and freight		1,801		1,674
Royalty				
- Technology	652		572	
- Brand	187	839	158	730
Fees for central services from Parent Company		497		446
Processing charges		395		413
Power, fuel, light and water		277		304
Rent		79		101
Travelling and motor car expenses		107		90
Repairs		189		150
Corporate social responsibility expense [Refer note (a) below]		186		165
Miscellaneous expenses		2,079		1,956
Total		**11,167**		**10,766**

	Year ended 31st March, 2022	Year ended 31st March, 2021
Miscellaneous expenses include:		
Payments to the auditors for:		
Statutory audit fees	2	2
Tax audit fees	1	1
Others		
Fees for other audit related services	2	1
Fees for certification	0	1
Reimbursement of out-of-pocket expenses	0	0
Total	**5**	**5**

(a) The details of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 is as follows:

	Year ended 31st March, 2022	Year ended 31st March, 2021
I. Amount required to be spent by the company during the year	185	162
II. Amount spent during the year on:		
i) Construction/ acquisition of any asset	-	-
ii) For purposes other than (i) above	186	165
III. Shortfall at the end of the year	-	-
IV. Total of previous years shortfall	-	-
V. Reason for shortfall	Not Applicable	Not Applicable

VI. Nature of CSR activities include promoting education, including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water, rural development projects and disaster management, including relief, rehabilitation and reconstruction activities.

(All amounts in ₹ crores, unless otherwise stated)

VII. Above includes a contribution of ₹11 crores (2020-21: ₹18 crores) to subsidiary Hindustan Unilever Foundation which is a Section 8 registered Company under Companies Act, 2013. The objectives of Hindustan Unilever Foundation includes working in areas of social, economic and environmental issues such as water harvesting, health and hygiene awareness, women empowerment and enhancing capabilities of the underprivileged segments of society to meet emerging opportunities thus improving their livelihood.

VIII. Above includes ₹28 crores of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31st March, 2022 (31st March, 2021: Not Applicable). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 21-22" ("UCSRA – FY 2021-22") of the Company within 30 days from end of financial year.

IX. The Company does not wish to carry forward any excess amount spent during the year.

X. The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

NOTE 34 EXCEPTIONAL ITEMS (NET)

	Year ended 31st March, 2022	Year ended 31st March, 2021
i) Profit on disposal of surplus properties	140	95
ii) Fair valuation of contingent consideration payable (refer note 41)	9	22
iii) Profit on sale of brand rights	29	-
Total exceptional income (A)	**178**	**117**
i) Acquisition and disposal related costs	(86)	(156)
ii) Restructuring and other costs	(126)	(188)
Total exceptional expenditure (B)	**(212)**	**(344)**
Exceptional items (net) (A+B)	**(34)**	**(227)**

NOTE 35 EARNINGS PER EQUITY SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Earnings Per Share has been computed as under:		
Profit for the year	8,818	7,954
Weighted average number of equity shares outstanding during the year	2,34,95,87,637	2,34,95,42,101
Earnings Per Share (₹) - Basic (Face value of ₹1 per share)	₹37.53	₹33.85
Add: Weighted average number of potential equity shares on account of employee stock options/performance share schemes *	3,625	50,297
Weighted average number of Equity shares (including dilutive shares) outstanding during the year	2,34,95,91,262	2,34,95,92,398
Earnings Per Share (₹) - Diluted (Face value of ₹1 per share)	₹37.53	₹33.85

* Pertains to ESOP shares vested during the year, no outstanding share options as at 31st March, 2022

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 36 DIVIDEND ON EQUITY SHARE

	Year ended 31st March, 2022	Year ended 31st March, 2021
Dividend on equity shares declared and paid during the year		
Final dividend of ₹17.00 per share for FY 2020-21 (2019-20: ₹14.00 per share)	3,994	3,289
Special dividend Nil (2019-20: ₹9.50 per share)	-	2,232
Interim dividend of ₹15.00 per share for FY 2021-22 (2020-21: ₹14.00 per share)	3,525	3,290
	7,519	**8,811**
Proposed dividend on equity shares not recognised as liability		
Final dividend of ₹19.00 per share for FY 2021-22 (2020-21: ₹17.00 per share)	4,464	3,994
	4,464	**3,994**
Payout ratio #	91%	92%

Payout ratio excluding special dividend.

Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

NOTE 37 FINANCIAL INSTRUMENTS

I Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the standalone statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified and measured at

- amortised cost

- fair value through profit and loss (FVTPL)

- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except during the period the Company changes its business model for managing financial assets.

(a) Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(b) Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(i) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the 'EIR' method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the standalone statement of profit and loss.

(All amounts in ₹ crores, unless otherwise stated)

(ii) Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the standalone statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the standalone statement of profit and loss.

(iii) Measured at fair value through profit or loss (FVTPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the standalone statement of profit and loss.

(c) Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the standalone statement of profit and loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the standalone statement of profit and loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the standalone statement of profit and loss.

(d) Derivative Financial Instruments:

The Company uses derivative financial instruments to hedge its foreign currency and commodity risks. Derivatives are measured at fair value. The treatment of changes in the value of derivative depends on their use as explained below:

(e) Cash flow hedges:

Derivatives are held to hedge the uncertainty in timing or amount of future forecast cash flows. Such derivatives are classified as being part of cash flow hedge relationships. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognised in other comprehensive income. Any ineffective elements of the hedge are recognised in the standalone statement of profit and loss.

If the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the standalone statement of profit and loss at the same time as the related cash flow.

When a derivative no longer qualifies for hedge accounting, any cumulative gain or loss remains in equity until the related cash flow occurs. When the cash flow takes place, the cumulative gain or loss is taken to the standalone statement of profit and loss. If the hedged cash flow is no longer expected to occur, the cumulative gain or loss is taken to the standalone statement of profit and loss immediately.

Derivatives for which hedge accounting is not applied

Derivative financial instruments for which hedge accounting is not applied are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently measured at FVTPL.

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(All amounts in ₹ crores, unless otherwise stated)

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Impairment of Financial Asset

The Company applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortised cost (other than trade receivables)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL allowance recognised (or reversed) during the period is recognised as income/ expense in the standalone statement of profit and loss under the head 'Other expenses'.

Write - off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

(All amounts in ₹ crores, unless otherwise stated)

II Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the standalone statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in standalone statement of profit and loss.

A Accounting Classifications and Fair Values

The carrying amounts and fair values of financial instruments by class are as follows:

	Note	Carrying value/ Fair value	
		As at 31st March, 2022	As at 31st March, 2021
Financial Assets			
Financial assets measured at fair value			
Investments measured at			
i. Fair value through other comprehensive income	6	2,023	647
ii. Fair value through profit and loss	6	1,489	2,038
Fair Value of Derivatives	8	52	29
Financial assets measured at amortised cost			
Investments	6	0	0
Loans	7	575	419
Security deposits	8	150	173
Investments in term deposits	8,14	2,413	2,375
Indemnification Asset	8	608	608
Other assets	8	584	754
		7,894	**7,043**
Financial Liabilities			
Financial liabilities measured at fair value			
Fair Value of Derivatives	20	4	4
Contingent consideration payable on business combination	20	46	92
Financial liabilities measured at amortised cost			
Lease Liabilities	19	971	943
Security deposits	20	22	28
Employee Liabilities	20	553	436
Other payables	20	50	148
		1,646	**1,651**

Notes

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(All amounts in ₹ crores, unless otherwise stated)

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, receivables from group companies, consignment receivables, trade payables, consignment payables and unpaid dividends at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

B Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the standalone statement of profit and loss are as follows:

	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
Financial assets measured at amortised cost			
Interest income	26	115	227
Dividend income	26	130	101
Allowance for expected credit loss and credit impairment	12	(10)	75
Financial assets measured at fair value through other comprehensive income			
Investment in debt instruments			
Interest income	26	80	6
Fair value gain/(loss) recognised in other comprehensive income	18C	(1)	(0)
Financial assets measured at fair value through profit or loss			
Fair value gain/(loss) on investment in debt instruments	26	55	61
Dividend income on non-current investment	26	1	1
Financial liabilities measured at amortised cost			
Interest expense	31	2	0
Interest on lease liabilities	31	75	81
Interest expense other than on lease liabilities	31	6	10
Financial liabilities measured at fair value			
Fair valuation of contingent consideration payable	34	9	22
Derivatives - foreign exchange forward contracts and cash flow hedges			
Fair value gain/(loss)	27,33	63	(152)

C Fair Value Hierarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

(All amounts in ₹ crores, unless otherwise stated)

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

	Level 1	Level 2	Level 3	Total
As at 31st March, 2022				
Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	2,023	-	-	2,023
ii. Fair Value through Profit or Loss	1,487	-	2	1,489
Fair Value of Derivatives	-	52	-	52
Liabilities at fair value				
Fair Value of Derivatives	-	4	-	4
Contingent consideration payable on business combination	-	-	46	46
As at 31st March, 2021				
Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	647	-	-	647
ii. Fair Value through Profit or Loss	2,036	-	2	2,038
Fair Value of Derivatives	-	29	-	29
Liabilities at fair value				
Fair Value of Derivatives	-	4	-	4
Contingent consideration payable on business combination	-	-	92	92

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2021.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values of investment in treasury bills and quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
2. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
3. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties, foreign exchange forward rates and commodity prices.

Other financial assets and liabilities

Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), consignment receivable, trade payables, consignment payable and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

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(All amounts in ₹ crores, unless otherwise stated)

Significant Unobservable Inputs Used in Level 2 and Level 3 Fair Values

As at 31st March, 2022	Valuation techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
(a) Fair Value of Derivatives	**Forward pricing:** The fair value is determined using quoted forward exchange rates and the commodity derivative prices at the reporting date.	Not applicable	A 10% increase in prices of open trades would have led to approximately ₹13 crores gain in OCI. A 10% decrease in prices would have led to an equal but opposite effect.
(b) Contingent consideration	**Discounted cash flows:** The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Forecast revenue:	10% increase in forecasted revenue per year will have additional liability of ₹5 crores and 10% decrease would have led to an equal but opposite effect.
		Discount rate: 6.5%	1% increase in Discount rate will have reduction in liability of ₹0 crore and 1% decrease would have led to an equal but opposite effect.

As at 31st March, 2021	Valuation techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
(a) Fair Value of Derivatives	**Forward pricing:** The fair value is determined using quoted forward exchange rates and the commodity derivative prices at the reporting date.	Not applicable	A 10% increase in prices of open trades would have led to approximately ₹2 crores gain in OCI. A 10% decrease in prices would have led to an equal but opposite effect.
(b) Contingent consideration	**Discounted cash flows:** The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Forecast revenue:	10% increase in forecasted revenue per year will have additional liability of ₹5 crores and 10% decrease would have led to an equal but opposite effect.
		Discount rate: 6.3%	1% increase in Discount rate will have reduction in liability of ₹1 crore and 1% decrease would have led to an equal but opposite effect.

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening	94	132
Additions during the year	-	12
Interest unwinding	4	5
Payments during the year	(41)	(33)
Gain recognised in profit and loss on fair value adjustment	(9)	(22)
Closing	**48**	**94**

(All amounts in ₹ crores, unless otherwise stated)

NOTE 38 FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk, credit risk and commodity risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

A Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2022 and 31st March, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial assets and financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

	Note	Carrying amount	Undiscounted Amount		
			Within 1 year	More than 1 year	Total
As at 31st March, 2022					
Financial assets					
Non-derivative assets					
Investments	6	3,512	3,510	2	3,512
Loans	7	575	34	541	575
Trade Receivables	12	1,932	1,932	-	1,932
Cash and cash equivalents	13	988	988	-	988
Bank Balances other cash and cash equivalents	14	2,630	2,630	-	2,630
Security deposits	8	150	52	98	150
Consignment Receivable	8	226	226	-	226
Other financial asset	8	753	740	13	753
Derivative assets					
Fair Value of Derivatives	8	52	52	-	52

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(All amounts in ₹ crores, unless otherwise stated)

	Note	Carrying amount	Undiscounted Amount		
			Within 1 year	More than 1 year	Total
Financial liabilities					
Non-derivative liabilities					
Lease Liabilities	19	971	285	805	1,090
Trade payables (including acceptances)	22	8,864	8,864	-	8,864
Security deposits	20	22	-	22	22
Unpaid dividend	20	218	218	-	218
Employee liabilities	20	553	252	324	576
Contingent consideration	20	46	40	6	46
Consignment Payable	20	259	259	-	259
Other Payables	20	50	50	-	50
Derivative liabilities					
Fair Value of Derivatives	20	4	4	-	4

	Note	Carrying amount	Undiscounted Amount		
			Within 1 year	More than 1 year	Total
As at 31st March, 2021					
Financial assets					
Non-derivative assets					
Investments	6	2,685	2,683	2	2,685
Loans	7	419	34	385	419
Trade Receivables	12	1,648	1,648	-	1,648
Cash and Cash Equivalents	13	1,740	1,740	-	1,740
Bank Balances other cash and cash equivalents	14	2,581	2,581	-	2,581
Security deposits	8	173	38	135	173
Consignment Receivable	8	198	198	-	198
Other financial asset	8	855	851	5	856
Derivative assets					
Fair Value of Derivatives	8	29	29	-	29
Financial liabilities					
Non-derivative liabilities					
Lease Liabilities	19	943	264	819	1,083
Trade payables (including acceptances)	22	8,627	8,627	-	8,627
Security deposits	20	28	-	28	28
Unpaid dividend	20	206	206	-	206
Employee liabilities	20	436	249	198	447
Contingent consideration	20	92	41	55	96
Consignment Payable	20	244	244	-	244
Other Payables	20	148	148	-	148
Derivative liabilities					
Fair Value of Derivatives	20	4	4	-	4

(All amounts in ₹ crores, unless otherwise stated)

B Management of Market Risk

The Company's business activities are exposed to a variety of financial risks, namely:

- currency risk;
- interest rate risk; and
- commodity risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

1. Currency Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material and property, plant and equipment. As at 31st March, 2022, the unhedged exposure to the Company on financial assets (trade receivables) and liabilities (trade payables) other than in their functional currency amounted to ₹95 crores payable (net) [31st March, 2021: ₹67 crores]	The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro. The Company manages currency exposures through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. The aim of the Company's approach to management of currency risk is to leave the Company with no material residual risk.	A 5% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to approximately an additional ₹5 crores gain in the standalone statement of profit and loss (2020-21: ₹3 crores gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

Payable/ (Receivable)	As at 31st March, 2022	As at 31st March, 2021
EUR	29	16
USD	31	4
GBP	(8)	11
SGD	22	16
SEK	12	9
NZD	7	8
Others	2	3
	95	**67**

2. Interest Rate Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Company is mainly exposed to the interest rate risk due to its investment in treasury bills and debt mutual funds. The interest rate risk arises due to uncertainties about the future market interest rate on these investments. In addition to treasury bills and debt mutual funds, the Company invests in term deposits. Considering the short-term nature, there is no significant interest rate risk pertaining to these deposits. As at 31st March, 2022, the investments in treasury bill amounts to ₹2,073 crores (31st March, 2021: ₹647 Crores) and the investments in debt mutual funds amounts to ₹1,643 crores (31st March, 2021: ₹2,036 crores).	The Company has laid policies and guidelines including tenure of investment made to minimise impact of interest rate risk.	A 0.25% decrease in interest rates would have led to approximately ₹6 crore gain in the Standalone Statement of Profit and Loss (2020-21: ₹5 crore). A 0.25% increase in interest rates would have led to an equal but opposite effect.

Notes

to the standalone financial statements for the year ended 31st March, 2022

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3. Commodity Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Company is exposed to the risk of changes in commodity prices in relation to its purchase of certain raw materials. At 31st March, 2022, the Company had hedged its exposure to future commodity purchases with commodity derivatives valued at ₹106 crores (31st March, 2021: ₹5 crores). Hedges of future commodity purchases resulted in cumulative profits of ₹85 crores (31st March, 2021: ₹112 crores cumulative losses) being reclassified to the standalone statement of profit and loss as an adjustment to inventory purchase.	Commodities form a major part of the raw materials required for Company's products portfolio and hence commodity price risk is one of the important market risk for the Company. The commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks. The Company has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability. The Company uses commodity swaps and option contracts to hedge against components of commodities where it is not possible to hedge the commodity in full.	A 10% increase in prices of open trades would have led to approximately ₹13 crores gain in OCI (2020-21 ₹2 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.

C Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables indicate a low credit risk.

Hence, trade receivables are considered to be a single class of financial assets.

Refer note 37 for accounting policy on Financial Instruments.

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in treasury bills, Government securities, money market liquid mutual funds, overnight mutual funds and derivative instrument with financial institutions. The Company has set counter-party limits based on multiple factors including financial position, credit rating, etc. The Company has given inter-corporate deposits (ICD) only to its subsidiaries amounting ₹432 crores (31st March, 2021: ₹280 crores).

The Company's maximum exposure to credit risk as at 31st March, 2022 and 31st March, 2021 is the carrying value of each class of financial assets.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 39 EMPLOYEE BENEFIT PLANS

I Defined Contribution Plans

Refer note 30 for accounting policy on Employee Benefits.

Refer Note 30 for the Company's contribution to the defined contribution plans with respect to provident fund and other funds.

II Defined Benefit Plans

Refer note 30 for accounting policy on Employee Benefits.

Description of Plans

Retirement Benefit Plans of the Company include Gratuity, Management Pension, Officer's Pension and Provident Fund. Other post-employment benefit plans includes post retirement medical benefits.

Gratuity is funded through investments with an insurance service provider & the Company administered trust. Pension (Management Pension and Officer's Pension) is managed through a Company administered trust and in some instances invested with an insurance service provider. Provident Funds are managed through the Company administered trust and Government administered fund. Post-retirement medical benefits are managed through the Company administered trust and through insurance policy.

Governance

The trustees of Gratuity, Pension, Post Retirement Medical Benefit and Provident Funds are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Investment Strategy

The Company's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plans expose the Company to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The Company has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A. Balance Sheet

The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Present Value of Obligation	4,089	3,880	252	255
Fair Value of Plan Assets	(4,030)	(3,821)	(56)	(66)
(Asset)/Liability recognised in the Balance Sheet	59	59	196	189
Of which in respect of:				
Funded plans in surplus:				
Present Value of Obligation #	3,779	133	-	-
Fair Value of Plan Assets #	(3,901)	(194)	-	-
(Asset)/Liability recognised in the Balance Sheet*	-*	-*	-	-

*The excess of assets over liabilities in respect of Officer's Pension, Gratuity Plan II & Provident Fund have not been recognised.

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(All amounts in ₹ crores, unless otherwise stated)

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Funded plans in deficit:				
Present Value of Obligation #	310	3,747	199	201
Fair Value of Plan Assets #	(251)	(3,688)	(56)	(66)
(Asset)/Liability recognised in the Balance Sheet	**59**	**59**	**143**	**135**
# Pursuant to revised Guidance note 29 issued by Institute of Actuaries of India dated 16th February, 2022, plan assets held by the Provident Fund Trust have been Fair valued. As result the funded plan have moved from in deficit to in surplus during the year.				
Unfunded plans in deficit:				
Present Value of Obligation	-	-	53	54
Fair Value of Plan Assets	-	-	-	-
(Asset)/Liability recognised in the Balance Sheet	**-**	**-**	**53**	**54**

II Employee provisions include other provisions not in the nature of retirement and post employment benefit plans amounting to ₹96 crores as at 31st March, 2022 (₹22 crores as at 31st March, 2021).

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

	Retirement Benefit Plans			Other Post-Employment Benefit Plans		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
As at 31st March, 2020	2,781	2,830	49	71	196	125
Additions due to business combination	796	796	-	-	55	55
Current service cost	-	143	143	-	1	1
Change in asset ceiling	(28)	-	28	-	-	-
Employee contributions	242	242	-	-	-	-
Interest cost	-	238	238	-	17	17
Interest income	237	-	(237)	5	-	(5)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	3	3	-	(1)	(1)
Actuarial (gain)/loss arising from changes in financial assumptions	89	(5)	(94)	1	-	(1)
Actuarial (gain)/loss arising from experience adjustments	-	76	76	-	(1)	(1)
Employer contributions	147	-	(147)	1	-	(1)
Assets acquired/ (settled)	(122)	(122)	-	-	-	-
Benefit payments	(321)	(321)	-	(12)	(12)	-
As at 31st March, 2021	**3,821**	**3,880**	**59**	**66**	**255**	**189**

(All amounts in ₹ crores, unless otherwise stated)

	Retirement Benefit Plans			Other Post-Employment Benefit Plans		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
As at 31st March, 2021	3,821	3,880	59	66	255	189
Current service cost	-	148	148	-	0	0
Past service cost	-	52	52	-	-	-
Change in asset ceiling	(62)	-	62	-	-	-
Employee contributions	-	236	236	-	-	-
Interest cost	-	257	257	-	16	16
Interest income	254	-	(254)	4	-	(4)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	159	25	(134)	0	(6)	(6)
Actuarial (gain)/loss arising from experience adjustments	-	18	18	-	12	12
Employer contributions	149	-	(149)	10	-	(10)
Employee contributions	236	-	(236)	-	-	-
Assets acquired/ (settled)	(69)	(69)	-	(8)	(9)	(1)
Benefit payments	(458)	(458)	-	(16)	(16)	-
As at 31st March, 2022	**4,030**	**4,089**	**59**	**56**	**252**	**196**

C. Statement of Profit and Loss

The charge to the Standalone Statement of Profit and Loss comprises:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2022	Year ended 31st March, 2021
Employee Benefit Expenses *:				
Current service cost	39	39	0	1
Past service cost	52	-	-	-
Finance costs *:				
Interest cost	56	51	16	17
Interest income	(53)	(50)	(4)	(5)
Net impact on profit (before tax)	**94**	**40**	**12**	**13**
Remeasurement of the net defined benefit plans:				
Actuarial (gains)/losses arising from changes in demographic assumptions	-	3	-	(1)
Actuarial (gains)/losses arising from changes in financial assumptions	(26)	(10)	(6)	(1)
Actuarial (gains)/losses arising from experience adjustments	(14)	(8)	12	(1)
Change in asset ceiling (gains)/losses	(7)	21	-	-
Net impact on other comprehensive income (before tax)	**(47)**	**6**	**6**	**(3)**

* Service cost and Finance cost excludes charges towards Officer's Pension and Provident Fund.

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(All amounts in ₹ crores, unless otherwise stated)

D. Assets

The fair value of plan assets at the Balance Sheet date for our defined benefit plans for each category are as follows:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Quoted				
Government Debt Instruments	1,703	1,646	-	-
Other Debt Instruments	1,146	1,241	56	66
Equity	280	185	-	-
Total (A)	**3,129**	**3,072**	**56**	**66**
Unquoted				
Other Debt Instruments	233	228	-	-
Others	790	582	-	-
Total (B)	**1,023**	**810**	**-**	**-**
Total (A+B)	**4,152**	**3,882**	**56**	**66**

Note: Assets to the extent of ₹76 crores for Provident Fund (FY 2020-21: Nil), ₹46 crores for Gratuity Fund (FY 2020-21: ₹54 crores) and ₹0 crore for Officer's Pension Fund (FY 2020-21: ₹7 crores) not recognised on account of asset ceiling.

None of the plans invest directly in any property occupied by the Company or any financial securities issued by the Company.

E. Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Standalone Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
Financial Assumptions	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Discount rate (per annum)	6.9%	6.7%	6.9%	6.7%
Salary Escalation Rate (per annum)				
Management employees- for first 5years	8.0%	8.0%	-	-
Management employees- after 5 years	8.0%	8.0%	-	-
Non-management Employees	8.0%	8.0%	-	-
Pension Increase Rate (per annum)*	2.0%	2.5%	-	-
Annual increase in healthcare costs (per annum)	-	-	9.0%	9.0%

*For management pension only

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions

Mortality in Service: Indian Assured Lives Mortality (2012-14) Ultimate table.

Mortality in Retirement: LIC Buy-out Annuity Rates & Published rates under S1PA Mortality table adjusted for Indian Lives.

(All amounts in ₹ crores, unless otherwise stated)

F. Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

		Retirement Benefit Plans		Other Post-Employment Benefit Plans	
		Change in assumption (%)	Change in plan obligation (%)	Change in assumption (%)	Change in plan obligation (%)
Discount rate (per annum)	Increase	0.50%	-2.26%	0.50%	-4.6%
	Decrease	0.50%	2.41%	0.50%	5.0%
Salary escalation rate (per annum)	Increase	0.25%	1.37%	-	-
	Decrease	0.25%	-1.35%	-	-
Pension rate	Increase	0.25%	4.88%	-	-
	Decrease	0.25%	-4.74%	-	-
Life expectancy	Increase	1 year	3.2%	1 year	5.3%
	Decrease	1 year	-3.2%	1 year	-5.2%
Annual increase in healthcare costs (per annum)	Increase	-	-	1.00%	10.0%
	Decrease	-	-	1.00%	-8.7%

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

G. Weighted average duration and expected employers contribution for the next year for each of the defined benefit plan

	Weighted average duration (yrs.)		Expected Employers contribution for the next year
	As at 31st March, 2022	As at 31st March, 2021	
Gratuity Plan I	7.1	7.4	-
Gratuity Plan II	-	6.7	-
Management Pension	6.6	6.2	0.26
Officer's Pension	2.4	2.4	-
Provident Fund Plan I	8.7	8.9	98.8
Provident Fund Plan II	8.7	8.4	18.0
Post-retirement medical benefits Plan I	9.5	10.0	-
Post-retirement medical benefits Plan II	13.6	15.6	-

Plan I refers to existing employee benefit plans of the Company.
Plan II refers to employee benefit plans added pursuant to HUL-GSKCH merger (merged with Plan I with effect from 1st March, 2022)

Compensated absences

Employee Benefit expenses for the year include ₹7 crores (FY 2020-21: ₹10 crores) towards compensated absences. Provision for compensated absences as on 31st March, 2022 is ₹43 crores (31st March, 2021: ₹42 crores).

Notes

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NOTE 40 SHARE BASED PAYMENTS

Refer note 30 for accounting policy on Share Based Payments

Equity Settled Share Based Payments

The members of the Company had approved '2001 HLL Stock Option Plan' at the Annual General Meeting held on 22nd June, 2001. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

This plan was amended and revised vide '2006 HLL Performance Share Scheme' at the Annual General Meeting held on 29th May, 2006. This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by the Compensation Committee of the Board of Directors from time to time, at the end of 3-year performance period. The performance measures under this scheme include group underlying sales growth and free cash flow. The scheme also provided for 'Par' Awards for the managers at different work levels.

The 2006 scheme was further amended and revised vide '2012 HUL Performance Share Scheme' at the Annual General Meeting held on 23rd July, 2012. This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by the Nomination and Remuneration Committee of the Board of Directors from time to time, at the end of 3-year performance period. The performance measures under this scheme include group underlying sales growth, underlying operating margin, and cumulative operating cash flow.

The number of shares allocated for allotment under the 2006 and 2012 Performance Share Schemes is 2,00,00,000 (two crores) equity shares of ₹1/- each. The schemes are monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

The Employee Stock Option Plan includes employees of Hindustan Unilever Limited, its subsidiaries and a subsidiary of parent Company.

Scheme	Scheme Grant Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share	Weighted Average Exercise Price (₹) per share
2001 HLL Stock Option Plan	2005	27-May-05	15,47,700	Vested after three years from date of grant	7 years from date of vesting	132.05	132.05
2006 HLL Performance Share Scheme	2012	17-Feb-12	4,20,080	Vested after three years from date of grant	3 months from date of vesting	1.00	1.00
	Interim 2012	30-Jul-12	51,385			1.00	1.00
2012 HUL Performance Share Scheme	2013	18-Mar-13	3,68,023			1.00	1.00
	Interim 2013	29-Jul-13	25,418			1.00	1.00
	2014	14-Feb-14	2,62,155	Vested after three years from date of grant	3 months from date of vesting	1.00	1.00
	Interim 2014	28-Jul-14	16,805			1.00	1.00
	2015	13-Feb-15	1,42,038			1.00	1.00
	Interim 2015	27-Jul-15	12,322			1.00	1.00
	2016	11-Feb-16	1,57,193			1.00	1.00
	Interim 2016	25-Jul-16	11,834			1.00	1.00
	2017	13-Feb-17	1,23,887			1.00	1.00
	Interim 2017	21-Jul-17	6,846			1.00	1.00
	2018	16-Feb-18	63,421			1.00	1.00
	Interim 2018	27-Jul-18	4,650			1.00	1.00

(All amounts in ₹ crores, unless otherwise stated)

Scheme	Scheme Grant Year	Financial Year	Number of Share Options: Outstanding at the beginning of the year	Granted during the year*	Forfeited/ Expired during the year	Exercised during the year	Outstanding at the end of the year
2012 HUL Performance Share Scheme	2017	**2021-22**	-	-	-	-	-
		2020-21	82,043	-	-	82,043	-
	Interim 2017	**2021-22**	-	-	-	-	-
		2020-21	5,601	612	-	6,213	-
	2018	**2021-22**	**21,019**	-	-	**21,019**	-
		2020-21	55,471	-	22,888	11,564	21,019
	Interim 2018	**2021-22**	**4,030**	-	**1,606**	**2,424**	-
		2020-21	4,650	-	620	-	4,030

*Granted during the year includes additional shares granted upon meeting the vesting conditions

Weighted average equity share price at the date of exercise of options during the year was ₹2,406 (2020-21: ₹2,021)

Weighted average remaining contractual life of options as at 31st March, 2022 was 0 year (31st March, 2021: 0.3 year)

Cash Settled Share Based Payments

The employees of the Company are eligible for Unilever PLC (the 'Holding Company') share awards namely, the Management Co-Investment Plan (MCIP), the Performance Share Plan (PSP) and the SHARES Plan. The MCIP allowed eligible employees to invest up to 100% of their annual bonus in the shares of the Holding Company and to receive a corresponding award of performance-related shares. Under PSP, eligible employees receive annual awards of the Holding Company's shares. The awards under MCIP and PSP plans will vest after 4 & 3 years respectively between 0% and 150% of grant level, depending on the achievement of the performance metrics. The performance metrics of PSP are percentage business winning share, Cumulative Free Cash Flow, Return in Invested Capital and progress made against our sustainability goals. The performance metrics of MCIP are underlying sales growth, underlying EPS growth, return on invested capital and sustainability progress index. Under the SHARES Plan, eligible employees can invest upto ₹16,897 per month in the shares of the Holding Company and after three years one share is granted free of cost to the employees for every three shares invested, provided they hold the shares bought for three years. The Holding Company charges the Company for the grant of shares to the Company's employees at the end of the 3/4 years based on the market value of the shares on the exercise date. The Company recognises the fair value of the liability and expense for these plans over the vesting period based on the management's estimate of the vesting and forfeiture conditions.

