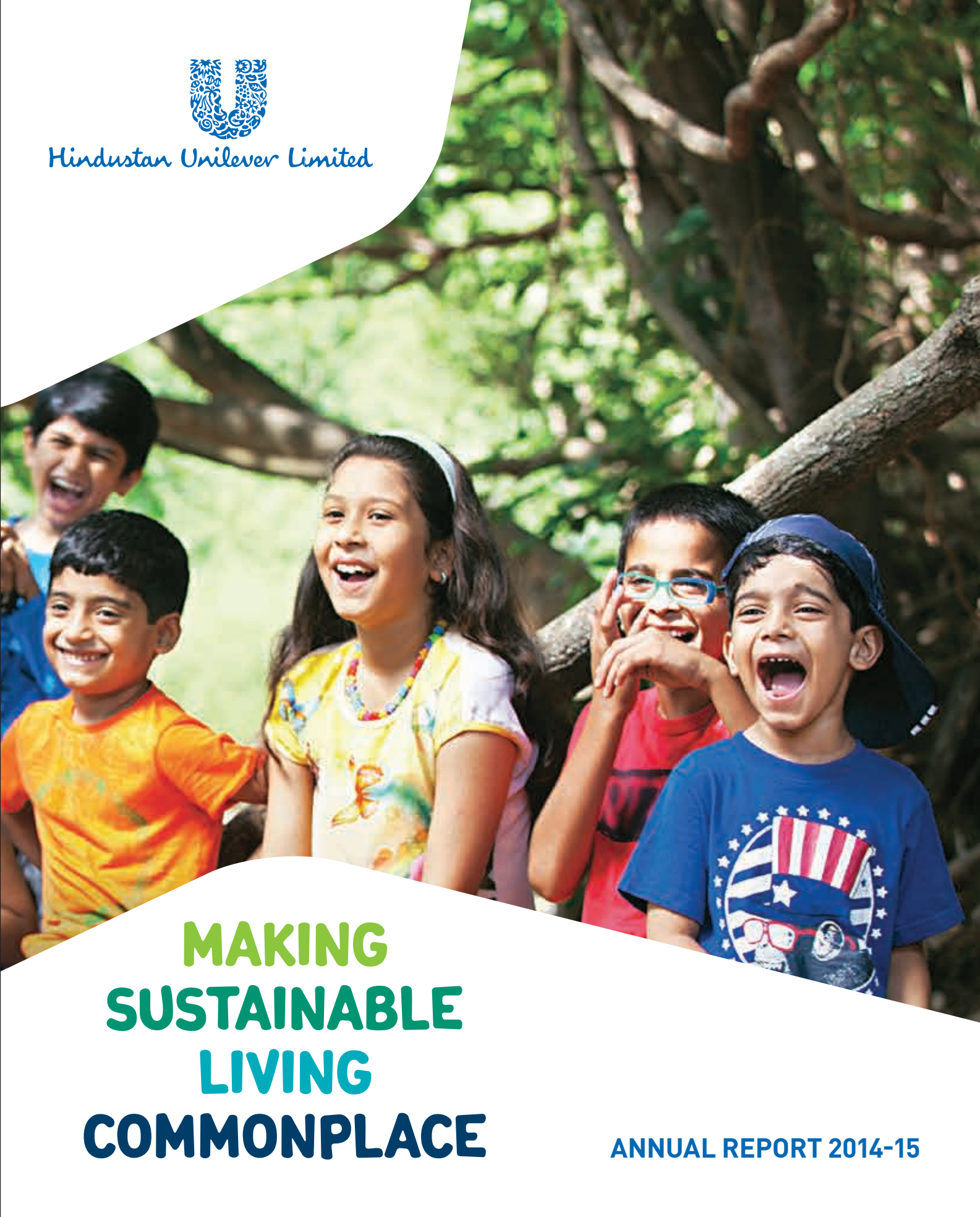




Hindustan Unilever Limited



**MAKING
SUSTAINABLE
LIVING
COMMONPLACE**

ANNUAL REPORT 2014-15



UNILEVER SUSTAINABLE LIVING PLAN (USLP)

The USLP is our key differentiator. It is our blueprint to drive sustainable growth and has three big goals, i.e. improving the health and well-being of more than a billion people, reducing the environmental

footprint of the making and use of our products, and enhancing the livelihoods of millions of people across our value chain.

OUR PURPOSE

OUR PURPOSE IS TO MAKE SUSTAINABLE LIVING COMMONPLACE. WE SEE IT AS THE BEST, LONG-TERM WAY FOR OUR BUSINESS TO GROW.

Our clear Purpose helps us to remain distinct in the eyes of consumers, retailers and suppliers.

It also means we can set an ambitious Vision – to double the size of the business whilst reducing our environmental footprint and increasing our positive social impact.

To meet our growth ambition we invest in people whose talent will help us win through our brands and innovation, unrivalled execution in the market place and a relentless focus on continuous improvement for greater efficiency.

Our environmental and social ambitions are driven through the Unilever

Sustainable Living Plan (USLP), which has economic benefits and operates across all our brands, markets and our entire value chain.

Even when markets are tough we cannot ignore sustainability. If we did, this would diminish the future resilience of Hindustan Unilever Limited (HUL) for its long-term shareholders. We would miss out on the growing consumer preference for goods that do not damage the environment or exploit people.

Our entire business would rely on increasingly rare and expensive raw materials, pushing up our costs. Without more efficient use of energy our production costs would increase while we

would miss considerable savings from more sustainable packaging and less waste.

We would also risk the disapproval of governments, regulators and NGOs, and our brands could suffer reputational damage, representing serious economic loss to the business.

That's why sustainability is at the heart of everything we do to ensure we have a viable long-term business that is attractive to investors.

ONLINE

You can find more information about Hindustan Unilever Limited online at www.hul.co.in. For the latest information on the USLP visit www.hul.co.in/sustainable-living-2015.

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HINDUSTAN UNILEVER AT A GLANCE



WHO WE ARE

Hindustan Unilever Limited is one of the leading fast-moving consumer goods companies in India. We own some of the best-known and best-loved brands like Dove, Lifebuoy, Surf, Kissan, Bru and Pureit. We are passionate about them and proud of the way they help people get more out of life.

WHAT WE DO

We build our brands and develop our products through extensive consumer insight, relentless innovation, and crystal-clear design and marketing. This is a powerful blend that helps us excite and inspire our customers and consumers. We are committed to making sustainable living commonplace and developing new

ways of doing business that will reduce our environmental footprint and increase our positive social impact.

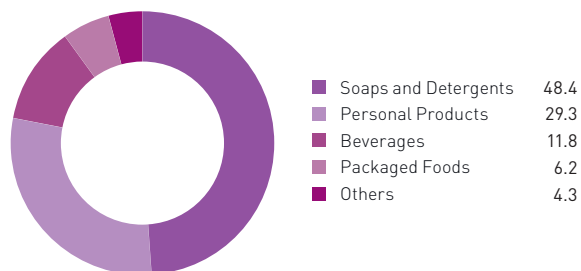
OPERATIONAL HIGHLIGHTS

Despite the challenging environment, we have delivered another year of strong performance with broad-based growth ahead of the market and sustained margin improvement. We remained focused on strengthening the core of our business through innovation, leading market development and continuous improvement of our executional capabilities. Our strategy is well on track as we delivered on our goals of consistent, competitive, profitable and responsible growth.

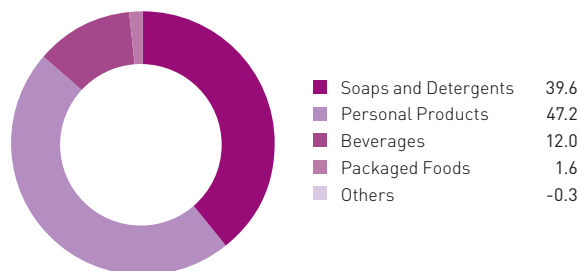
- Domestic Consumer business grew by 10% with 5% underlying volume growth, both ahead of market.
- Profit before interest and tax (PBIT) grew by 17% with PBIT margin improving +90 bps, even as we sustained competitive investment behind our brands.
- The strong track record of cash generation was maintained as cash from operations exceeded Rs. 5,000 crores for yet another year.
- Total dividend of Rs. 15 per share was declared for the Financial Year.
- We continued to make good progress on our sustainability priorities.

SEGMENTAL PERFORMANCE

SEGMENTAL REVENUE (%)



SEGMENTAL RESULTS (%)



OUR KEY PERFORMANCE INDICATORS

We report our performance against key financial and non-financial performance indicators below. The Directors'

Report starting on page 28 gives details of our performance in each of the business segments and functions. Details of the progress made on the Unilever Sustainable Living Plan (USLP) commitments are given on pages 18 and 19.

FINANCIAL

NET REVENUE

2014-15

Rs. 30,806

crores

The Domestic Consumer business grew by 10% with 5% underlying volume growth in a challenging environment

OPERATING PROFIT

2014-15

Rs. 4,922

crores

Operating profit grew by 17% with operating margins improving +90 bps

EPS (BASIC)

2014-15

Rs. 19.95

per share

Last year basic EPS: Rs. 17.88 per share

CASH FROM OPERATIONS

2014-15

Rs. 5,000+

crores

Cash from operations was up Rs. 42 crores over the previous year

NON-FINANCIAL

MANUFACTURING

2014

37%

2013: 27%

Reduction in CO₂ per tonne of production compared to 2008 baseline

2014

44%

2013: 37%

Reduction in water use per tonne of production compared to 2008 baseline

2014

88%

2013: >84%

Reduction in total waste per tonne of production compared to 2008 baseline

2014

38

2013: 35

Manufacturing units with 100% zero non-hazardous waste to landfill

BETTER LIVELIHOODS

2014

>70,000

2013: 65,000

No. of Shakti Ammas (women Shakti Entrepreneurs) empowered

SUSTAINABLE SOURCING

2014

85%

2013: 80%

Tomatoes used in Kissan ketchup sourced sustainably

HEALTH AND WELL-BEING

2014

63 MILLION

2013: 58 million

People reached with Lifebuoy Handwashing Programme since 2010

FINANCIAL PERFORMANCE

10 YEAR RECORD

Standalone

Rs. crores

Statement of Profit and Loss	2005	2006	2007	2008-09 (15 months)	2009-10	2010-11 ^	2011-12 ^	2012-13 ^	2013-14 ^	2014-15 ^
Gross Sales*	11,975.53	13,035.06	14,715.10	21,649.51	18,220.27	20,285.44	22,800.32	26,679.76	28,947.06	32,086.32
Other Income	304.79	354.51	431.53	589.72	349.64	627.38	659.08	1,210.73	1,231.87	1,253.51
Interest	(19.19)	(10.73)	(25.50)	(25.32)	(6.98)	(0.24)	(1.24)	(25.15)	(36.03)	(16.82)
Profit Before Taxation @	1,604.47	1,861.68	2,146.33	3,025.12	2,707.07	2,730.20	3,350.16	4,349.48	4,799.71	5,523.12
Profit After Taxation @	1,354.51	1,539.67	1,743.12	2,500.71	2,102.68	2,153.25	2,599.23	3,314.35	3,555.32	3,842.86
Earnings Per Share of Re. 1	6.40	8.41	8.73	11.46	10.10	10.58	12.46	17.56	17.88	19.95
Dividend Per Share of Re. 1	5.00	6.00	9.00#	7.50	6.50	6.50	7.50	18.50#	13.00	15.00

* Sales before Excise Duty Charge @ Before Exceptional/Extraordinary items ^ Based on Revised Schedule VI # Includes Special Dividend

Balance Sheet	2005	2006	2007	2008-09 (15 months)	2009-10	2010-11^	2011-12^	2012-13^	2013-14^	2014-15^
Fixed Assets	1,483.53	1,511.01	1,708.14	2,078.84	2,436.07	2,457.86	2,362.92	2,508.54	2,741.84	2,936.54
Investments	2,014.20	2,413.93	1,440.80	332.62	1,264.08	1,260.67	2,438.21	2,330.66	3,094.12	3,277.93
Net Deferred Tax	220.14	224.55	212.39	254.83	248.82	209.66	214.24	204.78	161.73	195.96
Net Assets (Current and Non-current)	(1,355.31)	(1,353.40)	(1,833.57)	(182.84)	(1,365.45)	(1,268.67)	(1,502.44)	(2,369.96)	(2,720.64)	(2,685.65)
	2,362.56	2,796.09	1,527.76	2,483.45	2,583.52	2,659.52	3,512.93	2,674.02	3,277.05	3,724.78
Share Capital	220.12	220.68	217.74	217.99	218.17	215.95	216.15	216.25	216.27	216.35
Reserves and Surplus	2,085.50	2,502.81	1,221.49	1,843.52	2,365.35	2,443.57	3,296.78	2,457.77	3,060.78	3,508.43
Loan Funds	56.94	72.60	88.53	421.94	-	-	-	-	-	-
	2,362.56	2,796.09	1,527.76	2,483.45	2,583.52	2,659.52	3,512.93	2,674.02	3,277.05	3,724.78

^ Based on Revised Schedule VI

Segment-Wise Sales (%)	2005	2006	2007	2008-09 (15 months)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Soaps and Detergents	45	47	47	49	48	46	48	49	49	49
Personal Products	28	29	29	29	30	32	31	31	29	29
Beverages and Packaged Foods	22	20	21	19	20	20	19	18	18	18
Others	5	4	3	3	2	2	2	2	4	4

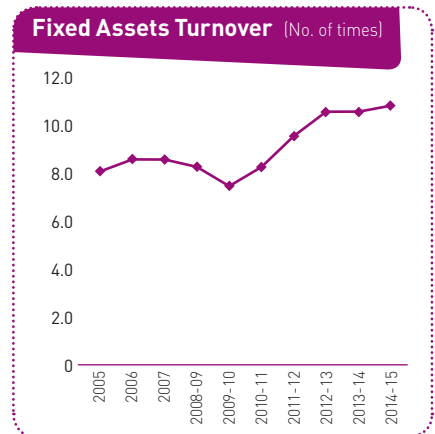
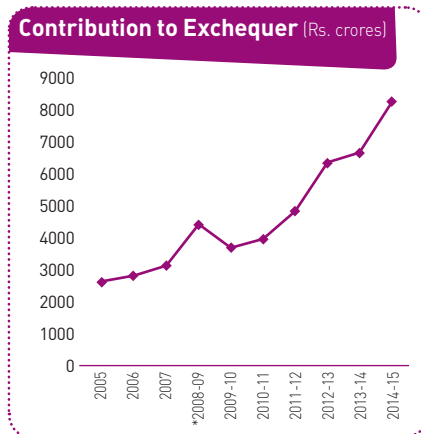
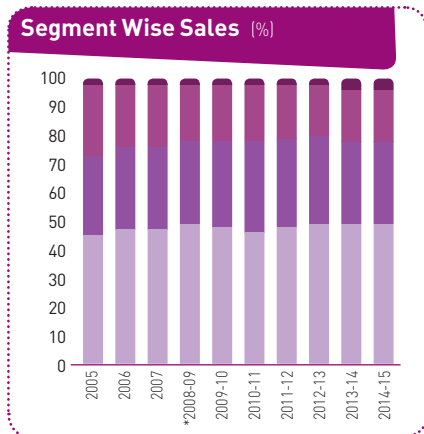
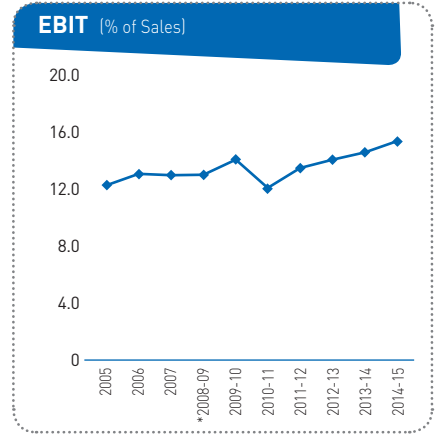
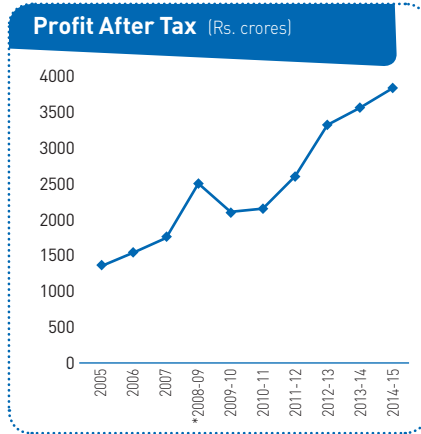
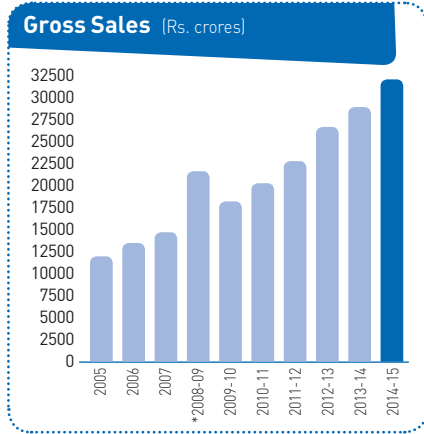
Key Ratios and EVA	2005	2006	2007	2008-09 (15 months)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
EBIT (% of Gross Sales)	12.3	13.1	13.1	13.1	14	12.1	13.5	14.1	14.6	15.3
Fixed Asset Turnover (No. of Times)	8.1	8.6	8.6	8.3*	7.5	8.3	9.6	10.6	10.6	10.9
PAT / Gross Sales (%)	11.3	11.8	11.8	11.6	11.5	10.6	11.4	12.4	12.3	12.0
Return on Capital Employed (%)	68.7	67.0	78.0	107.5*	103.8	87.5	96.8	109.1	130.2	127.7
Return on Net Worth (%)	61.1	68.1	80.1	103.6*	88.2	74.0	77.7	94.7	104.1	99.5
Economic Value Added (EVA) (Rs. crores)	1014	1126	1314	2154	1791	1750	2250	2926	3147	3380

