



## Hindustan Unilever Limited

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

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

29th July, 2016

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

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

National Stock Exchange of India Ltd  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra – Kurla Complex,  
Bandra (E),  
Mumbai – 400 05

Dear Sir,

### **Sub: Minutes of the 83rd Annual General Meeting**

We are pleased to enclose herewith copy of the Minutes of the proceedings of the 83rd Annual General Meeting held on 30th June, 2016.

We shall request you to kindly take it on records.

Thanking you,

Yours faithfully,  
**For Hindustan Unilever Limited**

**Dev Bajpai**  
Executive Director (Legal & Corporate Affairs)  
and Company Secretary  
Membership No. F3354

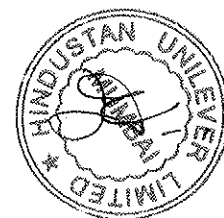


## HINDUSTAN UNILEVER LIMITED

MINUTES OF THE 83RD ANNUAL GENERAL MEETING OF THE MEMBERS OF HINDUSTAN UNILEVER LIMITED HELD AT THE REGISTERED OFFICE OF THE COMPANY AT UNILEVER HOUSE, B. D. SAWANT MARG, CHAKALA, ANDHERI EAST, MUMBAI 400 099, ON THURSDAY, 30TH JUNE, 2016, AT 3.30 P.M.

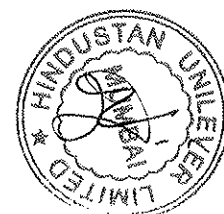
**Present:**

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



|                             |   |
|-----------------------------|---|
| <b>Mr. P. B. Balaji</b>     | <b>Executive Director - Finance &amp; IT and CFO and as a member of the Company</b>   |
| <b>Mr. Pradeep Banerjee</b> | <b>Executive Director - Supply Chain and as a member of the Company</b>   |
| <b>Mr. B. P. Biddappa</b>   | <b>Executive Director, Human Resources and as a member of the Company</b>   |
| <b>Ms. Priya Nair</b>       | <b>Executive Director – Home Care and as a member of the Company</b>  |
| <b>Mr. Punit Misra</b>      | <b>Executive Director – Sales &amp; Customer Development and as a member of the Company</b>   |
| <b>Mr. Sudhir Sitapati</b>  | <b>Executive Director – Refreshments and as a member of the Company</b>   |
| <b>Mr. Dev Bajpai</b>       | <b>Executive Director (Legal &amp; Corporate Affairs) and Company Secretary and as a member of the Company and also as a proxy for 1 member</b> |

1. Mr. Sanjay Buch, Partner of M/s. Crawford Bayley & Co., the Solicitors of the Company, Mr. Akeel Master, Audit Partner of M/s. B S R & Co., LLP, Statutory Auditors of the Company and Mr. S. N. Ananthasubramanian, Secretarial Auditors of the Company were present by invitation.
2. In aggregate, 815 Members were present in person and 13 Members were represented by their authorized representatives and proxies.
3. In accordance with Article 82 of the Articles of Association, Mr. Harish Manwani, Chairman of the Board of Directors took the Chair.
4. The following documents and Registers were placed on the table:
  - (i) Notice convening the 83rd Annual General Meeting
  - (ii) Directors' Report and also with Annexures thereto for the financial year ended 31st March, 2016.
  - (iii) The Audited Accounts and Auditors' Report thereon for the financial year ended 31st March, 2016.
  - (iv) The Proxy Register with 7 valid proxies lodged with the Company in connection with the 83rd Annual General Meeting (remained open for inspection during the meeting).



- (v) The Register of Directors' and Key Managerial Personnel and their shareholdings (remained open for inspection during the meeting).
  - (vi) The Register of Contracts or arrangements in which the Directors were interested (remained open for inspection during the meeting).
  - (vii) Auditors' Certificate in respect of Employees' Stock Option Plan of the Company (remained open for inspection during the meeting).
  - (viii) Resolutions passed by the shareholders in General Meetings.
5. Ms. Anthea Miranda, Manager, Service Delivery Manager – SA, Work Place Services informed the Members about the safety arrangements inside the meeting hall, in case of any emergency. Thereafter, a short film demonstrating the safety arrangements was played for the shareholders.
  6. At 3.30 p.m., the Chairman commenced the meeting by welcoming the Members to the 83rd Annual General Meeting. The Chairman announced that the requisite quorum being present, the meeting was called to order.
  7. The Chairman introduced the Members of the Board of Directors, Members of the Management Committee and other Invitees present on the dais. The Chairman welcomed Mr. Sudhir Sitapati, Executive Director, Refreshments who was a new member of the Management Committee consequent to the reorganization of Foods and Refreshments (F&R) business into two separate businesses of Foods and Refreshments. The Chairman placed on record the appreciation and gratitude for the enormous contribution made by Ms. Geetu Verma, Executive Director, Foods and Refreshments and stated that she would continue as Executive Director, Foods and as a member of the Management Committee.
  8. The Chairman informed the Members that Mr. Samir Singh, Executive Director, Personal Care had been elevated as the Global EVP, Skin Cleansing at Unilever w.e.f. May, 2016 and appreciated for the outstanding contribution made by him to the Company. The Chairman welcomed Mr. Sandeep Kohli, who had succeeded Mr. Samir Singh and had been appointed as an Executive Director, Personal Care, member of Management Committee of the Company.
  9. The Chairman further, welcomed Mr. S. N. Ananthasubramanian from M/s. S. N. Ananthasubramanian & Co., the Secretarial Auditors of the Company, who was present at the meeting.
  10. Thereafter the Chairman commenced the formal agenda of the Annual General meeting and with the consent of the Members present, the Notice convening the meeting, the Directors' Report along with annexures thereto and the Annual Accounts for the financial year ended 31st March, 2016 were taken as read.
  11. The Chairman then announced that until 48 hours before the time of the commencement of the Annual General Meeting, 7 valid proxies covering a total