Effect of share based payment transactions on the Standalone Balance Sheet:

	As at 31st March, 2022	As at 31st March, 2021
Other non-current financial liabilities	160	79
Other current financial liabilities	64	91
Total carrying amount of liabilities	**224**	**170**

Effect of share based payment transactions on the Standalone Statement of Profit and Loss:

	As at 31st March, 2022	As at 31st March, 2021
Equity settled share based payments	(1)	(2)
Cash settled share based payments	102	58
Total expense on share based payments	**101**	**56**

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 41 BUSINESS COMBINATION

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the standalone statement of profit and loss.

Transaction costs are expensed in the standalone statement of profit and loss as incurred, other than those incurred in relation to the issue of debt or equity securities which are directly adjusted in other equity. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the standalone statement of profit and loss.

I Acquisition of Indulekha Brand

On 7th April, 2016, the Company completed the acquisition of the flagship brand 'Indulekha' from Mosons Extractions Private Limited ('MEPL') and Mosons Enterprises (collectively referred to as 'Mosons' and acquisition of the specified intangible assets referred to as the 'Business acquisition'). The deal envisaged the acquisition of the trademarks 'Indulekha' and 'Vayodha', intellectual property, design and knowhow for a total cash consideration of ₹330 crores and a deferred consideration of 10% of the domestic turnover of the brands each year, payable annually for a 5 year period commencing financial year 2018-19.

Basis the projection of the domestic turnover of the brand, the contingent consideration is subject to revision on a yearly basis. As at 31st March, 2021, the fair value of the contingent consideration was ₹80 crores which was classified as other financial liability.

Deferred contingent consideration

Based on actual performance in financial year 2021-22, contingent consideration paid and current view of future projections for the brand, the Company has reviewed and fair valued the deferred contingent consideration so payable. As at 31st March, 2022, the fair value of the contingent consideration is ₹36 crores which is classified as other financial liability. The determination of the fair value as at Balance Sheet date is based on discounted cash flow method. The key input used in determining the fair value of deferred contingent consideration were domestic turnover projection of the brand.

II Acquisition of VWash Brand

On 25th June, 2020, the Company completed the acquisition of the brand 'VWash' from Glenmark Pharmaceuticals Limited. The deal comprised the acquisition of the brand 'VWash', along with other trademarks, copyrights, know-how and designs associated with the brand ('VWash Business') and certain packing / product moulds for a cash consideration of ₹286 crores including a holdback consideration of ₹10 crores; plus a deferred contingent consideration of 5% of net turnover payable annually for a 3 year period commencing financial year 2021-22.

Basis the projection of the domestic turnover of the brand, the contingent consideration is subject to revision on a yearly basis. As at 31st March, 2021, the fair value of the contingent consideration was ₹12 crores which was classified as other financial liability.

Deferred contingent consideration

Based on actual performance in financial year 2021-22, contingent consideration paid and current view of future projections for the brand, the Company has reviewed and fair valued the deferred contingent consideration so payable. As at 31st March, 2022, the fair value of the contingent consideration is ₹10 crores which is classified as other financial liability. The determination of the fair value as at Balance Sheet date is based on discounted cash flow method. The key input used in determining the fair value of deferred contingent consideration were domestic turnover projection of the brand.

(All amounts in ₹ crores, unless otherwise stated)

III Amalgamation of GlaxoSmithKline Consumer Healthcare Limited

On 1st April, 2020, the Company completed the merger of GlaxoSmithKline Consumer Healthcare Limited ['GSKCH'] via an all-equity merger under which 4.39 shares of HUL (the Company) were allotted for every share of GSKCH. With this merger the Company acquired the business of GSKCH including the Right to Use asset of brand Horlicks and Intellectual Property Rights of brands like Boost, Maltova and Viva. The Company also acquired the Horlicks intellectual property rights, being the legal rights to the Horlicks brand for India from GlaxoSmithKline Plc.

The scheme of merger ("scheme") submitted by the Company was approved by Hon'ble National Company Law Tribunal by its order dated 24th September, 2019 (Mumbai bench) and 12th March, 2020 (Chandigarh bench). The Board of Directors approved the scheme between the Company and GSKCH, on 1st April, 2020. The scheme was filed with Registrar of Companies on the same date. Accordingly, 1st April, 2020 was considered as the acquisition date, i.e. the date at which control is transferred to the Company.

The merger had been accounted for using the acquisition accounting method under Ind AS 103 – Business Combinations. All identified assets acquired, and liabilities assumed on the date of merger were recorded at their fair value.

(A) Purchase consideration transferred:

The total consideration paid was ₹40,242 crores which comprised of shares of the Company, valued based on the share price of the Company on the completion date. Refer to the details below:

As per the scheme, the Company issued its shares in favour of existing shareholders of GSKCH such that 4.39 of Company's shares were allotted for every share of GSKCH as below.

Total number of GSKCH shares outstanding	4,20,55,538
Total number of company's shares issued to GSKCH shareholders i.e.,4.39 of Company's shares per share of GSKCH	18,46,23,812
Value of the Company share (closing price of the Company share on NSE as on 1st April, 2020)	2,179.65
Total consideration paid to acquire GSKCH (₹ Crores)	**40,242**

(a) Total costs relating to the issuance of shares amounting to ₹44 crores have been recognised against equity.

(b) Transaction cost of ₹146 crores that were not directly attributable to the issue of shares are included under exceptional items in the standalone statement of profit and loss.

(B) Assets acquired, and liabilities assumed is as under:

	Amount
Total identifiable assets (A)	31,445
Total identifiable liabilities (B)	8,468
Goodwill (C)	17,265
Total Net Assets [(A) - (B) + (C)]	**40,242**

The main assets acquired were Right to use Horlicks and Boost brand which were valued using the income approach model by estimating future cashflows generated by these assets and discounting them to present value using rates in line with a market participant expectation.

In addition, as applicable, Property plant & equipment have been valued using the market comparison technique and replacement cost method.

(C) Acquisition of Horlicks Brand:

The Company also acquired the Horlicks Intellectual Property Rights (IPR), being the legal rights to the Horlicks brand for India from GlaxoSmithKline Plc for a consideration of ₹3,045 crores. The transaction has been accounted as an asset acquisition in line with Ind AS 38 (Intangible asset).

The Company incurred transaction cost of ₹91 crores for the above asset acquisition which was capitalised along with Horlicks IPR. Total value of ₹3,136 crores is recognised under Intangible assets in the standalone financial statements.

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 42 DISCLOSURES PURSUANT TO REGULATION 34 (3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

		Year ended 31st March, 2022	Year ended 31st March, 2021
(a)	**Loans to Subsidiaries**		
(i)	**Lakme Lever Private Limited**		
	Balance as at the beginning of the year	185	185
	Loans given	38	35
	Loans repaid	13	35
	Balance as at the end of the year	210	185
	Maximum amount outstanding at any time during the year	210	210
	[Lakme Lever Private Limited has utilised the loan for working capital requirements and capital expenditure. It is repayable over a period of 5 years and carries a range rate of interest at 5.93% to 5.99% during the year (2020-21: 5.84%)]		
(ii)	**Unilever India Export Limited**		
	Balance as at the beginning of the year	95	41
	Loans given	398	145
	Loans repaid	271	91
	Balance as at the end of the year	222	95
	Maximum amount outstanding at any time during the year	231	95
	[Unilever India Export Limited has utilised the loan for working capital requirements. It is repayable over a period of 5 years and carries a range rate of interest at 5.93% to 5.99% during the year (2020-21: 5.84%)]		
(b)	**Loans to Others**		
	Balance as at the beginning of the year	-	-
	Loans given	4	-
	Loans repaid	-	-
	Balance as at the end of the year	4	-
	Maximum amount outstanding at any time during the year	4	-

(c) Investment by the loanees in the shares of the Company

The loanees have not made any investments in the shares of the Company

(d) Details of Non-current Investments made by the Company

			Year ended 31st March, 2022	Year ended 31st March, 2021
A.	**Equity Instruments**			
	a)	**Quoted equity instruments**		
		10,000 equity shares [31st March, 2021: 10,000] of ₹10 each held in Scooters India Limited	0	0
	b)	**Unquoted equity instruments**		
		1,00,000 equity shares [31st March, 2021: 100,000] of ₹10 each held in Biotech Consortium India Limited	0	0
		8,284 equity shares [31st March, 2021: 8,284] of ₹10 each held in Assam Bengal Cereals Limited	0	0
		200 equity shares [31st March, 2021: 200] of ₹100 each held in The Nilgiri Co-operative Enterprises Limited	0	0
		1,000 equity shares [31st March, 2021: 1,000] of ₹10 each held in Saraswat Co-operative Bank Limited	0	0
		96,125 equity shares [31st March, 2021: 96,125] of ₹10 each held in Hindustan Field Services Private Limited	0	0
		1 equity share [31st March, 2021: 1] of ₹10,000 each held in Coffee Futures India Exchange Limited	0	0
		50 equity shares [31st March, 2021: 50] of ₹100 each held in Dugdha Sahakari Kraya-Vikraya Samiti Limited	0	0
		1,150 equity shares [31st March, 2021: 1,150] of ₹100 each held in Annamallais Ropeway company Limited	0	0
		1,000 equity shares [31st March, 2021: 1,000] of ₹10 each held in Super Bazar Co-op. Stores Limited	0	0
		2,40,000 equity shares [31st March, 2021: 2,40,000] of ₹10 each held in Comfund Consulting Limited (formerly known as Comfund Financial Services India Limited) [Net of impairment: ₹0 crore (31st March, 2021: ₹0 crore)]	-	-
		52,000 equity shares [31st March, 2021: ₹52,000] of ₹100 each held in Aquagel Chemicals Bhavanagar Private Limited	1	1
	Total (A)		**1**	**1**
B.	**Other Instruments**			
	a)	**Unquoted investment in debentures and bonds**		
		14 6 1/2% Non-redeemable Registered Debentures [31st March, 2021: ₹14] face value of ₹1,000 each held in The Bengal Chamber of Commerce & Industry	0	0
		44 1/2% Debentures [31st March, 2021: 44] face value of ₹100 each held in Woodlands Hospital and Medical Research Centre Limited	0	0
		1 5% Non-redeemable Registered Debenture stock [31st March, 2021: 1] face value of ₹100 each held in Woodlands Hospital and Medical Research Centre Limited	0	0
		56 5% Debentures [31st March, 2021: 56] face value of ₹100 each held in Shillong Club Limited	0	0
	b)	**Unquoted investment in National Savings Certificates**		
		7 Year National Savings Certificates - II Issue	0	0
	c)	**Unquoted investment in preference shares**		
		1,04,000 9% Cumulative Redeemable Preference Shares [31st March, 2021: 1,04,000] of ₹100 each held in Aquagel Chemicals Bhavanagar Private Limited	1	1
	Total (B)		**1**	**1**
	Total (A + B)		**2**	**2**

(e) Refer note 5 for details of Investments in subsidiaries.

(f) Details of guarantees given

Corporate Guarantee given to Yes Bank Limited for credit facility availed by Broadcast Audience Research Council (BARC) outstanding Nil. (31st March, 2021: ₹1 crore).

(g) The Company has not provided any security covered under Section 186 and accordingly, the disclosure requirements to that extent does not apply to the Company.

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 43 RELATED PARTY DISCLOSURES

A. Enterprises exercising control

(i) Holding Company	Unilever Plc

B. Enterprises where control exists

(i) Subsidiaries (Extent of holding)	Unilever India Exports Limited (100%)
	Lakme Lever Private Limited (100%)
	Unilever India Limited (100%)
	Unilever Nepal Limited (80%)
	Pond's Exports Limited (90%)
	Daverashola Estates Private Limited (100%)
	Jamnagar Properties Private Limited (100%)
	Bhavishya Alliance Child Nutrition Initiatives (100%) (Section 8 company)
	Hindustan Unilever Foundation (76%) (Section 8 company)
	Hindlever Trust Limited (100%)
	Levers Associated Trust Limited (100%)
	Levindra Trust Limited (100%)
(ii) Trust	Hindustan Unilever Limited Securitisation of Retirement Benefit Trust (100% control)
(iii) Key Management Personnel	
(a) Executive directors	Sanjiv Mehta
	Srinivas Phatak (up to 30th April, 2021)
	Ritesh Tiwari (with effect from 1st May, 2021)
	Wilhelmus Uijen
	Dev Bajpai
	Anuradha Razdan
	Priya Nair
	Prabha Narasimhan
	Sudhir Sitapati (up to 30th June, 2021)
	Srinandan Sundaram
	Kedar Lele (with effect from 1st July, 2021)
	Vibhav Sanzgiri
(b) Non-executive directors	Nitin Paranjpe (with effect from 31st March, 2022)
	Kalpana Morparia
	Sanjiv Misra
	O. P. Bhatt
	Leo Puri
	Ashish Gupta
	Ashu Suyash (with effect from 12th November, 2021)
	Aditya Narayan (up to 29th June, 2020)

(All amounts in ₹ crores, unless otherwise stated)

(iv) Employees' Benefit Plans where there is significant influence	The Union Provident Fund
	Hindustan Lever Gratuity Fund
	The Hindlever Pension Fund
	Hindlever Limited Superannuation Fund
	GlaxoSmithKline Consumer Healthcare Ltd Sr. Staff Gratuity Fund (with effect from 1st April, 2020) *
	GlaxoSmithKline Consumer Healthcare Ltd Employees Gratuity Fund (with effect from 1st April, 2020) *
	GlaxoSmithKline Consumer Healthcare Ltd Provident Fund (with effect from 1st April, 2020)
	GlaxoSmithKline Consumer Healthcare Ltd Indian Sr. Executives SAF (with effect from 1st April, 2020)

* merged with Hindustan Lever Gratuity Fund with effect from 1st March, 2022

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as at 31st March, 2022

		Year ended 31st March, 2022	Year ended 31st March, 2021
Holding Company	: Dividend paid	3,566	4,179
	Royalty expense	817	717
	Fees for central services	497	446
	Income from services rendered	272	216
	Expenses for services received	500	404
	Reimbursements paid	47	9
	Outstanding as at the year end:		
	- Trade receivables	105	56
	- Trade payables	630	465
Subsidiaries/ Trust	: Sale of finished goods / raw materials etc	598	554
	Investment in subsidiary	300	60
	Processing charges	147	132
	Purchase of Property, Plant & Equipment	1	1
	Purchase of finished goods / raw materials etc	1	4
	Royalty income	11	8
	Rent income	1	1
	Commission paid	1	0
	Expenses shared by subsidiary companies	19	15
	Dividend income	130	101
	Interest income	16	12
	Reimbursement received/ receivable towards pension and medical benefits	27	26
	Purchase of export licences	14	1
	Sale of Property, Plant & Equipment	6	0
	Income from services rendered	6	3
	Management fees paid	11	12
	Rent expense	0	0

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

		Year ended 31st March, 2022	Year ended 31st March, 2021
	Donation paid	22	18
	Donation returned	11	-
	Reimbursements paid	6	0
	Reimbursements received	33	40
	Inter corporate loans given during the year	436	180
	Inter corporate loans repaid during the year	284	126
	Outstanding as at the year end:		
	- Trade receivables	129	182
	- Trade payables	36	14
	- Loans & advances to subsidiaries	432	280
Fellow Subsidiaries :	Sale of brand rights	29	-
	Rent income	7	6
	Purchase of export licences	0	2
	Sale of Property, Plant & Equipment	0	-
	Income from services rendered	10	8
	Expenses for services received	15	11
	Purchase of finished goods / raw materials etc.	758	644
	Dividend paid	1,088	1,275
	Royalty expense	22	13
	Expenses shared by fellow subsidiary companies	4	3
	Gains/ Losses on Commodity Hedge	91	142
	Maintenance and support costs for licences and software	49	78
	Reimbursements paid	60	125
	Reimbursements received	92	59
	Outstanding as at the year end		
	- Trade receivables	77	21
	- Trade payables	221	90
Key Management Personnel (Executive Directors) :	Remuneration:		
	- Short-term employee benefits	62	47
	- Post-employment benefits*	2	1
	- Other long-term benefits*	-	-
	- Share-based payments	20	6
	Dividend paid	1	1
	Consideration received on exercise of options	-	0
Key Management Personnel (Non-executive Directors) :	Dividend paid	0	0
	Commission paid	1	2
Employees' Benefit Plans where there is significant influence :	Contributions during the year (Employer's contribution only)	123	115
	Outstanding as at the year end:		
	- Advances recoverable in cash or kind or for value to be received	9	3

*Note: As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

(All amounts in ₹ crores, unless otherwise stated)

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash. Refer note 42 for terms and conditions of loans given to subsidiaries.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2020-21: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Disclosure of transactions between Company and Related Parties during the year which are more than 1% of Revenue

		Year ended 31st March, 2022	Year ended 31st March, 2021
Holding Company :	Royalty expense		
	Unilever Plc.	817	717
	Dividend Paid		
	Unilever Plc.	3,566	4,179
Subsidiaries :	Sale of finished goods / raw materials etc		
	Unilever India Exports Ltd.	591	548
Fellow Subsidiaries :	Purchase of finished goods / raw materials etc		
	PT Unilever Oleochemical Indonesia	687	444

NOTE 44 ACCOUNTING RATIOS

No	Name of the Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance
1	Current Ratio (in times)	Current assets	Current liabilities	1.3	1.3	6.4%
2	Debt - Equity Ratio (in times)	Total debt	Equity	0.0	0.0	0.2%
3	Debt Service coverage ratio* (in times)	Earnings available for debt service	Total debt service	21.4	20.2	5.8%
4	Return on equity (in %)	Net profit - preferred dividends	Average shareholder equity	18.3%	17.0%	8.1%
5	Inventory Turnover Ratio (in times)	Sales	Average inventory	13.8	14.0	-0.9%
6	Trade receivables turnover ratio (in times)	Net sales	Average accounts receivables	28.1	30.2	-7.0%
7	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	4.1	4.0	4.3%
8	Net capital turnover ratio (in times)	Net sales	Working Capital	13.6	16.2	-16.0%
9	Net profit ratio (in %)	Net profit	Net sales	17.5%	17.6%	-0.2%
10	Return on capital employed (in %)	Earning before interest and taxes	Capital employed	107.8%	113.0%	-4.7%
11	Return on investment (in %)	refer (k) below		3.5%	4.4%	-20.2%

*The Company does not have any borrowings. Debt Service coverage ratio has been computed basis lease liabilities repayment schedule as per Guidance note on Schedule III issued by the Institute of Chartered Accountants of India.

In respect of aforesaid mentioned ratios, there is no significant change (25% or more) in FY 2021-22 in comparison to FY 2020-21.

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Definitions:

(a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.

(b) Debt service = Interest & Lease Payments + Principal Repayments

(c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2

(d) Net credit sales = Net credit sales consist of gross credit sales minus sales return

(e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2

(f) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return

(g) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2

(h) Working capital = Current assets - Current liabilities.

(i) Earning before interest and taxes = Profit before exeptional items and tax + Finance costs - Other Income

(j) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

(k) Return on Investment

$$\frac{MV(T1) - MV(T0) - \text{Sum}[C(t)]}{MV(T0) + \text{Sum}[W(t) * C(t)]}$$

where,
T1 = End of time period
T0 = Beginning of time period
t = Specific date falling between T1 and T0
MV(T1) = Market Value at T1
MV(T0) = Market Value at T0
C(t) = Cash inflow, cash outflow on specific date
W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as [T1 – t] / T1

NOTE 45

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and there are no long term contracts for which there are any material foreseeable losses. The Company has ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on derivative contracts has been made in the books of accounts.

NOTE 46

The Company has presented segment information in the consolidated financial statements which are presented in the same annual report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these standalone financial statements.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 47 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

During FY 2020-21, the Company completed the merger of GSK CH via an all equity merger. The merger was accounted for in accordance with the scheme using the acquisition accounting method under Ind AS 103 – Business Combinations. All identified assets acquired and liabilities assumed on the date of merger were recorded at their fair value.

NOTE 48 DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

NOTE 49

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

i. Wilful defaulter

ii. Utilisation of borrowed funds & share premium

iii. Borrowings obtained on the basis of security of current assets

iv. Discrepancy in utilisation of borrowings

v. Current maturity of long term borrowings

NOTE 50

Previous period figures have been re-grouped / re-classified to conform to below requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April 2021:

(a) Lease liabilities separately disclosed (Note 19) under the head 'Financial Liabilities'

(b) Security deposits regrouped under 'Other financial assets' (Note 8) which were earlier part of 'Loans' (Note 7)

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2022

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director and
Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT
and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate
Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A
Group Controller

Mumbai: 27th April, 2022

Independent Auditor's Report

To the Members of Hindustan Unilever Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Hindustan Unilever Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of a subsidiary as was audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditors referred to in paragraph (a) of the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition - Discounts and rebates

See note 25 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
As disclosed in note 25 to the consolidated financial statements, revenue is measured net of any trade discounts and volume rebates to customers ("discounts and rebates"). Certain discounts and rebates for goods sold during the year are only finalised when the precise amounts are known, and revenue therefore includes an estimate of variable consideration. The variable consideration represents the portion of discounts and rebates that are not directly deducted on the invoice and involves estimation by the Group in recognition and measurement of such discounts and rebates. This includes establishing an accrual at year end, particularly in arrangements with customers involving varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. The unsettled portion of the variable consideration results in discounts and rebates due to customers as at year end. Therefore, there is a risk of revenue being overstated due to fraud through manipulation of discounts and rebates accruals recognised, resulting from pressure the Group may feel to achieve performance targets at the year end. We identified the evaluation of accrual for discounts and rebates as a key audit matter.	Our audit procedures included: • Understanding the process followed by the Group to determine the amount of accrual for discounts and rebates. • Evaluating the design and implementation and testing operating effectiveness of Group's general IT controls, key manual and application controls over the Group's IT systems including controls over rebates agreements / arrangements, rebate payments / settlements and Group's review over the rebate accruals. • Inspecting on a sample basis, key customer contracts. Based on the terms and conditions relating to discounts and rebates, assessing the Group's revenue recognition policies with reference to the requirements of the applicable accounting standards. • Performing substantive testing by selecting samples of discounts and rebates transactions recorded during the year as well as period end discounts and rebates accruals and matching the parameters used in the computation with the relevant source documents. • Examining historical rebate accrual together with our understanding of current year developments to form an expectation of the rebate accrual as at year end and comparing this expectation against the actual rebate accrual, completing further inquiries and obtaining underlying documentation, on a sample basis, as appropriate. Further, we also performed retrospective review to evaluate the precision with which management makes estimates. • Checking completeness and accuracy of the data used by the Group for accrual of discounts and rebates. • Testing actualisation of estimated accruals on a sample basis. • Testing a selection of rebate accruals recorded after 31 March 2022 and assessing whether the accrual is recorded in the correct period. • Testing a selection of payments made after 31 March 2022 and where relevant, comparing the payment to the related rebate accrual. • Critically assessing manual journal entries posted to revenue, on a sample basis, to identify unusual items and examining the underlying documentation.

Impairment assessment of Food & Refreshment Cash Generating Unit (F&R CGU)

See note 4 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
As disclosed in note 4 to the consolidated financial statement, the F&R CGU includes ₹17,301 crores of goodwill and ₹27,210 crores of indefinite life intangible assets which together represents 63% of total assets of the Group as at 31 March 2022. The recoverable value of the F&R CGU which is based on the value in use model, has been derived from discounted forecast cash flow model. This model requires the Group to make significant assumptions such as discount rate, near and long-term revenue growth rate and projected margins which involves inherent uncertainty since they are based on future business prospects and economic outlook. Due to the materiality of above assets in context of the consolidated financial statements and sensitivity of discount rate and near and long-term revenue growth rate assumptions where a minor change could have a significant impact on the recoverable value, we have considered the impairment assessment of F&R CGU to be a key audit matter.	Our audit procedures included: • Understanding the process followed by the Group in respect of the annual impairment analysis for F&R CGU. • Evaluating the design and implementation and testing the operating effectiveness of key internal controls related to the Group's process relating to review of the annual impairment analysis, including controls over determination of discount rate, near and long-term revenue growth rate and projected margins. • Challenging the reasonableness of the assumptions, particularly forecasted revenue growth rate and margins based on our knowledge of the Group and market. Assessing historical accuracy by comparing past forecasts to actual results achieved. • Involving the valuation professionals with specialised skills and knowledge to assist in evaluating the impairment model used and assumptions (including discount rate and long term sales growth rate applied by the Group by comparing it to a range of rates that were independently developed using publicly available market indices and market data for comparable entities). Applying additional sensitivities to assess the reasonableness of the above key assumptions. • Testing data used to develop the estimate for completeness and accuracy. • Performing a sensitivity analysis to evaluate the impact of change in key assumption individually or collectively to the recoverable value. • Evaluating the adequacy of the Group's disclosures in respect of its impairment testing.

Provisions and contingent liabilities relating to taxation, litigations and claims

See note 21 and 24 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The provisions and contingent liabilities relate to ongoing litigations and claims with various authorities and third parties. These relate to direct tax, indirect tax, transfer pricing arrangements, claims, general legal proceedings, environmental issues and other eventualities arising in the regular course of business. As at the year ended 31 March 2022, the amounts involved are significant. The computation of a provision or contingent liability requires significant judgement by the Group because of the inherent complexity in estimating future costs. The amount recognised as a provision is the best estimate of the expenditure. The provisions and contingent liabilities are subject to changes in the outcomes of litigations and claims and the positions taken by the Group. It involves significant judgement and estimation to determine the likelihood and timing of the cash outflows and interpretations of the legal aspects, tax legislations and judgements previously made by authorities.	Our audit procedures included: • Understanding the process followed by the Group for assessment and determination of the amount of provisions and contingent liabilities relating to taxation, litigations and claims. • Evaluating the design and implementation and testing operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of contingent liabilities. • Involving our tax professionals with specialised skills and knowledge to assist in the assessment of the value of significant provisions and contingent liabilities relating to taxation matter, on sample basis, in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. • Inquiring the status in respect of significant provisions and contingent liabilities with the Group's internal tax and legal team, including challenging the assumptions and critical judgements made by the Group which impacted the computation of the provisions and inspecting the computation. • Assessing the assumptions used and estimates of outcome and financial effect, including considering judgement of the Group, supplemented by experience of similar decisions previously made by the authorities and, in some cases, relevant opinions given by the Group's advisors. • Testing data used to develop the estimate for completeness and accuracy. • Evaluating judgements made by the Group by comparing the estimates of prior year to the actual outcome. • Evaluating the Group's disclosures in the consolidated financial statements in respect of provisions and contingent liabilities.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and

Independent Auditor's Report

performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹330 crores as at 31 March 2022, total revenues (before consolidation adjustments) of ₹441 crores and net cash inflows (before consolidation adjustments) amounting to ₹39 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of a subsidiary as was audited by other auditors, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors;

   (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act; and

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the "Other Matter" paragraph:

   (a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group - Refer Notes 21 and 24 to the consolidated financial statements;

   (b) The Group did not have any material foreseeable losses on long-term contracts during the year ended 31 March 2022. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on derivative contracts - Refer Note 45 to the consolidated financial statements in respect of such items as it relates to the Group;

   (c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022;

   (d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

      (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

      (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and

   (e) The dividend declared or paid during the year by the Holding Company and its subsidiary companies incorporated in India is in compliance with Section 123 of the Act.

4. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company and its subsidiary companies incorporated in India, where applicable, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies incorporated in India is not in excess of the limit laid down under Section 197 of the Act, except in case of a subsidiary where requisite approvals are taken in the general meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHWXZZ5946

Mumbai
27 April 2022

Annexure A

to the Independent Auditor's report on the consolidated financial statements of Hindustan Unilever Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirements of the Guidance Note on CARO::

Sr. No.	Name of the entities	CIN	Holding Company / Subsidiary	Clause number of the CARO report
1	Hindustan Unilever Limited	L15140MH1933PLC002030	Holding Company	Clause (i)(c)*
2	Unilever India Exports Limited	U51900MH1963PLC012667	Subsidiary	Clause (i)(c)*

* This clause pertains to title deeds of certain immovable properties not held in the name of the respective companies.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHWXZZ5946

Mumbai
27 April 2022

Annexure B

to the Independent Auditor's report on the consolidated financial statements of Hindustan Unilever Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Section 143(3)(i) of the Companies Act, 2013

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Hindustan Unilever Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHWXZZ5946

Mumbai
27 April 2022

Consolidated Balance Sheet

as at 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,169	6,116
Capital work-in-progress	3	1,313	745
Goodwill	4A	17,316	17,316
Other intangible assets	4A	27,907	27,930
Goodwill on consolidation	4B	81	81
Financial assets			
Investments	5	2	2
Loans	6	115	111
Other financial assets	7	729	757
Deferred tax assets	8C	11	17
Non-current tax assets (net)	8E	1,158	1,246
Other non-current assets	9	194	219
Total - Non-current assets (A)		**54,995**	**54,540**
Current assets			
Inventories	10	4,096	3,579
Financial assets			
Investments	5	3,519	2,707
Loans	6	35	34
Trade receivables	11	2,236	1,758
Cash and cash equivalents	12	1,147	1,842
Bank balances other than cash and cash equivalents mentioned above	13	2,699	2,629
Other financial assets	7	1,089	1,154
Other current assets	14	688	497
Assets held for sale	15	13	17
Total - Current assets (B)		**15,522**	**14,217**
TOTAL ASSETS (A+B)		**70,517**	**68,757**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	235	235
Other equity	17A	48,826	47,439
Non-controlling interests	18	26	20
Total - Equity (A)		**49,087**	**47,694**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	19	741	731
Other financial liabilities	20	357	296
Provisions	21	1,580	1,578
Deferred tax liabilities	8C	6,141	5,988
Non-current tax liabilities (net)	8E	1,331	1,367
Total - Non-current liabilities (B)		**10,150**	**9,960**
Current liabilities			
Financial liabilities			
Lease Liablities	19	302	278
Trade payables			
total outstanding dues of micro enterprises and small enterprises	22	60	67
total outstanding dues of creditors other than micro enterprises and small enterprises	22	9,008	8,735
Other financial liabilities	20	899	928
Other current liabilities	23	665	588
Provisions	21	346	507
Total - Current liabilities (C)		**11,280**	**11,103**
TOTAL EQUITY AND LIABILITIES (A+B+C)		**70,517**	**68,757**
Basis of preparation, measurement and significant accounting policies	2		
Contingent liabilities and commitments	24		

The accompanying notes 1 to 50 are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2022

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director and
Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT
and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate
Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A
Group Controller

Mumbai: 27th April, 2022

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
INCOME			
Revenue from operations	25	52,446	47,028
Other income	26	258	410
TOTAL INCOME		**52,704**	**47,438**
EXPENSES			
Cost of materials consumed	27	16,446	15,432
Purchases of stock-in-trade	28	9,311	7,121
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	29	(22)	(405)
Employee benefits expense	30	2,545	2,358
Finance costs	31	106	117
Depreciation and amortisation expense	32	1,091	1,074
Other expenses	33	11,309	10,896
TOTAL EXPENSES		**40,786**	**36,593**
Profit before exceptional items and tax		**11,918**	**10,845**
Exceptional items (net)	34	(44)	(239)
Profit before tax from Continuing Operations		**11,874**	**10,606**
Tax expenses			
Current tax	8A	(2,840)	(2,520)
Deferred tax charge	8A	(147)	(86)
Profit after tax from Continuing Operations (A)		**8,887**	**8,000**
Profit/(Loss) from discontinued operations before tax	35A	3	(1)
Tax adjustment of discontinued operations	35A	2	-
Profit/(Loss) from discontinued operations after tax (B)		**5**	**(1)**
PROFIT FOR THE YEAR (A+B)		**8,892**	**7,999**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	40C	41	(3)
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	8A	(10)	1
Items that will be reclassified subsequently to profit or loss			
Fair value of debt instruments through other comprehensive income	17C	(1)	(0)
Fair value of cash flow hedges through other comprehensive income	17C	85	70
Income tax relating to items that will be reclassified subsequently to profit or loss			
Fair value of Debt instruments through other comprehensive income	8A	0	0
Fair value of cash flow hedges through other comprehensive income	8A	(0)	(47)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (C)		**115**	**21**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B+C)		**9,007**	**8,020**
Profit attributable to:			
Owners of the Company		8,879	7,995
Non-controlling interests	18	13	4
Other Comprehensive income attributable to:			
Owners of the company		115	21
Non-controlling interests	18	0	0
Total Comprehensive income attributable to:			
Owners of the company		8,994	8,016
Non-controlling interests	18	13	4
Earnings per equity share from Continuing Operations			
Basic (Face value of ₹1 each)	36A	₹37.77	₹34.03
Diluted (Face value of ₹1 each)	36A	₹37.77	₹34.03
Earnings per equity share from Discontinued Operations			
Basic (Face value of ₹1 each)	36B	₹0.02	₹(0.00)
Diluted (Face value of ₹1 each)	36B	₹0.02	₹(0.00)
Earnings per equity share from continuing and discontinued operations			
Basic (Face value of ₹1 each)		₹37.79	₹34.03
Diluted (Face value of ₹1 each)		₹37.79	₹34.03
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes 1 to 50 are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2022

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director and
Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT
and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate
Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A
Group Controller

Mumbai: 27th April, 2022

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2022

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	16	235	216
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year		235	216
Changes in equity share capital during the year	16	0	19
Balance at the end of the year	16	235	235

B. OTHER EQUITY

	Reserves and Surplus										Items of Other Comprehensive Income		Grand Total		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings	Other Reserves	Employees' Housing Reserve	Retirement Benefit Scheme Reserve	Export profit reserves	Debt instruments through Other Comprehensive Income	Cash flow Hedges though OCI	Total Attributable to owners of the company	Attributable to Non-controlling Interest	Total
As at 31st March, 2020	4	6	153	15	114	7,698	9	50	-	0	1	(37)	8,013	17	8,030
As at 1st April, 2020 *	4	6	153	15	114	7,698	9	50	-	0	1	(37)	8,013	17	8,030
Profit for the year	-	-	-	-	-	7,995	-	-	-	-	-	-	7,995	4	7,999
Other comprehensive income for the year	-	-	-	-	-	(2)	-	-	-	-	(0)	23	21	-	21
Total comprehensive income for the year	-	-	-	-	-	7,993	-	-	-	-	(0)	23	8,016	4	8,020
Hedging loss/(gain) transferred to non-financial assets (net)	-	-	-	-	-	-	-	-	-	-	-	34	34	-	34
Dividend on equity shares for the year (Refer note 37)	-	-	-	-	-	(8,811)	-	-	-	-	-	-	(8,811)	(1)	(8,812)
Issue of equity shares on account of business combination (Refer note 42)	-	-	40,223	-	-	-	-	-	-	-	-	-	40,223	-	40,223
Stamp Duty on issue of equity shares on account of business combination (Refer note 42)	-	-	(44)	-	-	-	-	-	-	-	-	-	(44)	-	(44)
Deferred Tax on Stamp duty (Refer note 8A)	-	-	9	-	-	-	-	-	-	-	-	-	9	-	9
Issue of equity shares on exercise of employee stock options	-	-	9	(9)	-	-	-	-	-	-	-	-	-	-	-
Equity settled share based payment credit	-	-	-	(1)	-	-	-	-	-	-	-	-	(1)	-	(1)
As at 31st March, 2021	4	6	40,350	5	114	6,880	9	50	-	0	1	20	47,439	20	47,459

	Reserves and Surplus										Items of Other Comprehensive Income		Grand Total		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings	Other Reserves	Employees' Housing Reserve	Retirement Benefit Scheme Reserve	Export profit reserves	Debt instruments through Other Comprehensive Income	Cash flow Hedges though OCI	Total Attributable to owners of the company	Attributable to Non-controlling Interest	Total
As at 1st April, 2021 *	4	6	40,350	5	114	6,880	9	50	-	0	1	20	47,439	20	47,459
Profit for the year	-	-	-	-	-	8,879	-	-	-	-	-	-	8,879	13	8,892
Other comprehensive income for the year	-	-	-	-	-	31	-	-	-	-	(1)	85	115	-	115
Total comprehensive income for the year	-	-	-	-	-	8,910	-	-	-	-	(1)	85	8,994	13	9,007
Hedging loss/(gain) transferred to non-financial assets (net)	-	-	-	-	-	-	-	-	-	-	-	(85)	(85)	-	(85)
Dividend on equity shares for the year (Refer note 37)	-	-	-	-	-	(7,519)	-	-	-	-	-	-	(7,519)	(7)	(7,526)
Transferred to Retirement Benefit Scheme Reserve	-	-	-	-	-		-	(50)	50	-	-	-	(0)	-	(0)
Deferred Tax on Stamp duty (Refer note 8A)	-	-	(2)	-	-	-	-	-	-	-	-	-	(2)	-	(2)
Issue of equity shares on exercise of employee stock options	-	-	4	(4)	-	-	-	-	-	-	-	-	-	-	-
Equity settled share based payment credit	-	-	-	(1)	-	-	-	-	-	-	-	-	(1)	-	(1)
As at 31st March, 2022	4	6	40,352	-	114	8,271	9	0	50	0	(0)	20	48,826	26	48,852

*There are no changes in other equity due to prior period errors

Refer note 17B for nature and purpose of reserves.

The accompanying notes 1 to 50 are an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2022

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director and
Chief Executive Officer
[DIN: 06699923]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Ravishankar A
Group Controller

Mumbai: 27th April, 2022

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
[DIN: 05349994]

Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Consolidated Statement of Cash Flows

for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

	Year ended 31st March, 2022	Year ended 31st March, 2021
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax from continuing operations	11,874	10,606
Adjustments for:		
Depreciation and amortisation expenses	1,106	1,134
(Profit) / loss on sale of property, plant and equipment	(97)	(57)
Government grant accrued (net)	-	13
Contingent consideration true up for business combination	(9)	(22)
Finance Income	(198)	(346)
Dividend income	(1)	(1)
Other non operating income - Fair value (gain)/loss on investments	(59)	(63)
Interest expense	106	117
Provision for expenses on employee stock options	(1)	(1)
Profit on sale of brand rights	(29)	-
Inventory written off net of Provision/(write back) for Inventory	156	201
Bad debts/assets written off net of Provision/(write back)	(15)	77
Mark-to-market (gain)/ loss on derivative financial instruments	(4)	14
Cash Generated from operations before working capital changes	**12,829**	**11,672**
Adjustments for:		
(Increase)/decrease in Non-Current Assets	3	(4)
(Increase)/decrease in Current Assets	(480)	(412)
(Increase)/decrease in Inventories	(758)	(543)
Increase/(decrease) in Non-Current Liabilities	86	28
Increase/(decrease) in Current Liabilities	149	830
Cash flows generated from operations	**11,829**	**11,571**
Taxes paid (net of refunds)	(2,784)	(2,407)
Profit / (Loss) from discontinued operations	3	(1)
Net cash flows generated from operating activities - [A]	**9,048**	**9,163**
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(1,225)	(741)
Sale proceeds of property, plant and equipment	146	97
Purchase of intangible assets	(3)	(3,422)
Sale proceeds of intangible assets (brand rights)	29	-
Contingent consideration paid on business combination	(41)	(33)
Purchase of current investments	(48,522)	(39,876)
Sale proceeds of current investments	47,786	38,486
Stamp duty payment on issue of equity shares	-	(44)
Loans given to others	(4)	-
Investment in term deposits (having original maturity of more than 3 months)	(3,711)	(2,874)
Redemption/maturity of term deposits (having original maturity of more than 3 months)	3,656	6,601
Investment in non-current deposits with banks	(1)	-
Interest received	161	277
Dividend received from others	1	1
Net cash flows used in investing activities - [B]	**(1,728)**	**(1,528)**

(All amounts in ₹ crores, unless otherwise stated)

	Year ended 31st March, 2022	Year ended 31st March, 2021
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(7,526)	(8,811)
Amount taken for short term purpose	55	188
Repayment of amount taken for short term purpose	(55)	(188)
Principal payment of lease liabilities	(407)	(406)
Interest paid on lease liabilities	(80)	(86)
Interest paid other than on lease liabilities	(2)	(6)
Proceeds from share allotment under employee stock options/ performance share schemes	0	0
Net cash flows used in financing activities - [C]	**(8,015)**	**(9,309)**
Net (decrease)/increase in cash and cash equivalents - [A+B+C]	**(695)**	**(1,674)**
Add: Cash and cash equivalents at the beginning of the year	1,842	3,216
Add: Cash acquired under Business Combination	-	300
Cash and cash equivalents at the end of the year (refer note 12)	**1,147**	**1,842**

Note: In addition to the above, there are no non cash movement for liabilties arising from financing activities other than interest accrued on amount taken for short term purpose. The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Consolidated Statement of Cash Flows'.

The accompanying notes 1 to 50 are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2022

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director and
Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT
and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate
Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A
Group Controller

Mumbai: 27th April, 2022

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 1 GROUP INFORMATION

Hindustan Unilever Limited (the 'Holding Company') is a public limited company domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099. The Holding Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Holding Company is in the Fast moving consumer goods (FMCG) business comprising primarily of Home Care, Beauty & Personal Care and Foods and Refreshment segments. The Holding Company has manufacturing facilities across the country and sells primarily in India.

The Holding Company and its subsidiaries (jointly referred to as the 'Group' hereinafter) considered in these consolidated financial statements are:

a) Subsidiaries

Name of the company	Country of incorporation	Principal activities	Proportion (%) of equity interest As at 31st March, 2022	As at 31st March, 2021
Unilever India Exports Limited	India	FMCG export business	100	100
Lakme Lever Private Limited	India	(i) Beauty salons (ii) Job work business	100	100
Unilever India Limited	India	FMCG business	100	100
Unilever Nepal Limited	Nepal	FMCG business	80	80
Pond's Exports Limited	India	Leather products business (discontinued operations)	100	100
Jamnagar Properties Private Limited	India	Real estate company	100	100
Daverashola Estates Private Limited	India	Real estate company	100	100
Levindra Trust Limited	India	Discharge trust business as a trustee	100	100
Hindlever Trust Limited	India	Discharge trust business as a trustee	100	100
Levers Associated Trust Limited	India	Discharge trust business as a trustee	100	100
Hindustan Unilever Foundation*	India	Not-for-profit company in the field of community development initiatives.	100	100
Bhavishya Alliance Child Nutrition Initiatives*	India	Not-for-profit company in the area of social development issues	100	100

*These companies are private companies limited by shares formed under Section 25 of the Companies Act, 1956, now section 8 of the Companies Act, 2013. No dividend can be proposed and paid to the shareholders by these companies. In the event of winding up or dissolution of these companies, after the satisfaction of all its debts and liabilities, any property whatsoever shall be given or transferred to some other institution(s) having object similar to the objects of these companies, to be determined by the members of the these companies at or before the time of dissolution or in default thereof by the National Company Law Tribunal. The carrying amount of the assets and liabilities included within the consolidated financial statements to which these restrictions apply is ₹2 crores (31st March, 2021: ₹5 crores) and ₹0 Crore (31st March, 2021: ₹0 crore) respectively.

The Group has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

b) Associates

Section 129(3) of the Companies Act, 2013, requires preparation of consolidated financial statement of the Holding Company and of all the subsidiaries including associate company and joint venture businesses in the same form and manner as that of its own. Indian Accounting Standard (Ind AS) 28 on Investments in Associates and Joint Ventures defines Associate as an entity over which the investor has significant influence. It mentions that if an entity holds, directly or indirectly through intermediaries, 20 per cent or more of the voting power of the enterprise, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

(All amounts in ₹ crores, unless otherwise stated)

The Group holds investments in the below entities which by share ownership are deemed to be an associate company:

i) Comfund Consulting Limited where the Group has 24% equity holding. This company is currently dormant.

ii) Aquagel Chemicals (Bhavnagar) Private Limited where the Group has 26% in equity and preference capital holding. This is a company engaged in Silica business.

However, the Group does not exercise significant influence in any of the above entities, as demonstrated below:

i) The Group does not have any representation on the board of directors or corresponding governing body of the investee.

ii) The Group does not participate in policy making process.

iii) The Group does not have any material transactions with the investee.

iv) The Group does not interchange any managerial personnel.

v) The Group does not provide any essential technical information to the investee.

vi) As these are not investments strategic to the core business of the Holding Company, these are intended to be divested/liquidated in the near future.

Since the Group does not exercise significant influence or control on decisions of the investees, these are not being construed as associate companies and therefore these have not been consolidated in the financial statement of the Group.

c) Share of Entities in Group

	As at 31st March, 2022		For the year ended 31st March, 2022							
	Net Assets (Total Assets - Total Liabilities)		Share in Sales of Products and Services		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
Name of the Entity	As % of consolidated net assets	Amount	As % of consolidated sale of products and services	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent										
Hindustan Unilever Limited	99.3%	48,760	97.6%	50,336	99.1%	8,818	100.0%	115	99.2%	8,933
Subsidiaries										
Indian										
Unilever India Exports Limited	0.5%	262	2.4%	1,255	1.4%	128	0.0%	-	1.4%	128
Unilever India Limited	0.7%	357	0.0%	-	0.0%	1	0.0%	-	0.0%	1
Lakme Lever Private Limited	0.4%	208	0.5%	275	0.2%	15	0.0%	-	0.2%	15
Pond's Exports Limited	0.0%	(6)	0.0%	-	0.1%	5	0.0%	-	0.1%	5
Daverashola Estates Private Limited	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Levers Associated Trust Limited	0.0%	0	0.0%	-	0.0%	(0)	0.0%	-	0.0%	(0)
Levindra Trust Limited	0.0%	0	0.0%	-	0.0%	(0)	0.0%	-	0.0%	(0)
Hindlever Trust Limited	0.0%	0	0.0%	-	0.0%	(0)	0.0%	-	0.0%	(0)

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Name of the Entity	As at 31st March, 2022 — Net Assets (Total Assets - Total Liabilities) — As % of consolidated net assets	Amount	For the year ended 31st March, 2022 — Share in Sales of Products and Services — As % of consolidated sale of products and services	Amount	Share in Profit and Loss — As % of consolidated profit and loss	Amount	Share in Other Comprehensive Income — As % of consolidated other comprehensive income	Amount	Share in Total Comprehensive Income — As % of consolidated total comprehensive income	Amount
Jamnagar Properties Private Limited	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Hindustan Unilever Foundation	0.0%	2	0.0%	-	0.0%	(3)	0.0%	-	0.0%	(3)
Bhavishya Alliance Child Nutrition Initiatives	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Foreign										
Unilever Nepal Limited	0.3%	151	0.9%	439	0.6%	54	0.0%	0	0.6%	54
Non-controlling interests	0.1%	26	0.0%	-	0.1%	13	0.0%	0	0.1%	13
Inter-company eliminations	-1.3%	(673)	-1.4%	(757)	-1.5%	(139)	0.0%	-	-1.6%	(139)
TOTAL	**100%**	**49,087**	**100%**	**51,548**	**100%**	**8,892**	**100%**	**115**	**100%**	**9,007**

Name of the Entity	As at 31st March, 2021 — Net Assets (Total Assets - Total Liabilities) — As % of consolidated net assets	Amount	For the year ended 31st March, 2021 — Share in Sales of Products and Services — As % of consolidated sale of products and services	Amount	Share in Profit and Loss — As % of consolidated profit and loss	Amount	Share in Other Comprehensive Income — As % of consolidated other comprehensive income	Amount	Share in Total Comprehensive Income — As % of consolidated total comprehensive income	Amount
Parent										
Hindustan Unilever Limited	99.5%	47,434	97.8%	45,311	99.3%	7,954	99.8%	21	99.4%	7,975
Subsidiaries										
Indian										
Unilever India Exports Limited	0.5%	234	2.5%	1,169	1.9%	151	0.0%	-	1.9%	151
Unilever India Limited *	0.1%	56	0.0%	-	-0.1%	(4)	0.0%	-	0.0%	(4)
Lakme Lever Private Limited	0.4%	194	0.5%	226	-0.2%	(19)	0.0%	-	-0.2%	(19)
Pond's Exports Limited	0.0%	(12)	0.0%	-	0.0%	(1)	0.0%	-	0.0%	(1)
Daverashola Estates Private Limited	0.0%	(0)	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Jamnagar Properties Private Limited	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-

(All amounts in ₹ crores, unless otherwise stated)

Name of the Entity	As at 31st March, 2021 — Net Assets (Total Assets - Total Liabilities) — As % of consolidated net assets	Amount	For the year ended 31st March, 2021 — Share in Sales of Products and Services — As % of consolidated sale of products and services	Amount	Share in Profit and Loss — As % of consolidated profit and loss	Amount	Share in Other Comprehensive Income — As % of consolidated other comprehensive income	Amount	Share in Total Comprehensive Income — As % of consolidated total comprehensive income	Amount
Levers Associated Trust Limited	0.0%	0	0.0%	-	0.0%	(0)	0.0%	-	0.0%	(0)
Levindra Trust Limited	0.0%	0	0.0%	-	0.0%	(0)	0.0%	-	0.0%	(0)
Hindlever Trust Limited	0.0%	0	0.0%	-	0.0%	(0)	0.0%	-	0.0%	(0)
Hindustan Unilever Foundation	0.0%	5	0.0%	-	0.0%	0	0.0%	-	0.0%	0
Bhavishya Alliance Child Nutrition Initiatives	0.0%	-	0.0%	-	0.0%	(0)	0.0%	-	0.0%	(0)
Foreign										
Unilever Nepal Limited	0.3%	128	0.7%	317	0.2%	16	0.2%	0	0.2%	16
Non-controlling interests	0.0%	20	0.0%	-	0.1%	4	0.0%	0	0.0%	4
Inter-company eliminations	-0.8%	(365)	-1.5%	(702)	-1.2%	(102)	0.0%	-	-1.3%	(102)
TOTAL	**100.0%**	**47,694**	**100.0%**	**46,321**	**100.0%**	**7,999**	**100.0%**	**21**	**100.0%**	**8,020**

* New subsidiary incorporated w.e.f 7th June, 2020

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

(a) Basis of preparation and consolidation

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is:

a. Expected to be realised or intended to be sold or consumed in normal operating cycle;

b. Held primarily for the purpose of trading;

c. Expected to be realised within twelve months after the reporting period; or

d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

a. It is expected to be settled in normal operating cycle;

b. It is held primarily for the purpose of trading;

c. It is due to be settled within twelve months after the reporting period; or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

All other liabilities are classified as non-current.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

Subsidiaries are entities where the group exercise control or hold more than one-half of its total share capital. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The consolidated financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/losses, unless cost/revenue cannot be recovered.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other Equity' in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

(a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

(b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The profit/ loss and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the consolidated statement of profit and loss and Consolidated Statement of Changes in Equity.

The consolidated financial statements are presented in Indian National Rupee (INR), the functional currency of the Group. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency'). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the consolidated statement of profit and loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the consolidated statement of profit and loss.

The expenses in consolidated statement of profit and loss are net of reimbursements (individually not material) received from Group Companies.

The Group has decided to round off the figures to the nearest crores. Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes to these financial statements.

The consolidated financial statements of the Group for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 27th April, 2022.

(b) Basis of measurement

These consolidated financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities, share based payments and net liability for defined benefit plans that are measured at fair value.

(All amounts in ₹ crores, unless otherwise stated)

The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 Key Accounting Estimates and Judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Measurement of defined benefit obligations - Note 40

(b) Measurement and likelihood of occurrence of provisions and contingencies - Note 21 and 24

(c) Recognition of deferred tax assets - Note 8

(d) Key assumptions used in discounted cash flow projections - Note 42

(e) Impairment of Goodwill and other intangible assets - Note 4

(f) Indefinite useful life of certain intangible assets - Note 4

(g) Measurement of Right of Use Assets and Lease liabilities - Note 3 and 19

2.3 Amendments to Schedule III of Companies Act, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its consolidated financial statements. These amendments are applicable to the Group for the financial year starting 1st April, 2021 and applied to the Financial Statements:

a. Lease liabilities to be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b. Certain additional disclosures in the Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c. Additional disclosure for shareholding of promoters.

d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.

e. Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.

f. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

2.4 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

a. Ind AS 109: Annual Improvements to Ind AS (2021)

b. Ind AS 103: Reference to Conceptual Framework

c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract

d. Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Group does not expect these amendments to have any significant impact on its Consolidated Financial Statements.

2.5 Significant Accounting Policies

The significant accounting policies used in preparation of the consolidated financial statements have been included in the relevant notes to the consolidated financial statements.

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 3 PROPERTY, PLANT & EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at 31st March, 2022	As at 31st March, 2021
Owned Assets	5,101	5,067
Leased Assets	1,068	1,049
Total Property, plant and equipment	**6,169**	**6,116**
Total Capital work-in-progress	**1,313**	**745**

A. Owned Assets

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date. When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the consolidated statement of profit and loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Consolidated Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress"

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Depreciation is provided on a pro-rata basis on the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013. Freehold land is not depreciated. The useful life of major components of Property, Plant and Equipment is as follows:

Asset	Useful life *
Factory Buildings	60 Years
Plant and equipment	3-21 Years
General Furniture and fixtures	10 Years
Office equipment (including Computers)	3-5 Years

* In case of certain class of assets, the Group uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets. The exception are as under:

a) Plant and equipment is depreciated over 3 to 21 years based on the technical evaluation of useful life done by the management

b) Assets costing ₹5,000 or less are fully depreciated in the year of purchase

c) Accelerated Depreciation is charged in case of assets forming part of a restructuring project basis planned remaining useful life of assets.

(All amounts in ₹ crores, unless otherwise stated)

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Total
Gross Block						
Opening balance as at 1st April, 2020	**59**	**1,633**	**4,291**	**154**	**139**	**6,276**
Additions through business combination	421	367	328	1	16	1,133
Additions	-	64	475	6	23	568
Disposals/ Adjustments	(3)	(16)	(54)	(5)	(3)	(81)
Opening balance as at 1st April, 2021	**477**	**2,048**	**5,040**	**156**	**175**	**7,896**
Additions	-	83	633	6	12	734
Disposals/ Adjustments	(0)	(12)	(200)	(10)	(6)	(228)
Balance as at 31st March, 2022	**477**	**2,119**	**5,473**	**152**	**181**	**8,402**
Accumulated Depreciation						
Opening balance as at 1st April, 2020	**-**	**283**	**1,717**	**81**	**86**	**2,167**
Additions*	-	95	556	12	32	695
Disposals/ Reclassification	-	(4)	(26)	(1)	(2)	(33)
Opening balance as at 1st April, 2021	**-**	**374**	**2,247**	**92**	**116**	**2,829**
Additions*	-	86	528	11	27	652
Disposals/ Reclassification	-	(6)	(159)	(9)	(6)	(180)
Balance as at 31st March, 2022	**-**	**454**	**2,616**	**94**	**137**	**3,301**
Net Block						
Balance as at 31st March, 2021	**477**	**1,674**	**2,793**	**64**	**59**	**5,067**
Balance as at 31st March, 2022	**477**	**1,665**	**2,857**	**58**	**44**	**5,101**

*Includes ₹15 crores (31st March, 2021: 60 crores) of accelerated depreciation which has been charged to exceptional items under a restructuring project.

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Notes:

(a) Buildings include ₹0 crore (31st March, 2021: ₹0 crore) being the value of shares in co-operative housing societies.

(b) The Property, Plant and Equipment in 3A includes assets given on lease as follows:

	Building	Plant and equipment	Furniture and fixtures	Office equipment	Total
Gross Block as at 31st March, 2021	0	85	0	0	85
Accumulated Depreciation as at 31st March, 2021	(0)	(43)	(0)	(0)	(43)
Net Block as at 31st March, 2021	**0**	**42**	**0**	**0**	**42**
Gross Block as at 31st March, 2022	0	110	0	0	110
Accumulated Depreciation as at 31st March, 2022	(0)	(64)	(0)	(0)	(64)
Net Block as at 31st March, 2022	**0**	**46**	**0**	**0**	**46**

The lease payments received under operating leases amounting to ₹15 crores (FY 2020-21: ₹12 crores) are recognised as other income in the consolidated statement of profit and loss.

(c) The Group has not revalued any of its property, plant and equipment.

B. Leased Assets

The Group's lease asset classes primarily consist of leases for Land & Buildings, Plant & Equipment, Furniture & Fixtures and Office equipment. The Group assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

The right-of-use asset is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these, the Group recognises the lease payments as an operating expense.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

(All amounts in ₹ crores, unless otherwise stated)

Lease Liability and Right-of-Use Asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

	Land & Building	Plant, equipment & others*	Total
Gross block			
Opening balance as at 1st April, 2020	**411**	**710**	**1,121**
Additions through business combination	47	29	76
Additions	251	476	727
Deletions	(155)	(158)	(313)
Opening balance as at 1st April, 2021	**554**	**1,057**	**1,611**
Additions #	308	170	478
Deletions	(193)	(134)	(327)
Balance as at 31st March, 2022	**669**	**1,093**	**1,762**
Accumulated Depreciation			
Opening balance as at 1st April, 2020	**97**	**173**	**270**
Additions	206	206	412
Deletions	(104)	(16)	(120)
Opening balance as at 1st April, 2021	**199**	**363**	**562**
Additions	229	199	428
Deletions	(176)	(120)	(296)
Balance as at 31st March, 2022	**252**	**442**	**694**
Net Block			
Balance as at 31st March, 2021	**355**	**694**	**1,049**
Balance as at 31st March, 2022	**417**	**651**	**1,068**

*Others include Furniture and fixtures & office equipments

#includes addition of ₹92 crores for the year ended 31st March, 2022 (31st March, 2021: ₹190 crores) pertaining to prior period with corresponding impact taken in lease liabilities.

NOTES:

(a) The Group incurred ₹68 crores for the year ended 31st March, 2022 (31st March, 2021: ₹85 crores) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹551 crores for the year ended 31st March, 2022 (31st March, 2021: ₹583 crores), including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹79 crores for the year ended 31st March, 2022 (31st March, 2021: ₹86 crores).

(b) The Group's leases mainly comprise of land and buildings, plant, equipment, furniture and fixtures and office equipments. The Group leases land and buildings for manufacturing and warehouse facilities.

(c) Lease commitments and Lease liability: Refer Note 24 B and Note 19 respectively.

(d) The Group has not revalued any of its Right of Use assets.

C. Capital Work-in-Progress

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Temporarily suspended projects do not include those projects where temporary suspension is a necessary part of the process of getting an asset ready for its intended use.