* Shown on annualised basis

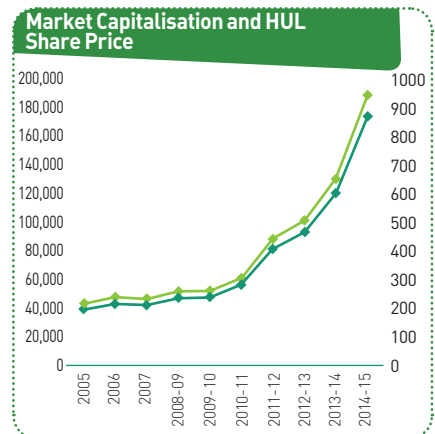
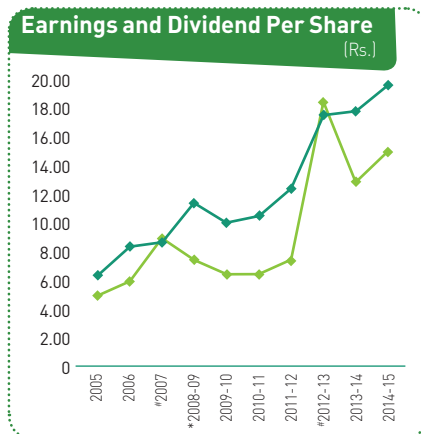
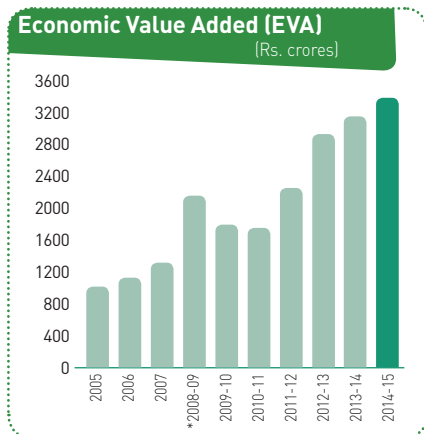
Others	2005	2006	2007	2008-09 (15 months)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
HUL Share Price on BSE (Rs. Per Share of Re. 1)*	197.25	216.55	213.90	237.50	238.70	284.60	409.90	466.10	603.65	872.90
Market Capitalisation (Rs. crores)	43,419	47,788	46,575	51,770	52,077	61,459	88,600	1,00,793	1,30,551	1,88,849
Contribution to Exchequer (Rs. crores)	2,638	2,813	3,133	4,429	3,704	3,953	4,839	6,365	6,680	8,309

* Based on year-end closing prices quoted in the BSE Limited.

PERFORMANCE TRENDS



- Soaps and Detergents
- Personal Products
- Beverages and Packaged Foods
- Others



- Earnings per share
- Dividend per share

- Market capitalisation (Rs. crores)
- HUL share price (Rs.)

* Figures are for 15 months period

Includes Special Dividend

Based on year-end closing prices quoted in the BSE Limited.

CHAIRMAN'S STATEMENT



Dear Shareholders,

In Financial Year 2014-15, your Company delivered a robust performance despite considerable headwinds. The business continued to focus on the delivery of consistent, competitive, profitable and responsible growth. This was another year of exciting innovations, further improvement in execution and sustained focus on operational efficiencies. Our performance was anchored in the Unilever Sustainable Living Plan (USLP) and we made considerable progress on our sustainability agenda.

We delivered broad-based growth along with significant margin improvement. Our Domestic Consumer business grew by 10% with 5% underlying volume growth, both ahead of market. Profit before interest and tax (PBIT) grew by 17% with PBIT margin improving +90 bps. Profit after tax but before exceptional items, PAT (bei), grew by 8% to Rs. 3,843 crores, impacted by the higher tax rate. Net Profit at Rs. 4,315 crores was up 12%, aided by the exceptional income arising from property related sales. The strong track record of cash generation was sustained as cash from operations exceeded

Rs. 5,000 crores for the second successive year. With a final dividend of Rs. 9 per share proposed by the Board of Directors and an interim dividend of Rs. 6 per share, the total dividend for the financial year ending 31st March 2015 amounts to Rs. 15 per share.

In 2014, we launched 'Dial Up the Big Q', an initiative to further step up quality of our execution across all the levers of our business, i.e. brands and innovation, go-to-market, continuous cost improvement and our talent agenda.

We accelerated our pace of innovation whilst delivering a significant improvement in the success rate and 'on-time in-full' delivery of key projects. In Personal Care, Axe launched a range of body perfumes – Axe Signature, TRESemmé continued the premiumisation agenda with two new launches, Closeup launched Diamond Attraction in the premium whitening segment and Pond's launched the men's range of products. In Home Care, Surf Excel re-launched Easy Wash detergent and Surf bar, Vim introduced a new tub format for its dish wash bar and Pureit launched Ultima with RO+UV technology. In Beverages, Taj Mahal launched 'Flavour of Darjeeling' in the premium tea segment and the re-launch of Lipton green tea met with resounding success.

In line with our underlying objective of serving diverse consumers and customers across channels and geographies, we reorganised our go-to-market operations from the traditional four sales branches to 14 consumer clusters. We also added a fifth branch in Central India to accelerate our growth in this relatively under-penetrated but high-growth market. We call this initiative 'Winning In Many Indias'.

Our continued focus on cost effectiveness and improving operational efficiencies

resulted in significant savings across the board. These savings helped to sustain competitive investments behind our brands and at the same time contributed to the steady improvement in our operating margins.

We continued to drive our USLP agenda and made significant progress in the areas of improving health and well-being, reducing environmental impact and enhancing livelihoods.

Since 2010, Lifebuoy has helped 63 million people through its handwashing programme and Pureit has partnered with Micro Finance Institutions to provide safe drinking water cumulatively to over three lakh low income families in urban slums and remote rural areas.

On the environmental front, we made substantial progress on waste management in our factories and water conservation through the Hindustan Unilever Foundation (HUF). All our factories became zero non-hazardous waste to landfill sites and nearly 100% of our manufacturing waste in factories was recycled. HUF has so far initiated 18 projects across India in partnership with NGOs, government agencies and local communities to address the issue of depleting water resources. These projects have the potential of conserving 100 billion litres of water and generate seven lakh person days of employment.

Project Shakti continues to enhance livelihoods in remote villages across India through micro-enterprise opportunities. By the end of 2014, we empowered over 70,000 women entrepreneurs (Shakti Ammas) and they were complemented by 48,000 'Shaktimaans', the male members of the Shakti families. Through another project, Prabhat, we are serving communities around our factories by creating awareness about health and

BOARD OF DIRECTORS

hygiene, building water conservation capacities and improving livelihoods through skill development programmes.

These initiatives, along with several others, reaffirm our belief that addressing societal needs and business growth go hand-in-hand.

Our people are our biggest asset. I firmly believe that the growth of our business is intrinsically linked with the growth of our people. We have always encouraged diversity, agility and a performance-driven organisational culture in which people give their best and feel proud to be part of a successful and caring company. Our work ethics and culture of leadership development has enabled us to attract and build the finest talent in the industry across all levels of the organisation. In 2014, we were once again declared the 'Dream Employer' by students across top business schools and we retained our position as the 'No. 1 Employer Brand'.

I would like to thank each and every one of our employees whose commitment and passion made 2014 yet another successful year for the Company.

I would also like to thank you, all our shareholders, for your continued support in our journey.

Best Regards,



Harish Manwani
Chairman



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8



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- 1 **Mr. Harish Manwani**
Chairman
- 2 **Mr. Sanjiv Mehta**
Managing Director and
Chief Executive Officer
- 3 **Mr. P. B. Balaji**
Executive Director,
Finance and IT and
Chief Financial Officer
- 4 **Mr. Pradeep Banerjee**
Executive Director,
Supply Chain

- 5 **Mr. Aditya Narayan**
Independent Director
- 6 **Mr. S. Ramadorai**
Independent Director
- 7 **Mr. O. P. Bhatt**
Independent Director
- 8 **Dr. Sanjiv Misra**
Independent Director
- 9 **Ms. Kalpana Morparia**
Independent Director

ABOUT US

THIS SECTION EXPLAINS OUR BUSINESS – HOW AND WHERE WE MAKE OUR PRODUCTS, HOW WE TAKE THEM TO MARKET AND HOW WE ENSURE THAT OUR BRANDS REMAIN OUR CONSUMERS' CHOICE.

1. CONSUMERS



INSIGHTS FOR INNOVATION

A fundamental requirement at HUL is to understand our consumers. We use focus groups and quantitative studies and spend time with consumers in stores and in their homes to find out what is important to them so we can create products they need and want. Our Consumer Care line, Levercare, is also a rich source of information. We engage with our consumers through digital communications and social media. We use all these data to identify and anticipate future consumer trends and gain a competitive edge.



2. INNOVATION



TECHNOLOGY AT WORK

Research and Development (R&D) is an engine of sustainable growth. At HUL, we benefit from Unilever's global R&D expertise. There are 6,000 R&D professionals in Unilever globally, who are responsible for building brands through benefit-led innovation, which is unlocked through science and technology. This includes looking at long-term emerging science and transforming science into technologies which are used to design branded products.



4. SOURCING



SUSTAINABLE SOURCING

A dedicated team is responsible for HUL's procurement programme, including agricultural raw materials. In 2014, we rolled out our Responsible Sourcing Policy (RSP) as part of our commitment to business integrity, openness, respect for universal human rights and core labour principles.



3. COLLABORATION



PARTNER TO WIN

To meet our Vision we know we must work in partnership with others, such as suppliers, agencies, academia, governments and NGOs.

The big development in 2014 has been the launch of the Partner To Win 2020 programme to create a supplier ecosystem where partners work with us and each other to create breakthroughs in products or packaging to deliver the capacity, innovation and sustainable solutions to meet our growth ambition.

**700
TONNES**

LESS PLASTIC USE

Design and material optimisation implemented across categories to reduce packaging waste

OUR VALUE CHAIN

Hindustan Unilever's value chain – the process by which we create brands, products and ultimately shareholder value – begins with acquiring insight into consumers' needs, which vary considerably across India.

This knowledge helps us to target our subsequent R&D activities and our investments in innovation.

Bringing these innovations to market as physical products is a core function of our supply chain, one of the largest in the country.

Our products are manufactured at our factories situated across the length and breadth of the country. By sourcing large amounts of raw materials sustainably, we can protect scarce resources, ensure security of supply for our business and reduce price volatility while protecting the environment and enhancing people's lives, which is at the heart of our Unilever Sustainable Living Plan (USLP).

By the time manufacturing is under way, our marketing teams work with our category experts to define the complete marketing mix, including communications that make our brands come alive.

Our logistics operations move our products to retailers and our go-to-market teams ensure that we get enough of the right products in the right price bracket in the right sales channels for consumers to buy.

5. MANUFACTURING



GLOBAL SCALE, LOCAL AGILITY

We make the majority of what we sell through a network of manufacturing sites across India. We have invested significantly in our factories in recent years to create an efficient, reliable and more sustainable network. We leverage the global scale of Unilever and have the agility to meet local demands. More eco-efficient production is helping us meet USLP targets. For instance, all our factories had achieved zero non-hazardous waste to landfill.

8. SALES



GO-TO-MARKET EXPERTISE

We work closely with retailers to win in the market place and make sure that our brands are always available, properly displayed and in the right price bracket. Our go-to-market capability ensures that we become the supplier of choice for our customers and trade partners, through strong joint business planning and in-store execution via Perfect Store programmes, to help deliver sustainable sales growth. This is essential for us to be able to add premium brand extensions to our product ranges, land product innovations on the shelves, enter new geographies and markets, and build our distribution strength to reach new consumers.

6. LOGISTICS



CENTRALISED LOGISTICS EXPERTISE

How we move products from factories to customers is the role of our logistics operation. HUL is continuously evolving its logistics network and investing in warehousing infrastructure and technology to support business growth, deliver savings, reduce stocks, reduce carbon emissions and improve customer service in an ever-changing environment.

7. MARKETING



GENERATING CONSUMER-LED GROWTH

Through advertising, we ensure that our brands and products are consumers' first choice. We use multiple media to achieve cut-through in a highly competitive and cluttered world. Traditional media channels continue to play a big part but digital communications have revolutionised the way marketing engages with people, creating entirely new sales and marketing opportunities. We create our own entertainment content and this is distributed, for example, by mobile devices.

OUR BUSINESS MODEL

OUR BUSINESS MODEL AND STRATEGY COME TOGETHER TO DELIVER VALUE FOR SHAREHOLDERS. HERE WE EXPLAIN THEIR ELEMENTS AND HOW THEY ARE COMBINED.



OUR CORE PURPOSE

MAKING SUSTAINABLE LIVING COMMONPLACE

Our business model starts with our core Purpose which is a clear expression of what we believe to be the best long-term way for Hindustan Unilever Limited to grow. It is a simple Purpose to help us meet changing consumer preferences and the challenges of a volatile, uncertain, complex and ambiguous world.

KEY INPUTS

BRANDS, OPERATIONS, PEOPLE

Our business model works by combining three key inputs and filtering them through the lens of the Unilever Sustainable Living Plan (USLP). Our brands have significant value and succeed through products that meet the needs of consumers. Our people identify social and consumer needs to grow our brands, market them, manufacture and distribute them. Our operations encompass procurement of raw material, manufacturing, logistics, go-to-market and marketing. We invest financial capital to support all these assets and activities.

HOW WE DRIVE PROFIT

PROFITABLE VOLUME GROWTH, COST LEVERAGE + EFFICIENCY, INNOVATION + MARKETING INVESTMENT

HUL aims for a virtuous circle of growth. Profitable volume growth is driven by investment in innovation and brands to deliver products that millions of consumers use every day. We can leverage this scale to spread fixed costs and improve profitability while further investing in the business. This investment funds R&D and innovation to create new and improved products backed by marketing to create even stronger brands. This drives profitable volume growth and the virtuous circle continues.

DELIVERING VALUE

OUR CONSUMERS



In 2014, many consumers faced tough conditions as economic uncertainty held back growth around the world. Meanwhile, consumption continues to be linked to many of the world's biggest problems – deforestation, climate change, water scarcity, malnutrition and unhealthy diets. However, each of our categories continue to innovate to meet the challenges posed by these trends and changing consumer preferences, such as products that are sustainably sourced.