of 91,79,450 (Ninety One Lacs Seventy Nine Thousand Four Hundred Fifty) equity shares of Re.1/- each and 7 (Seven) representations under Section 113 of the Companies Act, 2013 from Unilever PLC and its Affiliates, covering a total of 145,44,12,858 (One Hundred Forty Five Crores Forty Four Lakhs Twelve Thousand Eight Hundred and Fifty Eight) equity shares of Re.1/- each, had been received and the same were laid on the table.

12. The Chairman informed the shareholders that the Auditor's Report on the Annual Accounts of the Company for the financial year ended 31st March, 2016 did not contain any qualifications, observations or comments on financial transactions or matters, which had adverse effect on the functioning of the Company. He stated that in the terms of Section 145 of the Companies Act, 2013, only the qualifications, observations or comments, mentioned in the Auditor's Report, which have any adverse effect on the functioning of the Company, were required to be read at the general meeting. Since there were no such qualifications, observations or comments, the Auditors Report was not required to be read.
13. The Chairman informed that the Company had provided the facility of e-voting to its Shareholders to exercise their right to vote on the Resolutions proposed to be passed at the AGM. The Chairman requested Mr. Dev Bajpai to brief the Members about the e-voting procedure at the AGM.
14. Mr. Bajpai informed the shareholders that as per the provisions of the Companies Act, 2013 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company had provided the facility of remote e-voting to the Shareholders to enable them to cast their vote electronically. The remote e-voting was open from 26th June, 2016 to 29th June, 2016. The arrangements had been made for e-voting at the venue of the meeting for those Shareholders who had not cast their vote by remote e-voting.
15. Mr. Bajpai stated that the shareholders, who had not cast their vote through remote e-voting process, were provided with e-vote key which was a One Time Password (i.e. OTP) to cast their vote. He stated that Volunteers were present in the hall, to assist shareholders to cast their vote and the Company and the Company had also arranged for e-voting Station outside the AGM hall. He further informed that Mr. S. N. Ananthasubramanian, Practicing Company Secretary was appointed as the Scrutinizer for the e-voting process. Thereafter, a short film demonstrating the manner and procedure for e-voting was played for the shareholders.
16. The Chairman informed the shareholders about the flow of events at the AGM and stated that after his speech, he would move all the resolutions as set out in the Notice of AGM and then will move to discussion and Q&A session. On the conclusion of the discussion and Q&A session, the shareholders could cast their vote on the resolutions through e-voting. The Chairman further informed that combined results of remote e-voting and e-voting at the venue of the meeting would be announced and displayed on the website of the Company, on



the website of M/s. Karvy Computer Share Private Limited and also on the website of the Stock Exchanges.

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

#### **ANNUAL ACCOUNTS AND REPORTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

19. The Chairman took up the first item of the agenda and with the consent of the Members present, the Ordinary Resolution for item No 1 of the Notice pertaining to adoption of the Audited Statement of Profit and Loss, Balance Sheet, Directors' Report and Auditor's Report for the financial year ended 31st March, 2016 were taken as read. The Resolution for Item No 1 of the Notice read as follows :

"RESOLVED THAT the Audited Statement of Profit and Loss for the financial year ended 31st March, 2016, the Balance Sheet as on that date, the Audited Consolidated Financial Statements, the Auditor's Report and the Directors' Report, as circulated to the Shareholders and laid before the meeting, be received, considered and adopted."