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to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Ageing of CWIP as on March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	852	311	58	29	1250
Projects temporarily suspended	6	14	38	5	63
Total	**858**	**325**	**96**	**34**	**1313**

	Amount
Projects which have exceeded their original timeline	473
Projects which have exceeded their original budget	2

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2022

Budget Overrun	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Under Progress (A)	398	21	1	2	422
Project at Kolkata Factory	71	-	-	-	71
Project at Assam Factory	47	-	-	-	47
Project at Kandla Factory	29	-	-	-	29
Project at Rajahmundry Factory	24	-	-	-	24
Project at Khamgaon Factory	20	-	-	-	20
Others*	207	21	1	2	231
Temporarily Suspended (B)	49	2	-	-	51
Project at Gandhidham Factory	40	-	-	-	40
Others*	9	2	-	-	11
Total (A+B)	**447**	**23**	**1**	**2**	**473**

*Others comprise of various projects with individually immaterial values.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2022

There were no material projects which have exceeded their original plan cost as at 31st March, 2022.

Ageing of CWIP as on March 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	414	198	30	12	654
Projects temporarily suspended	44	39	6	2	91
Total	**458**	**237**	**36**	**14**	**745**

	Amount
Projects which have exceeded their original timeline	495
Projects which have exceeded their original budget	1

(All amounts in ₹ crores, unless otherwise stated)

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2021

Budget Overrun	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Under Progress (A)	255	190	4	-	449
Project at Kandla Factory	-	38	-	-	38
Project at Gandhidham Factory	-	67	-	-	67
Project at Kolkata Factory	-	53	-	-	53
Project at Chennai warehouse	28	-	-	-	28
Project at Khamgaon Factory	-	22	-	-	22
Project at Haldia Factory	21	-	-	-	21
Others*	206	10	4	-	220
Temporarily Suspended (B)	41	5	-	-	46
Others*	41	5	-	-	46
Total (A+B)	**296**	**195**	**4**	**-**	**495**

*Others comprise of various projects with individually immaterial values.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2021

There were no material projects which have exceeded their original plan cost as at 31st March, 2021.

For contractual commitment with respect to property, plant and equipment refer Note 24 B(ii)

NOTE 4 INTANGIBLE ASSETS

A Goodwill and other Intangible Assets

Intangible assets purchased are initially measured at cost. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in consolidated statement of profit or loss as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Design and Know-how	- 10 years
Computer software	- 5 years
Trademarks	- 5 years
Distribution network	- 15 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. Indefinite-life intangible assets comprises of trademarks and brands, for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the brands and the level of marketing support. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually.

		Other intangible assets					
		Indefinite life intangible assets	Finite Life Intangible assets				
	Goodwill	Brands/ Trademarks	Brands/ Trademarks	Knowhow and Design	Computer Software	Others	Total
Gross Block							
Opening balance as at 1st April, 2020	36	311	18	65	44	27	465
Additions through business combination	17,280	24,335	-	-	4	80	24,419
Additions	-	3,136	-	-	0	-	3,136
Disposals	-	-	-	-	(0)	-	(0)
Opening balance as at 1st April, 2021	**17,316**	**27,782**	**18**	**65**	**48**	**107**	**28,020**
Additions	-	-	-	-	3	-	3
Disposals	-	-	-	-	(6)	-	(6)
Balance as at 31st March, 2022	**17,316**	**27,782**	**18**	**65**	**45**	**107**	**28,017**
Accumulated Amortisation and Impairment							
Opening balance as at 1st April, 2020	**-**	**-**	**9**	**26**	**24**	**4**	**63**
Additions	-	-	3	7	7	10	27
Disposals	-	-	-	-	(0)	-	(0)
Opening balance as at 1st April, 2021	**-**	**-**	**12**	**33**	**31**	**14**	**90**
Additions	-	-	3	7	7	9	26
Disposals	-	-	-	-	(6)	-	(6)
Balance as at 31st March, 2022	**-**	**-**	**15**	**40**	**32**	**23**	**110**
Net Block							
Balance as at 31st March, 2021	**17,316**	**27,782**	**6**	**32**	**17**	**93**	**27,930**
Balance as at 31st March, 2022	**17,316**	**27,782**	**3**	**25**	**13**	**84**	**27,907**

Other Intangible assets include Customer Relationship, Distribution Network etc.

The Group has not revalued any of its intangible assets.

Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangible assets are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Groups's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Consolidated Statement of Profit and Loss.

(All amounts in ₹ crores, unless otherwise stated)

The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the consolidated statement of profit and loss.

No impairment was identified in FY 2021-22 (FY 2020-21: Nil).

Significant Cash Generating Units (CGUs)

The Group has identified its reportable segments, i.e. Home Care, Beauty & Personal Care, Foods & Refreshment and Others as the CGUs. The goodwill and indefinite-life intangible assets acquired through business combinations have been allocated to CGU 'Beauty & Personal Care' and "Foods & Refreshment". The carrying amount of goodwill and indefinite-life intangible assets is as under:

	As at 31st March, 2022		As at 31st March, 2021	
	Beauty & Personal Care	Foods and Refreshment	Beauty & Personal Care	Foods & Refreshment
Goodwill	15	17,301	15	17,301
Indefinite life intangible assets	572	27,210	572	27,210
Total	**587**	**44,511**	**587**	**44,511**

The recoverable amount of each CGU has been calculated based on its value in use, estimated as the present value of projected future cash flows.

Following key assumptions were considered while performing Impairment testing:

	As at 31st March, 2022		As at 31st March, 2021	
	Beauty & Personal Care	Foods & Refreshment	Beauty & Personal Care	Foods & Refreshment
Average Annual Growth rate for 5 years	8.0%	9.5%	8.0%	11.0%
Terminal Growth Rate	5.0%	5.0%	3.5%	3.5%
Weighted Average Cost of Capital % (WACC) post tax (Discount rate)	9.1%	9.1%	8.9%	8.9%
Segmental margins	27.5%	18.6%	28.5%	16.6%

The projections cover a period of five years, as the Group believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Group's five-year strategic plan.

Weighted Average Cost of Capital % (WACC) for the Group = Risk free return + (Market risk premium x Beta for the Holding Company).

The Group has performed sensitivity analysis around the base assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

Notes

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(All amounts in ₹ crores, unless otherwise stated)

B Goodwill on consolidation

Pursuant to the merger of Aquagel Chemicals Private Limited (ACPL) with Lakme Lever Private Limited in the FY 2014-15, the excess of cost to the Group of its investment in ACPL over the Group's portion of equity in ACPL, amounting to ₹81 crores has been treated as 'Goodwill on consolidation'. The goodwill on consolidation is tested for impairment and accordingly no impairment charges were recognised for FY 2021-22 (FY 2020-21: NIL). This goodwill pertains to Beauty & Personal care segment.

	Goodwill on consolidation
Gross Block	
Balance as at 31st March, 2020	81
Additions	-
Disposals	-
Balance as at 31st March, 2021	81
Additions	-
Disposals	-
Balance as at 31st March, 2022	81
Accumulated Amortisation and Impairment	
Balance as at 31st March, 2020	-
Additions	-
Disposals	-
Balance as at 31st March, 2021	-
Additions	-
Disposals	-
Balance as at 31st March, 2022	-
Net Block	
Balance as at 31st March, 2021	81
Balance as at 31st March, 2022	81

(All amounts in ₹ crores, unless otherwise stated)

NOTE 5 INVESTMENTS

Refer Note 38 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021
Non-Current Investments		
A. Equity instruments		
Fair value through profit or loss		
Quoted	0	0
Unquoted	1	1
Total (A)	**1**	**1**
B. Other instruments		
Amortised cost		
Unquoted		
Investments in debentures and bonds	0	0
Investments in National Savings Certificates	0	0
Fair value through profit or loss		
Unquoted		
Investments in preference shares	1	1
Total (B)	**1**	**1**
Total Non-current investments (A+B)	**2**	**2**
Refer Note 43 for details on non-current investments.		
Current Investments		
C. Other instruments		
Fair value through other comprehensive income		
Quoted		
Investments in treasury bills	2,023	647
Fair value through profit or loss		
Quoted		
Investments in mutual funds	1,496	2,060
Total Current Investments (C)	**3,519**	**2,707**
Total (A+B+C)	**3,521**	**2,709**
Aggregate amount of quoted investments	3,519	2,707
Aggregate Market value of quoted investments	3,519	2,707
Aggregate amount of unquoted investments	2	2
Aggregate amount of impairment in value of investments	0	0

Refer Note 38 for information about fair value measurement and Note 39 for credit risk and market risk of investments.

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 6 LOANS
(Unsecured, considered good unless otherwise stated)

Refer note 38 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Others (including employee loans)	115	111
Total (A)	**115**	**111**
Current		
Others (including employee loans)	35	34
Total (B)	**35**	**34**
Total (A+B)	**150**	**145**
Sub-classification of Loans:		
Loans Receivables considered good- Secured	4	-
Loans Receivables considered good- Unsecured	146	145
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-

Refer Note 39 for information about credit risk and market risk for loans.

1) In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10/03/2015, loans given to employees as per the Group's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

2) There are no loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

   (a) repayable on demand; or

   (b) without specifying any terms or period of repayment

NOTE 7 OTHER FINANCIAL ASSETS
(Unsecured, considered good unless otherwise stated)

Indemnification Asset

Initial recognition:

Indemnification asset is recognised at fair value at the time when the seller contractually agrees to indemnify, in whole or in part, for a particular uncertainty. It is initially measured on the same basis as defined in the agreement, subject to collectability.

Subsequent measurement:

As at each reporting period, the Group re-assesses the indemnification asset that was recognised initially on the same basis as defined in the contract subject to collectability of such asset. The Group derecognises the indemnification asset only when it collects the asset, sells it or otherwise loses the right to it.

(All amounts in ₹ crores, unless otherwise stated)

Refer note 38 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021
NON-CURRENT		
Considered good		
Security deposits	103	140
Investments in term deposits (with remaining maturity of more than twelve months)	1	0
Indemnification Asset	608	608
Other assets (includes other receivables etc.)	17	9
Total (A)	**729**	**757**
Current		
Security deposits	52	38
Receivable from group companies	135	78
Fair Value of Derivatives	54	30
Duty drawback receivable	2	1
Export benefits receivable	10	9
Consignment Receivables	226	198
Other assets (includes Government grants, other receivables etc.)	610	800
Total (B)	**1,089**	**1,154**
Total (A+B)	**1,818**	**1,911**

Refer Note 44 for information about receivables from related party.

Refer Note 39 for information about credit risk and market risk for other financial assets.

NOTE 8 INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Consolidated Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Uncertain Tax position:

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

A. Components of Income Tax Expense

I. Tax expense recognised in Profit and Loss

	From Continuing Operations		From Discontinued Operations	
	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2022	Year ended 31st March, 2021
Current tax				
Current year	2,955	2,680	-	-
Adjustments/(credits) related to previous years - (net)	(115)	(160)	(2)	-
Total (A)	**2,840**	**2,520**	**(2)**	**-**
Deferred tax charge				
Origination and reversal of temporary differences	147	86	-	-
Adjustments/(credits) related to previous years - (net)	-	-	-	-
Total (B)	**147**	**86**	**-**	**-**
Total (A+B)	**2,987**	**2,606**	**(2)**	**-**

II. Tax expense recognised in Other Comprehensive Income

	From Continuing Operations		From Discontinued Operations	
	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2022	Year ended 31st March, 2021
Deferred tax charge				
(Gain)/loss on remeasurement of net defined benefit plans	10	(1)	-	-
(Gain)/loss on debt instruments through other comprehensive income	(0)	(0)	-	-
(Gain)/loss on cash flow hedges through other comprehensive income	0	47	-	-
Total	**10**	**46**	**-**	**-**

III. Tax expense recognised in Equity

	From Continuing Operations		From Discontinued Operations	
	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2022	Year ended 31st March, 2021
Current tax				
Stamp Duty on issue of equity shares on account of business combination	-	-		
Deferred tax				
Stamp Duty on issue of equity shares on account of business combination	2	(9)		
Total	**2**	**(9)**		

(All amounts in ₹ crores, unless otherwise stated)

B. Reconciliation of Effective Tax Rate

The reconciliation between the statutory income tax rate applicable to the Group and the effective income tax rate of the Group is as follows:

	Year ended 31st March, 2022	Year ended 31st March, 2021
Statutory income tax rate	25.2%	25.2%
Differences due to:		
Expenses not deductible for tax purposes	1.0%	1.1%
Income tax incentives	-	-0.2%
Others*	-1.0%	-1.5%
Effective tax rate	**25.2%**	**24.6%**

* Others include prior period adjustment tax refunds and tax on exceptional items.

C. Deferred Tax Assets and Liabilities

	As at 31st March, 2022	As at 31st March, 2021
Deferred tax assets	11	17
Deferred tax liabilities	6,141	5,988
Net deferred tax liability	**6,130**	**5,971**

D. Movement in Deferred Tax Assets and Liabilities

Movements during the year ended 31st March, 2021	As at 31st March, 2020	Credit/ (charge) on account of business combination	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Credit/ (charge) in Equity	As at 31st March, 2021
Deferred tax assets/(liabilities)						
Provision for post retirement benefits and other employee benefits	35	-	3	1	-	39
Provision for doubtful debts and advances	19	2	17	-	-	38
Expenses allowable for tax purposes when paid	164	71	(55)	-	9	189
Property, plant and equipment and Intangible assets	(248)	(6,215)	(168)	-	-	(6,631)
Fair value gain/(loss)	(36)	(1)	64	(47)	-	(20)
Impact of Right of Use Asset and Lease Liabilities	3	1	-	-	-	4
MAT credit	3	-	-	-	-	3
Other temporary differences	344	10	53	-	-	407
Total	**284**	**(6,132)**	**(86)**	**(46)**	**9**	**(5,971)**

Notes
to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Movements during the year ended 31st March, 2022	As at 31st March, 2021	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Credit/ (charge) in Equity	As at 31st March, 2022
Deferred tax assets/(liabilities)					
Provision for post retirement benefits and other employee benefits	39	19	(10)	-	48
Provision for doubtful debts and advances	38	(4)	-	-	34
Expenses allowable for tax purposes when paid	189	(15)	-	(2)	172
Property, plant and equipment and Intangible assets	(6,631)	(155)	-	-	(6,786)
Fair value gain/(loss)	(20)	2	0	-	(18)
Impact of Right of Use Asset and Lease Liabilities	4	4	-	-	8
MAT credit	3	3	-	-	6
Other temporary differences	407	(1)	-	-	406
Total	**(5,971)**	**(147)**	**(10)**	**(2)**	**(6,130)**

E. Tax Assets and Liabilities

	As at 31st March, 2022	As at 31st March, 2021
Non-current tax assets (net of tax provision)	1,158	1,246
Non-current tax liabilities (net of tax assets)	1,331	1,367

F. Disclosure in Relation to Undisclosed Income

During the year, the Group has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

NOTE 9 OTHER NON-CURRENT ASSETS

	As at 31st March, 2022	As at 31st March, 2021
Capital advances	51	102
Advances other than Capital advances		
Deposit with Government Authorities (Customs, GST, etc.)	139	116
Other advances (includes advances for materials)	13	17
Less: Allowance for bad and doubtful advances	(9)	(17)
Deferred lease rent	0	1
Total	**194**	**219**
The movement in allowance for bad and doubtful advances is as follows:		
Balance as at beginning of the year	17	22
Change in allowance for bad and doubtful assets during the year	(7)	(1)
Written off during the year	(1)	(4)
Balance as at the end of the year	**9**	**17**

(All amounts in ₹ crores, unless otherwise stated)

The Group has not given any advances to directors or other officers of the Group or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

NOTE 10 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

Cost of raw materials and stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss.

Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

	As at 31st March, 2022	As at 31st March, 2021
Raw materials [includes in transit: ₹74 crores (31st March, 2021: ₹69 crores)]	1,781	1,314
Packing materials [includes in transit: ₹1 crore (31st March, 2021: ₹1 crore)]	127	118
Work-in-progress	421	442
Finished goods [includes in transit: ₹60 crores (31st March, 2021: ₹58 crores)] (Refer note (a) below)	1,650	1,607
Stores and spares	117	98
Total	**4,096**	**3,579**

(a) Finished goods includes good purchased for re-sale, as both are stocked together.

(b) During FY 2021-22 an amount of ₹156 crores (31st March, 2021: ₹203 crores) was charged to the consolidated statement of profit and loss on account of damaged and slow moving inventory. The reversal on account of above during the year amounted to ₹0 crore (31st March, 2021: ₹2 crores).

NOTE 11 TRADE RECEIVABLES
(Unsecured unless otherwise stated)

Refer note 38 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	2,264	1,783
Less: Allowance for expected credit loss	(28)	(25)
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	75	86
Less: Allowance for credit impairment	(75)	(86)
Total	**2,236**	**1,758**
The movement in change in allowance for expected credit loss and credit impairment:		
Balance as at beginning of the year	111	36
Change in allowance for expected credit loss and credit impairment during the year	(8)	78
Trade receivables written off during the year	0	(3)
Balance as at the end of the year	**103**	**111**

Refer note 39 for information about credit risk and market risk of trade receivables.

Refer Note 44 for information about receivables from related party.

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2022

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered good	1,916	224	63	43	9	9	2,264
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	0	2	1	41	0	14	58
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	0	0	1	9	0	7	17
TOTAL (A)	**1,916**	**226**	**65**	**93**	**9**	**30**	**2,339**
Allowance for expected credit loss							28
Allowance for credit impairment							75
TOTAL (B)							**103**
TOTAL [(A)- (B)]							**2,236**

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2021

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered good	1,513	169	45	41	7	8	1,783
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	0	9	47	1	0	0	57
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	0	9	0	0	0	20	29
TOTAL (A)	**1,513**	**187**	**92**	**42**	**7**	**28**	**1,869**
Allowance for expected credit loss							25
Allowance for credit impairment							86
TOTAL (B)							**111**
TOTAL [(A)- (B)]							**1,758**

(All amounts in ₹ crores, unless otherwise stated)

There are no unbilled receivables as at 31st March, 2022 and 31st March, 2021.

There are no debts due by directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

NOTE 12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

	As at 31st March, 2022	As at 31st March, 2021
Cash on hand	0	0
Balances with banks		
In current accounts	136	189
Term deposits with original maturity of less than three months	775	1,650
Others		
Treasury bills with original maturity of less than three months	50	-
Overnight Mutual funds	186	3
Total	**1,147**	**1,842**

NOTE 13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2022	As at 31st March, 2021
Earmarked balances with banks		
Unpaid dividend	219	208
Others	4	-
Investments in term deposits (with original maturity of more than three months but less than twelve months)	2,476	2,421
Total	**2,699**	**2,629**

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 14 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Advances other than Capital advances		
Input Taxes (GST, etc)	257	162
Balances with government authorities	3	2
Other advances (includes prepaid expenses etc.)	428	333
Total	**688**	**497**

There are no advances to directors or other officers of the Group or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

NOTE 15 ASSETS HELD FOR SALE

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

	As at 31st March, 2022	As at 31st March, 2021
Group of assets held for sale		
Land	2	3
Buildings	11	14
Plant and equipment	-	0
Furniture and fixtures	0	0
Total	**13**	**17**

The Group has sold land with net book value (NBV) of ₹1 crore (31st March, 2021: ₹0 crore), buildings with NBV of ₹3 crores (31st March, 2021: ₹1 crore) and plant & equipment with NBV of ₹0 crore (31st March, 2021: Nil). The gain on such sale has been credited to the consolidated statement of profit and loss under exceptional items.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 16 EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Authorised		
2,85,00,00,000 (31st March, 2021: 2,85,00,00,000) equity shares of ₹1 each	285	285
Issued, subscribed and fully paid up		
2,34,95,91,262 (31st March, 2021: 2,34,95,67,819) equity shares of ₹1 each	235	235
	235	**235**

a) Reconciliation of the number of shares

	As at 31st March, 2022		As at 31st March, 2021	
Equity Shares	**Number of shares**	**Amount**	**Number of shares**	**Amount**
Balance as at the beginning of the year	2,34,95,67,819	235	2,16,48,44,187	216
Add: Shares issued on account of business combination (Refer note 42)	-	-	18,46,23,812	19*
Add: ESOP shares issued during the year (Refer note 41)	23,443	0	99,820	0
Balance as at the end of the year	**2,34,95,91,262**	**235**	**2,34,95,67,819**	**235**

* Rounded up to nearest crore.

b) Rights, preferences and restrictions attached to shares

Equity shares: The Holding Company has one class of equity shares having a par value of ₹1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares held by Parent Company and Subsidiaries of Parent Company in aggregate

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of ₹1 each		
1,11,43,70,148 shares (31st March, 2021: 1,11,43,70,148) held by Unilever PLC, UK, the Parent Company	111	111
3,40,042,710 shares (31st March, 2021: 3,40,042,710) held by subsidiaries of the Parent Company	34	34

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Holding Company

	As at 31st March, 2022	As at 31st March, 2021
Unilever PLC, UK, the Parent Company		
Number of shares	1,11,43,70,148	1,11,43,70,148
% of holding	47.43%	47.43%

Notes
to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

e) Details of shareholdings by the Promoter's of the Holding Company

S. no	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Unilever Plc	1,11,43,70,148	47.4%	1,11,43,70,148	47.4%	-
2	Unilever UK&CN Holdings Limited	6,00,86,250	2.6%	6,00,86,250	2.6%	-
3	Unilever Overseas Holdings B V	1,88,65,000	0.8%	1,88,65,000	0.8%	-
4	Unilever Overseas Holdings AG	6,87,84,320	2.9%	6,87,84,320	2.9%	-
5	Brooke Bond Group Limited	10,67,39,460	4.5%	10,67,39,460	4.5%	-
6	Brooke Bond Assam Estates Limited	3,28,20,480	1.4%	3,28,20,480	1.4%	-
7	Brooke Bond South India Estates Limited	5,27,47,200	2.2%	5,27,47,200	2.2%	-
	Total Promoters shares outstanding	**1,45,44,12,858**	**61.9%**	**1,45,44,12,858**	**61.9%**	**-**
	Total HUL shares outstanding	**2,34,95,91,262**		**2,34,95,67,819**		

S. no	Promoter Name	As at 31st March, 2021		As at 31st March, 2020		% Change in the year #
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Unilever Plc	1,11,43,70,148	47.4%	1,11,43,70,148	51.5%	-4.0%
2	Unilever UK&CN Holdings Limited	6,00,86,250	2.6%	6,00,86,250	2.8%	-0.2%
3	Unilever Overseas Holdings B V	1,88,65,000	0.8%	1,88,65,000	0.9%	-0.1%
4	Unilever Overseas Holdings AG	6,87,84,320	2.9%	6,87,84,320	3.2%	-0.2%
5	Brooke Bond Group Limited	10,67,39,460	4.5%	10,67,39,460	4.9%	-0.4%
6	Brooke Bond Assam Estates Limited	3,28,20,480	1.4%	3,28,20,480	1.5%	-0.1%
7	Brooke Bond South India Estates Limited	5,27,47,200	2.2%	5,27,47,200	2.4%	-0.2%
	Total Promoters shares outstanding	**1,45,44,12,858**	**61.9%**	**1,45,44,12,858**	**67.2%**	**-5.3%**
	Total HUL shares outstanding	**2,34,95,67,819**		**2,16,48,44,187**		

Pursuant to issuance of Holding Company's shares to GlaxoSmithKline Consumer Healthcare Limited (GSKCH) shareholders on account of HUL-GSKCH merger

f) Shares reserved for issue under options

Equity Shares	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Amount	Number of shares	Amount
Under 2012 HUL Performance Share Scheme: equity shares of ₹1 each, at an exercise price of ₹1 per share (refer note 41)	-	-	25,049	0
	-	**-**	**25,049**	**0**

For terms and other details refer note 41.

g) Aggregate value of Issued, Subscribed and Paid-up Share Capital as on the Balance Sheet date for the period of preceding five years includes:

i. Aggregate of 18,46,23,812 (31st March, 2021: 18,46,23,812) Equity shares of ₹1 each allotted as fully paid-up pursuant to HUL-GSKCH merger without payment being received in cash (Refer Note 42).

ii. Aggregate of 6,17,811 (31st March, 2021: 10,07,036) Equity shares allotted under the Employee stock option plan/ performance share schemes as consideration for services rendered by employees for which only exercise price has been received in cash.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 17 OTHER EQUITY

Refer Consolidated Statement of Changes in Equity for detailed movement in Other Equity balance.

A. Summary of Other Equity balance

	As at 31st March, 2022	As at 31st March, 2021
Capital Reserve	4	4
Capital Redemption Reserve	6	6
Securities Premium	40,352	40,350
Employee Stock Options Outstanding Account	-	5
General Reserve	114	114
Retained Earnings	8,271	6,880
Other Reserves	9	9
Employee's Housing Reserve	-	50
Retirement benefit scheme reserve	50	-
Export profit reserves	0	0
Items of Other Comprehensive Income		
- Fair Value of Cash flow hedges through OCI	20	20
- Fair value of Debt instruments through OCI	(0)	1
Total Attributable to owners of the Company	**48,826**	**47,439**
Attributable to Non-controlling Interest (Refer Note 18)	26	20
Total equity	**48,852**	**47,459**

B. Nature and purpose of reserves

(a) Capital Reserve: During amalgamation, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	4	4
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**4**	**4**

(b) Capital Redemption Reserve: The Group has recognised Capital Redemption Reserve on the buyback of equity shares from its retained earnings. The amount in the Capital Redemption Reserve is equal to the nominal amount of the equity shares bought back.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	6	6
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**6**	**6**

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(All amounts in ₹ crores, unless otherwise stated)

(c) **Securities Premium:** The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. In case of business combinations, the difference between fair value and nominal value of shares issued on the acquisition date is accounted as securities premium.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	40,350	153
Add: Issue of equity shares on account of business combination	-	40,223
Less: Stamp Duty on issue of equity shares on account of business combination	-	(44)
Add: Deferred Tax on Stamp duty	(2)	9
Add: Issue of equity shares on exercise of employee stock options	4	9
Balance at the end of the year	**40,352**	**40,350**

(d) **Employee Stock Options Outstanding Account:** The fair value of the equity-settled share based payment transactions is recognised in consolidated statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	5	15
Less:Issue of equity shares on exercise of employee stock options	(4)	(9)
Less:Equity settled share based payment credit	(1)	(1)
Balance at the end of the year	**-**	**5**

(e) **General Reserve:** The Group had transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	114	114
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**114**	**114**

(f) **Retained Earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Remeasurements of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	6,880	7,698
Add: Profit for the year	8,879	7,995
Add: Other comprehensive income for the year (Remeasurments of Net Defined Benefit Plans)*	31	(2)
Less: Dividend on equity shares during the year	(7,519)	(8,811)
Balance at the end of the year	**8,271**	**6,880**

*Movement in Remeasurement of Net Defined Benefit Plans

(All amounts in ₹ crores, unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	-	-
Add: Gain/ (loss) on remeasurment of net defined benefit plans, net of tax	31	(2)
Less: Transfer to retained earnings	(31)	2
Balance at the end of the year	**-**	**-**

(g) **Other Reserves:** The Group has recognised Other Reserves on amalgamation of Brooke Bond Lipton India Limited as per statutory requirements. This reserve is not available for capitalisation/declaration of dividend/ share buy-back. Further it also includes capital subsidy.

Other Reserves	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	9	9
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**9**	**9**

(h) **Employee's Housing Reserve and Retirement Benefit Scheme Reserve:** As per legal clarifications to the Labour Rules 2075 received from the Government of Nepal, the housing reserve created for providing housing to the employees may be used for general and post retirement benefits. Accordingly the reserves have been moved from Employee's Housing Reserve to Retirement Benefit Scheme reserve for accurate representation.

Employee's Housing Reserve	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	50	50
Add: Additions during the year	-	-
Less: Transferred to Retirement Benefit Scheme Reserve	(50)	-
Balance at the end of the year	**-**	**50**

Retirement Benefit Scheme Reserve	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	-	-
Add: Transferred from Employee's Housing Reserve	50	-
Balance at the end of the year	**50**	**-**

(i) **Export profit reserves:** Export Profit Reserve was created to protect, from any losses due to volatility in business.

(j) **Items of Other Comprehensive Income**

i) **Fair value of cash flow hedges through Other Comprehensive Income:** The effective portion of the fair value change of the cash flow hedges measured at fair value through other comprehensive income is recognised in Cash flow hedges through Other Comprehensive Income. Upon derecognition, if the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the consolidated statement of profit and loss at the same time as the related cash flow.

ii) **Debt Instruments through Other Comprehensive Income:** The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the consolidated statement of profit and loss.

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(All amounts in ₹ crores, unless otherwise stated)

C. Other Comprehensive Income accumulated in Other Equity, net of tax

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

	Cash flow hedges through Other Comprehensive Income	Debt instruments through Other Comprehensive Income	Total
As at 1st April, 2020	(37)	1	(36)
Fair value of debt instruments through other comprehensive income	-	(0)	(0)
Fair Value of cash flow hedges in other comprehensive income	70	-	70
Hedging loss/(gain) transferred to non-financial asset (net)	34	-	34
Tax on above	(47)	0	(47)
As at 1st April, 2021	**20**	**1**	**21**
Fair value of debt instruments through other comprehensive income	-	(1)	(1)
Fair Value of cash flow hedges in other comprehensive income	85	-	85
Hedging loss/(gain) transferred to non-financial asset (net)	(85)	-	(85)
Tax on above	(0)	0	(0)
As at 31st March, 2022	**20**	**(0)**	**20**

D. Capital Management

Equity share capital and other equity are considered for the purpose of Group's capital management.

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors of the Holding Company monitor the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

NOTE 18 NON-CONTROLLING INTERESTS

The following table summarises the financial information relating to Unilever Nepal Limited that has non-controlling interests (20%).