SOCIETY



Acting alone we can only do so much to make sustainable living commonplace. Acting in partnership with others can help bring about transformational change at a societal level to tackle the world's major social, environmental and economic issues. By adopting a leadership role, and working with governments, NGOs, suppliers and others, we are influencing change on a bigger scale. We are deepening our efforts where we have scale, influence and resources to create transformational change: sustainable agriculture and smallholder farmers; and water, sanitation and hygiene.

OUR PEOPLE



Delivering our business goals requires us to recruit, develop and retain the right talent. We are determined to help all our people to be the best they can be, to help fulfil their potential and the potential of the business. Training and development are crucial at all levels and we strive to create a working environment that respects the human rights and interests of all our employees. Ensuring gender equality is a fundamental part of our approach while our Purpose of making sustainable living commonplace is a commitment that our people can engage with every day and make it a reality through their work.

OUR BRANDS

OUR BRANDS ARE DRIVEN BY THE PURPOSE OF MAKING SUSTAINABLE LIVING COMMONPLACE. THEY HELP PEOPLE FEEL GOOD, LOOK GOOD AND GET MORE OUT OF LIFE.



BRANDS AT THE FOREFRONT OF SOCIAL CHANGE

With nine out of ten Indian households using our products, we believe we have the ability to make a difference through our brands and bring about a social change. Lifebuoy reached out to 63 million people through its various handwashing programmes. The brand launched a successful handwashing pilot in Bihar and extended the 'Help a Child Reach 5' campaign to six more villages in Chhindwara district, Madhya Pradesh. Since inception, the Pepsodent school contact programme has reached out to over one million children in six cities in India.

Kissan through its Kissanpur campaign motivated children to get off gadgets and enjoy 'real' nature. Kissan launched a special pack with Pogo channel that helped kids get creative with empty ketchup bottles helping in cutting down waste. These efforts helped Kissan Ketchup deepen its connect with consumers and outpace market growth.

Pureit, with its partnership with Micro Finance Institutions, protected over three hundred thousand low income households in urban slums and remote rural areas by providing Pureit devices.

Through the Fair & Lovely Foundation, the brand has been empowering Indian women. This year, the Foundation also provided scholarships to young women for vocational training and start-ups.

CONSUMERS AT THE HEART OF OUR BUSINESS

This year, we started on our 'Winning In Many Indias' journey to redefine the way we touch the lives of our consumers. We transformed our traditional four sales branches into five branches handling consumer clusters based on homogeneity of consumers and shoppers within the geographies. In line with the 'Dial Up the Big Q' agenda, the sales system focused on some key initiatives like driving higher throughput per store, to harness the power of the significant coverage expansion done in previous years. We increased the number of stores that positively impacted our growth. We also focused on over 1,00,000 select high throughput stores, and significantly increased our presence and impact in these. We also focussed on 'Building Brands in Store', especially in modern trade. The focus was to design and deploy plans that help build our brand equities through in-store execution.

Several campaigns were launched to reach our consumers more effectively. Red Label launched the 'Swad Apnepan Ka' campaign to reinstate its core category benefit of taste and of bringing people together. The brand won the Silver Effie in the beverages category in 2014.

As a market leader in conditioners, Dove turbocharged market development through the twin sachet – shampoo + conditioner offering. The unique sachet format helped to further strengthen our leadership in conditioner segment. The core brand, Dove, refreshed its communication campaign and successfully built superiority of Dove to ordinary soaps. It also built scale by doubling the number of households reached through the direct contact programme. All this helped in putting Dove back on a double digit growth path.

Pond's deployed a new look that stood for authentic beauty rooted in authoritative science.

Lipton green tea launched with a new identity. It initiated a partnership with Anjali Mukherjee and other leading nutritionists to educate people on healthier lifestyles and the benefits of green tea.

'Kan Khajura Tesan', HUL's mobile radio channel that was launched to reach consumers in the media dark areas received international recognition in the form of three Golds at the Cannes International Festival of Creativity.



DELIVERING CONSUMER NEEDS

We accelerated the pace of innovations this year. TRESemmé continued the premiumisation agenda in 2014 with two new launches – Split Remedy and Spa Rejuvenation, joining HUL's 100 crore club and creating en route, India's largest hair care YouTube page. Closeup forayed into the premium whitening segment with the launch of Closeup Diamond Attraction, which received a positive consumer response. Innovations targeted at male grooming were big hits. Axe Signature, a concentrated body perfume especially developed for the young Indian male has helped turnaround Axe with a strong double digit growth. Pond's Men launched on the proposition of recharging the face through the power of coffee beans was also a big success. All these innovations helped Personal Care deliver double digit growth well ahead of the market.

The ice cream and frozen desserts business delivered a very strong performance. A sharp focus on Magnum, Cornetto and Paddle Pop delivered double digit growth on Impulse. Magnum was launched across two more cities – Delhi and Kolkata – making it available across seven Indian cities.

BRU Instant Coffee improved its penetration in South significantly while BRU Gold was the fastest growing instant coffee brand in the country. We had a successful year in the powdered soft drink market with the success of Lipton Ice Tea which was scaled up with a new TV and digital campaign, and breakthrough in-store visibility. Knorr soups achieved higher pace of growth in the soup segment with the marketing and distribution ramp up of the instant Rs. 10 range.

In 2014, Pureit launched an innovation in the premium market – 'Ultima with RO+UV technology'. The product performed very well.

Surf Excel, Wheel, Rin and Sunlight continued to lead the laundry category in India. Surf Excel, led the growth with a strong focus on reaching out to new consumers beyond core geographies and with formats that cater to varying needs.

GROWING WITH INDIA

Our purpose driven social initiative Project Shakti now has over 70,000 Shakti Entrepreneurs (Shakti Ammas) and 48,000 Shaktimaans covering 1,65,000 villages and reaching over four million rural households.

We created a consumer contact programme aimed at accelerating the growth and adoption of small and emerging categories in rural India. Through this, we reached more than 2.5 million rural consumers and contacted 8,00,000 school children. This programme is now active in over 8,000 villages across the country.

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Our Brands: to find out more visit
www.hul.co.in/brands-in-action/

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WINNING IN MANY INDIAS

Last year, acknowledging the homogeneity in the diversity of India, we segmented the market into 14 consumer clusters. Our attempt at ushering in this new wave of segmented marketing was christened Winning In Many Indias or WIMI.

The 14 clusters enable us to understand better the changing preferences drilled down to the interiors and multiple consumer segments. This empowers our people to respond appropriately and swiftly to market conditions.



OUR PEOPLE

PEOPLE ARE OUR BIGGEST ASSET. SUSTAINABLE, PROFITABLE GROWTH CAN ONLY BE ACHIEVED IN AN ORGANISATION WHICH FOCUSES ON PERFORMANCE CULTURE AND WHERE EMPLOYEES ARE ENGAGED AND EMPOWERED TO BE THE BEST THEY CAN BE.



Success in the future will depend on being lean, agile and competitive in a resource-challenged world. We are working towards creating a simpler, diverse and agile organisation that will help us move faster, innovate better and leverage our global scale.

EMPLOYER OF CHOICE – ATTRACTING THE RIGHT TALENT

For the fourth year in a row, HUL was recognised as the 'No. 1 Employer of Choice' in the Nielsen campus track B-school survey. In addition, HUL retained the 'Dream Employer' status for the sixth consecutive year and continued to be the top company considered for application by B-School students.

BUILDING THE EMPLOYER BRAND, DIGITALLY

Our Facebook 'Unilever Diaries' page has over 5,00,000 fans and helps us deepen our engagement with the extended student community. This in turn helps us strengthen our brand image among students. The Alumni Facebook group that engages our ex-employees crossed the 1,000 member mark in 2014.

CREATING AN INCLUSIVE WORK CULTURE THAT'S AGILE

We have made steady progress in improving the gender balance across all functions. This has been achieved in a systematic manner through senior leadership commitment, balanced hiring practices, enabling infrastructure and work practices like maternity and paternity support programmes, flexible work arrangements and much more. We have also built an inclusive culture to drive diversity on the shop floor.

In addition, we have a well-defined agile working policy which includes work from home, flexi-timing and hot desking. Our thrust is to build an agile and inclusive organisation that celebrates differences and leverages diversity.





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Our People: to find out more visit
www.hul.co.in/careers-jobs/

NURTURING TALENT AND BUILDING LEADERS

We encourage a performance driven culture of leadership development. Our Management Trainee Programme has been the training ground for many inspiring leaders across HUL and provides extensive cross functional experience through live projects and assignments. In 2014, the programme entered its 60th year.

DEVELOPING A LEARNING CULTURE

We have a 70:20:10 approach to learning. We believe that 70% of learning is done through on-the-job training, unique job experiences, challenging assignments and building business-linked capabilities; 20% is through coaching and mentoring and 10% of learning is through formal development.

We have established a framework for embedding capabilities into the DNA of the organisation and institutionalising them as ways of working for the organisation to deliver key business priorities.

There is an increased focus on 'Individual Development Plans', where employees are encouraged to discover their purpose and articulate their short-term and long-term aspirations.

In our manufacturing units, we have taken a huge leap in our capability agenda for shop floor employees by launching HR for Factories and World Class Manufacturing to focus on skill enhancement and career progression. The Front Line Leadership Development Programme designed especially for the supply chain supervisors to develop the right competencies essential to lead the shop floor, was launched.

DRIVING EMPLOYEE ENGAGEMENT

Our Global People Survey (GPS) measures the level of engagement of all employees. Our employee engagement score in GPS showed a 300 bps improvement in 2014 over 2013.

ENSURING SAFETY

Our mission is to protect and enhance the well-being of our employees, visitors and partners. Safe working is a non-negotiable. We have a clear focus on safety practices ensuring all possible safety hazards are eliminated; not just from the work place but during travel and at employee homes.

5,00,000
FANS OF UNILEVER
DIARIES

Strengthening brand HUL

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 We are deepening our engagement with the extended student community on social media. This in turn helps us strengthen our brand image among students.

HUL recognised as the
NO. 1 EMPLOYER
OF CHOICE
 for the fourth consecutive year

HUL retained the
DREAM
EMPLOYER
 status for the sixth year in a row

OUR OPERATIONS

AT HUL, WE AIM TO DELIVER GROWTH THAT IS CONSISTENT, COMPETITIVE, PROFITABLE AND RESPONSIBLE. AT EVERY STEP OF THE VALUE CHAIN WE STRIVE TO DELIVER SUPERIOR CUSTOMER EXPERIENCE, BETTER QUALITY AND COMPETITIVE COST WHILE MAINTAINING A FLEXIBLE, LEAN AND AGILE STRUCTURE. THIS APPROACH WHEN COMBINED WITH OUR GLOBAL SCALE, GENERATES SIGNIFICANT SAVINGS WHICH WE INVEST BACK INTO OUR BUSINESS.

DELIGHTING CUSTOMERS AND CONSUMERS

We continued to improve our customer service with CCFOT (Customer Casefill-on-Time) increasing to 94.3% and Modern Trade OSA (On-Shelf Availability) at 95.2%. Some of our modern trade customers have acknowledged this performance and declared us 'the best supplier of the year'. We continued to strengthen the Sales and Operation Planning process (S&OP) and Innovation Process Management (IPM) in order to respond to market demand with speed and agility.

We saw steady improvement in quality by focusing on better product design and implementing various QIPs (Quality Improvement Programmes). These led to 40% reduction in consumer complaints over last year.

We continued to invest in TV and non-TV mediums to reach our consumers and increased our investments in digital considerably. In 2014 with 'Kan Khajura Tesan', our flagship free mobile radio channel, we reached millions of consumers in media dark areas in a cost efficient manner.

LEADING WITH INNOVATION AND TECHNOLOGY

We have maintained the innovation OTIF (On Time in Full) with more than 80 innovation networks being executed during the year.

We further strengthened our processes through technology. IT played an important part in the key transformation project WIMI (Winning in Many Indias).

The 'Primary Banking' project delivered a step change in our transaction banking capabilities by implementing best-in-class solutions whilst strengthening controls, reducing costs and simplifying operations. The project spanned 10 work streams and was implemented seamlessly with a tight change management and governance process.

SUSTAINABLE SOURCING



The Public-Private Partnership project between HUL and the Maharashtra Government for sustainable sourcing of tomatoes has continued to benefit farmers and our business. HUL provides farmers with a buy-back guarantee for their produce. HUL also offers global and local knowledge and expertise in sustainable agriculture practices in tomato cultivation. This includes the latest agricultural techniques, irrigation practices and recommendation of the right type of seeds.



Sustainable Sourcing: to find out how we partner with smallholder farmers visit www.hul.co.in/sustainable-living/

END-TO-END COST FOCUS

A strong supply chain saving programme, driven by various cross functional teams such as R&D, Procurement, Manufacturing and Logistics, has delivered significant savings in 2014.

To achieve manufacturing excellence, our company has embarked on the journey of 'World Class Manufacturing' that aims to eliminate non-value added activities leading to further improvement in efficiencies and cost.

We continued to leverage the benefits of various transformational initiatives under the Finance Programme that helped reduce cost, complexity and time of transaction processing.

The 'Procure to Pay' project ensured sustained world class levels of payment efficiency and purchase order compliance. Excellence in the 'Record to Report' helped us rank among the Top 3 companies in manufacturing sector for Best Presented Accounts by the Institute of Chartered Accountants of India, for the second consecutive year.

Project 'My Business Information' tapped into the potential of big data through professional analytics, state-of-the-art forecasting tools and real-time data warehouse. This enabled marketers to understand the consumers better and as a result, deploy the right marketing mix.

EMBEDDING SUSTAINABILITY IN OUR OPERATIONS

Specific water consumption in manufacturing operations reduced by over 44%, CO₂ emissions (per tonne of production) reduced by 37% and total waste per tonne from manufacturing sites reduced by 88% vis-à-vis the 2008 baseline.

During 2014, we used almost 60,000 tonnes of renewable biomass as fuel and reduced absolute water abstraction from 2,715 million litres in 2008 to 2,111 million litres in 2014. Our operations achieved a target of zero total non-hazardous waste to landfill last year.

Our injury rates in 2014 were less than one-fourth of the injury rates in 2008.

80
INNOVATION
NETWORKS
EXECUTED

Driving Innovations

We accelerated the pace of innovations this year.



UNILEVER SUSTAINABLE LIVING PLAN

WE CANNOT ACHIEVE OUR VISION TO DOUBLE OUR SIZE UNLESS WE FIND NEW WAYS TO OPERATE THAT DECOUPLE GROWTH FROM OUR ENVIRONMENTAL IMPACT, WHILE USING GROWTH AS AN ENABLER FOR POSITIVE SOCIAL IMPACT.

IMPROVING HEALTH AND WELL-BEING

By 2020, we will help more than a billion people take action to improve their health and well-being.



1 HEALTH AND HYGIENE



By 2020, Unilever will help more than a billion people globally, to improve their health and hygiene. This will help reduce the incidence of life-threatening diseases like diarrhoea.

- MORE THAN 63 MILLION PEOPLE IN INDIA REACHED THROUGH LIFEBOUY HANDWASHING PROGRAMMES SINCE 2010.

2 NUTRITION



By 2020, Unilever will double the proportion of portfolio that meets the highest nutritional standards, based on globally-recognised dietary guidelines. This will help hundreds of millions of people to achieve a healthier diet.

- IN 2014, 46% OF THE PORTFOLIO IN INDIA MET THE HIGHEST NUTRITIONAL STANDARDS BASED ON GLOBALLY, RECOGNISED DIETARY GUIDELINES.

REDUCING ENVIRONMENTAL IMPACT

By 2020, our goal is to halve the environmental footprint of the making and use of our products as we grow our business.

3 GREENHOUSE GASES



Halve the greenhouse gas impact of Unilever products globally, across the lifecycle by 2020.