20. Mr. B. V. Joshi proposed and Mr. Naresh Minawala seconded the resolution.

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

21. The Chairman informed the Shareholders that the Board of Directors at their meeting held on 14th October, 2015 had paid an Interim Dividend of Rs. 6.50 per Equity Share of Re. 1/- each. Further, the Board at their meeting held on 9th May, 2016 had proposed Final Dividend of Rs. 9.50 for every Equity Share of Re. 1/- each for the financial year ended 31st March, 2016. With the consent of the Members present, the Ordinary Resolution for Item No. 2 of the Notice pertaining to the declaration of dividend was taken as read. The Resolution for item No. 2 of the Notice read as follows :

"RESOLVED THAT the interim dividend of Rs. 6.50 for every Equity Share of face value of Re. 1/- each, paid to the Shareholders for the financial year ended 31st March, 2016, as per the Resolution passed by the Board of Directors at their meeting held on 14th October, 2015, be and is hereby noted and confirmed.



RESOLVED FURTHER THAT the final dividend of Rs. 9.50 for every Equity Share of face value of Re. 1/- each for the financial year ended 31st March, 2016 as recommended by the Board of Directors at their meeting held on 9th May, 2016 be and is hereby declared."

The resolution was proposed by Ms. Smita Shah and seconded by Mr. Prabhakar Kuvalekar.

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

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

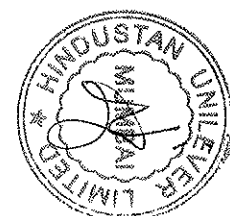
"RESOLVED THAT Mr. Harish Manwani, be and is hereby re-appointed as Director of the Company."

25. The resolution was proposed by Dr. Arunkumar Boppani and seconded by Mr. Murlidhar Vaswani.

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

26. After the said resolution, Mr. Aditya Narayan requested Mr. Harish Manwani to be the Chairman for the remaining business of the meeting. Thereafter, the Chairman requested Mr. Bajpai to read the Ordinary Resolution, set at item no. 4 of the Notice pertaining to re-appointment of Mr. Pradeep Banerjee, as follows:

"RESOLVED THAT Mr. Pradeep Banerjee, be and is hereby re-appointed as Director of the Company."



27. The resolution was proposed by Mr. Manish Shah and seconded by Mr. Jameel Tyebjee.

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

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

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

29. The resolution was proposed by Mr. Bhishma Nanavati and seconded by Mr. Jayesh Gandhi.

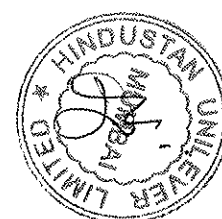
#### **RATIFICATION OF APPOINTMENT OF AUDITORS AND TO FIX THEIR REMUNERATION**

30. The Chairman informed that the next item was with respect to the M/s. B S R & Co. LLP, who were appointed as Statutory Auditors of the Company at the 81st Annual General Meeting for a term of five consecutive years. As per the Companies Act, 2013, the appointment of Auditors was required to be ratified by Members at every AGM. The Members were informed that the remuneration of Statutory Auditors for the next financial year 2016-17 was proposed to be Rs. 131 Lakhs, plus applicable taxes.

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

“RESOLVED THAT the appointment of M/s. B S R & Co. LLP, Chartered Accountants, Mumbai, Firm Registration number 101248W/W-100022, as the Statutory Auditors of the Company be and is hereby ratified and that their remuneration as Statutory Auditors of the Company for the year ending 31st March, 2017 be fixed at Rs. 131 Lakhs (Rupees One Hundred and Thirty One Lakhs Only) plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred in connection with the audit, payable in a manner as decided by the management.”

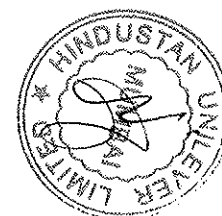
32. The resolution was proposed by Mr. K. L. Makhija and seconded by Mr. R. B. Shah.



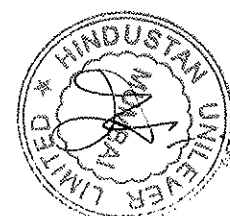


## **RATIFICATION OF REMUNERATION TO COST AUDITOR**

33. The Chairman then took up item No. 7 relating to ratification of the remuneration payable to M/s RA & Co., Cost Accountants, who were appointed to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies Audit and Auditors Rules, 2014, the remuneration payable to the Cost Auditor was required to be ratified by the Members of the Company.
34. With the consent of the Members present, the Ordinary Resolution set at item No. 7 of the Notice pertaining to ratification of remuneration to Cost Auditor was taken as read. The Resolution set at item No. 7 of the Notice read as follows :
- “RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. RA & Co., Cost Accountants (Firm Registration No. 000242), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, amounting to Rs. 10 lacs (Rupees Ten Lacs only) as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”
35. The resolution was proposed by Ms. H. S. Patel and seconded by Mr. Jinoo K. Dupetawalla.
36. After the above resolution was moved and seconded, the Chairman mentioned that the shareholders who did not wish to seek any clarifications or ask questions could vote in the e-voting Station outside the AGM hall. On conclusion of the discussion and Q&A session, the Shareholders could also cast vote in the AGM Hall through Tabs, which would be facilitated by volunteers. The Chairman then invited Shareholders who would like to make comments, make observations and seek clarifications. The following Members spoke on various items of the Notice and Annual Accounts for the year and sought clarifications.
37. Mr. Adil Polad Irani, Mr. Bakul Joshi, Mr. Dilip Bhargava, Mr. Jayprakash Desai, Mr. Murlidhar Vaswani, Ms. H. S. Patel, Mr. T. M. Davar, Mr. Seshan Krishnamoorthy, Mr. Manish Shah, Mr. Arjun S. Assudaney, Ms. Smita Shah, Mr. Ashish Chaturvedi, Mr. Abhishek J, Mr. Veerkumar Doshi, Mr. Prabhakar Kuvalekar, Mr. S. Ramdas, Mr. Manoj R. Shah, Mr. P. Sharma, Mr. Kishore Makhija, Mr. Suresh Asudani, Mr. Janak Mathurdas, Mr. Michael Martin, Mr. Apurva Parekh, Mr. N. Jhaveri, Mr. P. K. Agnihotri, Mrs. Homa Pouredahi, Mr. Nitin Shah, Mr. Jameel Tyebjee and Mr. Dinesh Bhatia.