	As at 31st March, 2022	As at 31st March, 2021
Non-current assets	107	97
Current assets	223	191
Non-current liabilities	(16)	(16)
Current liabilities	(137)	(124)
Net assets	**177**	**148**
Carrying amount of non-controlling interests	**26**	**20**

(All amounts in ₹ crores, unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Revenue from operations	441	318
Profit for the year	67	20
Other comprehensive income for the year	0	0
Total comprehensive income for the year	**67**	**20**
Attributable to non-controlling interests (20%):		
Profit for the year	13	4
Other comprehensive income for the year	0	0
Cash flows from:		
Operating activities	64	74
Investing activities	14	(40)
Financing activities	(39)	(9)
Net increase/(decrease) in cash and cash equivalents	**39**	**25**
Dividend paid to non-controlling interests	**7**	**1**

NOTE 19 LEASE LIABILITIES

Lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Lease liabilities payable beyond 12 months	741	731
Current		
Lease liabilities payable within 12 months	302	278
Total	**1,043**	**1,009**
The movement in Lease liabilities (Non-current and Current) is as follows:		
Balance as at beginning of the year	1,009	842
Add: Addition	470	630
Add: Accretion of interest	80	86
Less: Payments (including foreclosure)	(487)	(492)
Less: Others (including foreclosure)	(29)	(57)
Balance as at end of the year	**1,043**	**1,009**

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 20 OTHER FINANCIAL LIABILITIES

Refer note 38 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Security deposits	29	34
Employee and ex-employee related liabilities	322	211
Contingent consideration payable on business combination	6	51
Total (A)	**357**	**296**
Current		
Unpaid dividends [Refer (a) below]	220	208
Salaries, wages, bonus and other employee payable	282	273
Fair Value of Derivatives	5	6
Contingent consideration payable on business combination	40	41
Consignment payables	259	244
Other payables (including trade deposits, retention money for purchase of property, plant & equipment, etc.) [Refer (b) below]	93	156
Total (B)	**899**	**928**
Total (A+B)	**1,256**	**1,224**

Refer note 39 for information about liquidity risk of other financial liability.

a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31st March, 2022 (31st March, 2021: Nil).

b) Includes ₹28 crores of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31st March, 2022 (31st March, 2021: Nil). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 21-22" ("UCSRA – FY 2021-22") of the Group within 30 days from end of financial year. Refer note 33 for more information about Corporate Social Responsibility expense.

NOTE 21 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Provision for employee benefits (pension, post retirement medical benefits, etc.) [Refer Note 40]	352	221
Other provisions (including for statutory levies) - net [Refer (a) below]	1,228	1,357
Total (A)	**1,580**	**1,578**
Current		
Provision for employee benefits (gratuity and compensated absences, etc.) [Refer Note 40]	43	92
Other provisions (including restructuring) [Refer (a) below]	303	415
Total (B)	**346**	**507**
Total (A+B)	**1,926**	**2,085**

(All amounts in ₹ crores, unless otherwise stated)

a) Movement in Other provisions (Non-current and Current)

	Indirect Tax Matters	Legal and Other Matters #	Total
Opening balance as at 1st April, 2020	**569**	**855**	**1,424**
Add: Additions due to business combination (refer Note 42)	240	103	343
Add: Provision/reclassified during the year	67	113	180
Less: Amount utilised/reversed during the year	(57)	(118)	(175)
Opening balance as at 1st April, 2021	**819**	**953**	**1,772**
Add: Provision/reclassified during the year	16	77	93
Less: Amount utilised/ reversed/ reclassified during the year	(91)	(243)	(334)
Balance as at 31st March, 2022	**744**	**787**	**1,531**

including restructuring provisions, etc.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

The provisions for indirect taxes and legal matters comprises of numerous separate cases that arise in the ordinary course of business. These provisions have not been discounted as it is not practicable for the Group to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

The Group does not expect any reimbursements in respect of the above provisions.

NOTE 22 TRADE PAYABLES

Refer note 38 for accounting policy on financial instruments

	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of micro enterprises and small enterprises [Refer (a) below]	60	67
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	118	102
Trade payables	8,890	8,633
Total	**9,068**	**8,802**

Refer Note 39 for information about liquidity risk and market risk of trade payables.

a) Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

		As at 31st March, 2022	As at 31st March, 2021
A(i).	Principal amount remaining unpaid	60	67
A(ii).	Interest amount remaining unpaid	-	-
B.	Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	0	0
C.	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
D.	Interest accrued and remaining unpaid	-	-
E.	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Note: Identification of micro and small enterprises is basis intimation received from vendors

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to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	60	-	-	-	-	60
Undisputed dues - Others	8,787	209	7	3	2	9,008
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	**8,847**	**209**	**7**	**3**	**2**	**9,068**

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2021

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	48	19	0	0	-	67
Undisputed dues - Others	8,447	277	-	-	3	8,727
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	6	2	0	0	0	8
Total	**8,501**	**298**	**0**	**0**	**3**	**8,802**

NOTE 23 OTHER CURRENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Statutory dues (including provident fund, tax deducted at source and others)	546	492
Others (including advance from customers, etc)	119	96
Total	**665**	**588**

NOTE 24 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A Contingent Liabilities

	As at 31st March, 2022	As at 31st March, 2021
Claims against the Group not acknowledged as debts		
Income tax matters	1,702	1,412
Indirect tax matters	823	757
Legal and Other matters	283	281
Corporate Guarantee given (Refer (iv) below)	-	1

(i) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.

(ii) The Group does not expect any reimbursements in respect of the above contingent liabilities.

(All amounts in ₹ crores, unless otherwise stated)

(iii) The Group's pending litigations comprise of claims against the Group by employees and pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statements.

(iv) Corporate guarantee to Yes Bank Limited for credit facility availed by Broadcast Audience Research Council (BARC).

B. Commitments

i) Lease commitments

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets and leases with term less than twelve months.

	As at 31st March, 2022	As at 31st March, 2021
Not later than one year	70	81
Later than one year and not later than five years	73	114
Later than five years	2	-

ii) Capital commitments

	As at 31st March, 2022	As at 31st March, 2021
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	422	531

iii) Other commitments

	As at 31st March, 2022	As at 31st March, 2021
Unexpired Letter of credit and acceptances	0	3

Pursuant to approval received under Production Linked Incentive Scheme of Government of India, the Group has committed investment in plant & machinery, infrastructure, etc through own and contract manufacturers over a course of 3 years starting FY 2020-21.

NOTE 25 REVENUE FROM OPERATIONS

Sale of products:

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorised by the Group. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

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(All amounts in ₹ crores, unless otherwise stated)

Sale of services:

Income from Group owned salon is recognised when services are rendered.

Display income is recorded as per the term of the contract entered with the respective franchisee / parties.

Revenue from services are measured at fair value of the consideration received or receivable, after deduction of any sort of discounts and any taxes or duties collected on behalf of the government such as goods and services tax.

Income from services rendered:

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Commission income on consignment sales:

Commission income on consignment sales (Consignment selling agency fees) is charged for rendering of services and for the use of the Group's sales and distribution network. Such revenue is recognised in the accounting period in which the services are rendered in accordance with the agreement with the parties.

Government grants:

The Group is entitled to 'Scheme of budgetary support' under Goods and Service Tax Regime in respect of eligible manufacturing units located in specified regions. Such grants are measured at amount receivable from the Government and are recognised as other operating revenue when there is a reasonable assurance that the Group will comply with all necessary conditions attached to that.

The Group has received approval under the Production Linked Incentive Scheme (PLI) of the Government of India for specific product categories. Incentive under the scheme is subject to meeting certain committed investments and defined incremental sales threshold. Such grants are recognised as other operating revenue when there is a reasonable assurance that the Group will comply with all necessary conditions attached to that.

Income from such grants is recognised on a systematic basis over the periods to which they relate.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of products	51,472	46,269
Sale of services	76	52
Other operating revenue*		
Income from services rendered	294	222
Commission income on consignment sales	315	264
Government grants (GST budgetary support and Production linked incentives) #	140	108
Others (including scrap sales, rentals, etc)	149	113
Total	**52,446**	**47,028**

Previous period figures have been re-classified from Others for better presentation

Reconciliation of Revenue from sale of products & services with the contracted price

	Year ended 31st March, 2022	Year ended 31st March, 2021
Contracted Price	57,340	51,955
Less: Trade discounts, volume rebates, etc	(5,792)	(5,634)
Sale of products and Services	**51,548**	**46,321**

* There is no material adjustment made to contract price for revenue recognised as other operating revenue.

(All amounts in ₹ crores, unless otherwise stated)

Segment-wise Revenue from operations

The Group has following major segments:-

(a) Home Care include Fabric Solutions, Home and Hygiene, etc

(b) Beauty & Personal Care include Skin Cleansing, Skin Care, Hair Care, etc

(c) Foods & Refreshment include Tea, Health Food Drinks and Coffee, etc

(d) Others include Exports, Consignment etc.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Home Care	16,570	13,957
Beauty & Personal Care	19,567	18,038
Foods & Refreshment	14,105	13,204
Others (includes Exports, Consignment, etc.)	2,204	1,829
Total	**52,446**	**47,028**

NOTE 26 OTHER INCOME

Interest income is recognised using the effective interest rate (EIR) method. Dividend income on investments is recognised when the right to receive dividend is established. Refer Note 38 on financial instruments for policy on measurement at fair value through profit or loss.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest income on		
Bank deposits	102	216
Current investments	80	6
Others (including interest on Income tax refunds)	16	124
Dividend income from		
Non-current investments	1	1
Fair value gain/(loss)		
Investments measured at fair value through profit or loss*	59	63
Total	**258**	**410**

*Includes realised gain on sale of investment of ₹52 crores (31st March, 2021: ₹52 crores).

NOTE 27 COST OF MATERIALS CONSUMED

Refer note 10 for accounting policy on Inventories

	Year ended 31st March, 2022	Year ended 31st March, 2021
Raw materials consumed	13,560	13,020
Packing materials consumed	2,886	2,412
Total	**16,446**	**15,432**

NOTE 28 PURCHASES OF STOCK-IN-TRADE

Refer note 10 for accounting policy on Inventories

	Year ended 31st March, 2022	Year ended 31st March, 2021
Purchases of stock-in-trade	9,311	7,121
Total	**9,311**	**7,121**

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 29 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Refer note 10 for accounting policy on Inventories

	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening inventories		
Finished goods	1,607	1,380
Work-in-progress	442	264
Closing inventories		
Finished goods	(1,650)	(1,607)
Work-in-progress	(421)	(442)
Total	**(22)**	**(405)**

NOTE 30 EMPLOYEE BENEFITS EXPENSE

Short Term Employee Benefits

Short term employee benefits including salaries and performance incentives, are charged to consolidated statement of profit and loss on an undiscounted, accrual basis during the period of employment.

Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Group's provident fund contribution, in respect of certain employees, is made to a Government administered fund and charged as an expense to the Consolidated Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

Defined benefit plans

In respect of certain employees, provident fund contributions are made to a trust administered by the Holiding Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Holidng Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. The Holding Company also provides for retirement/post-retirement benefits in the form of gratuity, pensions (in respect of certain employees), compensated absences (in respect of certain employees) and medical benefits (in respect of certain employees) including to the employees of group companies.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Consolidated Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the Consolidated Statement of Profit and Loss. Any differences between the expected interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Consolidated Statement of Profit and Loss.

The defined benefit plan surplus or deficit on the Balance Sheet date comprises fair value of plan assets less the present value of the defined benefit liabilities using a discount rate by reference to market yields on Government bonds at the end of the reporting period.

(All amounts in ₹ crores, unless otherwise stated)

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the Consolidated Statement of Profit and Loss. The Group recognises termination benefits at the earlier of the following dates:

(a) when the Group can no longer withdraw the offer of those benefits; or

(b) when the Group recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Share-Based Payments

Employees of the Group receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses. Refer Note 41 for details.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries and wages	2,016	1,943
Contribution to provident and other funds	169	162
Defined benefit plan expense (Refer Note 40)	91	39
Share based payments to employees (Refer Note 41)	101	56
Staff welfare expenses	168	158
Total	**2,545**	**2,358**

NOTE 31 FINANCE COSTS

Finance costs includes costs in relation to pensions and similar obligations, interest on lease liabilities which represents the unwind of the discount rate applied to lease liabilities and also include interest costs in relation to financial liabilities.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest expense on bank overdraft, security deposit and others	2	2
Net interest on the net defined benefit liability (Refer Note 40)	15	13
Unwinding of discount on provisions and liabilities	3	6
Unwinding of discount on employee and ex-employee related liabilities	4	6
Interest on Lease Liabilities	80	86
Others (including interest on taxes)	2	4
Total	**106**	**117**

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 32 DEPRECIATION AND AMORTISATION EXPENSES

Refer note 3 and 4 for accounting policy on depreciation and amortisation cost

	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on property, plant and equipment (owned assets)*	637	635
Depreciation on property, plant and equipment (leased assets)	428	412
Amortisation on intangible assets	26	27
Total	**1,091**	**1,074**

*In addition to the above, ₹15 crores (31st March, 2021: ₹60 crores) of accelerated depreciation has been charged to exceptional items under a restructuring project.

NOTE 33 OTHER EXPENSES

	Year ended 31st March, 2022		Year ended 31st March, 2021	
Advertising and promotion		4,744		4,754
Carriage and freight		1,874		1,743
Royalty				
- Technology	658		578	
- Brand	194	852	176	754
Fees for central services from Parent Company		500		450
Processing charges		259		293
Power, fuel, light and water		318		339
Rent		82		104
Travelling and motor car expenses		112		93
Repairs		209		163
Corporate social responsibility expense [Refer note (a) below]		190		167
Miscellaneous expenses		2,169		2,036
Total		**11,309**		**10,896**

(a) The details of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 is as follows:

	Year ended 31st March, 2022	Year ended 31st March, 2021
I. Amount required to be spent by the Group during the year	188	164
II. Amount spent during the year on:		
i) Construction/ acquisition of any asset	-	-
ii) For purposes other than (i) above	190	167
III. Shortfall at the end of the year	-	-
IV. Total of previous years shortfall	-	-
V. Reason for shortfall	Not Applicable	Not Applicable

VI. Nature of CSR activities include promoting education, including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water, rural development projects and disaster management, including relief, rehabilitation and reconstruction activities.

(All amounts in ₹ crores, unless otherwise stated)

VII. Above includes ₹28 crores of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31st March, 2022 (31st March, 2021: Not Applicable). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 21-22" ("UCSRA – FY 2021-22") of the Group within 30 days from end of the financial year.

VIII. The Group does not wish to carry forward any excess amount spent during the year.

IX. The Group does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

NOTE 34 EXCEPTIONAL ITEMS (NET)

	Year ended 31st March, 2022	Year ended 31st March, 2021
i) Profit on disposal of surplus properties	140	95
ii) Fair valuation of contingent consideration payable (refer Note 42)	9	22
iii) Profit on sale of brand rights	29	-
Total exceptional income (A)	**178**	**117**
i) Acquisition and disposal related costs	(86)	(156)
ii) Restructuring and other costs	(136)	(200)
Total exceptional expenditure (B)	**(222)**	**(356)**
Exceptional items (net) (A+B)	**(44)**	**(239)**

NOTE 35 DISCONTINUED OPERATIONS

Pond's Exports Limited (PEL) had closed down its existing operation in line with the Group's strategy of exiting non core business.

A Results of discontinued operation

	Year ended 31st March, 2022	Year ended 31st March, 2021
Income	4	1
Expenses	(1)	(2)
Results from discontinued operations before tax	**3**	**(1)**
Tax Expense		
Adjustments related to previous years	2	-
Deferred tax credit/(charge)	-	-
Results from discontinued operations after tax	**5**	**(1)**

The Profit from discontinued operations of ₹5 crores (2020-21 loss ₹1 crore) is attributable entirely to the owners of the Holding Company.

B Net Cash (used in)/generated from discontinued operations

	Year ended 31st March, 2022	Year ended 31st March, 2021
Net cash (used in) / generated from operating activities	4	(0)
Net cash (used in)/generated from investing activities	0	-
Net cash used in financing activities	-	-
Net cash flows for the year	**4**	**(0)**

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 36 EARNINGS PER EQUITY SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

A. From Continuing operations

	Year ended 31st March, 2022	Year ended 31st March, 2021
Earnings Per Share has been computed as under:		
Profit for the year attributable to the owners of the Holding Company	8,874	7,996
Weighted average number of equity shares outstanding during the year	2,34,95,87,637	2,34,95,42,101
Earnings Per Share (₹) - Basic (Face value of ₹1 per share)	₹ 37.77	₹34.03
Add: Weighted average number of potential equity shares on account of employee stock options/performance share schemes *	3,625	50,297
Weighted average number of Equity shares (including dilutive shares) outstanding during the year	2,34,95,91,262	2,34,95,92,398
Earnings Per Share (₹) - Diluted (Face value of ₹1 per share)	₹ 37.77	₹34.03

* Pertains to ESOP shares vested during the year, no outstanding share options as at 31st March, 2022.

B. From Discountinued operations

	Year ended 31st March, 2022	Year ended 31st March, 2021
Earnings Per Share has been computed as under:		
Profit/(Loss) for the year attributable to the owners of the Holding Company	5	(1)
Weighted average number of equity shares outstanding during the year	2,34,95,87,637	2,34,95,42,101
Earnings Per Share (₹) - Basic (Face value of ₹1 per share)	₹0.02	₹(0.00)
Add: Weighted average number of potential equity shares on account of employee stock options/performance share schemes *	3,625	50,297
Weighted average number of Equity shares (including dilutive shares) outstanding during the year	2,34,95,91,262	2,34,95,92,398
Earnings Per Share (₹) - Diluted (Face value of ₹1 per share)	₹0.02	₹(0.00)

* Pertains to ESOP shares vested during the year, no outstanding share options as at 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 37 DIVIDEND ON EQUITY SHARE

	Year ended 31st March, 2022	Year ended 31st March, 2021
Dividend on equity shares declared and paid during the year		
Final dividend of ₹17.00 per share for FY 2020-21 (2019-20: ₹14.00 per share)	3,994	3,289
Special dividend Nil (FY 2020-21: ₹9.50 per share)	-	2,232
Interim dividend of ₹15.00 per share for FY 2021-22 (2020-21: ₹14.00 per share)	3,525	3,290
	7,519	**8,811**
Proposed dividend on equity shares not recognised as liability		
Final dividend of ₹19 per share for FY 2021-22 (2020-21: ₹17.00 per share)	4,464	3,994
	4,464	**3,994**
Payout ratio #	**90%**	**91%**

\# Payout ratio excluding special dividend.

Proposed dividend on equity shares is subject to the approval of the shareholders of the Holding Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

NOTE 38 FINANCIAL INSTRUMENTS

I Financial Assets:

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the consolidated statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except during the period the Group changes its business model for managing financial assets.

(a) Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(b) Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Group's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(i) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the 'EIR' method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Consolidated Statement of Profit and Loss.

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(All amounts in ₹ crores, unless otherwise stated)

(ii) Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Consolidated Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Consolidated Statement of Profit and Loss.

(iii) Measured at fair value through profit or loss (FVTPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Consolidated Statement of Profit and Loss.

(c) Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Consolidated Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Consolidated Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Consolidated Statement of Profit and Loss.

(d) Derivative Financial Instruments:

The Group uses derivative financial instruments to hedge its foreign currency and commodity risks. Derivatives are measured at fair value. The treatment of changes in the value of derivative depends on their use as explained below:

(e) Cash flow hedges:

Derivatives are held to hedge the uncertainty in timing or amount of future forecast cash flows. Such derivatives are classified as being part of cash flow hedge relationships. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognised in other comprehensive income. Any ineffective elements of the hedge are recognised in the consolidated statement of profit and loss.

If the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the consolidated statement of profit and loss at the same time as the related cash flow.

When a derivative no longer qualifies for hedge accounting, any cumulative gain or loss remains in equity until the related cash flow occurs. When the cash flow takes place, the cumulative gain or loss is taken to the consolidated statement of profit and loss. If the hedged cash flow is no longer expected to occur, the cumulative gain or loss is taken to the consolidated statement of profit and loss immediately.

Derivatives for which hedge accounting is not applied

Derivative financial instruments for which hedge accounting is not applied are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently measured at FVTPL.

(All amounts in ₹ crores, unless otherwise stated)

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Impairment of Financial Asset

The Group applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortised cost (other than trade receivables)

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL allowance recognised (or reversed) during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss under the head 'Other expenses'.

Write - off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

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(All amounts in ₹ crores, unless otherwise stated)

II Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Consolidated Statement of profit and loss.

A Accounting Classifications and Fair Values

The carrying amounts and fair values of financial instruments by class are as follows:

	Note	Carrying value/ Fair value	
		As at 31st March, 2022	As at 31st March, 2021
Financial Assets			
Financial assets measured at fair value			
Investments measured at			
i. Fair value through other comprehensive income	5	2,023	647
ii. Fair value through profit or loss	5	1,498	2,062
Fair value of Derivatives	7	54	30
Financial assets measured at amortised cost			
Investments	5	0	0
Loans	6	150	145
Security deposits	7	155	178
Investments in term deposits	7,13	2,477	2,421
Indemnification asset	7	608	608
Other assets	7	637	890
		7,602	**6,981**
Financial Liabilities			
Financial liabilities measured at fair value			
Fair value of Derivatives	20	5	6
Contingent consideration payable on business combination	20	46	92
Financial liabilities measured at amortised cost			
Lease Liabilities	19	1,043	1,009
Security deposits	20	29	34
Employee Liabilities	20	604	484
Other payables	20	93	156
		1,820	**1,781**

(All amounts in ₹ crores, unless otherwise stated)

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, receivables from group companies, consignment receivables, trade payables, consignment payables and unpaid dividends at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

B Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the consolidated statement of profit and loss are as follows:

	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
Financial assets measured at amortised cost			
Interest income	26	106	219
Allowance for expected credit loss and credit impairment	11	(8)	78
Financial assets measured at fair value through other comprehensive income			
Investment in debt instruments			
Interest income	26	80	6
Fair value gain/(loss) recognised in other comprehensive income	17C	(1)	(0)
Financial assets measured at fair value through profit or loss			
Fair value gain/(loss) on investment in debt instruments	26	59	63
Dividend income on non current investments	26	1	1
Financial liabilities measured at amortised cost			
Interest expense	31	2	2
Interest on lease liabilities	31	80	86
Interest expense other than on lease liabilities	31	7	12
Financial liabilities measured at fair value through profit or loss			
Fair valuation of contingent consideration payable	34	9	22
Derivatives - foreign exchange forward contracts and cash flow hedges			
Fair value gain/(loss)	27, 33	76	(166)

C Fair Value Hierarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

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(All amounts in ₹ crores, unless otherwise stated)

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

	Level 1	Level 2	Level 3	Total
As at 31st March, 2022				
Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	2,023	-	-	2,023
ii. Fair Value through Profit or Loss	1,496	-	2	1,498
Fair value of Derivatives	-	54	-	54
Liabilities at fair value				
Fair value of Derivatives	-	5	-	5
Contingent consideration payable on business combination	-	-	46	46
As at 31st March, 2021				
Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	647	-	-	647
ii. Fair Value through Profit or Loss	2,060	-	2	2,062
Fair value of Derivatives	-	30	-	30
Liabilities at fair value				
Fair value of Derivatives	-	6	-	6
Contingent consideration payable on business combination	-	-	92	92

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2021.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values of investment in treasury bills and quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
2. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
3. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties, foreign exchange forward rates and commodity prices.

Other financial assets and liabilities

'Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), consignment receivable, trade payables, consignment payable and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

(All amounts in ₹ crores, unless otherwise stated)

Significant Unobservable Inputs Used In Level 3 Fair Values

As at 31st March, 2022	Valuation techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
(a) Fair Value of Derivatives	**Forward pricing:** The fair value is determined using quoted forward exchange rates and the commodity derivative prices at the reporting date.	Not applicable	A 10% increase in prices of open trades would have led to approximately ₹13 crores gain in OCI. A 10% decrease in prices would have led to an equal but opposite effect.
(b) Contingent consideration	**Discounted cash flows:** The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Forecast revenue:	10% increase in forecasted revenue per year will have additional liability of ₹5 crores and 10% decrease would have led to an equal but opposite effect.
		Discount rate: 6.5%	1% increase in Discount rate will have reduction in liability of ₹0 crore and 1% decrease would have led to an equal but opposite effect.

As at 31st March, 2021	Valuation techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
(a) Fair Value of Derivatives	**Forward pricing:** The fair value is determined using quoted forward exchange rates and the commodity derivative prices at the reporting date.	Not applicable	A 10% increase in prices of open trades would have led to approximately ₹2 crores gain in OCI. A 10% decrease in prices would have led to an equal but opposite effect.
(b) Contingent consideration	**Discounted cash flows:** The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Forecast revenue:	10% increase in forecasted revenue per year will have additional liability of ₹5 crores and 10% decrease would have led to an equal but opposite effect.
		Discount rate: 6.3%	1% increase in discount rate will have reduction in liability of ₹1 crore and 1% decrease would have led to an equal but opposite effect.

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening	94	132
Additions during the year	-	12
Interest unwinding	4	5
Payments during the year	(41)	(33)
Gain recognised in profit and loss on fair value adjustment	(9)	(22)
Closing	**48**	**94**

NOTE 39 FINANCIAL RISK MANAGEMENT

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk, credit risk and commodity risk. The Group's senior management has the overall responsibility for establishing and governing the Group risk management framework. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Group.

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A Management of Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2022 and 31st March, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Group's financial assets and financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

	Note	Carrying amount	Undiscounted Amount		
			Within 1 year	More than 1 year	Total
As at 31st March, 2022					
Financial Assets					
Non-derivative assets					
Investments	5	3,521	3,519	2	3,521
Loans	6	150	35	115	150
Trade Receivables	11	2,236	2,236	-	2,236
Cash and cash equivalents	12	1,147	1,147	-	1,147
Bank Balances other than cash and cash equivalents	13	2,699	2,699	-	2,699
Security deposits	7	155	52	103	155
Consignment Receivable	7	226	226	-	226
Other financial asset	7	930	809	121	930
Derivative assets					
Fair Value of Derivatives	7	54	54	-	54
Financial liabilities					
Non-derivative liabilities					
Lease Liabilities	19	1,043	302	898	1,200
Trade payables (including acceptances)	22	9,068	9,068	-	9,068
Security deposits	20	29	-	29	29
Employee liabilities	20	604	282	346	628
Unpaid dividend	20	220	220	-	220
Consignment Payable	20	259	259	-	259
Other Payables	20	93	93	-	93
Contingent consideration	20	46	40	6	46
Derivative liabilities					
Fair Value of Derivatives	20	5	5	-	5

(All amounts in ₹ crores, unless otherwise stated)

	Note	Carrying amount	Undiscounted Amount		
			Within 1 year	More than 1 year	Total
As at 31st March, 2021					
Financial Assets					
Non-derivative assets					
Investments	5	2,709	2,707	2	2,709
Loans	6	145	34	111	145
Trade Receivables	11	1,758	1,758	-	1,758
Cash and cash equivalents	12	1,842	1,842	-	1,842
Bank Balances other than cash and cash equivalents	13	2,629	2,629	-	2,629
Security deposits	7	178	38	140	178
Consignment Receivable	7	198	198	-	198
Other financial asset	7	969	960	9	969
Derivative assets					
Fair Value of Derivatives	7	30	30	-	30
Financial liabilities					
Non-derivative liabilities					
Lease Liabilities	19	1,009	278	882	1,160
Trade payables (including acceptances)	21	8,802	8,802	-	8,802
Security deposits	19	34	-	34	34
Unpaid dividend	19	208	208	-	208
Employee liabilities	19	484	272	230	502
Contingent consideration	19	92	42	55	97
Consignment Payable	19	244	244	-	244
Other Payables	19	156	156	-	156
Derivative liabilities					
Fair Value of Derivatives	19	6	6	-	6

B Management of Market Risk

The Group size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- interest rate risk; and
- commodity risk

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to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group exposure to and management of these risks are explained below.

1. Currency Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Group is subject to the risk that changes in foreign currency values impact the Group's exports revenue and imports of raw material and property, plant and equipment. As at 31st March, 2022, the net unhedged exposure to the Group on holding financial assets (trade receivables and Capital advances), liabilities (trade payables and capital creditors) and commitments other than in their functional currency amounted to ₹85 crores payable (31st March, 2021: ₹53 crores payable).	The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro. The Group manages currency exposures through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. The aim of the Group's approach to management of currency risk is to leave the Group with no material residual risk.	A 5% strengthening of the INR against key currencies to which the Group is exposed (net of hedge) would have led to approximately an additional ₹4 crores gain in the consolidated statement of profit and loss (2020-21: ₹2 crores gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

Payable/ (Receivable)	As at 31st March, 2022	As at 31st March, 2021
EUR	30	2
USD	19	4
GBP	(7)	11
SGD	22	16
SEK	12	9
NZD	7	8
Others	2	3
	85	53

2. Interest Rate Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Group is mainly exposed to the interest rate risk due to its investment in treasury bills and debt mutual funds. The interest rate risk arises due to uncertainties about the future market interest rate on these investments. In addition to treasury bills and debt mutual funds, the Group invests in term deposits. Considering the short-term nature, there is no significant interest rate risk pertaining to these deposits. As at 31st March 2022, the investments in treasury bill amounts to ₹2,073 crores (31st March, 2021: ₹658 crores) and the investments in debt mutual funds amounts to ₹1,652 crores (31st March, 2021: ₹2,061 crores).	The Group has laid policies and guidelines including tenure of investment made to minimise impact of interest rate risk	A 0.25% decrease in interest rates would have led to approximately ₹6 crore gain in the Consolidated Statement of Profit and Loss (2020-21: ₹5 crore). A 0.25% increase in interest rates would have led to an equal but opposite effect.