- IN INDIA, WE ACHIEVED 37% REDUCTION IN CO₂ EMISSIONS PER TONNE OF PRODUCTION IN 2014 COMPARED TO THE 2008 BASELINE.

4 WATER



Halve the water associated with the making and consumer use of Unilever products globally, by 2020.

- IN INDIA, WE HAVE REDUCED WATER USAGE (CUBIC METRE PER TONNE OF PRODUCTION) IN OUR MANUFACTURING OPERATIONS BY 44%, COMPARED TO THE 2008 BASELINE.

Launched in 2010, the Unilever Sustainable Living Plan (USLP) is our blueprint for sustainable growth. It is helping to drive profitable growth for our brands, save costs and fuel innovation.

The USLP sets out three big, ambitious goals. Underpinning these goals are nine commitments supported by targets spanning our social and environmental performance. We are making good progress with our first goal: to help more than a billion people globally, improve their health and well-being by 2020, reaching over 110 million by the end of 2014, in India alone.

The progress on our second goal is more mixed. We have achieved zero non-hazardous waste to landfill from our factories, and continue to make significant reductions in the greenhouse gas (GHG) and water impacts of our manufacturing. However, the

consumer element of our target to halve the water and GHG impacts of our products remains a challenge.

On our third goal, we are making good progress. We are now sourcing more than half our agricultural raw materials sustainably. We have created 70,000 women micro-entrepreneurs distributing our products in India while making progress on our new commitments to enhance livelihoods across the value chain.

More on our performance against our targets can be found in our online Sustainable Living Report 2014 published in May 2015. You can view it at www.hul.co.in.



ENHANCING LIVELIHOODS

By 2020, we will enhance the livelihoods of millions of people as we grow our business.



5 WASTE



Halve the waste associated with the making and use of Unilever products globally, by 2020.

- IN INDIA, WE ACHIEVED 88% REDUCTION IN TOTAL WASTE GENERATION IN OUR MANUFACTURING (KG PER TONNE OF PRODUCTION) IN 2014 OVER THE 2008 BASELINE.

6 SUSTAINABLE SOURCING



By 2020, globally, Unilever will source 100% of agricultural raw materials sustainably.

- IN INDIA, WE SOURCED 85% OF TOMATOES USED IN KISSAN KETCHUP FROM SUSTAINABLE SOURCES, IN 2014.
- ALL OUR PALM DERIVATIVES ARE BACKED BY RSPO (ROUNDTABLE ON SUSTAINABLE PALM OIL) CERTIFICATES.

7 FAIRNESS IN THE WORKPLACE



By 2020, Unilever will advance human rights across its operations and extended supply chain, globally.

- 100% OF THE FACTORY SITES AND OFFICES IN HUL ADHERE TO COLLECTIVE BARGAINING AGREEMENTS.

8 OPPORTUNITIES FOR WOMEN



By 2020, Unilever will empower 5 million women, globally.

- WE TRAINED 70,000 WOMEN MICRO-ENTREPRENEURS TO SELL OUR PRODUCTS IN RURAL INDIA AS OF END 2014.

9 INCLUSIVE BUSINESS



By 2020, Unilever will have a positive impact on the lives of 5.5 million people, globally.

- IN INDIA, WE ARE RUNNING 13 SKILL DEVELOPMENT CENTRES AS PART OF OUR 'PRABHAT' INITIATIVE AROUND OUR MANUFACTURING LOCATIONS. MORE THAN 1,500 PEOPLE HAVE ALREADY BEEN CERTIFIED THROUGH THE PROGRAMME AND OVER 500 OF THEM EITHER HAVE A JOB OR HAVE BEEN UP-SKILLED OR ARE SELF EMPLOYED.

MANAGEMENT COMMITTEE



- 1 Mr. Sanjiv Mehta**
Managing Director and
Chief Executive Officer
- 2 Mr. P. B. Balaji**
Executive Director,
Finance and IT and
Chief Financial Officer
- 3 Mr. Pradeep Banerjee**
Executive Director,
Supply Chain
- 4 Mr. Dev Bajpai**
Executive Director,
Legal & Corporate Affairs
and Company Secretary

- 5 Ms. Geetu Verma**
Executive Director,
Foods & Refreshment
- 6 Mr. B. P. Biddappa**
Executive Director,
Human Resources
- 7 Mr. Samir Singh**
Executive Director,
Personal Care
- 8 Ms. Priya Nair**
Executive Director,
Home Care
- 9 Mr. Punit Misra**
Executive Director,
Sales and Customer
Development



Hindustan Unilever Limited

Registered Office: Unilever House, B. D. Sawant Marg, Chakala,
Andheri (East), Mumbai - 400 099

CIN: L15140MH1933PLC002030, Web: www.hul.co.in, Email: levercare.shareholder@unilever.com, Tel: +91 22 39832285 / 39832452

NOTICE

of the Annual General Meeting

Notice is hereby given that the 82nd Annual General Meeting of Hindustan Unilever Limited will be held on Monday, 29th June, 2015 at 2.00 p.m. at the Registered Office of the Company at Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the Financial Year ended 31st March, 2015 and the Reports of the 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, 2015.
3. To appoint a Director in place of Mr. Harish Manwani (DIN 00045160), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pradeep Banerjee (DIN 02985965), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. P. B. Balaji (DIN 02762983), who retires by rotation and being eligible offers himself for re-appointment.
6. To ratify the appointment of M/s. B S R & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 101248W/W-100022) as approved by Members at the Eighty First Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of Eighty Sixth Annual General Meeting, and to fix their remuneration for the financial year ending 31st March, 2016.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of the said Act, Ms. Kalpana Morparia (DIN : 00046081), who was appointed as an Additional Director of the Company with effect from 9th October, 2014 under Section 161 of the Companies

Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 9th October, 2014."

8. 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 and the Rules made thereunder, the remuneration payable to M/s. RA & Co, Cost Accountants (Firm Registration No. 000242), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016, amounting to Rs. 10 lacs (Rupees Ten Lacs only) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

9. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

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

10. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

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

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

Notes :

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 23rd June, 2015 to Monday, 29th June, 2015 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
4. The Final Dividend for the financial year ended 31st March, 2015, as recommended by the Board, if approved at the AGM, will be paid on or after Friday, 3rd July, 2015 to those Members whose name appears in the Register of Members of the Company as on the book closure dates.
5. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
6. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Karvy Computershare Private Limited / Investor Service Department of the Company immediately.
7. In accordance with the Articles of Association of the Company, all Directors (except Mr. Sanjiv Mehta, who has been appointed as the Managing Director for a term of 5 years effective 1st October, 2013), retire every year and, if eligible, offer themselves for re-appointment at the Annual General Meeting. As per the provisions of the Companies Act, 2013, Independent Directors are appointed for a term upto five consecutive years and are not liable to retire by rotation. The relevant details of Directors seeking appointment / re-appointment under Item nos. 3, 4, 5 and 7 of this Notice are provided at page nos. 26 and 27 of the Annual Report.
8. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in 'E-communication Registration Form' available on the website of the Company www.hul.co.in to M/s Karvy Computershare Pvt. Ltd or Investor Service Department of the Company. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
9. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
10. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, 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. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, 22nd June, 2015, i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Thursday, 25th June, 2015 and will end at 5.00 p.m. on Sunday, 28th June, 2015. In addition, the facility for voting through electronic voting system shall also be made

available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

PROCEDURE FOR REMOTE E-VOTING

- I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:

(a) In case of Members receiving an e-mail from NSDL:

- (i) Open the PDF file 'HUL remote e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
- (ii) Launch an internet browser and open <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login.
- (iv) Insert 'User ID' and 'Initial Password' as noted in step (i) above and click on 'Login'.
- (v) Password change menu will appear. Change the Password with a new Password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- (vi) Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.
- (vii) Select 'EVEN' of Hindustan Unilever Limited.
- (viii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xi) Once you have confirmed your vote on the resolution, you cannot modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at scrutinizer@snaco.net with a copy marked to evoting@nsdl.co.in.

(b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip

- (i) Initial Password is provided, as follows, at the bottom of the Attendance Slip.

EVEN		
(E-Voting Event Number)	USER ID	PASSWORD
-	-	-

- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xii) mentioned above, to cast vote.

- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website <https://evoting.nsdl.com>.

- III. The voting rights shall be as per the number of equity shares held by the Member(s) as on Monday, 22nd June, 2015, being the cut off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.

- IV. Members who have acquired shares after the despatch of the Annual Report and before the book closure may obtain the user ID and Password by sending a request at evoting@nsdl.co.in or levercare.shareholder@unilever.com.

However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no. 1800-222-990.

- V. The results of the electronic voting shall be declared after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.
11. In case of joint holders, attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.
12. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 and the Certificate from Auditors of the Company certifying that the '2001 HLL Stock Option Plan', '2006 HLL Performance Share Scheme' and '2012 HUL Performance Share Scheme' are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, will be available for inspection at the Annual General Meeting.

13. Members can also provide their feedback online, using the 'Shareholders' Satisfaction Survey' form available on the 'Investor Centre' page on the website of the Company www.hul.co.in. This feedback will help the Company in improving Shareholder Service Standards.
14. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividends not encashed / claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
15. Members are requested to contact M/s. Karvy Computershare Private 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 'Investor Centre' page on the website of the Company www.hul.co.in
16. Members may utilise the facility extended by the Registrar and Transfer Agent for redressal of queries. Members may visit <http://karisma.karvy.com> and click on Members option for query registration through free identity registration process.
17. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Karvy Computershare Private Limited / Investor Service Department of the Company.
18. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.
19. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

Registered Office:
Unilever House,
B. D. Sawant Marg,
Chakala, Andheri (East),
Mumbai - 400 099

By Order of the Board



Dev Bajpai
Executive Director (Legal &
Corporate Affairs) and
Company Secretary
FCS No.: 3354

Mumbai : 8th May, 2015

EXPLANATORY STATEMENT

Item No. 7

The Board of Directors of the Company had appointed Ms. Kalpana Morparia as an Additional Director of the Company with effect from 9th October, 2014. In accordance with the provisions of Section 161 of Companies Act, 2013, Ms. Kalpana Morparia shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto five years. The Company has received notice under Section 160 of the Companies Act, 2013 from Ms. Kalpana Morparia signifying her candidature as an Independent Director of the Company.

A brief profile of Ms. Kalpana Morparia, including nature of her expertise, is provided at page no. 27 of this Annual Report.

The Company has received a declaration of independence from Ms. Kalpana Morparia. In the opinion of the Board, Ms. Kalpana Morparia fulfills the conditions specified in the Companies Act, 2013 and the Equity Listing Agreement, for appointment as Independent Director of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.hul.co.in

None of the Directors or Key Managerial Personnel and their relatives, except Ms. Kalpana Morparia, are concerned or interested (financially or otherwise) in this Resolution. The Board commends the Ordinary Resolution set out at Item no. 7 for approval of the Members.

Item No. 8

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. RA & Co, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board commends the Ordinary Resolution set out at Item no. 8 for the approval of Members.

Item No. 9

The Members of the Company, at the Annual General Meeting held on 26th July, 2013, had approved the payment of remuneration by

way of commission on profits to Non-Executive Directors of the Company upto a maximum of Rs. 150 lakhs in aggregate, to be allocated in such manner as the Board may determine, from time to time, with effect from 1st January, 2013 for a period of five years.

In line with the globally accepted governance practices, your Company had adopted a 'Differential Remuneration Policy' for Non-Executive Directors under which the payment of remuneration is linked to their attendance at Meetings and also depending upon their position in various Committees of the Board, whether that of the Chairman or Member of the Committees.

In accordance with the approval of the Board, all the Non-Executive Independent Directors are currently paid a remuneration of Rs. 15 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 Directors are paid sitting fees for attending the meetings of the Board or Committees thereof.

With the introduction of the Companies Act, 2013 and amendments in the Equity Listing Agreement, the role of Independent Directors to maintain oversight has gone up. These changes have enhanced the Corporate Governance requirements, particularly Board Governance and Management, requiring greater time commitments, attention and higher level of oversight of the Independent Directors.

Further, Mr. Harish Manwani, Non-Executive Chairman of the Company, has retired from the position of Chief Operating Officer of Unilever with effect from 31st December, 2014. Mr. Manwani, however, continues to act as the Non-Executive Chairman of the Company. Mr. Harish Manwani, did not receive any remuneration, whether by way of commission or sitting fees from the Company till his retirement from Unilever i.e. 31st December, 2014. Subsequent to his retirement from Unilever, the Board of Directors have approved the proposal to remunerate Mr. Manwani for his role as the Non-Executive Chairman of the Company with effect from 1st January, 2015. In addition to the responsibility of a Non-Executive Chairman, Mr. Manwani would also be responsible for leading the evaluation process of the Board, its Committees and Individual Directors under both the Companies Act and Equity Listing Agreement.

Considering above changes, it is proposed to revise the maximum limit of remuneration payable to Non-Executive Directors from the existing Rs. 150 lakhs to Rs. 300 lakhs. The revised limit shall be made effective from 1st April, 2015 for a period of five years. The revised limit is commensurate with enhanced role and engagement of the Non-Executive Directors of the Company. The remuneration payable to each Non-Executive Director shall be determined by the Board or Committee thereof within this overall limit of Rs. 300 lakhs.

The aforesaid maximum limit is enabling in nature to accommodate future revisions, bearing in mind that the approval of Members is

valid for a period of five years commencing 1st April, 2015 upto 31st March, 2020.

None of the Directors or Key Managerial Personnel and their relatives (except Non-Executive Directors), are concerned or interested (financially or otherwise) in this Resolution.

The Board commends the Special Resolution set out at Item no. 9 for the approval of Members.

Item No. 10

The Articles of Association of the Company currently in force were originally adopted when the Company was incorporated under the Companies Act, 1913.

The Articles of Association were amended from time to time in accordance with the provisions of the Companies Act, 1956. With the introduction of the Companies Act, 2013, it is proposed to amend the existing Articles of Association to make it consistent with the provisions of Companies Act, 2013 including the Rules framed thereunder.

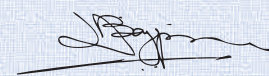
A copy of the proposed set of new Articles of Association of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day, up to the date of the Annual General Meeting and during the Annual General Meeting. The proposed draft Articles of Association is available on the Company's website at www.hul.co.in for perusal by the shareholders.

None of the Directors or Key Managerial Personnel and the relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board commends the Special Resolution set out at Item no. 10 for the approval of Members.

Registered Office:
Unilever House,
B. D. Sawant Marg,
Chakala, Andheri (East),
Mumbai - 400 099

By Order of the Board



Dev Bajpai

Executive Director (Legal &
Corporate Affairs)
and Company Secretary
FCS No.: 3354

Mumbai : 8th May, 2015

PROFILE OF DIRECTORS

(seeking Appointment / Re-appointment)

HARISH MANWANI (DIN : 00045160)

Mr. Harish Manwani (61) assumed charge as the Non-Executive Chairman of the Company with effect from 1st July, 2005.

Mr. Manwani joined the Company in 1976. He joined the Board of the Company in 1995 as a Director responsible for the Personal Products business. In addition, he held regional responsibility as the Category Leader for Personal Products for the then Central Asia & Middle East (CAME) Group.

In 2000, Mr. Manwani moved to UK as Senior Vice President for the Global Hair Care and Oral Care categories and in early 2001, he was appointed as President - Home & Personal Care (HPC), Latin America Business Group. He has also served as the Chairman of Unilever's Latin America Advisory Council. In 2004, he was appointed President of the HPC North America Business Group and in April 2005, was elevated to the Unilever Executive as the President - Asia & Africa and the region was later extended to include Central and Eastern Europe.

In 2008, Mr. Manwani received the CNBC Asia Business Leader of the Year Award and as a part of the Singapore National Day Awards 2012, Mr. Manwani was conferred the Public Service Medal (Friends of Singapore) by the Singapore Government.

Mr. Manwani was the Chief Operating Officer of Unilever and a member of the Unilever Leadership Executive (ULE) until 31st December, 2014, whereafter Mr. Manwani superannuated from Unilever.

Mr. Manwani is an Honours Graduate from the Mumbai University and holds a Master Degree in Management Studies. He has also attended the Advanced Management Programme (AMP) at Harvard Business School.