- (i) The following were some of the comments from the Members:
- Appreciated the quality of the Annual Report and that the Annual Report was very informative.
  - Appreciated the financial results achieved by the Company.
  - Appreciated the speech delivered by the Chairman.
  - Appreciated various awards and recognitions received by the Company.
  - Appreciated the amount of dividend payout.
  - Appreciated the product advertisements.
  - Appreciated the 'Fair and Lovely Foundation' and 'Beti Bachao, Beti Padhao' campaign for offering scholarships for woman candidates.
- (ii) The feedback/suggestion from members were also heard at the meeting. Several suggestions were made by more than one member and they related to :
- Arrange factory visit for Members in the month of October or November instead in the month of September.
  - Company should provide product coupon to shareholders
  - Issue bonus shares.
  - Gave suggestions related to product promotions.
  - Display of all products of the Company together, at the Stores.
  - To plant more Neem trees and Tulasi herbs as the same are used in the products of the Company
  - Dispatch of Subsidiaries Annual Report along with the Annual Report of the Company.
- (iii) Some of the queries from Members were as follows:
- How the Company is planning to compete with 'Patanjali'?
  - Which Company do we pay royalty?
  - What are Company's plan for Natural products?
  - How is Company engaged in CSR activities with Fair & Lovely Foundation?
  - What is the company's view on women empowerment?
38. The Chairman thanked the Members for the kind words and appreciation and stated that the suggestions and feedback would be evaluated. The Chairman responded to the queries raised by Members present at the Meeting.
39. The Chairman informed the Members that the Company would like to focus on the requirements of consumers. The Chairman further stated that the Company welcomes every new competitor for the competitive growth in the market.



40. The Chairman informed the members that the Company pays royalty to Unilever PLC.
41. The Chairman informed the members that the Company focuses on the consumers need and had done a lot to ensure for offering natural products to its consumers by reintroducing Fair & Lovely Ayurveda version and launching a range of Ayush Ayurvedic Products. It was being further informed that the Company had bought 'Indulekha' brand which compliments our existing portfolio and strengthened our presence in Hair Care category.
42. The Chairman informed the members that gender-balancing had been a top of the agenda for the Company and in the last three years the Company had worked towards improving the gender balance. He further mentioned that now the Company was amongst the best gender balanced Companies.
43. The Chairman informed the members that the Fair & Lovely Foundation, engaged in identifying academically exceptional girls from financially challenged backgrounds and offering scholarships to the candidates as a means to empower them for the future.
44. After responding to all the queries of Members, the Chairman handed over the e-voting process to the Scrutinizers and requested the volunteers to assist the Shareholders in casting their vote.
45. The Chairman further informed that combined results of remote e-voting and e-voting at the venue of the meeting would be announced and displayed on the website of the Company, on the website of M/s. Karvy Computer Share Private Limited and also on the website of the Stock Exchanges. It was informed that the meeting being a Court Convened Meeting the results shall be reported to the Court within thirty days of the meeting being held.
46. The Chairman handed over the e-voting process to the Scrutinizers and requested the volunteers to assist the Shareholders in casting their vote.
47. The meeting concluded at 6.55 p.m. when the last vote was cast. The Chairman thanked the members for smooth conduct of the meeting.
48. The results of the e-voting (attached as Annexure II) was declared on 1st July, 2016 based on the report of the scrutinizers dated 30th June, 2016.

Place: Mumbai

Dated this 18th July, 2016 at Mumbai.



Sd/-  
(Harish Manwani)  
CHAIRMAN

## **BUILDING A GLOBAL ENTERPRISE**

### **Introduction**

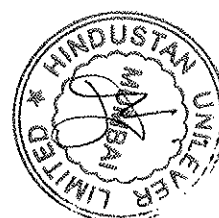
We live in an era where the world's largest car travel company does not own a single car. A company that provides tourists lodgings across 34,000 cities in over 190 countries, does not own a single cubic area of space. A company with retail sales of over \$100 billion, does not own a single retail shop. Uber, Airbnb and Amazon are among a growing number of global companies that did not exist a couple of decades ago, but have rapidly grown and are thriving across diverse markets displacing some well entrenched players with their disruptive business models. They have done this by riding the megatrend of digitisation in an increasingly connected world.