(All amounts in ₹ crores, unless otherwise stated)

3. Commodity Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Group is exposed to the risk of changes in commodity prices in relation to its purchase of certain raw materials. At 31st March, 2022, the Group had hedged its exposure to future commodity purchases with commodity derivatives valued at ₹106 crores (31st March, 2021: ₹5 crores). Hedges of future commodity purchases resulted in cumulative profits of ₹85 crores (31st March, 2021: ₹112 crores) being reclassified to the consolidated statement of profit and loss as an adjustment to inventory purchase.	Commodities form a major part of the raw materials required for Group products portfolio and hence commodity price risk is one of the important market risk for the Group. The commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks. The Group has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability. The Group uses commodity swaps and option contracts to hedge against components of commodities where it is not possible to hedge the commodity in full.	A 10% increase in prices of open trades would have led to approximately ₹13 crores gain in OCI (2020-21: ₹2 crores). A 10% decrease in prices would have led to an equal but opposite effect.

C Management of Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables indicate low credit risk. Hence, trade receivables are considered to be a single class of financial assets. Refer note 38 for accounting policy on Financial Instruments.

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in treasury bills, Government securities, money market liquid mutual funds, overnight mutual funds and derivative instrument with financial institutions. The Group has set counter-party limits based on multiple factors including financial position, credit rating, etc.

The Group's maximum exposure to credit risk as at 31st March, 2022 and 31st March, 2021 is the carrying value of each class of financial assets.

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to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 40 EMPLOYEE BENEFIT PLANS

I Defined Contribution Plans

Refer note 30 for accounting policy on Employee Benefits.

Refer Note 30 for Group's contribution to the defined contribution plans with respect to provident fund and other funds.

II Defined Benefit Plans

Refer note 30 for accounting policy on Employee Benefits.

Description of Plans

Retirement Benefit Plans of the Group include Gratuity, Management Pension, Officer's Pension and Provident Fund. Other post-employment benefit plans includes post retirement medical benefits.

Gratuity is funded through investments with an insurance service provider & Group administered trust. Pension (Management Pension and Officer's Pension) is managed through a Group administered trust and in some instances invested with an insurance service provider. Provident Funds are managed through Group administered trust and Government administered fund. Post-retirement medical benefits are managed through Group administered trust and through insurance policy.

Governance

The trustees of Gratuity, Pension, Post Retirment Medical Benefit and Provident Funds are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Investment Strategy

The Group's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plans expose the Group to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The Group has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A. Balance Sheet

I The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Present Value of Obligation	4,089	3,880	252	255
Fair Value of Plan Assets	(4,030)	(3,821)	(56)	(66)
(Asset)/Liability recognised in the Balance Sheet	59	59	196	189
Of which in respect of:				
Funded plans in surplus:				
Present Value of Obligation #	3,779	133	-	-
Fair Value of Plan Assets #	(3,901)	(194)	-	-
(Asset)/Liability recognised in the Balance Sheet*	-*	-*	-	-
Funded plans in deficit:				
Present Value of Obligation #	310	3,747	199	201
Fair Value of Plan Assets #	(251)	(3,688)	(56)	(66)
(Asset)/Liability recognised in the Balance Sheet	**59**	**59**	**143**	**135**
Unfunded plans in deficit:				
Present Value of Obligation	-	-	53	54
Fair Value of Plan Assets	-	-	-	-
(Asset)/Liability recognised in the Balance Sheet	**-**	**-**	**53**	**54**

*The excess of assets over liabilities in respect of Officer's Pension, Gratuity Plan II & Provident Fund have not been recognised.

Pursuant to revised Guidance note 29 issued by Institute of Actuaries of India dated 16th Feb 22, plan assets held by the Provident Fund Trust have been Fair valued. As result the funded plan have moved from in deficit to in surplus during the year.

(All amounts in ₹ crores, unless otherwise stated)

II Employee provisions include other provisions not in the nature of retirement and post employment benefit plans amounting to ₹98 crores as at 31st March, 2022 (₹23 crores as at 31st March, 2021).

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

	Retirement Benefit Plans			Other Post-Employment Benefit Plans		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
As at 31st March, 2020	2,781	2,830	49	71	196	125
Additions due to business combination	796	796	-	-	55	55
Current service cost	-	143	143	-	1	1
Change in asset ceiling	(28)	-	28	-	-	-
Employee contributions	242	242	-	-	-	-
Interest cost	-	238	238	-	17	17
Interest income	237	-	(237)	5	-	(5)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	3	3	-	(1)	(1)
Actuarial (gain)/loss arising from changes in financial assumptions	89	(5)	(94)	1	-	(1)
Actuarial (gain)/loss arising from experience adjustments	-	76	76	-	(1)	(1)
Employee contributions	147	-	(147)	1	-	(1)
Assets acquired/ (settled)	(122)	(122)	-	-	-	-
Benefit payments	(321)	(321)	-	(12)	(12)	-
As at 31st March, 2021	**3,821**	**3,880**	**59**	**66**	**255**	**189**

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(All amounts in ₹ crores, unless otherwise stated)

	Retirement Benefit Plans			Other Post-Employment Benefit Plans		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
As at 31st March, 2021	3,821	3,880	59	66	255	189
Current service cost	-	148	148	-	0	0
Past service cost	-	52	52	-	-	-
Change in asset ceiling	(62)	-	62	-	-	-
Employee contributions	-	236	236	-	-	-
Interest cost	-	257	257	-	16	16
Interest income	254	-	(254)	4	-	(4)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	159	25	(134)	0	(6)	(5)
Actuarial (gain)/loss arising from experience adjustments	-	18	18	-	12	12
Employer contributions	149	-	(149)	10	-	(10)
Employee contributions	236	-	(236)	-	-	-
Assets acquired/ (settled)	(69)	(69)	-	(8)	(9)	(1)
Benefit payments	(458)	(458)	-	(16)	(16)	-
As at 31st March, 2022	**4,030**	**4,089**	**59**	**56**	**252**	**196**

C. Consolidated Statement of Profit and Loss

The charge to the consolidated statement of profit and loss comprises:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2022	Year ended 31st March, 2021
Employee Benefit Expenses *:				
Current service cost	39	39	0	1
Past service cost	52	-	-	-
Finance costs *:				
Interest cost	56	51	16	17
Interest income	(53)	(50)	(4)	(5)
Net impact on profit (before tax)	**94**	**40**	**12**	**13**
Remeasurement of the net defined benefit plans:				
Actuarial (gains)/losses arising from changes in demographic assumptions	-	3	-	(1)
Actuarial (gains)/losses arising from changes in financial assumptions	(26)	(10)	(6)	(1)
Actuarial (gains)/losses arising from experience adjustments	(14)	(8)	12	(1)
Change in asset ceiling (gains)/losses	(7)	21	-	-
Net impact on other comprehensive income (before tax)	**(47)**	**6**	**6**	**(3)**

* Service cost and Finance cost excludes charges towards Officer's Pension and Provident Fund.

(All amounts in ₹ crores, unless otherwise stated)

D. Assets

The fair value of plan assets at the Balance Sheet date for our defined benefit plans for each category are as follows:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Quoted				
Government Debt Instruments	1,703	1,646	-	-
Other Debt Instruments	1,146	1,241	56	66
Equity	280	185	-	-
Total (A)	**3,129**	**3,072**	**56**	**66**
Unquoted				
Other Debt Instruments	233	228	-	-
Others	790	582	-	-
Total (B)	**1,023**	**810**	**-**	**-**
Total (A+B)	**4,152**	**3,882**	**56**	**66**

Note: Assets to the extent of ₹76 crores for Provident Fund (FY 2020-21: Nil), ₹46 crores for Gratuity Fund (FY 2020-21: ₹54 crores) and ₹0 crores for Officer's Pension Fund (FY 2020-21: ₹7 crores) not recognised on account of asset ceiling

None of the plans invest directly in any property occupied by the Group or any financial securities issued by the Group.

E. Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Holding Company's Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
Financial Assumptions	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Discount rate (per annum)	6.9%	6.7%	6.9%	6.7%
Salary Escalation Rate (per annum)				
Management employees- for first 5years	8.0%	8.0%	-	-
Management employees- after 5 years	8.0%	8.0%	-	-
Non-management Employees	8.0%	8.0%	-	-
Pension Increase Rate (per annum)*	2.0%	2.5%	-	-
Annual increase in healthcare costs (per annum)	-	-	9.0%	9.0%

*For management pension only

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions

Mortality in Service: Indian Assured Lives Mortality (2012-14) Ultimate table.

Mortality in Retirement: LIC Buy-out Annuity Rates & Published rates under S1PA Mortality table adjusted for Indian Lives.

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(All amounts in ₹ crores, unless otherwise stated)

F. Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

		Retirement Benefit Plans		Other Post-Employment Benefit Plans	
		Change in assumption (%)	Change in plan obligation (%)	Change in assumption (%)	Change in plan obligation (%)
Discount rate (per annum)	Increase	0.50%	-2.26%	0.50%	-4.6%
	Decrease	0.50%	2.41%	0.50%	5.0%
Salary escalation rate (per annum)	Increase	0.25%	1.37%	-	-
	Decrease	0.25%	-1.35%	-	-
Pension rate	Increase	0.25%	4.88%	-	-
	Decrease	0.25%	-4.74%	-	-
Life expectancy	Increase	1 year	3.2%	1 year	5.3%
	Decrease	1 year	-3.2%	1 year	-5.2%
Annual increase in healthcare costs (per annum)	Increase	-	-	1.00%	10.0%
	Decrease	-	-	1.00%	-8.7%

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

G. Weighted average duration and expected employers contribution for the next year for each of the defined benefit plan

	Weighted average duration (yrs.)		Expected Employers contribution for the next year
	As at 31st March, 2022	As at 31st March, 2021	
Gratuity Plan I	7.1	7.4	-
Gratuity Plan II	-	6.7	-
Management Pension	6.6	6.2	0.3
Officer's Pension	2.4	2.4	-
Provident Fund Plan I	8.7	8.9	98.8
Provident Fund Plan II	8.7	8.4	18.0
Post-retirement medical benefits Plan I	9.5	10.0	-
Post-retirement medical benefits Plan II	13.6	15.6	-

Plan I refers to existing employee benefit plans of the Group.

Plan II refers to employee benefit plans added pursuant to HUL-GSKCH merger (merged with Plan I with effect from 1st March, 2022).

(All amounts in ₹ crores, unless otherwise stated)

Compensated absences

Employee Benefit expenses for the year include ₹7 crores (FY 2020-21: ₹10 crores) towards compensated absences.

Provision for compensated absences as on 31st March, 2022 is ₹43 crores (31st March, 2021: ₹42 crores).

NOTE 41 SHARE BASED PAYMENTS

Refer note 30 for accounting policy on Share Based Payments

Equity Settled Share Based Payments

The members of the Holding Company had approved '2001 HLL Stock Option Plan' at the Annual General Meeting held on 22nd June, 2001. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

This plan was amended and revised vide '2006 HLL Performance Share Scheme' at the Annual General Meeting held on 29th May, 2006. This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by the Compensation Committee of the Board of Directors from time to time, at the end of 3-year performance period. The performance measures under this scheme include group underlying sales growth and free cash flow. The scheme also provided for 'Par' Awards for the managers at different work levels.

The 2006 scheme was further amended and revised vide '2012 HUL Performance Share Scheme' at the Annual General Meeting held on 23rd July, 2012. This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by the Nomination and Remuneration Committee of the Board of Directors from time to time, at the end of 3-year performance period. The performance measures under this scheme include group underlying sales growth, underlying operating margin, and cumulative operating cash flow.

The number of shares allocated for allotment under the 2006 and 2012 Performance Share Schemes is 2,00,00,000 (two crores) equity shares of ₹1/- each. The schemes are monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

The Employee Stock Option Plan includes employees of the Holding Company (Hindustan Unilever Limited), its subsidiaries and a subsidiary of parent Company.

Scheme	Scheme Grant Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share	Weighted Average Exercise Price (₹) per share
2001 HLL Stock Option Plan	2005	27-May-05	15,47,700	Vested after three years from date of grant	7 years from date of vesting	132.05	132.05
2006 HLL Performance Share Scheme	2012	17-Feb-12	4,20,080	Vested after three years from date of grant	3 months from date of vesting	1.00	1.00
	Interim 2012	30-Jul-12	51,385			1.00	1.00

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(All amounts in ₹ crores, unless otherwise stated)

Scheme	Scheme Grant Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share	Weighted Average Exercise Price (₹) per share
2012 HUL Performance Share Scheme	2013	18-Mar-13	3,68,023	Vested after three years from date of grant	3 months from date of vesting	1.00	1.00
	Interim 2013	29-Jul-13	25,418			1.00	1.00
	2014	14-Feb-14	2,62,155			1.00	1.00
	Interim 2014	28-Jul-14	16,805			1.00	1.00
	2015	13-Feb-15	1,42,038			1.00	1.00
	Interim 2015	27-Jul-15	12,322			1.00	1.00
	2016	11-Feb-16	1,57,193			1.00	1.00
	Interim 2016	25-Jul-16	11,834			1.00	1.00
	2017	13-Feb-17	1,23,887			1.00	1.00
	Interim 2017	21-Jul-17	6,846			1.00	1.00
	2018	16-Feb-18	63,421			1.00	1.00
	Interim 2018	27-Jul-18	4,650			1.00	1.00

Scheme	Scheme Grant Year	Financial Year	Number of Share Options				
			Outstanding at the beginning of the year	Granted during the year*	Forfeited/ Expired during the year	Exercised during the year	Outstanding at the end of the year
2012 HUL Performance Share Scheme	2017	**2021-22**	-	-	-	-	-
		2020-21	82,043	-	-	82,043	-
	Interim 2017	**2021-22**	-	-	-	-	-
		2020-21	5,601	612	-	6,213	-
	2018	**2021-22**	**21,019**	-	-	**21,019**	-
		2020-21	55,471	-	22,888	11,564	21,019
	Interim 2018	**2021-22**	**4,030**	-	**1,606**	**2,424**	-
		2020-21	4,650	-	620	-	4,030

* Granted during the year includes additional shares granted upon meeting the vesting conditions.

Weighted average equity share price at the date of exercise of options during the year was ₹2,406 (2020-21: ₹2,021).

Weighted average remaining contractual life of options as at 31st March, 2022 was 0 year (31st March, 2021: 0.3 year).

(All amounts in ₹ crores, unless otherwise stated)

Cash Settled Share Based Payments

The employees of the Group are eligible for Unilever PLC (the 'Parent Company') share awards namely, the Management Co-Investment Plan (MCIP), the Performance Share Plan (PSP) and the SHARES Plan. The MCIP allowed eligible employees to invest up to 100% of their annual bonus in the shares of the Holding Group and to receive a corresponding award of performance-related shares. Under PSP, eligible employees receive annual awards of the Holding Group's shares. The awards under MCIP and PSP plans will vest after 4 & 3 years respectively between 0% and 150% of grant level, depending on the achievement of the performance metrics. The performance metrics of PSP are percentage business winning share, Cumulative Free Cash Flow, Return in Invested Capital and progress made against our sustainability goals. The performance metrics of MCIP are underlying sales growth, underlying EPS growth, return on invested capital and sustainability progress index. Under the SHARES Plan, eligible employees can invest upto ₹16,897 per month in the shares of the Parent Company and after three years one share is granted free of cost to the employees for every three shares invested, provided they hold the shares bought for three years. The Parent Company charges the Group for the grant of shares to the Group's employees at the end of the 3/4 years based on the market value of the shares on the exercise date. The Group recognises the fair value of the liability and expense for these plans over the vesting period based on the management's estimate of the vesting and forfeiture conditions.

Effect of share based payment transactions on the Consolidated Balance Sheet:

	As at 31st March, 2022	As at 31st March, 2021
Other non-current financial liabilities	160	79
Other current financial liabilities	64	91
Total carrying amount of liabilities	**224**	**170**

Effect of share based payment transactions on the Consolidated Statement of Profit and Loss:

	As at 31st March, 2022	As at 31st March, 2021
Equity settled share based payments	(2)	(2)
Cash settled share based payments	103	58
Total expense on share based payments	**101**	**56**

NOTE 42 BUSINESS COMBINATION

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the consolidated statement of profit and loss.

Transaction costs are expensed in the consolidated statement of profit and loss as incurred, other than those incurred in relation to the issue of debt or equity securities which are directly adjusted in other equity. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the consolidated statement of profit and loss.

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(All amounts in ₹ crores, unless otherwise stated)

I Acquisition of Indulekha Brand

On 7th April, 2016, the Holding Company completed the acquisition of the flagship brand 'Indulekha' from Mosons Extractions Private Limited ('MEPL') and Mosons Enterprises (collectively referred to as 'Mosons' and acquisition of the specified intangible assets referred to as the 'Business acquisition'). The deal envisaged the acquisition of the trademarks 'Indulekha' and 'Vayodha', intellectual property, design and knowhow for a total cash consideration of ₹330 crores and a deferred consideration of 10% of the domestic turnover of the brands each year, payable annually for a 5 year period commencing financial year 2018-19.

Basis the projection of the domestic turnover of the brand, the contingent consideration is subject to revision on a yearly basis. As at 31st March, 2021, the fair value of the contingent consideration was ₹80 crores which was classified as other financial liability.

Deferred contingent consideration

Based on actual performance in financial year 2021-22, contingent consideration paid and current view of future projections for the brand, the Holding Company has reviewed and fair valued the deferred contingent consideration so payable. As at 31st March 2022, the fair value of the contingent consideration is ₹36 crores which is classified as other financial liability.

The determination of the fair value as at Balance Sheet date is based on discounted cash flow method. The key input used in determining the fair value of deferred contingent consideration were domestic turnover projection of the brand.

II Acquisition of VWash Brand

On 25th June, 2020, the Holding Company completed the acquisition of the brand 'VWash' from Glenmark Pharmaceuticals Limited. The deal comprised the acquisition of the brand 'VWash', along with other trademarks, copyrights, know-how and designs associated with the brand ('VWash Business') and certain packing / product moulds for a cash consideration of ₹286 crores including a holdback consideration of ₹10 crores; plus a deferred contingent consideration of 5% of net turnover payable annually for a 3 year period commencing financial year 2021-22.

Basis the projection of the domestic turnover of the brand, the contingent consideration is subject to revision on a yearly basis. As at 31st March, 2021, the fair value of the contingent consideration was ₹12 crores which was classified as other financial liability.

Deferred contingent consideration

Based on actual performance in financial year 2021-22, contingent consideration paid and current view of future projections for the brand, the Holding Company has reviewed and fair valued the deferred contingent consideration so payable. As at 31st March, 2022, the fair value of the contingent consideration is ₹10 crores which is classified as other financial liability.

The determination of the fair value as at Balance Sheet date is based on discounted cash flow method. The key input used in determining the fair value of deferred contingent consideration were domestic turnover projection of the brand.

III Amalgamation of GlaxoSmithKline Consumer Healthcare Limited

On 1st April, 2020, the Holding Company completed the merger of GlaxoSmithKline Consumer Healthcare Limited ['GSKCH'] via an all-equity merger under which 4.39 shares of HUL (the Holding Company) were allotted for every share of GSKCH. With this merger the Holding Company acquired the business of GSKCH including the Right to Use asset of brand Horlicks and Intellectual Property Rights of brands like Boost, Maltova and Viva. The Holding Company also acquired the Horlicks intellectual property rights, being the legal rights to the Horlicks brand for India from GlaxoSmithKline Plc.

(All amounts in ₹ crores, unless otherwise stated)

The scheme of merger ("scheme") submitted by the Holding Company was approved by Hon'ble National Company Law Tribunal by its order dated 24th September, 2019 (Mumbai bench) and 12th March, 2020 (Chandigarh bench). The Board of Directors approved the scheme between the Holding Company and GSKCH, on 1st April, 2020. The scheme was filed with Registrar of Companies on the same date. Accordingly, 1st April, 2020 was considered as the acquisition date, i.e. the date at which control is transferred to the Holding Company.

The merger had been accounted for using the acquisition accounting method under Ind AS 103 – Business Combinations. All identified assets acquired, and liabilities assumed on the date of merger were recorded at their fair value.

(A) Purchase consideration transferred:

The total consideration paid was ₹40,242 crores which comprised of shares of the Holding Company, valued based on the share price of the Holding Company on the completion date. Refer to the details below:

As per the scheme, the Holding Company issued its shares in favour of existing shareholders of GSKCH such that 4.39 of Holding Company's shares were allotted for every share of GSKCH as below.

Total number of GSKCH shares outstanding	4,20,55,538
Total number of Holding Company's shares issued to GSKCH shareholders i.e.,4.39 of Company's shares per share of GSK CH	18,46,23,812
Value of the Holding Company share (closing price of the Company share on NSE as on 1st April, 2020)	2,179.65
Total consideration paid to acquire GSKCH (₹ Crores)	**40,242**

(a) Total costs relating to the issuance of shares amounting to ₹44 crores have been recognised against equity.

(b) Transaction cost of ₹146 crores that were not directly attributable to the issue of shares are included under exceptional items in the consolidated statement of profit and loss.

(B) Assets acquired, and liabilities assumed is as under:

	Amount
Total identifiable assets (A)	31,445
Total identifiable liabilities (B)	8,468
Goodwill (C)	17,265
Total Net Assets [(A) - (B) + (C)]	**40,242**

The main assets acquired were Right to use Horlicks and Boost brand which were valued using the income approach model by estimating future cashflows generated by these assets and discounting them to present value using rates in line with a market participant expectation.

In addition, as applicable, Property plant & equipment have been valued using the market comparison technique and replacement cost method.

(C) Acquisition of Horlicks Brand:

The Holding Company also acquired the Horlicks Intellectual Property Rights (IPR), being the legal rights to the Horlicks brand for India from GlaxoSmithKline Plc for a consideration of ₹3,045 crores. The transaction has been accounted as an asset acquisition in line with Ind AS 38 (Intangible asset).

The Holding Company incurred transaction cost of ₹91 crores for the above asset acquisition which was capitalised along with Horlicks IPR. Total value of ₹3,136 crores is recognised under Intangible assets in the consolidated financial statements.

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 43 DISCLOSURES PURSUANT TO REGULATION 34 (3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

	As at 31st March, 2022	As at 31st March, 2021
(a) Loans to others		
Balance as at the beginning of the year	-	-
Loans given	4	-
Loans repaid	-	-
Balance as at the end of the year	4	-
Maximum amount oustanding at any time during the year	4	-
(b) Details of Non-current Investments made by the Group		
A. Equity Instruments		
a) Quoted equity instruments		
10,000 equity shares [31st March, 2021: 10,000] of ₹10 each held in Scooters India Limited	0	0
b) Unquoted equity instruments		
1,00,000 equity shares [31st March, 2021: 100,000] of ₹10 each held in Biotech Consortium India Limited	0	0
8,284 equity shares [31st March, 2021: 8,284] of ₹10 each held in Assam Bengal Cereals Limited	0	0
200 equity shares [31st March, 2021: 200] of ₹100 each held in The Nilgiri Co-operative Enterprises Limited	0	0
1,000 equity shares [31st March, 2021: 1,000] of ₹10 each held in Saraswat Co-operative Bank Limited	0	0
96,125 equity shares [31st March, 2021: 96,125] of ₹10 each held in Hindustan Field Services Private Limited	0	0
1 equity share [31st March, 2021: 1] of ₹10,000 each held in Coffee Futures India Exchange Limited	0	0
50 equity shares [31st March, 2021: 50] of ₹100 each held in Dugdha Sahakari Kraya-Vikraya Samiti Limited	0	0
1,150 equity shares [31st March, 2021: 1,150] of ₹100 each held in Annamallais Ropeway company Limited	0	0
1,000 equity shares [31st March, 2021: 1,000] of ₹10 each held in Super Bazar Co-op. Stores Limited	0	0
2,40,000 equity shares [31st March, 2021: 2,40,000] of ₹10 each held in Comfund Consulting Limited (formerly known as Comfund Financial Services India Limited) [Net of impairment: ₹0 crore (31st March, 2020: ₹0 crore)]	-	-
52,000 equity shares [31st March, 2021: 52,000] of ₹100 each held in Aquagel Chemicals Bhavanagar Private Limited	1	1
Total (A)	**1**	**1**
B. Other Instruments		
a) Unquoted investment in debentures and bonds		
14 6 1/2% Non-redeemable Registered Debentures [31st March, 2021: 14] face value of ₹1,000 each held in The Bengal Chamber of Commerce & Industry	0	0
44 1/2% Debentures [31st March, 2021: 44] face value of ₹100 each held in Woodlands Hospital and Medical Research Centre Limited	0	0
1 5% Non-redeemable Registered Debenture stock [31st March, 2021: 1] face value of ₹100 each held in Woodlands Hospital and Medical Research Centre Limited	0	0
56 5% Debentures [31st March, 2021: 56] face value of ₹100 each held in Shillong Club Limited	0	0

(All amounts in ₹ crores, unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
b) Unquoted investment in National Savings Certificates		
7 Year National Savings Certificates - II Issue	0	0
c) Unquoted investment in preference shares		
1,04,000 9% Cumulative Redeemable Preference Shares [31st March, 2021: 1,04,000] of ₹100 each held in Aquagel Chemicals Bhavanagar Private Limited	1	1
Total (B)	**1**	**1**
Total (A + B)	**2**	**2**

(c) Details of guarantees given

Corporate Guarantee given to Yes Bank Limited for credit facility availed by Broadcast Audience Research Council (BARC) outstanding Nil (31st March, 2021: ₹1 crore).

(d) The Group has not provided any security covered under Section 186 and accordingly, the disclosure requirements to that extent does not apply to the Group.

NOTE 44 RELATED PARTY DISCLOSURES

A. Enterprises exercising control

(i) Parent Company — Unilever Plc

B. Enterprises where control exists

(i) Trust — Hindustan Unilever Limited Securitisation of Retirement Benefit Trust (100% control)

C. Other Related Parties with whom the Group had transactions during the year

(i) Key Management Personnel

(a) Executive directors

Sanjiv Mehta
Srinivas Phatak (up to 30th April, 2021)
Ritesh Tiwari (with effect from 1st May, 2021)
Wilhelmus Uijen
Dev Bajpai
Anuradha Razdan
Priya Nair
Prabha Narasimhan
Sudhir Sitapati (up to 30th June, 2021)
Srinandan Sundaram
Kedar Lele (with effect from 1st July, 2021)
Vibhav Sanzgiri

(b) Non-executive directors

Nitin Paranjpe (with effect from 31st March, 2022)
Kalpana Morparia
Sanjiv Misra
O. P. Bhatt
Leo Puri
Ashish Gupta
Ashu Suyash (with effect from 12th November, 2021)
Aditya Narayan (up to 29th June, 2020)

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

(ii) Employees' Benefit Plans where there is significant influence	The Union Provident Fund Hindustan Lever Gratuity Fund The Hindlever Pension Fund Hindlever Limited Superannuation Fund GlaxoSmithKline Consumer Healthcare Ltd Sr. Staff Gratuity Fund (with effect from 1st April, 2020)* GlaxoSmithKline Consumer Healthcare Ltd Employees Gratuity Fund (with effect from 1st April, 2020)* GlaxoSmithKline Consumer Healthcare Ltd Provident Fund (with effect from 1st April, 2020) GlaxoSmithKline Consumer Healthcare Ltd Indian Sr. Executives SAF (with effect from 1st April, 2020)

* merged with Hindustan Lever Gratuity Fund with effect from 1st March,2022

Disclosure of transactions between the Group and Related Parties and the status of outstanding balances

		Year ended 31st March, 2022	Year ended 31st March, 2021
Parent Company	Dividend paid	3,566	4,179
	Royalty expense	829	725
	Fees for central services	499	458
	Income from services rendered	272	216
	Expenses for other services received	500	404
	Reimbursements paid	48	10
	Outstanding as at the year end:		
	- Trade payables	639	473
	- Trade receivables	105	56
Fellow Subsidiaries/ Trust	Sale of finished goods / raw materials etc	997	802
	Purchase of finished goods / raw materials etc	771	657
	Rent income	7	6
	Sale of Property, Plant & Equipment	0	-
	Sale of Intelectual Property Rights	29	-
	Income from services rendered	29	25
	Expenses for services received	24	12
	Dividend paid	1,088	1,275
	Royalty expense	23	13
	Purchase of export licences	0	2
	Expenses shared by fellow subsidiaries	4	3
	Maintenance and support costs for licences and software	49	85
	Gains/ Losses on Commodity Hedge	91	142
	Contribution to foundation	1	2
	Reimbursement received/ receivable towards pension and medical benefits	27	26
	Reimbursements paid	53	127
	Reimbursements received	103	60
	Outstanding as at the year end:		
	- Trade receivables	322	149
	- Trade payables	250	108

(All amounts in ₹ crores, unless otherwise stated)

		Year ended 31st March, 2022	Year ended 31st March, 2021
Key Management Personnel (Executive Directors)	Remuneration:		-
	- Short-term employee benefits	62	47
	- Post-employment benefits*	2	1
	- Other long-term benefits*	-	-
	- Share-based payments	20	6
	Dividend paid	1	1
	Consideration received on exercise of options	-	0
Key Management Personnel (Non-executive Directors)	Dividend paid	0	0
	Commission paid	1	2
Employees' Benefit Plans where there is significant influence	Contributions during the year (Employer's contribution only)	125	123
	Outstanding as at the year end:		
	- Advances recoverable in cash or kind or for value to be received	9	3

*Note: As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Holding Company as a whole, the amounts pertaining to Key Management Personnel are not included.

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2020-21: ₹Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Disclosure of transactions with Related Parties during the year which are more than 1% of Revenue.

		Year ended 31st March, 2022	Year ended 31st March, 2021
Parent Company	Royalty expense Unilever Plc.	831	725
	Dividend Paid Unilever Plc.	3,566	4,179
Fellow Subsidiaries	Purchase of finished goods / raw materials etc. PT Unilever Oleochemical Indonesia	688	444
	Sale of Finished Goods Unilever Asia Private Limited	558	408

NOTE 45

The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and there are no long term contracts for which there are any material foreseeable losses. The Group has ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on derivative contracts has been made in the books of accounts.