Mr. Manwani is a member of the Nomination and Remuneration Committee of the Company.

Directorship in other Companies

Indian School of Business

Whirlpool Corporation

Pearson PLC

Economic Development Board, Singapore

Qualcomm Incorporated

Nielsen N. V.

Membership(s) / Chairmanship(s) of Board Committees in other Companies

Whirlpool Corporation

Corporate Governance and Nominating Committee - Member
Finance Committee - Member

Pearson PLC

Nomination Committee - Member
Reputation and Responsibility Committee - Member

Economic Development Board, Singapore

Human Resources Committee - Member

Qualcomm Incorporated

Finance Committee - Member

Nielsen N. V.

Compensation Committee - Member

PRADEEP BANERJEE (DIN : 02985965)

Mr. Pradeep Banerjee (56) joined the Company as a Management Trainee in 1980. He has held a series of assignments in Supply Chain, Research & Development and Categories. Mr. Banerjee became the Vice President - Technical (Home and Personal Care) in 2003 and later moved to UK in 2005 as Vice President, Global Supply Chain for Personal Care Category. He has also served as the Vice President for Global Procurement in Singapore.

Mr. Banerjee was appointed as Executive Director - Supply Chain of the Company in March, 2010. He holds a Bachelor's Degree in Engineering (Chemical) from IIT Delhi. Mr. Banerjee is a member of Risk Management Committee of the Company.

Directorship in other Companies

Unilever Nepal Limited

Unilever India Exports Limited

Membership(s) / Chairmanship(s) of Board Committees in other Companies

Unilever India Exports Limited

Nomination and Remuneration Committee - Member
Corporate Social Responsibility Committee - Member

P. B. BALAJI (DIN : 02762983)

Mr. P. B. Balaji (45) joined the Company as a Management Trainee in May 1993 and has worked in number of roles in finance and supply chain over a period of 20 years. Mr. P. B. Balaji was the Vice President, Finance for Unilever America, Supply Chain, based out of Switzerland, responsible for financial aspects of an 18 billion supply chain. Prior to that, he was the Group Chief Accountant of Unilever worldwide based at London. Before moving to London, Mr. P. B. Balaji has served as the Vice President, Finance for the Home and Personal Care business in India and earlier as the Vice President, Treasury for the AAR region based out of Singapore.

Mr. P. B. Balaji is a Mechanical Engineer from IIT Chennai and has a PGDM from IIM Kolkata. Mr. Balaji is currently the Executive Director Finance & IT and CFO of the Company.

Mr. P. B. Balaji is a Member of Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee of the Company.

Directorship in other Companies

Hindustan Unilever Foundation

Bhavishya Alliance and Child Nutrition Initiatives

Membership(s) / Chairmanship(s) of Board Committees in other Companies

Nil

KALPANA MORPARIA (DIN : 00046081)

Ms. Kalpana Morparia (65) is the Chief Executive Officer of JP Morgan, India. Ms. Morparia leads each of the firm's lines of business - Corporate & Investment Banking and Asset Management. She also has the responsibility for Service Groups operating in India, including Global Research, Finance, Technology and Operations. Internationally, Ms. Morparia is a member of JP Morgan's Asia Pacific Management Committee.

Prior to joining JP 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 been recognized by several International

and National media for her role as one of the leading women professionals. She is also a Member of the Governing Board of Bharti Foundation.

Ms. Morparia was appointed as an Independent Director on the Board of the Company with effect from 9th October, 2014. She is also a Member of the Audit Committee and Corporate Social Responsibility of the Company.

Directorship in other Companies

Dr. Reddy's Laboratories Limited

Bennett, Coleman & Company Limited

Philip Morris International Inc

JP Morgan Services India Private Limited

JP Morgan Asset Management India Private Limited

Membership(s) / Chairmanship(s) of Board Committees in other Companies

Dr. Reddy's Laboratories Ltd

Audit Committee - Member

Nomination, Governance & Compensation Committee - Member

Stakeholders Relationship Committee - Chairperson

Bennett, Coleman & Company Limited

Audit Committee - Chairperson

Nomination and Remuneration Committee - Chairperson

Philip Morris International Inc.

Finance Committee - Member

Nominating and Corporate Governance Committee - Chairperson

Product Innovation and Regulatory Affairs Committee - Member

DIRECTORS' INTEREST

The Directors 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
Harish Manwani	22,130	0.0010
Pradeep Banerjee	35,038	0.0016
P. B. Balaji	12,406	0.0006
Kalpana Morparia	Nil	Nil

DIRECTORS' REPORT

and Management Discussion and Analysis

To the Members,

Your Company's Directors are pleased to present the 82nd Annual Report of the Company, along with Audited Accounts, for the Financial Year ended 31st March, 2015.

1. FINANCIAL PERFORMANCE (STANDALONE)

1.1. Results

	For the year ended 31st March, 2015	(Rs. crores) For the year ended 31st March, 2014
Revenue from operations, net of excise	30,805.62	28,019.13
Profit before exceptional items and tax	5,523.12	4,799.71
Profit for the year	4,315.26	3,867.49
Dividend (including tax on distributed profits)	(3,881.22)	(3,272.97)
Transfer to General Reserve	-	(386.75)
Profit & Loss Account balance carried forward	1,177.09	743.05

1.2. Category Wise Turnover

	For the year ended 31st March, 2015		(Rs. crores) For the year ended 31st March, 2014	
	Sales	Others*	Sales	Others*
Soaps and Detergents	14,640.66	235.95	13,460.98	222.43
Personal Products	8,865.03	141.50	7,979.79	141.10
Beverages	3,581.31	50.18	3,275.12	36.74
Packaged Foods	1,863.42	28.38	1,620.75	27.55
Others (including Exports, Chemicals, Infant Care Products, Water, etc.)	1,220.29	92.61	1,071.63	84.67
TOTAL	30,170.71	548.62	27,408.29	512.49

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

1.3. Summarised Profit and Loss Account

	(Rs. crores)	
	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Sale of products less excise duty	30,170.50	27,408.29
Other operational income	635.12	610.84
Total Revenue	30,805.62	28,019.13
Operating Costs	(25,597.38)	(23,543.87)
Profit Before Depreciation, Interest, Tax (PBDIT)	5,208.24	4,475.26
Depreciation	(286.69)	(260.55)
Profit Before Interest & Tax (PBIT)	4,921.55	4,214.71
Other Income (net)	601.57	585.00
Profit before exceptional items	5,523.12	4,799.71
Exceptional items	664.30	228.68
Profit Before Tax (PBT)	6,187.42	5,028.39
Taxation	(1,872.16)	(1,160.90)
Profit for the year	4,315.26	3,867.49
Basic EPS (Rs.)	19.95	17.88

2. DIVIDEND

Your Directors are pleased to recommend a Final Dividend of Rs. 9/- per equity share of face value of Re. 1/- each for the year ended 31st March, 2015. The Interim Dividend of Rs. 6/- per equity share was paid on 14th November, 2014.

The Final Dividend, subject to the approval of Members at the Annual General Meeting on 29th June, 2015, will be paid on or after 3rd July, 2015 to the Members whose names appear in the Register of Members, as on the date of book closure, i.e. from Tuesday, 23rd June, 2015 to Monday, 29th June, 2015 (both days inclusive). The total dividend for the financial year, including the proposed Final Dividend, amounts to Rs. 15/- per equity share and will absorb Rs. 3,881 crores, including Dividend Distribution Tax of Rs. 636 crores.

3. 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 judgments 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.

MANAGEMENT DISCUSSION AND ANALYSIS

To avoid duplication between the Directors' Report and the Management Discussion and Analysis, we present below a composite summary of performance of the various businesses and functions of the Company.

4. ECONOMY AND MARKETS

The year witnessed a marked slowdown in global growth. Emerging markets were characterised by a sharp fall in growth rates, especially in China. Europe and Japan continued to be under pressure all through the year, while US showed tepid signs of improvement.

In the domestic market, better macroeconomic conditions, coupled with improved sentiment post the general elections, helped India to be among the better performing emerging market economies. There was a slight increase in the GDP growth, while inflation moderated and the Rupee remained relatively stable during the year.

Consumer spending remained muted and this was reflected in a moderate growth across FMCG categories. Given the backdrop of a market slowdown coupled with a volatile input cost environment and heightened competitive intensity, the operating environment for the year continued to be challenging.

Your Company's performance for the year 2014-15 has to be viewed in the context of aforesaid economic and market environment.

5. PERFORMANCE OF BUSINESSES AND CATEGORIES

In a year of slower economic recovery, reflected in consumer down trading, high competitive intensity, your Company delivered competitive growth, aided by strong marketing and trade investments, a robust innovation pipeline and sharper in-market execution. Your Company sustained a strong focus on innovation across the portfolio and continued to delight consumers with a range of exciting offerings launched during the year. The impact of the regulatory changes in the space of media availability was managed effectively through strategic tie ups with broadcasters and media houses, driving efficiencies in media buying and better deployment of non television led media. The investment in non television and digital media was significantly stepped up during the year. Your Company continued to leverage and benefit from the inputs received from Unilever across various aspects of the business, including technology, innovation and communication.

The commodity markets, especially vegetable oils continued to remain volatile, which coupled with uncertain currency markets posed a major challenge during the year. Given the challenging environment with the start of the fiscal impact during the second half of the year, your Company embarked on ambitious cost savings programmes which have started yielding results. These cost saving programmes along with judicious pricing, without

compromising on the competitiveness of brand investments, both in terms of technology as well as advertising and promotion, helped deliver profitable growth for the year.

Rural and Modern Trade channels continued as a key focus area for your Company. Your Company continued its focus on innovation to deliver value to consumers. To build awareness and demonstrate the consumer benefits of its brands and product formats, your Company continued to invest in consumer connect programmes. The school contact programme run by your Company's brands, Lifebuoy and Pepsodent, continued to encourage and educate children on the importance and correct method of hand washing and brushing teeth. The rural consumer activation programme "Khushiyon ki Doli" covered ~5,500 villages during the year, to build awareness of emerging categories of the future. Your Company has set up an innovative mobile consumer reach initiative 'Kan Khajura Tesan' – a mobile entertainment radio channel in which the content is interspersed with HUL brand communication, to reach consumers in media dark rural areas. 'Kan Khajura Tesan' is now the largest mobile radio station in the State of Bihar, where it was piloted and has now been extended to North India. This initiative was recognised with three prestigious Lions Gold Awards at Cannes. Your Company continued to strengthen its digital deployment capability, including stepping up its capability and structure to harness the newly emerging e-commerce channel. Your Company further leveraged the sharp geographic focus outlined in the 'Winning In Many Indias' (WIMI) structure during the year. This will continue to be a key strategic thrust for the future.

The business of your Company falls under five segments. Soaps and Detergents segments comprises categories of Soaps, Detergents and Household Care, Personal Products segment includes categories of Skin Care, Hair Care, Oral Care, Colour Cosmetics and Deodorants. Beverages segment covers Tea and Coffee. Packaged foods segment includes Culinary and Bakery Products, Frozen Desserts and Ice cream. The residual segment of 'Others' is primarily made up of Water business.

5.1 Soaps and Detergents

Against the backdrop of a volatile environment, the Soaps and Detergents segment delivered a healthy competitive performance with turnover growth of 9% during the year. The growth was profitable with segmental profit increasing by 14% while sustaining investments behind quality and brand marketing.

Soaps category grew competitively in a market, which witnessed volatile commodity prices coupled with subdued growth on volumes. Your Company managed the business dynamically during this period of volatility to deliver a healthy performance on both topline and bottomline. Dynamic and decisive pricing actions were taken across Dove, Lifebuoy, Lux and Liril. Lifebuoy continued to perform well by reaching its highest ever market

share and has crossed the Rs. 2,000 crore mark, a fitting example of what a brand with a purpose and compelling proposition can achieve. In the premium segment, Dove continued to deliver volume led growth, driven by the consistency of its proposition. Lux was re-launched during the year with a superior fragrance proposition, which met with good consumer response. Your Company continued to invest in developing the market in the liquids format, viz. handwash and bodywash.

Detergents category delivered competitive growth, largely driven by mix improvement and price growth. The slow economic environment continued to adversely impact category growths. Your Company has been focusing on driving upgradation in this category by offering consumers a superior experience and value proposition. Surf and Comfort continued to lead category premiumisation with high double digit growth, buoyed by the continuing momentum on Surf Excel Easy Wash and good growth in rest of the Surf portfolio. The steady performance of Surf over the last few years has earned it the distinction of being the Company's largest brand now. The performance in Rin improved with the new thematic communication and the bars portfolio continued to lead upgradation, while powders witnessed moderate growth. Wheel powder witnessed muted growth for the year. The three laundry brands - Surf, Wheel and Rin - are now Rs. 2,000 crore brands, which is a source of pride for your Company. The nascent segments of Machine Wash (Surf Excel Matic) and Fabric Conditioners (Comfort) continued to perform well. The category witnessed significant media heat and competitive intensity during the year. Your Company was agile in passing the benefits of decline in commodity costs to consumers and thus remained competitive in the market. Your Company will continue to focus on driving innovations, exercising cost control across the value chain and delivering effective communication to win in the highly competitive Detergents category.

In Household Care, Vim delivered yet another year of double digit growth. The growth was driven by the tub and liquids portfolio. With the claim of de-greasing through the power of 100 lemons, Vim continued to delight consumers through superior product quality, focused advertising and a strong activation programme. The Vim tub segment continued to grow strongly with launch of 250 gm pack in the third quarter to complement the existing 500 gm pack. This is expected to consolidate the presence of the brand across dishwash bars and help reach new consumers. The brand also has a strong programme to build new consumers across the country especially in rural. The Domex Toilet Academy (DTA) programme is being progressively scaled up with the aim to eradicate open defecation by building toilets and to improve sanitation facilities.

5.2 Personal Products

Personal Products consist of Skin Care, Hair Care, Oral Care, Colour Cosmetics and Deodorants. In a challenging market

environment, where the growth of discretionary categories has continued to remain under pressure, the Personal Products segment delivered a healthy turnover growth of 11%. Segmental profit improved by 17%. Your Company continued to invest for competitive growth in its core categories and build the segments of the future.

Skin Care category registered competitive growth in a slow market. Face Care delivered growth ahead of market across skin lightening, facial cleansing, anti-ageing and men's formats. Fair & Lovely delivered good growth in the second year of the re-launch of the 'Best Ever' Fair & Lovely - a product that is tailor-made to deliver superior skin lightening results in India. The Face Wash segment registered significantly higher growth compared to market across brands. Pond's continued to deliver double digit growth led by the good performance particularly of the skin lightening and talcs portfolio. The activation around 'spot removal' buoyed Pond's White Beauty to high double digit growth. During the year, Pond's also forayed into the male grooming segment through the launch of Pond's Men that includes facewashes and moisturisers, which has performed well. Lakmé sustained its growth momentum during the year. A new hydration range Lakmé Absolute was introduced under Lakmé during the year. Your Company continued to lead market development with Vaseline through the 'healing power' activation on the brand.

Hair Care delivered another strong year of competitive volume led double digit growth. Your Company continued to deploy innovations and impactful campaigns on its core brands while leading market development in the emerging conditioners segment. The 'Go Play' campaign under the brand Dove was well received and the brand grew in high double digits during the year. TRESemmé performed well and the brand continued to drive exponential growth in its second year of launch. In line with its brand proposition of 'Salon like hair, at home everyday', your Company launched a new innovation 'Spa Rejuvenation' under the brand which has been well received. Clinic Plus consolidated its position as the largest shampoo franchise; growing in strong double digits during the year. As for Sunsilk brand, it leveraged festive occasions across the country, through a structured communication platform with a sharp geographical focus as also high profile Bollywood movie tie-ups. Toni&Guy, the premium brand from the Unilever hair portfolio was rolled out in key premium outlets during the year.