The other megatrend is sustainability. More than ever, companies are recognising the need to develop a sustainable business through innovation and are winning with consumers. New age companies such as Tesla and more traditional companies like Unilever are embedding sustainability at the very heart of their operations.

There is also a third megatrend that is changing the world order. This is the rise of developing markets. Notwithstanding the recent slowdown, China, India and other emerging markets have led global growth in the last two decades and will continue to do so. Developing markets account for more than half of the world's consumption in purchasing power parity (PPP) terms.

China has already overtaken the US in 2014 to become the largest economy in PPP terms and India outpaced Japan to become the world's third largest economy in terms of PPP.

In the Fortune Global 500 companies list, over 150 companies are from Asia, a shift that is only going to accelerate. We have seen the phenomenal success of Indian IT companies globally, the incredible turnaround of the ailing Jaguar by Tata Motors and more recently the success of Royal Enfield from India taking the leadership in international markets from the iconic cruiser Harley Davidson. India is making an increasing business impact outside its boundaries across various industries spanning IT, telecom, pharmaceuticals and many others



## **A defining moment**

Each of these megatrends is creating a disruption in the way the world operates and is changing the paradigm of how business is conducted globally. In a closely interconnected world, we have seen the democratisation of entrepreneurship, the assertion of developing countries in the global landscape and the emergence of businesses that did not even exist a couple of decades ago. The world has changed and is changing beyond recognition every day. The new normal, notes McKinsey, is a world in which China leads in holiday consumption, the United States has become the largest oil producer, a mobile messaging app (WhatsApp) is worth \$19 billion, and India is a new leader in space exploration, sending out an orbiter to Mars at a cost less than what it took to make the Hollywood sci-fi hit Gravity!

India is set to grow faster as we race ahead to meet the aspirations of the 1.3 billion people. As the Forbes magazine noted in a 2015 column by its Editor-in-Chief, Steve Forbes, "There's no reason that India shouldn't achieve real doubledigit annual growth rates for the next 20 years. After all, India can combine the best of two worlds: harvesting the immense expansion that comes from catching up with developed countries and enjoying the growth, particularly in exports, that comes from its high-tech prowess. Doing this would not only enormously improve India's living standards but also mean a more humane, democratic and richer world."

India stands at a defining moment in its journey to take its rightful place in the world economic order and the rapid expansion of Indian businesses in international markets will only help to accelerate this transformation

## **Building a global enterprise**

Indian businesses have built a formidable presence domestically and must now strengthen their footprint globally to build truly world-class enterprises that are capable of competing with the best. How does this become a reality?

While new-age companies like Google and Facebook have used the power of technology to rapidly build a global presence, there are many traditional companies that are also reinventing themselves to remain relevant in this fast-changing world.



Unilever is one such company that has successfully done this for over 130 years of its existence.

With more than 400 brands focussed on making consumers look good, feel good and get more out of life, no other company touches so many people's lives in so many different ways. With its products sold in over 190 countries and two billion people using its products or services every day, Unilever stands out for its reach, relevance and resilience. More importantly, Unilever's unwavering commitment to 'doing well by doing good' is the catalytic reason for its longevity and success.

A close examination of the changing landscape in which we operate and the characteristics that help global organisations such as Unilever and others to thrive, presents important learnings on how to build global enterprises which are successful and relevant.

### **Globally leveraged locally relevant**

Let us look at the striking paradox that defines this age of global connectedness. While trends are gaining global scale and significance, consumers are becoming more rooted in their local cultures and identities. For example, the digitally aware Indian consumers demand the best products and services from across the world but at the same time, are more boldly rediscovering and celebrating local customs, tastes and festivals.

More than ever before, businesses need to combine global capabilities and Research & Development (R&D) expertise with local consumer insights. A good example is Unilever that has 13 big global brands, each with a turnover of over one billion Euro. Brands like Dove and Vaseline have a presence in over 80 countries across the globe and the 100-year-old Lipton brand is available in more than 100 countries. Consumers across the world, be it in the US, Europe, Asia or Africa, connect equally well with these brands. This is because Unilever understands the local needs and preferences, and subsequently leverages its global R&D expertise to customise solutions that best fit the local market. Knorr, for example, adapts its offerings to meet local tastes. Also, Unilever's biggest detergent brand Surf has taken its big brand idea of 'Dirt is Good' and successfully adapted it across 71 countries.



Several global brands like Apple are fast learning the need to adapt their products to suit local demands. India is now the fastest growing market for the Apple iPhone. The company recognised the need to adapt the brand's signature features without over-engineering the product and thereby improving its relevance and value for the Indian consumer.