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

NOTE 46 SEGMENT INFORMATION

The Operating Segment is the level at which discrete financial information is available. Business segments are identified considering:

a) the nature of products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Exceptional items and other expenses which are not attributable or allocable to segments are disclosed separately. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities.

Business Segments

The Group has determined following reporting segments based on the information reviewed by the Group's Chief Operating Decision Maker ('CODM').

a) Home Care include detergent bars, detergent powders, detergent liquids, scourers, water business, purifiers business, etc.

b) Beauty & Personal Care include products in the categories of oral care, skin care, soaps, hair care, deodorants, talcum powder, colour cosmetics, salon services etc.

c) Foods and Refreshment include culinary products (tomato based products, fruit based products, soups, etc.), tea, coffee, health food drinks, ice-cream and frozen desserts.

d) Others include exports, consignment etc.

The above business segments have been identified considering:

a) the nature of products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems.

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Committee.

Segment revenue relating to each of the above domestic business segments includes Income from Services provided to group companies, where applicable. Segment results relate to profit from continuing operations before other income, finance costs, exceptional items and tax

	Year ended 31st March, 2022			Year ended 31st March, 2021		
	External	Intersegment	Total	External	Intersegment	Total
Revenue						
Home care	16,570	-	16,570	13,957	-	13,957
Beauty & Personal care	19,567	-	19,567	18,038	-	18,038
Foods & Refreshment	14,105	-	14,105	13,204	-	13,204
Others (includes Exports, Consignment, etc.)	2,204	-	2,204	1,829	-	1,829
Total Revenue	**52,446**	**-**	**52,446**	**47,028**	**-**	**47,028**

(All amounts in ₹ crores, unless otherwise stated)

	Year ended 31st March, 2022			Year ended 31st March, 2021		
	External	Intersegment	Total	External	Intersegment	Total
Result						
Home care	3,183	-	3,183	2,773	-	2,773
Beauty & Personal care	5,392	-	5,392	5,134	-	5,134
Foods & Refreshment	2,623	-	2,623	2,189	-	2,189
Others (includes Exports, Consignment, etc.)	568	-	568	456	-	456
Total Segment Results	**11,766**	**-**	**11,766**	**10,552**	**-**	**10,552**
Finance costs			(106)			(117)
Other Income			258			410
Profit from continuing operations before exceptional items and tax			**11,918**			**10,845**
Exceptional items - income/ (expenditure)			(44)			(239)
Profit before tax from continuing operations			**11,874**			**10,606**
Tax expense						
Current tax			(2,840)			(2,520)
Deferred tax charge/ (credit)			(147)			(86)
Profit for the year from Continuing Operations (A)			**8,887**			**8,000**
Profit for the year from Discontinued Operations (B)			5			(1)
Profit For the Year (A+B)			**8,892**			**7,999**
Less: Non Controlling Interest			(13)			(4)
Profit for the Year			**8,879**			**7,995**

Other Information

	Segment Assets		Segment Liabilities	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Home care	3,999	3,175	3,755	3,404
Beauty & Personal care	6,239	5,910	5,670	5,636
Foods and Refreshment	49,669	49,510	3,140	3,358
Others (includes Exports, Consignment, etc.)	1,413	1,068	682	608
Total	**61,320**	**59,663**	**13,247**	**13,006**
Unallocated Corporate Assets / (Liabilities)	9,197	9,094	8,183	8,057
Total Assets / (Liabilities)	**70,517**	**68,757**	**21,430**	**21,063**

Notes

to the Consolidated financial statements for the year ended 31st March, 2022

(All amounts in ₹ crores, unless otherwise stated)

	Year ended 31st March, 2022			Year ended 31st March, 2021		
	Capital expenditure	Depreciation/ Amortisation	Non-cash expenses other than depreciation	Capital expenditure	Depreciation/ Amortisation *	Non-cash expenses other than depreciation
Home care	280	213	38	366	245	89
Beauty & Personal care	512	544	44	407	472	105
Foods & Refreshment	361	300	34	1,684	324	73
Others (includes Exports, Consignment, etc.)	59	34	12	48	33	3

*In addition to the above, ₹15 crores (2020-21: ₹60 crores) of accelerated depreciation has been charged to exceptional items under a restructuring project.

Additional Information by Geographies

Although the Group's operations are managed by product area, we provide additional information based on geographies.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue by Geographical Market		
India	50,327	45,283
Outside India	2,119	1,745
	52,446	**47,028**
Carrying Amount of Segment Assets		
India	60,771	59,256
Outside India	549	407
	61,320	**59,663**

Revenue from major customers

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Notes

(a) Revenue comprises:

	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of products	51,472	46,269
Sale of services	76	52
Income from services rendered	294	222
Commission income on consignment sales	315	264
Government grants (GST budgetary support and Production linked incentives)	140	108
Others (including scrap sales, rentals, etc)	149	113
Total	**52,446**	**47,028**

NOTE 47 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

During the FY 2020-2021, the Group completed the merger of GSK CH via an all equity merger. The merger was accounted for in accordance with the scheme using the acquisition accounting method under Ind AS 103 – Business Combinations. All identified assets acquired, and liabilities assumed on the date of merger were recorded at their fair value.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 48 DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year.

NOTE 49

A. No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

i. Wilful defaulter

ii. Utilisation of borrowed funds & share premium

iii. Borrowings obtained on the basis of security of current assets

iv. Discrepancy in utilisation of borrowings

v. Current maturity of long term borrowings

B. Following disclosures are not applicable for consolidated financial statements as per Schedule III:

(a) Title deeds of immoveable properties

(b) Accounting ratios

NOTE 50

Previous period figures have been re-grouped / re-classified to conform to below requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April, 2021:

(a) Lease liabilities separately disclosed (Note 19) under the head 'Financial Liabilities'

(b) Security deposits regrouped under 'Other financial assets' (Note 7) which were earlier part of 'Loans' (Note 6)

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2022

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director and Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A
Group Controller

Mumbai: 27th April, 2022

Form AOC-1

Statement containing salient features of the consolidated financial statements of subsidiaries/ Joint ventures

(All amounts in ₹ crores, unless otherwise stated)

PART A: SUBSIDIARIES

Sr no	Name of the subsidiary	Unilever India Exports Limited	Pond's Exports Limited	Unilever Nepal Limited - Indian ₹ (note I, ii and iii)	Unilever Nepal Limited - Nepalese ₹ (note I, ii and iii)	Lakme Lever Private Limited	Unilever India Limited	Jamnagar Properties Private Limited	Daverashola Estates Private Limited	Hindustan Unilever Foundation	Bhavishya Alliance Child Nutrition Initiatives	Hindlever Trust Limited	Levindra Trust Limited	Levers Associated Trust Limited
1	The date since when subsidiary was acquired	26-06-1963	15-10-1998	22-06-1992		19-12-2008	07-06-2020	16-10-2006	16-03-2005	19-12-2012	12-03-2015	01-04-1958	11-12-1946	11-12-1946
2	Reporting period	31-03-2022	31-03-2022	15/07/2021 (Ashaad, 31, 2078)		31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022
3	Share capital	3	2	6	9	36	360	5	0	0	0	0	0	0
4	Reserves & surplus	259	(8)	171	274	173	(3)	(5)	(1)	2	(0)	(0)	(0)	(0)
5	Total assets	766	6	329	527	554	393	-	-	2	-	0	0	0
6	Total Liabilities	504	12	153	245	345	36	-	0	0	-	-	-	-
7	Investments	(0)	-	-	-	-	9	-	-	-	-	-	-	-
8	Turnover	1,304	-	441	705	282	0	-	-	14	-	-	-	-
9	Profit / (loss) before taxation	175	3	83	133	16	1	-	-	(3)	-	(0)	(0)	(0)
10	Provision for taxation	47	(2)	16	26	1	1	-	-	-	-	-	-	-
11	Profit /(loss) after taxation	128	5	67	107	15	1	-	-	(3)	-	(0)	(0)	(0)
12	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
13	% of shareholding	100%	90%	80%		100%	100%	100%	100%	76%	100%	100%	100%	100%

Notes:

i) Converted into Indian Rupees at the Exchange rate INR 1 = 1.6 Nepalese Rupees

ii) The financial statements have been audited by a firm of Chartered Accountants other than B S R & Co. LLP.

iii) The financial statements are as on 31st March, 2022.

PART B: JOINT VENTURE - NIL

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director and Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A
Group Controller

Mumbai: 27th April, 2022

Corporate Information

REGISTERED OFFICE Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099.

AUDITORS M/s. B S R & Co. LLP, Chartered Accountants, Mumbai; Firm's Registration No.: 101248W/W-100022

BANKERS

Deutsché Bank
Bank of America
Citibank N.A.
HDFC Bank
JP Morgan
Hongkong & Shanghai Banking Corporation
ICICI Bank
Punjab National Bank
Kotak Mahindra Bank
Standard Chartered Bank
Union Bank of India
State Bank of India
Axis Bank

PLANT LOCATIONS

NORTHERN REGION

Barotiwala
- Khasra no.1350–1318, Village Bhatoli Kalan, Hill top industrial area, Jharmajri, Baddi, District Solan–173 205, Himachal Pradesh

Baddi
- Khasra No. 1350–1318, Bhatoli Kalan, Baddi, District Solan–173 205, Himachal Pradesh

Haridwar
- Plot No. 1, Sector 1A, Integrated Industrial Estate, Ranipur, Haridwar–249 403, Uttarakhand

Nabha
- Patiala Road Nabha–147 201, District Patiala, Punjab

Nalagarh
- Hudbust No. 143, Khasra No. 182/183/187/1, Village Kirpalpur, Near Nalagarh Fire Station, Tehsil Nalagarh, District Solan–174 101, Himachal Pradesh

Rajpura
- A-5, Phase 2-B, Focal Point, Rajpura–140 401, Punjab

Sonipat
- 14 KM Stone, Sonipat–Meerut Road, Village Khewra, P. O. Bahalgarh, District Sonipat, Haryana–131 021

SOUTHERN REGION

Cochin
- Ernakulam North PO, Tatapuram, Cochin–682 018, Kerala

Hosur
- Plot No. 50 & 51, SIPCOT Industrial Complex, Hosur–635 126, Tamil Nadu

Mangalore
- Sultan Battery Road, Boloor, Mangalore–575 003, Karnataka

Mysore
- Plot No. 424, Hebbal Industrial Area, Mysore–570 016, Karnataka

Pondicherry
- Off NH 45A, Vadamangalam, Pondicherry–605 102
- No. 9(3), Cuddalore Road, Kirumambakkam, Pondicherry–605 702
- 45/A National Highway Vadamangalam, Pondicherry–605 102

Rajahmundry
- Industrial Estate, Dowlaiswaram, Rajahmundry Rural, Andhra Pradesh–533 124

CENTRAL REGION

Chhindwara
- 5/6, KM Stone, Narsinghpur Road, Village Lehgadua, Post Khajari, District Chhindwara–480 002, Madhya Pradesh

ETAH
- Village Asrauli, G. T. Road, Etah–207 001, Uttar Pradesh

Orai
- A-1, UPSIDC Industrial Area, Orai, District Jalaun–285 001, Uttar Pradesh

Sumerpur
- A-1, UPSIDC Industrial Area, Bharua, Sumerpur, Hamirpur–210 502, Uttar Pradesh

WESTERN REGION

Chiplun
- B-7/17, Lote Parshuram MIDC, Khed Taluka, District Ratnagiri, Chiplun–415 722, Maharashtra

Khamgaon
- C-9, MIDC, Khamgaon, District Buldhana–444 303, Maharashtra

Mumbai
- Aarey Milk Colony, Goregaon, Mumbai–400 065, Maharashtra

Nashik
- Plot No. A-8/9, MIDC, Malegaon, Sinnar–422 103, Nashik, Maharashtra

Silvassa
- Survey No. 151/1/1, Village Dapada, Khanvel Road, Silvassa–396 230, Dadra and Nagar Haveli
- Survey No. 907, Kilwali Road, Amli Village, Near Gandhigram Bus Stop, Silvassa–396 230, Dadra and Nagar Haveli

EASTERN REGION

Haldia
- P. O. Durgachak, Haldia, District Purba Medinipur–721 602, West Bengal

Kolkata
- 1, Transport Depot Road, Kidderpore, Kolkata–700 088, West Bengal
- 63, Garden Reach, Kolkata–700 024, West Bengal

Tinsukia
- Dag No. 21 of 122 FS Grants, Mouza – Tingrai, Off NH No. 37, Doom Dooma Industrial Estate, District Tinsukia–786 151, Assam

Notice of Annual General Meeting

Hindustan Unilever Limited

Registered Office: Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099.
CIN: L15140MH1933PLC002030, **Website:** www.hul.co.in, **E-mail:** levercare.shareholder@unilever.com,
Tel: +91 22 5043 2791/ 5043 2792

Notice is hereby given that the 89th Annual General Meeting of Hindustan Unilever Limited will be held on Thursday, 23rd June, 2022 at 2.30 p.m. (IST) through Video Conferencing/Other Audio Visual Means ('VC/OAVM'), to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2022 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the financial year ended 31st March, 2022.
3. To appoint a Director in place of Mr. Nitin Paranjpe (DIN: 00045204), who retires by rotation and being eligible, offers his candidature for re-appointment.
4. To appoint a Director in place of Mr. Dev Bajpai (DIN: 00050516), who retires by rotation and being eligible, offers his candidature for re-appointment.
5. To appoint a Director in place of Mr. Wilhelmus Uijen (DIN: 08614686), who retires by rotation and being eligible, offers his candidature for re-appointment.
6. To appoint a Director in place of Mr. Ritesh Tiwari (DIN: 05349994), who retires by rotation and being eligible, offers his candidature for re-appointment.

SPECIAL BUSINESS

7. **Tenure extension - Overall limits of remuneration payable to Non-Executive Director(s):**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** in supersession of the resolution passed by the Members at the 87th Annual General Meeting held on 30th June, 2020 and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, ('the Act') and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 148 of the Articles of Association, the Company be and is hereby authorised to pay its Non-Executive Directors (other than the Managing Director and Whole-time Directors of the Company), for a period of three years commencing from 1st April, 2023 to 31st March, 2026, 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 Act, from time to time and computed in the manner provided under Section 198 of the Act, or ₹300 lakhs (Rupees Three Hundred Lakhs Only) in aggregate, whichever is lower."

8. **Ratification of Remuneration to Cost Auditors:**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (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 on the recommendation of the Audit Committee, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023, amounting to ₹13.50 lakhs (Rupees Thirteen Lakhs and Fifty Thousand Only) plus applicable taxes and reimbursement for out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

9. **Approval for Material Related Party Transaction:**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), read with Section 188 of the Companies Act, 2013 ('the Act'), the rules made thereunder (including any other applicable provision(s) or statutory modification(s) or re-enactment thereof for the time being in force) read with the Company's 'Policy on Related Party Transactions' and as per the recommendation/approval of the Audit Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded to the Company for entering into and/or continuing with Material Related Party Transactions/contracts/arrangements/agreements with PT. Unilever Oleochemical Indonesia (UOI), a Related Party within the meaning of Section 2(76) of the Act, and Regulation 2(1)(zb) of the Listing Regulations for purchase of raw material/semi-finished goods, for a period of three years commencing from financial year 2022-23 to financial year 2024-25, individually and/or in the aggregate upto an amount not exceeding ₹1,250 crores in a financial year, provided however, that the said contracts/arrangements/ transactions shall be carried out on an arm's length basis and in the ordinary course of business of the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to delegate all or any of the powers conferred on it to any Committee of Board of Directors and/or Managing/Whole-time Director(s) of the Company and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

   RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors at its meeting held on 27th April, 2022 considered and decided to include Item Nos. 7, 8 & 9 as given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
2. In view of continuing social distancing norms due to Covid-19, the Ministry of Corporate Affairs (MCA), vide its General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, the latest being 2/2022 dated 5th May, 2022 and Securities Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated 13th May, 2022, and other applicable circulars issued in this regard, have allowed the companies to conduct AGM through VC/OAVM till 31st December, 2022 without physical presence of Members at a common venue. In accordance with the applicable provisions of the Act and the said Circulars of MCA and SEBI, the 89th AGM of the Company shall be conducted through VC/OAVM. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 10 below and is also available on the website of the Company at www.hul.co.in.
3. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by a Member is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. However, Institutional/Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. Institutional/Corporate Members are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to Scrutiniser at scrutinizer@snaco.net and to evoting@nsdl.co.in.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 17th June, 2022 to Thursday, 23rd June, 2022 (both days inclusive).

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ID AND FOR OBTAINING COPY OF ANNUAL REPORT:

6. In accordance with the circulars issued by MCA and SEBI, the Notice of the 89th AGM along with the Integrated Annual Report 2021-22 is being sent by electronic mode to Members whose e-mail id is registered with the Company or the Depository Participants (DPs). Physical copy of the Notice of the 89th AGM along with Integrated Annual Report for the financial year 2021-22 shall be sent to those Members who request for the same.
7. Members holding shares in physical form and who have not updated their e-mail ids with the Company are requested to update their e-mail ids by writing to the Company at levercare.shareholder@unilever.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the

PAN card, and self-attested copy of any document (eg.: Driving License, Voter Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised (demat) mode are requested to register/update their e-mail addresses with the relevant DPs. In case of any queries/difficulties in registering the e-mail address, Members may write to levercare.shareholder@unilever.com.

8. The Notice of 89th AGM along with the Integrated Annual Report for the financial year 2021-22, is available on the website of the Company at www.hul.co.in, on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of NSDL at www.evoting.nsdl.com.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

9. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of Listing Regulations (as amended) and applicable Circulars, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL), as the authorised agency for facilitating voting through electronic means. The facility of casting votes by a Member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.

10. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Thursday, 16th June, 2022 i.e. a day prior to commencement of book closure date, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

11. Members may cast their votes through electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 9.00 a.m. (IST) on Saturday, 18th June, 2022 and will end at 5.00 p.m. (IST) on Wednesday, 22nd June, 2022. In addition, the facility for voting through e-voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at https://www.evoting.nsdl.com/.

12. The detailed instructions and the process for accessing and participating in the 89th AGM through VC/OAVM facility and voting through electronic means including remote e-voting are explained herein below:

Step 1: Access to NSDL e-voting system:

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on 'e-voting facility provided by Listed Companies', e-voting process has been enabled for all the individual demat account holders, through their demat account maintained with DPs. Members are advised to update their mobile number and e-mail id in their demat accounts in order to access e-voting facility. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

a) Login method for e-voting and joining virtual AGM for individual shareholders holding securities in demat mode is given below:

Type of Individual Shareholders	Login Method
Securities held in demat mode with NSDL	**A. Users registered for NSDL IDeAS facility:** 1. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. 2. A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on 'Access to e-voting' under e-voting services and you will be able to see e-voting page. 3. Click on options available against Company name or e-voting service provider - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. **B. Users not registered for IDeAS e-Services:** Option to register is available at https://eservices.nsdl.com. Select 'Register Online for IDeAS' Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp **C. Visit the e-voting website of NSDL:** 1. After successfully registering on IDeAS, visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. 2. A new screen will open. Enter your User ID (i. e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL e-voting website wherein you can see e-voting page. 3. Click on options available against Company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Notice of Annual General Meeting

Type of Individual Shareholders	Login Method
Securities held in demat mode with Central Depository Services Limited (CDSL)	**A. Users who have opted for Easi/Easiest:** 1. Shareholders can login through their User id and Password. Option will be made available to reach e-voting website without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-voting Menu. The Menu will have links of ESP i.e. NSDL. Click on NSDL to cast your vote. **B. Users who have not opted for Easi/Easiest:** Option to register for Easi/Easiest is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration **C. Visit the e-voting website of NSDL** 1. Alternatively, the users can directly access e-voting page by providing their demat account number and PAN at https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered mobile number and e-mail id as recorded in their demat account. 2. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress.
Securities held in demat mode - login through DPs	1. Shareholders can also login using the login credentials of their demat account through their DP registered with NSDL/CDSL for e-voting facility. After logging, you will be able to see e-voting option. 2. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. 3. Click on options available against Company name or ESP and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

For Technical Assistance:

Members facing any technical issues related to login may reach out the respective depositories helpdesk by sending a request on the e-mail id's or contact on the phone nos. provided below:

NSDL	CDSL
E-mail: evoting@nsdl.co.in	E-mail: helpdesk.evoting@cdslindia.com
Toll free no.: 1800 1020 990 /1800 22 44 30	Phone No.: 022-23058738 /022-23058542/43

b) Login method for e-voting and joining virtual AGM for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical form.

How to Log-in to NSDL e-voting website?

a. Visit the e-voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/.

b. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders/Members' section.

c. A new screen will open. You will have to enter your User ID, Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

d. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example: if your DP ID is IN300*** and Client ID is 12****** then your User ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example: if your Beneficiary ID is 12************** then your User ID is 12**************
c) For Members holding shares in Physical Form.	EVEN number followed by folio number registered with the Company For example: if folio number is 001*** and EVEN is 123456 then your User ID is 123456001***

e. Your password details are given below:

i. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

ii. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

iii. How to retrieve your 'initial password'?

If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

f. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

i. Click on 'Forgot User Details/Password?' - If you are holding shares in your demat account with NSDL or CDSL, option for reset password is available on www.evoting.nsdl.com.

ii. Physical User Reset Password? - If you are holding shares in physical form, option for reset password is available on www.evoting.nsdl.com.

iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, PAN, name and registered address.

iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

g. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.

h. Now, you will have to click on 'Login' button.

i. After you click on the 'Login' button, home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

a) How to cast your vote electronically and join AGM on NSDL e-voting system?

(a) After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.

(b) Select 'EVEN' of Company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under 'Join General Meeting'.

(c) Now you are ready for e-voting as the voting page opens.

(d) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

(e) Upon confirmation, the message 'Vote cast successfully' will be displayed.

(f) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

(g) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

b) Process for those Shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this Notice:

(a) Members whose shares are held in physical form are requested to provide folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to levercare.shareholder@unilever.com.

(b) Members whose shares are held in demat mode are requested to provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to levercare.shareholder@unilever.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.

(c) Alternatively Shareholder/Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

(d) In terms of SEBI circular dated 9th December, 2020 on e-voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-voting facility.

c) The instructions for members for e-voting on the day of the AGM are as under:

(a) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

(b) Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

(c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(d) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Assistant Vice-President, NSDL at evoting@nsdl.co.in.

PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM:

13. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for access to NSDL e-voting system. After successful login, Members may click on VC/OAVM link available under the 'Join General Meeting' menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.

14. Members are encouraged to join the Meeting through laptops for better experience.

16. Members joining the AGM from their mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

17. Facility for joining the AGM through VC/OAVM for Members shall open 30 minutes before the time scheduled for the AGM and shall be kept open throughout the AGM proceedings.

18. Institutional Members are encouraged to attend the AGM through VC/OAVM and cast their votes using the e-voting facility including remote e-voting. Institutional Members can write to levercare.shareholder@unilever.com in case of any issues faced by them for participating in the AGM.

19. Members, who need assistance before or during the AGM, may:

    - Send a request at evoting@nsdl.co.in or use toll free no.: 1800 1020 990 or 1800 224 430; or
    - Contact Mr. Amit Vishal, Assistant Vice-President, NSDL at the designated e-mail ID: AmitV@nsdl.co.in; or
    - Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated e-mail ID: pallavid@nsdl.co.in.

PROCEDURE TO RAISE QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

20. Members who would like to express their views or ask questions may register themselves as a speaker by sending the request along with their queries in advance mentioning their name, demat account number / folio number, email id and mobile number at levercare.shareholder@unilever.com. Only those speaker registration requests received till 5.00 pm (IST) on Thursday, 16th June, 2022 will be considered and responded to during the AGM.

    The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

GENERAL INFORMATION:

21. It is strongly recommended that Members take utmost care to keep their password confidential and not to share their password with any other person. Login to the e-voting system shall be disabled upon five unsuccessful attempts to key in the correct password. In such an event, Members are advised to use the 'Forgot User Details/Password' or 'Physical User Reset Password' option available on www.evoting.nsdl.com to reset the password.

23. The Company has appointed Mr. S. N. Ananthasubramanian, Practicing Company Secretary (FCS 4206 and CP No. 1774), or failing him Ms. Malati Kumar (ACS 15508 and CP No. 10980), to act as the Scrutiniser, to scrutinise the entire e-voting process in a fair and transparent manner.

24. The results of the e-voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutiniser's Report, shall also be placed on the website of the Company at www.hul.co.in.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

25. All the documents referred to in the accompanying Notice and Explanatory Statement shall be available for inspection through electronic mode, basis requests received on levercare.shareholder@unilever.com.

26. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and the Certificate from Secretarial Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 shall be available for inspection upon login at NSDL e-voting system at https://www.evoting.nsdl.com.

DIVIDEND RELATED INFORMATION:

27. Final dividend as recommended by the Board of Directors for the financial year ended 31st March, 2022, if approved at the AGM, will be payable to those Members of the Company who hold shares:

    (i) In demat mode, based on the list of beneficial owners to be received from NSDL and CDSL as at the close of business hours on Thursday, 16th June, 2022, being the cut-off date.

    (ii) In physical form, if the names appear in the Company's Register of Members as on Thursday, 16th June, 2022, being the cut-off date.

    The final dividend will be payable on or after Monday, 27th June, 2022.

28. Members holding shares in demat mode are hereby informed that bank particulars registered with their respective DPs, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. Members holding shares in demat mode are requested to intimate any change in their address and/or bank mandate to their DPs only, as the Company or its Registrar cannot act on any request received directly on the same.

29. Members holding shares in physical form are requested to intimate any change of address and/ or bank mandate to KFin Technologies Limited, Registrar and Share Transfer Agent of the Company by sending a request in Form ISR-1 at Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India – 500 032 or by email to einward.ris@kfintech.com from their registered email id. In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of bank mandate, the Company shall dispatch the dividend warrant to such shareholder by post in due course.

30. Members may note that as per the Income Tax Act, 1961, dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source ('TDS') from dividend paid to the Members at rates prescribed in the Income Tax Act, 1961. In order to enable the Company to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961 and Rules thereto.

    a) **For Resident Members:** Tax at source shall be deducted under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend declared and paid by the Company during financial year 2022-23, subject to PAN details registered/updated by the Member. If PAN is not registered/updated in the demat account/folio as on the cut-off date, TDS would be deducted @20% as per Section 206AA of the Income Tax Act, 1961.

       No tax at source is required to be deducted, if during the financial year, the aggregate dividend paid or likely to be paid to an individual member does not exceed ₹5,000 (Rupees Five Thousand Only).

       Further, in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm)/Form 15H (applicable to an Individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted.

       Notwithstanding the above, in case PAN of any Member falls under the category of 'Specified Person', the Company shall deduct TDS @20% as per Section 206AB of the Income Tax Act 1961.

    b) **For Non-Resident Members:** Tax at source shall be deducted under Section 195 of the Income-tax Act, 1961 at the applicable rates. As per the relevant provisions of the Income-tax Act, 1961, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to non-resident Members. As per Section 90 of the Income Tax Act, 1961, Members may be entitled to avail lower TDS rate as per Double Taxation Avoidance Agreement (DTAA). To avail the Tax Treaty benefits, the non-resident Member will have to provide the following:

       - Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the Member is a resident.
       - Self-declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
       - Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities, if any.
       - Self-declaration, certifying the following points:

       i. Member is and will continue to remain a tax resident of the country of its residence during the financial year 2022-23;

       ii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;

       iii. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;

       iv. Member is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and

       v. Member does not have a taxable presence or a permanent establishment in India during the financial year 2022-23.

31. Notwithstanding the above, in case PAN falls under the category of 'Specified Person', Member is mandatorily required to submit a declaration providing status of Permanent Establishment in India for financial year 2022-23. As per Section 206AB of the Income Tax Act 1961, if the said declaration is not furnished, the Company shall deduct tax at source at twice the applicable rate referred above.

32. The Company shall not be obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the Non-Resident Member.

33. In order to enable the Company to determine the appropriate TDS/withholding tax rate applicable, Members are requested to provide the aforesaid details and documents on or before Tuesday, 31st May, 2022 at https://ris.kfintech.com/form15. No communication on the tax determination/ deduction shall be entertained post Tuesday, 31st May, 2022. Members may note that in case the tax on said dividend is deducted at a higher rate due to non-receipt of the aforementioned details/ documents, there would still be an option available to the Member to file the return of income and claim an appropriate refund, if eligible.

34. In accordance with the provisions of the Income Tax Act 1961, TDS certificates can be made available to the Members at their registered e-mail ID after filing of the quarterly TDS Returns of the Company, post payment of the said dividend.

35. The Company had sent a separate e-mail communication on Saturday, 14th May, 2022, informing the Members regarding the relevant procedure to be adopted by the Members to avail the applicable tax rate as per the Income Tax Act, 1961.

OTHER INFORMATION:

36. Members had approved the appointment of M/s. BSR & Co. LLP, Chartered Accountants, as the Statutory Auditors at the Eighty Sixth AGM of the Company which is valid till Ninety First AGM of the Company. In accordance with the Act, the appointment of Statutory Auditors is not required to be ratified at every AGM.

37. In terms of Section 152 of the Act, Mr. Nitin Paranjpe, Mr. Dev Bajpai, Mr. Wilhelmus Uijen and Mr. Ritesh Tiwari are liable to retire by rotation at this AGM and being eligible, offer themselves for re-election.

38. Mr. Dev Bajpai, Mr. Wilhelmus Uijen and Mr. Ritesh Tiwari, have been appointed as Whole-time Director(s), as per the provisions of the Act and shall serve in accordance with the terms of contract of employment with the Company. These terms and conditions including the remuneration of Mr. Dev Bajpai, Mr. Wilhelmus Uijen and Mr. Ritesh Tiwari as Whole-time Director(s) are governed as per the overall limits of remuneration approved by the Members at the AGM held on 29th June, 2019 and through Postal Ballot dated 29th April, 2021. The remuneration payable to them for the financial year 2022-23 shall be placed before the Nomination and Remuneration Committee of the

Company in due course. The details of remuneration paid to the Whole-Time Directors and number of meetings of the Board and its Committees attended by them during the financial year 2021-22 form part of Corporate Governance Report.