The year was challenging for the Oral Care business which saw high competitive and promotional intensity. Your Company continued to invest behind its brands, matching promotional intensity and landing exciting innovations during the year. Closeup continued to lead the freshness proposition by expanding mental and physical reach in focus markets. Closeup launched a new variant, Diamond Attraction, a first-of-its-kind premium whitening variant which works instantly to make teeth whiter and

over time, it continues to work to give a whiter, brighter and more radiant smile. The re-launch of Pepsodent Gum Care has been successful. Your Company also continued to invest in building oral health and hygiene, and reached out to children across the country through a school contact programme.

Lakmé Colors business sustained double digit growth during the year despite slow markets and the sluggish rate of premiumisation for the year. Lakmé continues to drive premiumisation by upgrading users through long lasting 9 to 5 platform, and bringing the global make-up trends to India under the Absolute platform. Lakmé successfully launched the gloss look as the global trend in India this year at the Lakmé Fashion Week with a range of products under Absolute Gloss Addict. It also launched a first of its kind Makeup Pro App, which is a real-time virtual makeover mobile application with the complete palette of shades and looks across the Lakmé portfolio. The launch of creaseless lipsticks and the introduction of new Kajal trends with Eyeconic shades under the '9 to 5' range was received well.

In the Deodorant portfolio, through Axe, your Company continued to deploy impactful campaigns and activation including the 'Axe Boat Party', which was launched for the first time in India. During the year, your Company entered into the perfume spray segment with the launch of 'Axe Signature', which has seen an increase in consumer franchise within a short period of time. Unilever has commissioned a world-class deodorants manufacturing facility in Khamgaon, during the year. This facility will provide a regular supply of high quality deodorant products to cater to the markets across Asia, including India. This will support the indigenisation of production for a large portion of deodorants in the aerosol form, which is currently imported.

5.3 Beverages

The Beverages segment delivered 9% turnover growth in the year, ahead of the market, with broad based growth across both Tea and Coffee. The growth across key brands was driven by a strengthened mix and focused in-market activities. Price growth was impacted by softer commodity costs during the second half of the year.

Your Company drove its five leading brand positions across India, with both the premium and popular brands growing competitively. Taj Mahal and 3 Roses continued to drive premiumisation. Red Label offered unbranded tea users a good mix of superior, great tasting tea for value. Red Label and 3 Roses Natural Care Tea with its differentiated immunity benefit witnessed exponential growth. Your Company grew the Green Tea category exponentially during the year on the back of sustained market development. The Instant Coffee business delivered strong performance during the year with BRU Gold doing particularly well.

5.4 Packaged Foods

The Packaged Foods segment of your Company comprises culinary products such as jams, ketchups and squashes under Kissan; soups, soupy noodles and meal makers under Knorr; branded staples (atta and salt) under Annapurna; bakery products under Modern; and frozen desserts/ ice creams under Kwality Walls and Magnum. The segment delivered a strong 15% turnover growth with segmental profit growing by 36% during the year, as your Company continued to drive growth in topline and bottom line, while continuing to invest in building this business.

Kissan sustained its strong, consistent performance, delivering another year of double digit growth, driven by impactful activation around unlocking everyday relevance for consumers. The brand reinforced its 'real' credentials focusing on the fact that Kissan is made from 100% real fruits and vegetables through 'Kissanpur' and other powerful activations. The year also witnessed the re-launch of entire Kissan range with exciting new packaging. The consumer preference, along with a strong distribution increase in both Ketchup and Jam, resulted in the business growing faster than the market.

The performance of Knorr in the year was led by soups, with the convenient instant soups single serve format performing particularly well. Your Company expanded its instant soup offerings with exciting new flavors at incredible price points. This supported by widespread sampling ensured that the soup category has grown in relevance as a healthy option to tide over in between meal hunger pangs.

Knorr Noodles was restaged at the end of the year with exciting new Chinese flavours. The Knorr Meal Maker portfolio continued to be led by in-store sampling and activations.

During the year, your Company's desserts portfolio re-launched its 'Brown & Polson' and 'Rex' brands, with positive initial response.

Your Company continued its focus on improving the profitability of the Annapurna business by driving efficiencies across the value chain.

Your Company also scaled up its experiential marketing initiatives. Given the relevance of market development categories, it is critical that consumers sample your Company's products and discover the great taste and convenience that the products offer. Foods Beverages reached over 12 million consumers last year through sampling.

Modern Foods, the division which deals with bakery products continued the good performance both in terms of top line and bottom line. Despite low growth in bread industry due to challenges posed by other breakfast options and low entry rate in the segment, Modern Foods managed to maintain leadership position in most of the markets. Ability to innovate fast with value

added product range like oats bread, rusk, cakes, helped Modern Foods to stay ahead in the market. Superior distribution system and better play in emerging channels like Modern Trade were the highlights of the year's operational excellence of the business.

The Frozen Desserts and Ice Cream business which had a challenging previous year, delivered a strong performance with double digit growth and improved profitability this year. The business continued to unlock distribution growth, making the brands more accessible for consumers. Cornetto and Paddle Pop grew strongly during the year with Cola Blast and Jiggly Jelly receiving good response from kids. Cornetto is connecting with consumers through digital platform in addition to traditional media. Post the successful launch of Magnum, the premium indulgent ice-cream brand, in Chennai, Mumbai, Pune, Bangalore and Hyderabad, your Company expanded this brand to Delhi and Kolkata, during the year.

5.5 Water

Pureit is the world's largest selling range of water purifiers in non-pitcher and non-faucet mount segment. Pureit delivered a double digit growth in a tough consumer durable market while improving margins significantly. The brand continues to strengthen its position in a slow and weak consumer durables market. During the year, Pureit introduced a breakthrough innovation in the premium segment, Ultima (RO+UV purifier) with superior design, aesthetics and superior functionality. Within a year the product has been able to gain strong presence in the premium RO+UV segment, with a double digit market share in Modern Trade. The Pureit brand continued to dominate the self-fill non electric purifiers with the communication focusing on building relevance around safe drinking water. During the year, Pureit focused on driving Non Electric Storage Purifiers Range through the Micro Finance Institutions and targeted the premium consumers with a model of leads and referrals. Pureit also pioneered an exchange programme in the Water Purifier Category, actively up trading consumers. Pureit has received 'Innovating for a Better Tomorrow' award by CNN IBN in partnership with Infosys, for an exemplary innovation in India that has brought about progressive change.

5.6 Hindustan Unilever Network

The year continued to be extremely challenging one for the entire direct selling industry, including your Company, due to ambiguity on acceptable norms for direct selling in India. As a responsible corporate citizen, your Company has always conducted its business within the framework of law.

Given the challenging operating context of the business, your Company conducted a strategic review of the business. As a result of this review, your Company has changed the servicing model from a physical servicing model to an online ordering and fulfilment model.

Your Company has also optimised its product portfolio to bring focus on a differentiated but limited product range and also changed its compensation plan.

5.7 Non-FMCG Exports

Rice exports showed a double digit growth, while continuing to expand geographies, looking for seeding opportunities and improving its mix.

5.8 Subsidiaries and Joint Venture

Pursuant to the Scheme of Amalgamation sanctioned by the Honorable High Court of Bombay, Aquagel Chemicals Private Limited, a subsidiary of the Company was amalgamated with Lakmé Lever Private Limited, another subsidiary of the Company, with effect from 1st April, 2014. Consequent to the said amalgamation, Aquagel Chemicals Private Limited ceased to be a subsidiary of the Company.

During the year, your Company has divested its entire shareholding in Brooke Bond Real Estates Private Limited (BBREPL), a subsidiary of the Company, in favour of M/s. Brigade Properties Private Limited, a subsidiary of M/s. Brigade Enterprises Limited. Consequently, BBREPL ceased to be a subsidiary of the Company with effect from 23rd March, 2015.

During the year, your Company increased its stake in Bhavishya Alliance Child Nutrition Initiatives, a not-for-profit company, by acquiring the balance 75% of the equity share capital, thereby making it a wholly-owned subsidiary. Bhavishya Alliance was incorporated on 3rd October, 2010 as a not-for-profit company to work in the areas of social, economical and environmental issues

The summary of performance of the subsidiary and joint venture companies is provided below:

Unilever India Exports Limited

Unilever India Exports Limited (UIEL) is a subsidiary of the Company, engaged in FMCG exports business. The focus of the FMCG exports operation is two-fold: to develop overseas markets by driving distribution of ethnic brands, such as Kissan, BRU, Brooke Bond, Lakmé, Pears among the Indian diaspora in international markets and to effectively provide cross-border sourcing of FMCG products to other Unilever companies across the world.

The Home and Personal Care segment in the exports business has witnessed a stable year, driven primarily by Personal Wash. Brands like Pears and Lakmé have registered healthy performance in the focused markets through strong

communication and activation support. In case of Unilever sourcing countries, categories like Home Care and Personal Wash have delivered healthy growth. The Foods & Beverages segment saw expansion into new geographies. Overall, the business delivered healthy profitability through focus on effective cost management.

Lakme Lever Private Limited

Lakme Lever Private Limited (LLPL), subsidiary of the Company, has 230 salons, of which 56 are Company owned / managed and 174 are franchisee salons. LLPL delivered double digit growth for the fifth consecutive year, although the market slowed down by consumers pulling back on discretionary spends. While net expansion during the financial year was 25 salons, the business also 'reinvented' half the network with backstage inspired interiors and a trendy Runway Secrets portfolio. Innovations like the Moroccan Liquid Gold Ritual and Nutristraight Quadratherapy have delighted consumers and driven growth. Your Company will continue to support LLPL to drive growth in this attractive market opportunity.

Pond's Exports Limited

The leather business, under the subsidiary Pond's Exports Limited, showed a stellar performance, with healthy operating profitability and double digit sales growth. This performance was achieved through new product designs, excellent customer service, world-class quality and cost innovations.

Unilever Nepal Limited

Unilever Nepal Limited (UNL), subsidiary of the Company, is engaged in manufacturing, marketing and sale of detergents, toilet soaps, personal products, soap noodles and laundry soaps in Nepal. UNL had yet another challenging year given the difficult political environment and low levels of GDP growth. Additionally, the emigration of skilled and unskilled labour continued to impact the consumption and growth of FMCG categories.

Despite strong challenges, UNL managed to deliver a robust double digit growth of 13% and PAT increase by 22%. Despite a slowdown of internal growth, our market presence continued to be strong reflecting the competitive growth of our brands and slowdown in the overall market. Unilever Nepal brands continue to be market leaders in all the categories they operate in.

The country was recently affected by a natural tragedy. All employees and assets of the company were accounted safe and there was no major damage.

Hindustan Unilever Foundation

Hindustan Unilever Foundation (HUF) is a not-for-profit company that anchors various community development initiatives of Hindustan Unilever Limited. HUF supports national priorities for socio-economic development through its 'Water for Public Good'

programme. All projects carried out under HUF complies with the requirements of the CSR Rules of the Companies Act, 2013.

HUF operates the 'Water for Public Good' programme in 90 districts across India in partnership with 20 NGOs. HUF also supports several knowledge initiatives in this area.

HUF has initiated projects in 6,000 villages and has created a collective and cumulative water potential of nearly 100 billion litres. The cumulative impacts of these projects initiated by HUF have been independently assured.

Bhavishya Alliance Child Nutrition Initiatives

Bhavishya Alliance Child Nutrition Initiatives (BACNI) is a not-for-profit subsidiary of the Company, and is working on the hand washing behaviour change programme in the State of Bihar. The programme aims to reduce diarrhoea and pneumonia in children under the age of five years across Bihar, by implementing the 'School of 5' hand washing project in rural schools to reach 9 million school children.

In addition, **Daverashola Estates Private Limited** and **Jamnagar Properties Private Limited** are subsidiaries of the Company, which have been exploring opportunities to enter into appropriate business activities. **Levers Associated Trust Limited**, **Levindra Trust Limited** and **Hindlever Trust Limited**, subsidiaries of the Company, act as trustees of the employee benefits trusts of the Company.

Kimberly Clark Lever Private Limited

Kimberly Clark Lever Private Limited (KCL) is a joint venture between your Company and Kimberly-Clark Corporation, USA, with infant care diapers as its primary product category. The business maintained its growth momentum during the year delivering healthy double digit growth. With the consumer preference shifting towards pants format, the category construct continued to move in favour of pants. Pants volume witnessed healthy growth and more than doubled over previous years. Huggies brand saw a healthy increase of share within the pants format. To meet the growing demand of pants format, investments have been made to increase the production capacity.

The low penetration and consumption levels in India offer significant growth potential for this category. The competitive intensity in the infant care category remains high and continues to attract both local and global competitors. KCL will continue to drive growth in business through innovations that positively impact consumers. As a joint venture partner, your Company remains committed to this business.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries, associates and joint venture companies in Form AOC 1 is attached to the Accounts. The separate audited financial statements in respect of each of the

subsidiary companies shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The separate audited financial statements in respect of each of the subsidiary companies is also available on the website of your Company at www.hul.co.in/investorrelations/AnnualReports/

Your Company has obtained a certificate from the Statutory Auditors certifying that the Company is in compliance with the FEMA regulations with respect to the downstream investments made in its subsidiaries and joint venture companies during the year.

6. CUSTOMER DEVELOPMENT

During the year, your Company has undertaken and delivered several ambitious initiatives to reaffirm its leadership position across the country and be the preferred channel partner for over 2,500 redistribution stockists and millions of retailers.

Your Company has always strived for everyday execution excellence in Customer Development, which was at the center of the ambitious Big "Q" – Harvest, Impact and Transform (HIT) agenda. During the year, your Company took on the challenge of increasing sales throughput of the outlets added under its coverage expansion programmes. Harvesting the growth potential of the new stores contributed significantly to the aim of winning in the market place and resulted in improving the reach and distribution of the products. Impact stores, the high contribution stores, were chosen to drive business through increased point of sale visibility and cluster breakup execution in stores and these have contributed to your Company's growth. Your Company has put in place the plan of building brands in stores in the Modern Trade environment, and intend to scale up the initiative based on the learnings built.

Your Company also undertook the ambitious transformation agenda of 'Winning In Many Indias' (WIMI) to leverage the diversity of people, culture, habits, economics and demographics that exists across India. Your Company has structured itself to better serve the diverse opportunities and consumer needs across the country. As a key step in executing the WIMI strategy, your Company set up the fifth sales branch in Lucknow to unlock growth in Central India. This geography with over 500 million population holds immense potential for sustainable growth over the next many years. In line with the WIMI strategy, performance of the country will be driven through 14 consumer clusters, reporting into 5 sales branches, focusing the categories

on the unique consumer needs in each cluster. Plans have been put in place to leverage the new WIMI structure through sharper, localised marketing and sales initiatives, to enable your Company to win with consumers and shoppers across all consumer clusters. Modern Trade continues to be a focus area for your Company. Renewed focus on joint business planning, ensuring best-in-class on shelf availability and delivering clutter breaking product launches have brought in fresh momentum in this channel and were appreciated by Modern Trade customers. Your Company was once again awarded the 'Best Supplier' by leading Modern Trade customers.

E-commerce is an emerging and fast growing channel in the country and your Company is well placed to lead category growth in this channel. Your Company has developed a comprehensive e-commerce strategy and execution roadmap, and has a team in place to drive disproportionate growth in this channel in the coming years.

Your Company has been a thought leader in the area of big data and analytics as a tool to drive sustainable growth. Using the 115 million transactions captured every month, your Company uses intelligent analytics at the back end, to deliver better on shelf availability in stores. We will continue to invest in the power of knowledge and big data, to stay at the forefront of execution, and enhance the impact and effectiveness of our execution.

Your Company continues to focus and drive 'Project Shakti', the initiative for driving social responsibility and sustainability, aimed at enhancing livelihoods and building opportunities for small scale entrepreneurs in rural India.

Your Company runs dedicated call centres for distributors as well as retailers, which enable them to connect directly with the Company anytime, thereby achieving world class customer service. Mandatory customer immersion sessions for Customer Development team gives them the opportunity to spend more time with distributors and retailers, observing and interacting with them in their milieu to understand their needs better. These initiatives have helped to keep the needs of the customer as the guiding force for all your Company's activities.