Often companies can become mindlessly global or hopelessly local. While managing multi-country operations, it is important to strike the right balance between seeking international leverage in terms of innovation and R&D with local relevance for meeting consumer needs and aspirations. Creating the right organisation and mindset is critical to achieving this balance.

### **Organising to win**

In an increasingly connected world and volatile environment, speed is the currency. To win, organisations need to be both stable (resilient, reliable and efficient) and agile (fast, nimble and adaptive). McKinsey's Organisational Health Index of 2015 showed that companies with both speed and stability have a 70 per cent chance of being ranked in the top quartile by organisational health, which is itself a predictor of business success.

As businesses go more global, the benefit of scale brings with it the challenge of speed. The balance between centralisation of processes and the local empowerment for decision-making is not an easy one to achieve. While consistency of processes will enable stability, remaining locally relevant by focussing on customers and consumers will ensure agility.

To build an international enterprise, companies need to empower local markets to focus on consumers and customers while driving product innovation and functional excellence globally. Unilever empowers the geographies to deliver the 'P&L' locally with the support of a global product organisation that delivers world-class innovation by leveraging the company's expertise and R&D capabilities. This is further supported by global functions that ensure consistency and best practices across all markets. Different parts of the organisation are glued together by a common growth agenda and interlocking goals. Most of the global and regional resources are co-located with the operating company to enable agile decision-making closer to the



market. This builds an interdependent culture of teamwork and enables freedom within a framework.

Take for example R&D, which is organised globally but supported by regional innovation centres that are closer to the markets. This structure enables rapid rollout of several breakthrough global innovations adapted through local insights. An example of this is Pureit, which was first launched in India and has now been successfully adapted and rolled out in several other countries across the world. Dove is another great example of a brand that has succeeded in over 80 countries with its truly global brand architecture and offering.

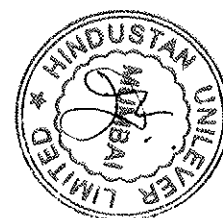
If R&D drives the global innovation pipeline, supply chain keeps the operational wheels moving. With globalisation, supply chains become increasingly complex. As a multi-country organisation, the right balance between global, regional and local can build enormous competitive advantage. relevant and the last mile delivery to customers has a sharp local focus. This provides the optimal balance of low costs and uncompromising customer service.

### **Everyday great execution (EDGE)**

As businesses expand to multiple countries, it is important that they make strategic choices on portfolio and markets. However, it is the ability to rapidly convert strategy into action and plans into 'P&L' across each of the markets that makes enterprises successful globally.

While there are global organisations, there are no global consumers. All consumers are local and trade structures differ from market to market. Multi-country enterprises use the might of their global capabilities and scale, and combine that with the most effective 'route-to-market' to meet the needs of local consumers. This requires a sharp focus on 'everyday great execution' in every single market.

Take Hindustan Unilever Limited (HUL) for example. The company draws on the best technology, global capabilities and innovation to create brands that people love and combines it with a unique distribution model that makes these brands available to hundreds of millions of consumers across the length and breadth of India. Today, nine out of ten Indian households use HUL products. HUL's unparalleled distribution reach ensures that its products are available everywhere, every day in big and small





outlets across all urban and even the remotest rural markets. This model of combining global product capabilities with a relentless focus on execution has made HUL one of the most successful companies in India.

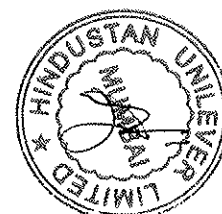
Global leverage often starts with local successes; this applies equally to best practices in executional excellence as well as in product development. On the basis of the learnings in India, Unilever has created a global distributor management system called LEVEREDGE that has now been rolled out across markets in South East Asia and Africa. This is allowing Unilever to raise the bar on customer service consistently across multiple developing markets.

### **Serving digital age consumers**

Digitisation is changing dramatically what consumers watch and where consumers buy. For instance, in India, we have more than a billion mobile phone subscribers and e-tailing is now the fastest growing channel. Technology is creating a level playing field between developed and developing markets. This creates an opportunity for global companies to build digital capabilities and rapidly roll out technology-based business models.

Social media is increasingly becoming an important communication vehicle for reaching out to consumers in every part of the world. Take for example, 'Sketches', a digital campaign for Dove that propagates 'Real Beauty' and inspires self-esteem in women. This campaign was created first for the developed world but was successfully launched across all markets including India. On the other hand, the Lifebuoy 'Help A Child Reach 5' campaign developed in India was successfully extended to the rest of the world.

Technology is also changing the retail landscape and e-commerce is one of the fastest growing channels internationally – with growth rates of 15% in the US, 60% in China and 80% in India over the last three years. Unilever has been investing in building world-class organisational capabilities to ensure that its brand portfolio enjoys a fair share in this emerging channel. A global network of teams has been created to test and rapidly roll out different models of servicing the e-commerce channel in a variety of markets including India. The key is to simultaneously build and deploy world-class capabilities across all operating companies.