39. The terms and conditions of appointment of Mr. Nitin Paranjpe as a Non-Executive Director shall be governed by resolution dated 16th April, 2022 passed through Postal Ballot.

40. Details as required in Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India in respect of the Directors seeking re-appointment at the AGM are provided at page nos. 316 and 320 of this Integrated Annual Report. Requisite declarations have been received from the Directors seeking appointment/re-appointment. The Managing Director and Independent Directors of the Company have been appointed for a consecutive term of 5 (five)years, who shall not retire by rotation.

41. In terms of requirements of Section 124(6) of the Act read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares, in respect of which the dividend remains unpaid or unclaimed for a period of seven consecutive years or more, to the IEPF Account established by the Central Government. The details of the unpaid/unclaimed dividend amounts lying with the Company as on 31st March, 2021 are available on the website of the Company at https://www.hul.co.in/investor-relations/unclaimed-and-unpaid-dividend/ and on the website of MCA. Member(s) whose dividends/shares are transferred to the IEPF can now claim the same from the IEPF Authority by following the refund procedure as detailed on the IEPF website http://iepf.gov.in/IEPF/refund.html.

42. Members are requested to contact KFin Technologies Limited/Investor Service Department of the Company for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on 'Investors' page on the website of the Company at https://www.hul.co.in/investor-relations/shareholder-information/information-on-dividends/

43. SEBI vide its Circular dated 3rd November, 2021 has mandated registration of PAN, KYC details and Nomination, by holders of physical securities. Members holding shares in physical form are requested to submit their PAN, KYC details and Nomination details by sending a duly filled and signed Form ISR-1 to KFin Technologies Limited at Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India – 500 032 or by email to einward.ris@kfintech.com from their registered email id.

44. Regulation 40 of Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated 25th January, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/consolidation of share certificates, etc. In view of this as also to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to demat mode.

Registered Office:
Unilever House,
B. D. Sawant Marg,
Chakala, Andheri (East),
Mumbai – 400 099

Mumbai: 27th April, 2022

By Order of the Board
Dev Bajpai
Executive Director
Legal & Corporate Affairs and
Company Secretary
FCS No: 3354/DIN: 00050516

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 7

The Members at the Annual General Meeting held on 29th June, 2015 had approved the payment of remuneration by way of commission on profits to Non-Executive Directors of the Company upto a maximum of ₹300 lakhs (Rupees Three Hundred Lakhs) in aggregate, to be allocated in such manner as the Board may determine, from time to time, with effect from 1st April, 2015 for a period of 5 (five) years. Further, at the Annual General Meeting held on 30th June, 2020, the Members extended the time period for the aforesaid limits for a period of 3 (three) years i.e. from 1st April, 2020 till 31st March, 2023.

In line with the globally accepted governance practices, your Company has in place a differential remuneration policy. As per the said policy, the remuneration of Non-Executive Independent Directors comprises a fixed commission, position in various Committees and attendance at the meetings of the Board or Committees. In accordance with the said policy, all the Non-Executive Independent Directors are currently paid a remuneration of ₹15 lakhs (Rupees Fifteen Lakhs) per annum by way of fixed commission and a variable commission linked to their attendance at Meetings and also depending upon their position in the Committees. In addition, the Non-Executive Independent Directors are paid sitting fees for attending the meetings of the Board or Committees thereof.

It is now proposed to extend the time period for the aforesaid limits of remuneration without any change in the overall limit of ₹300 lakhs (Rupees Three Hundred Lakhs) of remuneration payable to Non-Executive Directors from 1st April, 2023 for a period of 3 (three) years i.e. till 31st March, 2026.

None of the Directors or Key Managerial Personnel and their relatives (except Non-Executive Independent Directors), are concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 7 for the approval of Members.

Item No. 8

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s. RA & Co., Cost Accountants (Firm Registration No. 000242) as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023 at a remuneration of ₹13.50 lakhs (Rupees Thirteen Lakhs and Fifty Thousand only) plus payment of applicable taxes and reimbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the aforesaid audit.

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, Members of the Company are required to ratify the remuneration proposed to be paid to the Cost Auditors.

None of the Directors or Key Managerial Personnel and their relatives (except Non-Executive Independent Directors), are concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 8 for the approval of Members.

Item No. 9

As per the provisions of Section 188 of the Companies Act, 2013 ('Act'), transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders.

With effect from 1st April, 2022, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), mandates prior approval of the Shareholders through ordinary resolution for all 'material' Related Party Transactions.

For this purpose, a transaction with a Related Party shall be considered 'material', if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed ₹1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

SEBI, vide its circular dated 30th March, 2022, has clarified that a Related Party Transaction approved by the Audit Committee prior to 1st April, 2022, which continues beyond this date and if it becomes material as per the materiality threshold provided above, requires approval of the shareholders.

In accordance with the change in materiality threshold and the Company's revised 'Policy on Related Party Transactions', the transaction as per the details given below is being placed before the shareholders for their approval.

PT. Unilever Oleochemical Indonesia (UOI) is a wholly owned subsidiary of Unilever PLC and fellow subsidiary of the Company. The Company procures raw-materials, primarily palm oil derivatives and soap noodles from UOI.

The Company has existing transactions/contracts/ arrangements/agreements with UOI which are at present within the materiality thresholds as prescribed by the Listing Regulations. The value of such transactions in the financial year 2021-22 was ₹687 crores and in the financial year 2020-21 was ₹444 crores.

With the unprecedented inflation in palm oil prices, the aggregate value of transactions with UOI is now expected to exceed the materiality threshold of ₹1,000 crores, and hence the Company is approaching the shareholders for approval of the Material Related Party Transactions with UOI.

The Company shall ensure that the threshold does not exceed beyond ₹1,000 crores upto the date of the 89th Annual General Meeting i.e. Thursday, 23rd June, 2022.

The Company has in place a structured process for approval of Material Related Party Transactions and on Dealing with Related Parties. As per the process, necessary details for each of the Related Party Transaction irrespective of the materiality threshold along with the justification are provided to the Audit Committee which enables them to arrive at the right decision. Additionally, an update and certification from an Independent Consultant on the actual Related Party Transactions is provided to the Audit Committee on a quarterly basis confirming compliance as per Act and Listing Regulations.

Details of Material Related Party Transactions

Sr. No	Particulars	Details
1	Name of the Related Party	PT. Unilever Oleochemical Indonesia
2	Nature of Relationship with the Company	Fellow Subsidiary
3	Type, material terms and particulars of the proposed transaction	Purchase of raw-material/ semi-finished goods
4	Tenure of the proposed transaction	Recurring Transactions for a duration of three financial years commencing from financial year 2022-23 to financial year 2024-25
5	Value of the proposed Transaction	Not exceeding ₹1,250 crores in a financial year
6	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction	2.4%
7	(a) Details of the source of funds in connection with the proposed transaction	Not Applicable, as the transaction does not relate to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary.
	(b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments • nature of indebtedness; • cost of funds; and • tenure;	
	(c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured	
	(d) Purpose for which funds will be utilised	
8	Justification as to why the RPT is in the interest of the Company	The Company sources raw-materials/semi-finished goods primarily Palm Oil and its derivatives from its fellow subsidiary PT. Unilever Oleochemicals Indonesia (UOI). This helps the Company achieve its sustainability commitments while sourcing quality products at market competitive rates. • Quality and Innovation: Backward integration and flexibility in blends provides assured quality and speed of innovation. • Competitive Pricing: Rates are competitive and at arm's length while providing the assurance of quality and sustainability. • Resilience backup: UOI also provides flexibility to our sourcing plans and works as resilience backup during supply volatility.
9	Details about valuation, arm's length and ordinary course of business	Arm's length pricing; combination of cost-plus markup and market benchmarking
10	Valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction	Not Applicable
11	Any other information relevant or important for the shareholders to take an informed decision	All relevant information forms a part of this Explanatory statement setting out material facts.

The above mentioned Related Party Transaction is in the ordinary course of business and on an arm's length basis.

The transaction shall also be reviewed/monitored on an annual basis by the Audit Committee of the Company and shall remain within the proposed limits as placed before the shareholders. Any subsequent 'Material Modification' in the proposed transaction, as defined by the Audit Committee as a part of Company's 'Policy on Related Party Transactions', shall be placed before the shareholders for approval, in terms of Regulation 23(4) of the Listing Regulations.

None of the Directors or Key Managerial Personnel and their relatives (except Non-Executive Independent Directors), are concerned or interested (financially or otherwise) in this Resolution.

The Members may note that as per the provisions of the Listing Regulations, all related parties (whether such related party is a party to the above-mentioned transaction or not), shall not vote to approve the resolution set out at Item No. 9.

The Board recommends the Ordinary Resolution set out at Item No. 9 for the approval of Members.

Registered Office:
Unilever House,
B. D. Sawant Marg,
Chakala, Andheri (East),
Mumbai – 400 099

Mumbai: 27th April, 2022

By Order of the Board

Dev Bajpai
Executive Director
Legal & Corporate Affairs and Company Secretary
FCS No: 3354/DIN: 00050516

Attention Members

Manner of registering/ updating e-mail address	Manner of joining the AGM	TDS on Dividend
Members holding shares in physical form and who have not updated their e-mail addresses with the Company are requested to update their e-mail addresses by sending in duly filled and signed Form ISR-1 (Form for registering PAN, KYC details or changes/ updation thereof), to the Registrar and Share Transfer Agent of the Company – KFin Technologies Limited at Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India - 500 032 or or by email to einward.ris@kfintech.com from their registered email id.	Facility to attend the AGM through VC/ OAVM is available through the NSDL e-voting system at https://www.evoting.nsdl.com	Members may note that as per the Income-tax Act, 1961, dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source ('TDS') from dividend paid to the Members at rates prescribed in the Income Tax Act, 1961. Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961 at https://ris.kfintech.com/form15

Profile of Directors

NITIN PARANJPE (DIN: 00045204)

Mr. Nitin Paranjpe (59) is the Non-Executive Chairman of Hindustan Unilever Limited. Mr. Paranjpe is also the Chief Transformation and Chief People Officer at Unilever. He has been a member of the Unilever Leadership Executive since October 2013. He is a member of the Supervisory Board of Heineken NV.

Prior to this, he was Unilever's Chief Operating Officer (COO). He was responsible for delivering in-year results (P&L) for Unilever globally, leveraging synergies, building future capabilities, and accelerating the organisation's digitisation. Before becoming COO, he was President of Foods & Refreshment for Unilever. From 2013 to 2017, he was President of Unilever's Home Care Division.

Mr. Paranjpe joined Hindustan Lever Limited in 1987, where he held various roles in marketing and sales. In 2000, he moved to Unilever London and was involved in reviewing the organisation's structure. During 2001, he worked as Executive Assistant to the Chairman and Unilever Executive Committee.

On his return to India in 2002, Mr. Paranjpe held several senior positions in laundry and household care, including Vice President Home Care, India (2004) and Executive Director for Home & Personal Care, India (2006). In April 2008, he was appointed as Chief Executive Officer of Hindustan Unilever Limited, India and Executive Vice President for Unilever, South Asia.

For his efforts in blazing a trail for diversity, he won the GG2 Hammer Award in 2019. Previous winners were Mayor of London, Sadiq Khan and Chancellor of the Exchequer, Sajid Javid. In 2020 he was given a Kindness Award by the Women of the Future Network in recognition of his leadership, guidance, and empathy.

Mr. Paranjpe holds a bachelor's degree in Mechanical Engineering and an MBA in Marketing from Jamnalal Bajaj Institute of Management (JBIM) in Mumbai.

Mr. Paranjpe does not hold any Directorship or Membership/Chairmanship of the Board Committees in other Companies.

SANJIV MEHTA (DIN: 06699923)

Mr. Sanjiv Mehta (61) joined the Board of the Company in October 2013 as the Chief Executive Officer and Managing Director. Mr. Mehta was appointed as the Chairman of the Company during the period 30th June, 2018 till 30th March, 2022. He has been appointed as President of Unilever, South Asia and member of the Unilever Leadership Executive (ULE) effective May, 2019.

Mr. Mehta joined Unilever in October 1992. He has led several Unilever businesses across South Asia, South East Asia and Middle East. He was appointed Chairman and Managing Director of Unilever Bangladesh in 2002. In 2007, he was appointed as Chairman and CEO of Unilever Philippines. In 2008, he took up his responsibilities as the Chairman and CEO of Unilever North Africa and Middle East (NAME), leading a multi-country organisation spanning 20 countries in the region.

During his tenure as the head of various Unilever Companies, the business achieved significant success accelerating both growth and profitability. Importantly, he has been instrumental in building leadership talent and substantially strengthening organisational capabilities.

Before joining Unilever, Mr. Mehta worked for Union Carbide India Limited. He is a Commerce graduate and a Chartered Accountant. He has also completed an Advanced Management Program from Harvard Business School.

He is Chairperson of Risk Management Committee and a Member of the Stakeholders' Relationship Committee, Corporate Social Responsibility Committee of the Company.

Directorship in other Companies
Unlisted
Hindustan Unilever Foundation (Director)
Breach Candy Hospital Trust (Nominee Director)
Bhavishya Alliance Child Nutrition Initiatives (Director)
Indian School of Business (Director)
Federation of Indian Chambers of Commerce and Industry (Director)
Air India Limited (Additional Director)

Mr. Mehta does not hold any Membership/Chairmanship of the Board Committees in other Companies.

DEV BAJPAI (DIN: 00050516)

Mr. Dev Bajpai (56) was appointed as the Executive Director – Legal and Company Secretary and as a Member of the Management Committee of the Company in 2010. Mr. Bajpai took additional responsibility of Corporate Affairs function in the year 2012. Mr. Bajpai was appointed as an Executive Director on the Board of the Company on 23rd January, 2017.

He has 30 plus years of experience in the areas of Legal, Compliance, Tax and Corporate Affairs across diverse industries including Automobiles, FMCG, Hospitality and Private Equity.

Prior to joining the Company, Mr. Bajpai has worked in Maruti Udyog Limited, Marico Limited, The Indian Hotels Company Limited and ICICI Venture Funds Management Company Limited.

Mr. Bajpai has been a part of committees of Apex Industry Organisations like Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI).

Mr. Bajpai is a Fellow Member of the Institute of Company Secretaries of India and holds a law degree from University of Delhi. He has also completed an Executive Programme for Corporate Counsels conducted by Harvard Law School.

He is a Member of the Risk Management Committee of the Company and in his capacity as a Company Secretary is a secretary to all Board Committees.

Directorship in other Companies
Unlisted
Hindustan Unilever Foundation (Director)
Bhavishya Alliance Child Nutrition Initiatives (Director)
Indian Beauty and Hygiene Association (Director)
Unilever India Limited (Director)

Mr. Bajpai does not hold any Membership/Chairmanship of the Board Committees in other Companies.

RITESH TIWARI (DIN: 05349994)

Mr Ritesh Tiwari (46) is the Executive Director, Finance & IT and Chief Financial Officer of Hindustan Unilever Limited. He is also the Vice President, Finance for Unilever, South Asia. Mr. Tiwari joined Unilever as a management trainee in 1999 after completing his certification as a Chartered Accountant, and Cost and Management Accountant.

Over the last 22 years, he has led teams both within India and overseas at Unilever in core finance and as a business partner to front-end sales, categories and supply chain. His most recent role has been in the UK as the Vice President, Finance, Global Performance Management for Unilever and CFO for Unilever International, where he is credited with bringing digital transformation, simplification and leading projects with high business impact.

Mr. Tiwari is driven by his purpose "Reimagine possibilities and bring value with values." He is a future-focussed, high energy and results-oriented business leader.

He is also member of Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee.

Directorship in other Companies
Unlisted
Hindustan Unilever Foundation (Director)
Bhavishya Alliance Child Nutrition Initiatives (Director)
Bombay Chambers of Commerce and Industry (Additional Director)
Unilever India Limited (Director)

Mr. Tiwari does not hold any Membership/Chairmanship of the Board Committees in other Companies.

WILHELMUS UIJEN (DIN: 08614686)

Mr. Wilhelmus Uijen (47) has been appointed as Executive Director, Supply Chain with effect from 1st January, 2020. He also leads the Supply Chain function for Unilever, South Asia.

Mr. Uijen started his career at Unilever in 1999 as a Management Trainee in the Netherlands. He has held a series of assignments in Supply Chain and Research and Development. He has spent most of his professional life working in various roles in Supply Chain for Unilever's Latin America business where he was based in Mexico City from 2003 to 2015 with a short assignment in London. He has been the Supply Chain Vice President for Unilever, Mexico and the Caribbean (2012-2015), Vice President Home Care SC Latin America based out of Switzerland (2015-2016) and recently headed Unilever's Supply Chain, Home Care division based out of London (2016-2019).

He holds a Master of Science (M.Sc.) degree in Applied Physics from Eindhoven University in the Netherlands.

Mr. Uijen is a Member of Risk Management Committee of the Company.

Directorship in other Companies
Unlisted
Unilever India Exports Limited (Director)
Unilever India Limited (Director)
Membership/Chairmanship of Board Committees in other Companies
Unlisted
Unilever India Exports Limited
- Nomination and Remuneration Committee (Member)
- Corporate Social Responsibility Committee (Member)

O. P. BHATT (DIN: 00548091)

Mr. O. P. Bhatt (71) is the former Chairman of SBI (State Bank of India). In the 37 years that Mr. Bhatt served at SBI, he worked on several important national and international assignments. Mr. Bhatt led

SBI through challenging times by capitalising on the bank's strengths. As Chairman of SBI, he was heading the largest financial group in India, comprising, in addition to SBI, seven associate banks, five international banking subsidiaries and nine financial services Companies in India. Under his leadership, SBI rose on the Global List rankings of Fortune 500.

Mr. Bhatt was nominated 'Banker of the Year' by Business Standard and CNN – IBN Indian of the Year for Business in 2007. Mr. Bhatt was Chairman of the Indian Banks' Association. He has also been a part of India's eco-diplomacy as Member of the Indo - US, Indo - Russia and Indo-French CEO's Forum.

Mr. Bhatt holds a Graduate degree in Physics and a Post Graduate degree in English literature (Gold Medal).

Mr. Bhatt was appointed as an Independent Director on the Board of the Company in December, 2011. He is the Chairperson of the Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company and a Member of the Audit Committee and Nomination and Remuneration Committee of the Company.

Directorship in other Companies
Listed
Tata Consultancy Services Limited (Independent Director)
Tata Steel Limited (Independent Director)
Tata Motors Limited (Independent Director)
Unlisted
Aadhar Housing Finance Limited (Director and Non – Executive Chairman)
Membership/Chairmanship of Board Committees in other Companies
Listed
Tata Consultancy Services Limited
- Audit Committee (Member)
- Nomination and Remuneration Committee (Chairman)
- Corporate Social Responsibility Committee (Member)
Tata Steel Limited
- Audit Committee (Chairman)
- Nomination and Remuneration Committee (Member)
- Corporate Social Responsibility Committee (Member)
Tata Motors Limited
- Corporate Social Responsibility Committee (Chairman)
- Nomination and Remuneration Committee (Chairman)
- Audit Committee (Member)
Unlisted
Aadhar Housing Finance Limited
- Audit Committee (Member)

SANJIV MISRA (DIN: 03075797)

Dr. Sanjiv Misra (74) is a retired Indian Administrative Services (IAS) officer and a former Member of the 13th Finance Commission, a constitutional position with the rank of a Minister of State. Prior to joining the Finance Commission, Dr. Misra has served in a wide range of key positions in the Federal and State Governments, including as Managing Director of the Gujarat Industrial Development Corporation and stints at senior levels in the Government of India in the Cabinet Office, the Ministry of Petroleum, the Ministry of Health & Family Welfare and the Ministry of Finance. He served as a Secretary in the Ministry of Finance till his superannuation.

Dr. Misra has represented India in various international conferences, seminars and negotiations. Dr. Misra has been a Member of the Advisory Council of the Asian Development Bank Institute, Tokyo. He was also a Member of the Committee on Fiscal Consolidation (Kelkar Committee) set up by the Finance Minister in August, 2012 to chart out a road map for fiscal consolidation for the Indian economy.

Dr. Misra graduated in Economics from St. Stephen's College, Delhi. He has a Master's degree in Economics from the Delhi School of Economics, a Master's degree in Public Administration from John F Kennedy School of Government, Harvard University, USA and a Ph.D. from the Jawaharlal Nehru University, New Delhi. In recognition of exceptional academic strengths and leadership qualities, Dr. Misra was designated as Lucius N Littauer Fellow of 1987 at Harvard University.

Dr. Misra was appointed as an Independent Director on the Board of the Company in April, 2013. He is the Chairman of the Nomination and Remuneration Committee and a Member of the Audit Committee and Corporate Social Responsibility Committee of the Company.

Dr. Misra does not hold any Directorship or Membership/Chairmanship of the Board Committees in other Companies.

KALPANA MORPARIA (DIN: 00046081)

Ms. Kalpana Morparia (72) was Chairman of J. P. Morgan, South and Southeast Asia and Member of J. P. Morgan's Asia Pacific Management Committee.

Prior to joining J. P. Morgan India, Ms. Morparia served as Vice Chair on the Boards of ICICI Group Companies. She was a Joint Managing Director of ICICI Group from 2001 to 2007. She had been with the ICICI Group since 1975.

A graduate in law from Bombay University, Ms. Morparia has served on several committees constituted by the Government of India. She has also been recognised by several International & National media for her role as one of the leading women professionals.

Ms. Morparia serves as an Independent Director on the Boards of Dr. Reddy's Lab. Ltd., Philip Morris International Inc. and Delhivery Limited. She is also a Member of the Governing Board of Bharti Foundation and a director on General India Foundation. She is also a Governing Body Member of Foundation for Audit Quality (FAQ).

Ms. Morparia was appointed as an Independent Director on the Board of the Company with effect from 9th October, 2014. She is Chairperson of the Audit Committee and a Member of the Nomination & Remuneration Committee and Corporate Social Responsibility Committee of the Company.

Directorship in other Companies
Listed
Dr. Reddy's Laboratories Limited (Independent Director)
Unlisted
Delhivery Limited (Director)
Generation India Foundation (Director)
Membership/Chairmanship of Board Committees in other Companies
Listed
Dr. Reddy's Laboratories Limited
- Stakeholders Relationship Committee (Chairperson)
- Audit Committee (Member)
- Nomination, Governance and Compensation Committee (Member)
Delhivery Limited
- Corporate Social Responsibility Committee (Chairperson)
- Nomination and Remuneration Committee (Chairperson)

LEO PURI (DIN: 01764813)

Mr. Leo Puri (61) was the Managing Director of UTI Asset Management Company Limited from August, 2013 to August, 2018. He has assumed office of the Chairman of JP Morgan Chase for South & South East Asia in early 2021.

In his career of more than 30 years, Mr. Puri has previously worked as Director with Mckinsey & Company and as Managing Director with Warburg Pincus. Mr. Puri has worked in the UK, USA and Asia and since 1994. He has been based in India.

At Mckinsey, he has advised leading financial institutions, conglomerates, and investment institutions in strategy and operational issues. He has contributed to the development of knowledge and public policy through advice to regulators and Government officials.

At Warburg Pincus, he was responsible for leading and managing investments across industries in India. He also contributed to the financial services investments in the international portfolio as a Member of the global partnership.

Mr. Puri has a Master's degree in P.P.E. from University of Oxford and a Master's degree in Law from University of Cambridge.

Mr. Puri has held Non-Executive Board position at Infosys, Bennett Coleman & Co., Max New York Life and Max Bupa Health Insurance.

Mr. Puri was appointed as an Independent Director on the Board of the Company with effect from 12th October, 2018. He is a member of the Corporate Social Responsibility Committee and Stakeholders Relationship Committee of the Board.

Directorship in other Companies
Listed
Dr. Reddy's Laboratories Ltd (Independent Director)
Unlisted
Tata Sons Private Limited (Additional Director)
Membership/Chairmanship of Board Committees in other Companies
Listed
Dr. Reddy's Laboratories Limited
- Risk Management Committee (Member)

ASHISH GUPTA (DIN: 00521511)

Dr. Ashish Gupta (55) is an entrepreneur, advisor and strategic angel investor. He co-founded Helion Advisors in 2006 and presently represents Helion Advisors, managing a corpus of $600 million across three funds. He also serves on the Boards of several firms including Infoedge, Workspot and Urban Company.

Prior to Helion, Dr. Gupta was a Venture Partner with Woodside Fund and before that, had co-founded two Companies - Tavant Technologies and Junglee.com, which was later acquired by Amazon. He has also worked at Oracle Corporation and IBM. Some of his other investments include redBus, Mu Sigma, Daksh (IBM), Upwork (UPWK), MakeMyTrip, and Flipkart.

Dr. Gupta holds a Ph.D. in Computer Science from Stanford University, and a Bachelor's degree from the Indian Institute of Technology (IIT), Kanpur where he was awarded the President's Gold medal and the Distinguished Alumnus Award. He is the owner of several patents, published in international journals and authored a book published by MIT Press.

Profile of Directors

Dr. Gupta was appointed as an Independent Director on the Board of the Company with effect from 31st January, 2020. He is also a Member of Audit Committee and Risk Management Committee of the Company.

Directorship in other Companies
Listed
Info Edge (India) Limited (Independent Director)
Unlisted
Whatfix Private Limited (Director)
Cyllid Technologies Private Limited (Director)
Urbanclap Technologies India Private Limited (Additional Director)
Membership/Chairmanship of Board Committees in other Companies
Listed
Info Edge India Limited
- Risk Management Committee (Member)

ASHU SUYASH (DIN: 00494515)

Ms. Suyash (55) comes with over 33 years of experience in the financial services and global information services sector. As CEO, she led several Indian and Global businesses for over 17 years. She was, until recently, the Chief Executive Officer and Managing Director at CRISIL (Credit Rating Information Services of India Limited) and a member of the Operating Committee of S&P Global. She serves on Advisory Boards and Committees of several institutions like the Securities and Exchange Board of India, Insolvency and Bankruptcy Board of India, National Institute of Securities and Markets.

Ms. Suyash played a pivotal role in enabling CRISIL regain its Ratings Leadership position and transform to become a Global analytics company and solutions provider through wide scale adoption of technology. She led CRISIL's growth through acquisitions in a very challenging environment. Prior to her role as CEO and MD at CRISIL, Ms. Suyash worked with reputed financial organisations - L&T Financial Services Group, Fidelity International and Citibank.

Ms. Suyash has recently founded Colossa Ventures LLP, an innovative platform aimed at providing capital, capability and confidence building for women entrepreneurs and women-focussed businesses. She was appointed as an Independent Director on the Board of Kotak Mahindra Bank in January 2022. She is also a member of their Audit Committee and Risk Management Committee.

Ms. Suyash is a Chartered Accountant from the Institute of Chartered Accountants of India and completed her Bachelor's Degree in Commerce from the University of Mumbai.

Ms. Ashu Suyash was appointed as an Independent Director on the Board of Hindustan Unilever Limited on 12th November, 2021. Ms. Ashu Suyash is also member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee of the Company.

Directorship in other Companies
Listed
Kotak Mahindra Bank Limited (Independent Director)
Membership/Chairmanship of Board Committees in other Companies
Listed
Kotak Mahindra Bank Limited
- Audit Committee (Member)
- Risk Management Committee (Member)

DIRECTORS' INTEREST

None of the Directors of the Company is inter-se related to each other. The Directors seeking approval for appointment/re-appointment may be deemed to be concerned or interested to the extent of shares held by them in the Company as given in the table below:

Name of the Director	No. of Shares	% Holding
Nitin Paranjpe	1,24,509	0.0053
Sanjiv Mehta	1,410	0.0001
Ritesh Tiwari	2,630	0.0001
Dev Bajpai	51,576	0.0022
O. P. Bhatt	245	0.0000

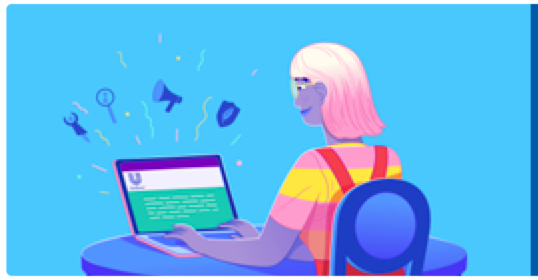
Note: Shareholding as on financial year ended 31st March, 2022.

None of the other Directors except mentioned above hold any shares in the Company as on 31st March, 2022.

Enhancing health, hygiene and sanitation - One Suvidha at a time

Hindustan Unilever Limited's latest and largest urban community hygiene and sanitation centre will help nearly 2 lakh individuals gain access to better hygiene and sanitation.

Located in one of the most densely populated urban slums, Dharavi in Mumbai, the 7th Suvidha centre has **111 toilets**, is powered by solar panels and is designed to **save over 6.5 million litres of freshwater every year** by reusing treated wastewater and rainwater harvesting. Additionally, to ensure maximum impact, HUL will undertake behaviour change programmes on water, sanitation, nutrition, health & hygiene in the communities around the centre. The centre is built in partnership with HSBC and the Municipal Corporation of Greater Mumbai (MCGM).



KIND ATTENTION MEMBERS:

Instructions to join the AGM

For detailed instructions to join the AGM through Video Conference (VC)/ Other Audio Visual Means (OAVM) and the procedure to ask questions/ seek clarifications with respect to the Integrated Annual Report, refer page no. 303 to 309 of this Integrated Annual Report.

For further information on our Economic, Environmental and Social Performance please visit our website:
www.hul.co.in

Hindustan Unilever Limited

Registered Office:
Unilever House,
B. D. Sawant Marg, Chakala,
Andheri (East),
Mumbai - 400 099

CIN: L15140MH1933PLC002030

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