7. SUPPLY CHAIN

Your Company's supply chain agenda remained focused on five key areas: customer service excellence, consumer and customer quality, end to end cash and cost savings program, leading with innovation & technology and sustainability.

Your Company made significant progress in its vision to deliver customer service excellence to enable sustainable growth.

The service delivery standards improved steadily with CCFOT (Customer Case Fill-On-Time) increasing to 94%. Sharper focus on identified portfolio, channel, and geography opportunities to drive end-to-end performance were the key highlights for the year. This resulted in fit for purpose strategies for priority elements of our Supply Chain. Your Company's supply chain continued to be recognised by its customers for the progress in this area. Your Company continued to strengthen the Sales and Operation Planning (S&OP) and Innovation Process Management (IPM) processes, which are the foundation of our performance.

Product Quality on shelf is one of the highest priorities for your Company. Your Company carried out an end-to-end quality review covering every point along the Supply Chain from supplier to shelf, which led to strategic quality improvement initiatives. Focus was increased further on working closely with the suppliers and partners in warehousing and logistics to implement specific quality improvement projects in these areas. These quality programmes have resulted in 40% reduction in consumer complaints which is a proof of the effectiveness of these interventions.

Your Company has a robust Supply Chain savings programme with continuous focus on end-to-end cost reduction with new technologies, processes and methods. During the year, your Company delivered 5% saving in Supply Chain cost which is driven by various cross functional teams, such as R&D, Procurement, Manufacturing and Logistics. The robust savings programmes were driven through workshops, rigorous monthly reviews, project trackers and a strong ideas' funnel.

Your Company has achieved good progress in usage of biogenic fuels as energy source in factories. During the year, your Company used almost 60,000 tonnes of renewable biomass as fuel, saving corresponding amount of fossil fuels. This has been done through installation of specially designed biomass boilers, thermic fluid heaters and hot air generators capable of efficiently burning locally available agri-waste like paddy straw, cotton stalks, sawdust and bagasse.

Your Company has overhauled rainwater harvesting facilities in all its plants as well as upgraded equipment for more efficient use of water. Optimising operation of cooling towers, reduction of drift losses, reuse of gland sealing water, installation of mechanical seals, segregation of process streams, improvement of CIP systems, installation of reverse osmosis plants and similar technology interventions allowed your Company to reduce its fresh water usage from 2,715 million litres in 2008 to 2,111 million litres in 2014, despite volume increase.

Your Company progressed well in implementing its longterm manufacturing strategy, with efficient capacity creation while introducing new technologies to support volume growth. To

achieve manufacturing excellence, your Company further accelerated the transformation of its manufacturing operations through the use of World Class Manufacturing techniques. This will lead to further improvement in efficiencies and cost performance. Your Company has identified significant cost reduction opportunities in production costs, which are converted into projects and monitored closely, in the sites where World Class Manufacturing programme has been introduced.

There has been a 6% improvement in innovation OTIF (On Time in Full) with more than 80 innovation networks being executed during the year, touching about 60% of the product portfolio. The focus on bigger and faster innovation and capability development has significantly helped the Company launch innovations first time right.

Through Partner to Win programme, developed by Unilever globally, your Company continued the joint business plan journey with suppliers and business partners. This has resulted in reduced lead time and costs and improved reliability and new innovation delivery.

8. RESEARCH & DEVELOPMENT

Your Company continues to derive sustainable benefit from the strong foundation and long tradition of Research & Development (R&D), which differentiates it from many others. New products, processes and benefits flow from work done in various Unilever R&D centres across the globe, as well as in the R&D centres in India. The R&D labs in Mumbai and Bengaluru are aligned to Unilever's global R&D. Many of the projects executed out of these centres are of global relevance, and have a strong focus on regional needs and the overall Developing & Emerging (D&E) world. With world-class facilities and a superior science and technology culture, your Company is able to attract the best talent to provide a significant technology differentiation to its products and processes.

These R&D programmes are focused on the development of breakthrough and proprietary technologies with innovative consumer propositions. The R&D team of over 750 people comprises highly qualified scientists and technologists working in areas of Home Care, Personal Care, Foods & Beverages and Water Purification. The R&D group also comprises critical functional capability teams in the areas of Regulatory, Clinicals, Digital R&D, Product & Environment Safety and Open Innovation.

Your Company had entered into a Technical Collaboration Agreement (TCA) and a Trade Mark License Agreement (TMLA) with Unilever in 2012. The TCA provides for payment of royalty on net sales of specific products manufactured by your Company,

with technical inputs developed by Unilever. The TMLA provides for the payment of trademark royalty, as a percentage of net sales on specific brands, where Unilever owns the trade mark in India. Given that the pace of innovations and the scope of services have expanded over the years and that Unilever's global resources are providing greater expertise, superior innovations and scale advantage for all Unilever entities, your Company is enjoying the benefits of an increasing stream of new products and innovations, backed by technology and know-how from Unilever such as those explained below.

During the year, your Company introduced several innovations in Soaps and Detergents category. In Detergents category, Surf Excel Matics powder formulations were improved. External brand equity studies adjudged Surf Excel as amongst the top 10 brands in India. Wheel powder mix was re-launched with new communication on pack as 'Naya and Damdar'. The mix also enhanced the formulation with improved efficacy.

In the Household Care category, Vim bar was re-launched with an improved polycoat, changed shape and a strong claim of 'lasts up to 4 days longer'. Vim bars own patented technology of 'Polycoat' which enables this competitive advantage.

In the Soaps category, Lifebuoy had one of its most successful re-launches ever with a new more efficacious formulation leveraging ActivNaturol Shield (ANS) - the R&D discovered synergistic combination of sustainable natural actives with proven superior efficacy against germs including evolved germs. The technology and the claims on Lifebuoy were endorsed and approved by the world renowned Royal Society for Public Health (RSPH), in its first ever endorsement of a soap brand. The technology also enabled Lifebuoy mount and supported a strong consumer oriented campaign. Lifebuoy hand wash liquid introduced a first of its kind viewstrip to enable consumers track usage and refill the pumps. In addition, Lifebuoy also launched its revolutionary self-foaming hand wash under its Clinicare10 range, which has been specially formulated to save more than 18% water while being ultra-mild and yet delivering 99.9% germ protection in 10 seconds. It also gives 10 times better germ protection compared to ordinary soap bars. Lifebuoy partnered with Dow Chemicals to reformulate the Rs. 5 minibar providing better skin feel, better value and hence better affordability to consumers while providing them unbeatable germ protection. This was awarded the 4th breakthrough to World Challenges award by the Board of Dow. Lux core range saw introduction of new visuals of flower embossing, active silk extract and new packaging which were re-launched as Lux Soft Touch and Lux Velvet Touch with SilkEssence™.

In the Skin Care category, Fair and Lovely launched its advanced multivitamin cream in a re-closable sachet at an accessible price point of Rs. 5. Pond's for the first time launched a range of skin care products for men, that offers brightening and oil control

benefits through its moisturisers and face wash formats. Pond's White Beauty with its revolutionary GenWhite™ Active Technology launched new daily anti-spot fairness cream with non oily, light feel sensory. Lakmé continues to lead premiumisation in skin care by launching new Lakmé Absolute Gloss range (entry in premium hydration) and innovative formats under the Lakmé Perfect Radiance range (Serums and Gel based creme).

Oral Care witnessed the launch of Closeup Diamond Attraction toothpaste with a Unilever Patented Technology to deliver whiter teeth in one brush. This launch marked your Company's entry into the beauty segment in oral care. Pepsodent Gumcare was also re-launched elevating it to the expert protection advanced care range.

In the Hair category, Dove continued its journey of bringing improved products to its consumers and re-launched its conditioner range with new technology to provide efficient conditioning. New variants were introduced in TRESemmé focussing on the needs of the modern consumer. TRESemmé SPA Rejuvenation was introduced to allow the consumer to experience Spa-like benefits at home.

The Deodorant category had strategic launches this year. Axe Signature range was launched as the first ever body perfume range from your Company. The 4 variants of Axe Signature range were a successful launch in the market place with superior claim of 3 times more perfume in every drop. In the spray range, Axe Gold temptation variant was launched as a special variant to Dark Temptation.

In Water business, your Company launched a new storage purifier 'Pureit Advanced 14L' with premium aesthetics which provide double purification benefit through a combination of membrane and biocide technologies. In the premium RO Purifier segment, 'Marvella RO+UV' device was launched with superior control logic and aesthetics. In addition, the 'Pureit Ultima RO+UV' device launched in early 2014 has proved to be one of the most successful innovations for your Company during the year.

The Foods R&D team focused on re-launch of the Kissan range with product re-launches both in squash, jams and in tomato sauces. For the Knorr brand, major initiatives happened around Knorr Cup-a-soup; establishing soups as a great tasting snack and healthier alternative to deep fried snacks.

The year saw key strategic launches under tea brands contributing to good business growth. Under green tea category, the range was further extended with two new flavours launched - 'Tulsi' and 'Honey Lemon', which helped in accelerating the category growth. In Coffee, small pack blend was launched with improved aroma and sensorial. Through R&D initiatives, cost savings were also delivered to manage commodity inflation.

In the Frozen Desserts category, Kwality Wall's launched 'Mango Creamy Delight' variant enriched with real Alphonso mango. Under kid's platform, new Paddle Pop 'Cola blast' was launched to create excitement among kids and deliver a unique experience.

R&D has further contributed to the Company's sustainability agenda by enabling significant reduction in packaging material consumption through several material efficiency initiatives. Your Company is committed to reduce its packaging waste footprint. For the Laundry category, your Company reduced paper consumption by 1,700 tonnes without compromising on delivered quality. The re-launch of Lifebuoy involved a significant improvement on the pack design and new technology for a more cost effective wrapper which resulted in a saving of 300 tonnes on polymer adhesives besides more sustainable packaging for the handwash pumps and refills resulting in a savings of 35 tonnes of polymer. There has been a paperboard savings of 2,500 tonnes which has been a result of improving the paper quality with respect to compression strength and hence innovating on the design for sustainability. Packaging material usage was reduced by around 120 tonnes across Beverages and Ice creams. In the Foods category, the packaging development team achieved a major improvement of the jam jar with state-of-art glass technology and improved jar designs. Your Company's R&D is also working on novel technologies to help save substantial amount of water.

With strong scientific expertise and the potential to deliver high value technologies, your Company is well placed to meet the challenges emanating from the increased competition intensity and the opportunities to drive faster growth on the back of a strong support from R&D as well as brand development capabilities.

8.1. Technology Absorption

The Company maintains interaction with Unilever internationally. This is facilitated through well co-ordinated management exchange programme. The programme includes setting out governing guidelines pertaining to identifying areas of research, agreeing timelines, resource requirements etc.; scientific research based on hypothesis testing and experimentation which leads to new / improved / alternative technologies; support the development of launch ready product formulation based on research and implementation of the launch ready product formulations in specific markets. The benefits derived by your Company through technology absorption and Research & Development are detailed above. Your Company continuously imports technology from Unilever under the Technical Collaboration Agreement and the same is fully absorbed.

Your Company is receiving support and guidance from Unilever to drive functional excellence in marketing, supply management,

media buying and IT, among others, which helps your Company to 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.

The details of expenditure on scientific Research and Development at the Company's in-house R&D facilities eligible for a weighted deduction under Section 35(2AB) of the Income Tax Act, 1961 for the year ended 31st March, 2015, are as follows:

- Capital Expenditure : Rs. 2.54 crores
- Revenue Expenditure : Rs. 29.60 crores

9. ENVIRONMENT, SAFETY, HEALTH AND ENERGY CONSERVATION

Your Company has a vision of being a 'Zero Injury' organisation. The Compass, your Company's strategic framework, integrates Safety as a non-negotiable value. Over the past years, your Company has been progressing well in terms of reducing recordable injury frequency rates across its operations. The injury rates in 2014 were less than one-fourth of the injury rates in 2008. The safety incident rate measured as Total Recordable Frequency Rate (TRFR) in 2014 was only 0.4 incidents per million man-hours worked.

This has been achieved through a combination of training and hardware upgradation leveraging core technology concepts and safety standards from Unilever. A customised behavioral safety framework 'BeSafe' developed by Unilever is being rolled out in India. Rigorous deployment of BeSafe across your Company targeting change in behaviour patterns and elimination of unsafe acts has played a big part in eliminating safety hazards from workplaces.

Sustainability is deeply rooted in all the operations of your Company ranging from sourcing to manufacturing and logistics. Your Company's aim is to achieve significant year-on-year reduction in environmental impact of manufacturing operations, in line with Unilever Sustainability Living Plan (USLP). Following are some of the milestones of environmental performance during the year:

- Two more biomass fired burners (one hot air generator and one boiler) were commissioned in 2014. Use of biogenic fuels like biomass briquettes, spent tea leaves and coffee beans, was maximised at existing facilities, which helped in reduction of fossil fuel consumption for operations.
- All new projects and line extensions in factories are equipped with high efficiency motors, variable frequency drives, LED lights, screw compressors instead of reciprocating compressors, roof mounted self-driven ventilators and

maximised use of natural illumination. These are also being retrofitted in existing factories after feasibility evaluation.

- Going beyond rain water harvesting and recharging to ground which is already practised at most of manufacturing sites, your Company initiated pilot projects for direct use of rainwater in process to further reduce ground water.

Your Company made capital investments amounting to Rs. 16.2 crores during the financial year 2014-15 on the energy conservations equipments.

Your Company saved 52376 GJ/annum of energy through its various conservation energy initiatives taken during the year. The financial savings due to conservation initiatives amounted to Rs. 1,070 lakhs.

Specific water consumption in manufacturing operations is reduced by over 44%, when compared to 2008 baseline. Your Company has reduced CO₂ emissions (per tonne of production) in India by 37%, compared to 2008 baseline.

Waste generation across units is minimised through the principles of 3Rs - reduce, reuse and recycle. Co-processing of wastes in cement kilns, composting of boiler and hot air generator ash and usage of organic process waste as fuel have been the major initiatives strengthened during year. Segregation at source followed by re-use are practiced for all recyclable wastes, such as packaging materials, empty raw material containers and project scrap. Total waste per tonne from manufacturing sites has reduced by 88% vis-a-vis 2008 baseline.

Several prestigious awards have been conferred upon your Company by national and international organisations of repute, both from government and non-government sectors in recognition of your Company's efforts in the spheres of Safety, Environment and Sustainability.

10. HUMAN RESOURCES

Your Company's Human Resource agenda remained focused on reinforcing the key thrust areas; being the employer of choice on campus, building an inclusive culture and a strong talent pipeline, institutionalising mission critical capabilities in the organisation, driving greater employee engagement and continuing to focus on progressive employee relation policies.

Your Company is known for developing future leaders and having the best people practices. This coupled with the ability to attract the best talent, provides a competitive edge to the organisation. According to the Campus Track Business School Survey 2014, conducted by Nielsen for the 2015 graduating batch of the B-School students, your Company has been chosen

as the preferred employer across all sectors for the fourth year in a row. Your Company has also retained the 'Dream Employer' status for the sixth consecutive year.

Your Company continued to build on the Diversity and Inclusion agenda. Maternity and Paternity Support, Career by Choice and location flexibility programmes have helped in further driving the agenda. Your Company's focus has been on driving inclusion through building leadership capability, recognizing line managers who drive a simple, flexible and respectful work environment for their teams. With these enablers and commitment to diversity and inclusion, your Company has witnessed a 13% shift in the gender balance ratio over the last four years.

Your Company has developed an integrated framework and approach using structure, systems and skills focused on areas such as Beauty, Foods, Digital, Rural and E-commerce and designed plans to ensure capabilities for the future are built. Apart from a strong foundation on learning programmes to build capability, there is an increased focus on driving Development Plans for all employees in your Company.

Your Company has also focussed on building speed and simplification in ways of working. Sunset, an initiative where employees can share ideas for quick solutions making your Company agile, saw an improvement in closure time and satisfaction scores. Ideas received were implemented in plenty, which encouraged employee participation. Simplification projects were launched and implemented that potentially released a significant number of man-days of process time.