Unilever is also harnessing the potential of Big Data to create and globally deploy leading-edge operational and marketing capabilities. For example, the company has launched two big initiatives— 'LiveWire'— an innovative cross-functional analytical platform that enables real-time decision-making across operating units and the 'People Data Centre' that uses advanced analytics to provide real-time consumer insights and enable personalised consumer engagement. The ability of global organisations to leverage new digital capabilities and roll them out rapidly across markets is an important aspect of winning in this new digital world.

### **Diversity of talent**

Diversity of talent is key to global enterprises. In order to compete in this connected and networked world, companies need talent that has international experience and importantly a global mindset. Multinational organisations use their international footprint to identify, develop and retain a diverse talent pool. Ultimately, people power organisations and deploying a diverse talent pool allows global businesses to be closer to local cultures and at the same time build powerful international networks. Research shows that a more inclusive workforce can boost financial performance, reputation, innovation, and employee motivation. It can also help companies better anticipate and meet the needs of their diverse consumers. This can be a clear competitive advantage for global companies and Unilever recognised this opportunity early in its global expansion.

The company attracts, develops and deploys some of the best talent globally. Closer home, HUL is seen as a CEO factory in India and is also an important talent pool for senior managers within Unilever. While Unilever recruits 95% of its managers locally, a large number of them are provided with international experience at different stages of their career. In fact, the Unilever 'top 100' team has as many as 25 nationalities, making it perhaps one of the most diverse management leadership groups in any company.

### **Purpose-driven and values-led leadership**

The most important asset for any global organisation is the reputation and trust it builds within the local communities. In today's connected world, a carefully built reputation can be instantly destroyed at the click of a mouse. We have seen many



global companies pay the price for a wrong leadership action and Volkswagen's 'dieselgate' saga is one such recent example.

Good governance and compliance to local and international regulations is minimum table stakes for any global company. Therefore, robust internal systems and processes are important for a global enterprise to run not just efficiently, but also responsibly. However, the ultimate glue that holds an organisation together is not just operating manuals, but a common purpose and shared values. For that, businesses need a new kind of leadership that is purpose-driven and values-led. It is a common purpose that energises an organisation towards bigger goals and shared values that keep it anchored in a set of non-negotiables. Both are equally important.

'Doing well by doing good' has been Unilever's guiding principle th since inception in the late 19 century when William Hesketh Lever saw the squalor of Victorian England and acted to change it. He offered a simple yet effective way of improving the lives of people—a bar of Sunlight soap that helped to popularise cleanliness and hygiene. In his own words, it was 'to make cleanliness commonplace; to lessen work for women; to foster health and contribute to personal attractiveness that life may be more enjoyable and rewarding for the people who use our products'. What took root was a business with a social mission. This has stayed with the company in every single part of the world where it operates.

Unilever's purpose of 'making sustainable living commonplace' and values of integrity, responsibility, respect and pioneering, motivate and drive the 168,000 employees across the world. The philosophy that underpins this purpose is as plain as it is powerful: Unilever wants to prosper with the communities in which it operates. The vision is to grow the business whilst decoupling its environmental footprint and increasing its positive social impact. This is at the core of the Unilever Sustainable Living Plan (USLP), Unilever's blueprint for sustainable growth.

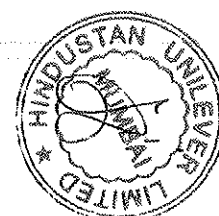
The USLP has three overarching goals—help more than a billion people improve their health and well-being, halve the environmental footprint of its products and enhance the livelihoods of millions of people. These commitments are underpinned by clear targets which are monitored and reported annually. For example, by 2015, Unilever reached over 450 million people through its programmes on handwashing, oral health and safe drinking water. In manufacturing operations, Unilever reduced CO



emissions from energy by 39%, water use by 37% and waste by an impressive 97% as compared to 2008. More than half of Unilever's raw materials are now sourced sustainably. In fact, 100% of palm oil used in Unilever products is from sustainable sources backed by GreenPalm certificates; also, 100% of the tea in Lipton tea bags comes from Rainforest Alliance Certified™ sources. In partnership with others, over the last decade, the company enabled 2.4 million people – 600,000 smallholder farmers and 1.8 million small-scale retailers—to access initiatives aimed to improve their agricultural practices or increase their sales.

The global impact of USLP is due to its passionate deployment across all Unilever operating units. For example, in India, HUL has reached over 65 million people through its Lifebuoy Handwashing programme mainly in the rural areas. The 'Swachh Aadat Swachh Bharat' programme launched last year in line with Government of India's Clean India Mission, has reached out to 75 million people through a mass-media campaign and is being augmented by on-ground initiatives in urban slums. The Hindustan Unilever Foundation, in partnership with NGOs and local governments, has created water conservation potential of over 200 billion litres in water scarce regions across India. Through 'Shakti', a programme that creates livelihood opportunities for rural women, the company is empowering nearly 70,000 women. The USLP is inspiring several similar initiatives in other parts of the Unilever world and reinforcing its commitment to responsible growth.

Unilever is not alone in recognising that enterprises must link business good to societal good. According to the UN Global Compact – Accenture CEO Study, 97% of CEOs see sustainability as important for the future success of their business and 78% see sustainability as an opportunity for growth and innovation. Unilever CEO Paul Polman has stated, "The more our products meet social needs and help people to live sustainably, the more popular our brands become and the more we grow. And the more efficient we are at managing resources such as energy and raw materials, the more we lower our costs and reduce the risks to our businesses and the more we are able to invest in sustainable innovation and brands." This forms a virtuous circle of growth that is imperative for successful businesses in the future.



## Conclusion

We live in fast-changing times. The three megatrends of connectedness through digitisation, the imperative for sustainable business models and a changing global economic order are converging to create a new world. With developing countries poised to lead the world economy, this is a defining moment for Indian businesses that plan to expand their global footprint. To be a truly global enterprise, businesses need to balance global leverage with local relevance, build an organisation that is diverse and agile, and embrace technology to serve the fast-changing needs of consumers everywhere. While organisations may be global, success and failure is decided locally around the world and winning in the marketplace through great execution has to be an integral part of any corporate agenda.

Above all, to be successful in a world where societal trust in business is eroding, global companies must adopt the model of responsible growth and go beyond mere compliance to laws and regulations. The outcome of the recent 'Brexit' referendum is a reminder that there is a rising tide of nationalism and a retreat of globalisation. In that context, it is even more important for companies to not just be seen as responsible international citizens but also be perceived as serving the local communities. Business is and must be a force for social good and companies must strive to win the hearts and minds of the local communities in which they operate. This requires a new kind of leadership that is purpose-driven and values-led, leadership that embraces the new mantra that successful companies need to go from 'great' to 'good' – be focussed on delivering great business results but at the same time be good for the society.



**83RD ANNUAL GENERAL MEETING HELD ON 30TH JUNE, 2016****Declaration of Results of Remote e-voting and e-voting at the meeting**

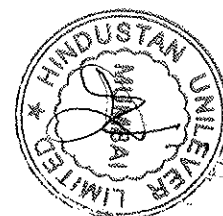
As per the provisions of the Companies Act, 2013 and also the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had provided the facility of remote e-voting and e-voting at the meeting of the Shareholders to enable them to cast their vote electronically on the resolutions proposed in the Notice of the 83rd Annual General Meeting (AGM). The remote e-voting was open from 26th June, 2016 to 29th June, 2016.

In line with the provisions of the Companies Act, 2013 and in terms of the clarification issued by MCA, voting by Show of Hands was not permitted at the General Meeting where e-voting had been offered to the shareholders. Therefore, at the 83rd AGM, voting was conducted by means of remote e-voting and e-voting at the meeting.

The Board of Directors had appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary as the Scrutinizer for remote e-voting and e-voting at the meeting. The Scrutinizer has carried out the scrutiny of all the electronic votes received up to the close of remote e-voting period on 29th June, 2016 and e-voting received till the conclusion of the meeting and submitted their Report on 30th June, 2016.

The Consolidated Results as per the Scrutinizers' Report dated 30th June, 2016 is as follows:

| Resolution No. | Particulars  | %<br>Votes<br>in Favour | %<br>Votes<br>Against | %<br>Votes<br>Abstain |
|----------------|--|-------------------------|-----------------------|-----------------------|
| 1              | Adoption of Financial Statements and Reports thereon for the financial year ended 31st March, 2015   | 99.20                   | 0.00                  | 0.80                  |
| 2              | Confirmation of interim Dividend and declaration of final dividend   | 99.56                   | 0.00                  | 0.44                  |
| 3              | Re-appointment of Mr. Harish Manwani as Director   | 98.72                   | 0.54                  | 0.74                  |
| 4              | Re-appointment of Mr. Pradeep Banerjee as Director   | 99.26                   | 0.30                  | 0.44                  |
| 5              | Re-appointment of Mr. P. B. Balaji as Director   | 99.26                   | 0.30                  | 0.44                  |
| 6              | Ratification of the appointment of M/s. B S R & Co. LLP, as Statutory Auditors and to fix their remuneration for the financial year ending 31st March, 2016. | 98.53                   | 0.73                  | 0.74                  |
| 7              | Ratification of the remuneration of M/s. RA & Co, Cost Accountants for the financial year ending 31st March, 2016  | 99.42                   | 0.14                  | 0.44                  |



Based on the Report of the Scrutinizer, all Resolutions as set out in the Notice of 83rd Annual General Meeting have been duly approved by the Shareholders with requisite majority.

Date: 1st July, 2016