With strong business performance backed with leadership commitment to ensure engagement and development of employees, your Company's 2014 Global People Survey results showed improvement in scores across dimensions. Employee Engagement score improved by 300 bps over the previous year.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure to this Report.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours before 21 days of the Annual General Meeting and shall be made available to any shareholder on request. Such details are also available on your Company's website www.hul.co.in/investorrelations/AnnualReports/

11. INFORMATION TECHNOLOGY (IT)

IT continues to support business operations in your Company, through continued investment in the enterprise wide SAP platform including data analytics. Your Company supports the distributors by providing a common distribution management system which integrates with the Company's system. In addition, a common mobility solution is in place for all individuals who execute sales transactions in the market place

IT has played a key role in bringing to life your Company's Winning in Many Indias (WIMI) strategy. WIMI provides your Company an ability to get granular understanding of the changing consumer profile and competition across geographies to identify sales gaps and market creation opportunities.

Your Company continues to invest in capabilities that enable customised engagement with end consumers using mobile technologies. Kan Khajura Tesan (KKT) is the first mobile based entertainment-on-demand platform that allows the Company to directly engage with millions of consumers with customised content.

Your Company continues to drive resilience through targeted remediation of high risk IT components, including hardware, databases, operating systems and applications. Alongside the investment in technology, your Company is also improving its service management processes to prevent any defects in the IT environment and to enable faster resolution of any such incidents with minimum business disruption.

12. FINANCE AND ACCOUNTS

Your Company continued to drive the virtuous circle of growth as evidenced in its performance during this year. Profitable volume growth is driven by investment in innovation and brands to deliver better products. Your Company leverages its scale to spread fixed costs and improve profitability while further investing in the business. This investment funds R&D and innovation to create new and improved products backed by marketing to create even stronger brands. This further drives profitable volume growth, thus the virtuous circle continues. Your Company aims to translate this profitable growth to superior cash generation through efficient capital management. The cash balances are managed prudently by deploying cash surplus in a balanced portfolio that are designed to offer safety, liquidity and returns. There was a net cash surplus of Rs. 2,537.56 crores, as on 31st March, 2015. The Company's low debt equity ratio provides ample scope for gearing the Balance Sheet, should the need arise.

During the year, your Company leveraged the benefits of the significant work done on finance transformation over the past couple of years and enabled de-coupling business growth from increased cost, complexity and time of transaction processing. The key building blocks of Finance Transformation programme were Procure to Pay, Record to Report, Zero based controls and My Business Information projects.

- 'Procure to Pay' project aimed to raise the bar on payments process and shift the needle of services from vendor satisfaction to vendor delight. This year, your Company leveraged the centralised, standardised and automated processes created under the programme and further accentuated value delivery through process efficiency, flexibility and scalability. Your Company brought in synergies with the global centre of excellence in Bengaluru and developed a rich pipeline of continuous improvement initiatives thereby landing super-efficient, automated processes. This is reflected in the sustained best in class levels of payment efficiency and purchase order compliance.
- 'Record to Report' project began with the vision of creating one accounting excellence centre at Bengaluru. This project enables consistent improvement in excellence in reporting; both in terms of quality and the speed to release results to the market. Your Company has been ranked among the Top 3 companies in manufacturing sector for Best Presented Accounts by the Institute of Chartered Accountants of India, for two years in a row. Your Company also received a merit award from South Asian Federation of Accountants for excellence in financial reporting.
- 'Zero Based Controls' programme began with a revamp of the traditional gatekeeping lens of finance. With over 50% of key controls automated and a cutting-edge automated cockpit flagging control exceptions, this year, your Company has reaped benefits of the pioneering work done under this programme. The project promised a blemish free control environment and delivery of the same is substantiated through multiple control testing, both by the management and independent audits. This project enabled stewardship delivery in a comprehensive and faster manner while reducing the audit efforts on monitoring controls. This robust control environment enabled a smooth transition of the Statutory Auditors.
- 'My Business Information' is a centralised and standardised repository of information. With significant investments in IT underway, your Company's finance function is enhancing effectiveness in partnering the business with professional analytics and state-of-art forecasting tools while providing real time updates to aid decision making.

During the year, the finance function partnered the business agenda on increased customer and consumer focus through Project WIMI (Winning In Many Indias). This project required

complete rewiring of all IT systems to cater to a granular level reporting providing the right insights and thereby enabling decision making. Finance team played a pivotal role in ensuring seamless transition and enabling end-to-end reporting at a consumer cluster level.

During the year, the Primary Banking project was implemented, delivering a step change in your Company's transaction capabilities through 'best in class' solutions whilst strengthening controls, reducing costs and simplifying operations. After a detailed 'Request for Proposal' (RFP) process, 3 banks each were mandated to perform the collections and payments activities of your Company. The project spanned 10 workstreams, which were implemented seamlessly with a tight change in management and governance process. The project leveraged technology extensively like SWIFT to build robust and bank agnostic solutions. Many manual activities like receivables accounting were automated delivering tangible simplification benefits across the organization.

Indian Accounting Standards (Ind AS) – IFRS Converged Standards

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standard) Rules, 2015. Companies having a net worth of Rs. 500 crores or more [as per the standalone financial statements as on 31st March, 2014] are required to comply with Ind AS (Accounting standards converged with the International

Financial Reporting Standards - IFRS) in the preparation of their financial statements for accounting periods beginning on or after 1st April, 2016, with the comparatives for the periods ending 31st March, 2016, or thereafter. In pursuance of the above notification, the Company, its subsidiaries and joint venture will adopt Ind AS with effect from 1st April, 2016. The implementation of Ind AS is a major change process for which the Company has established a project team and is dedicating considerable resources. The impact of the change on adoption of Ind AS on Company's reported reserves and surplus and on the net profit for the relevant periods is being assessed. In particular, the current accounting policies for revenue recognition, investments, tangible assets, employee share based payments, income taxes, consolidation, retirement/post retirement benefits, proposed dividends and segment reporting differ from Ind AS. This list of differences identified by the Company should not be viewed as exhaustive and definitive as it is intended to highlight those areas that are considered to be most significant as of date.

Your Company has not accepted any Public Deposits under Chapter V of Companies Act, 2013, during this year. In terms of the provisions of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, Rs. 6.66 crores of unpaid / unclaimed dividends were transferred during the year to the Investor Education and Protection Fund.

Capital Expenditure during the year was at Rs. 526.40 crores (Rs. 526.50 crores in the previous year).

Return on Net Worth, Return on Capital Employed and Earnings Per Share (EPS) for the last four years and for the year ended 31st March, 2015, are given below:

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Return on Net Worth (%)	74.0	77.7	94.7	104.1	99.5
Return on Capital Employed (%)	87.5	96.8	109.1	130.2	127.7
Basic EPS (after exceptional items) (Rs.)	10.58	12.46	17.56	17.88	19.95

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 statements relate and the date of this Report.

Segment-wise Results

Your Company has identified five business segments, in line with the Accounting Standard on Segment Reporting (AS-17), which comprise: (i) Soaps and Detergents, (ii) Personal Products, (iii) Beverages, (iv) Packaged Foods, including Culinary, Branded Staples, Frozen Dessert and Ice Cream and (v) Others, including Exports, Chemicals, Water Business, Infant Care Products, etc. The audited financial results of these segments are provided as a part of financial statements.

Details of loans, guarantee or investments made by your Company under Section 186 of the Companies Act, 2013 during the financial year 2014-15 are appended as Annexure to this Report.

12.1. Risk and Internal Adequacy

Your Company has an elaborate Risk Management procedure, which is based on three pillars: Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Some of the identified risks relate to competitive intensity and cost volatility. During the year, your Company has set up a new Risk Management Committee in accordance with

the requirements of Listing Agreement to monitor the risks and their mitigating actions. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and certified by Statutory as well as Internal Auditor 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 control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

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, in line with the requirements of Accounting Standard 11. The details of foreign exchange earnings and outgo as required under Section 134 and Rule 8(3) of Companies (Accounts) Rules, 2014 are mentioned below:

Foreign Exchange Earnings & Outgo

		(Rs. crores)
	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Foreign Exchange earnings	573.43	547.91
Foreign Exchange outgo	3,846.50	3,132.40

13. LEGAL, GOVERNANCE AND BRAND PROTECTION

Your Company continued to focus on the key areas and projects within the Legal, Compliance and Corporate Affairs functions. The Company has developed an in house workflow based compliance tool 'Self-Compli' that tracks compliances across factories and offices. The tool is one of the best practices and is being exported to other businesses of Unilever. The focus on litigation management continued during the year as also on combating unfair competition with a series of actions to protect your Company's Brands from counterfeits, look-alike and grey imports. As part of cascading knowledge of Competition Law, the Company collaborated with the Federation of Indian Small and Medium Enterprises to conduct Competition Law Awareness Sessions for Small and Medium Enterprises.

13.1 Corporate Governance

Your Company is renowned for exemplary governance standards since inception and continues to lay a strong emphasis on transparency, accountability and integrity.

The new Companies Act, 2013 and amended Listing Agreement have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the new law and had proactively adopted many provisions of the new law, ahead of time. Your Company is committed to embrace the new law in letter and spirit. In line with the requirements of new law, your Company has constituted new Board Committees. Your Company has in place all the statutory Committees required under the law. Details of Board Committees along with their terms of reference, composition and meetings of the Board and Board Committees held during the year, are provided in the Corporate Governance Report.

During the year, your Company has adopted new policies and amended existing policies such as Policy on Related Party Transactions, Policy on Material Subsidiaries, CSR Policy and Whistle Blower Policy in line with new governance requirements. These policies are available on the website of the Company at www.hul.co.in/investorrelations/CorporateGovernance/. The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report.

During the year, Secretarial Audit and Secretarial Standards Audit were carried out by M/s S. N. Ananthasubramanian & Co., Company Secretaries, the Secretarial Auditor of the Company for the financial year 2014-15. There were no qualification, reservation or adverse remarks given by Secretarial Auditors of the Company. The detailed reports on the Secretarial Standards and Secretarial Audit are appended as an Annexure to this Report.

The extract of annual return in Form MGT 9 as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure to this Report.

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 Clause 49 of the Equity Listing Agreement with the Stock Exchange(s). A Certificate of the CEO and CFO of the Company in terms of sub-clause IX of Clause 49 of Equity Listing Agreement, 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.

13.2 Related Party Transactions

In line with the requirements of the Companies Act, 2013 and Equity Listing Agreement, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at www.hul.co.in/investorrelations/CorporateGovernance/. The Policy intends to ensure that proper reporting, approval and disclosure 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 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 Equity Listing Agreement.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, 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.

13.3 Prevention of Sexual Harassment at Workplace

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). The Company has designated the external independent member as a Chairperson for each of the Committees which was beyond the requirements of law. During the year, 2 complaints with allegations of sexual harassment were filed with the Company and the same were investigated and resolved as per the provisions of the Act.

14. SUSTAINABLE LIVING

Your Company has embraced the Unilever Sustainable Living Plan (USLP) since the year 2010 and has made good progress on the goals set by the Plan. The Plan spans your Company's entire portfolio of brands, has a social and economic dimension and works across the entire value chain; from the sourcing of raw materials to the delivery of products to the consumers.

USLP has three big global goals to achieve:

- Improving Health and Well-being - By 2020, we will help more than a billion people take action to improve their health and well-being.
- Reducing Environmental Impact - By 2020, our goal is to halve the environmental footprint of the making and use of the products as we grow our business.
- Enhancing Livelihoods - By 2020, we will enhance the livelihoods of millions of people as we grow our business.

Your Company progressed well on its goals. The highlights of progress in the year 2014 are given below:

- The Company reached out to a total of 63 million people through Lifebuoy Handwashing Programme since 2010.
- Pureit in-home water purifier provided 55 billions litres of safe drinking water by the end of 2014.
- All your Company's children's ice cream brands now contained, 110 kilocalories or fewer per portion.
- CO₂ emission per tonne of production was reduced by 88% compared to 2008.
- Your Company created water conservation potential

of nearly 100 billion litres through Hindustan Unilever Foundation partnerships.

- All manufacturing locations of your Company achieved zero non-hazardous waste to landfills.
- A total of 111 tea estates in Assam, West Bengal, Kerala and Tamil Nadu are certified as 'Sustainable Estates'
- A total of 85% of tomatoes used in Kissan Ketchup are now sourced from sustainable sources
- Project Shakti network expanded to include over 70,000 Shakti Entrepreneurs (Shakti Ammas) by the end of 2014.

During last year, the Unilever Sustainable Living Plan was broadened with a more substantive and far reaching 'Enhancing Livelihoods Programme'. The three new commitments under this pillar are:

- Drive Fairness in the Workplace by advancing human rights across the operations and extended supply chain.
- Advance Opportunities for Women by promoting their safety, providing up-skilling and expanding opportunities.
- Develop Inclusive Business to improve the livelihoods of smallholder farmers, improve the incomes of small-scale retailers and increase the participation of young entrepreneurs in the value chain.

Your Company continued to put more emphasis on human and labour rights and enhanced the role of women in the value chain while growing the business sustainably and driving social and economic development. During the year, your Company recruited over 50 women to work on shop floors in its factories taking the total number of female employees on shop floors to 100.

As part of Project Prabhat, your Company initiated projects around its manufacturing operations to ensure development of local communities. These focussed on improving health and hygiene, conserving water and enhancing livelihoods. Prabhat's livelihood programme saw enrollment of over 3,000 candidates across 13 livelihood centers in India.

Your Company's 'Project Sunlight' which aims to involve consumers as a part of the USLP, progressed well in 2014. Your Company worked to make sustainability more relevant to the common people by involving children as agents of change. Your Company identified two issues that are important for India to create a brighter future - first, to stop littering and second, to reduce water wastage. Children were the key influencers for both the activations.

Your Company has shared its progress on Unilever Sustainable Living Plan in India which is made available on the website of the Company, www.hul.co.in/sustainable-living-2015/. Your Company has also released the Business Responsibility Report that describes the initiatives undertaken in line with the key principles enunciated in the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of

Business' framed by the Ministry of Corporate Affairs. The report is made available on your Company's website, www.hul.co.in, and forms a part of this Annual Report. The Business Responsibility Report shall be kept open for inspection at the Registered Office of the Company. If a Member is interested in obtaining a hard copy of the Business Responsibility Report, they may write to the Investor Service Department at the Registered Office of the Company.

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee. The composition and terms of reference of the Corporate Social Responsibility Committee is provided in the Corporate Governance Report.

Your Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company at www.hul.co.in/investorrelations/CorporateGovernance/. Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure to this Report.

15. EMPLOYEE STOCK OPTION PLAN (ESOP)

Details of the shares issued under Employee Stock Option Plan (ESOP), as also the disclosures in compliance with Section 62 of Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are set out in the Annexure to this Report. No employee has been issued share options during the year, equal to or exceeding 1% 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 place of '2006 HLL Performance Share Scheme'. In accordance with the terms of the Performance Share Plan, employees are eligible for award of conditional rights to receive equity shares of the Company at the face value of Re. 1/- each. These awards will vest only on the achievement of certain performance criteria measured over a period of three years.

Under the said Plan, eligible Managers were given Conditional Performance Grant of shares of Unilever and the Company in the ratio of 67:33, to mirror your Company's shareholding, where Unilever held 67% shareholding. During the year, 204 employees, including Whole time Directors, were awarded conditional rights to receive 1,58,840 Equity Shares at the face value of Re. 1/- each. It comprises conditional grants made to eligible managers covering performance period from 2014 to 2016 and from 2015 to 2017.

16. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, the Board of Directors appointed Ms. Kalpana Morparia as an Additional Director with effect from 9th October, 2014, to hold office up to the date of forthcoming Annual General Meeting. Being eligible, Ms. Morparia offered herself to be appointed as the Independent Director of your Company.

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years, but shall be eligible for reappointment on passing of a special resolution by the Company and shall not be liable to retire by rotation. All other Directors, except the Managing Director, will retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-election. 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.

The details of training and familiarization programmes and Annual Board Evaluation process for Directors have been provided under 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 Corporate Governance Report of this Annual Report.

17. MANAGEMENT COMMITTEE

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

During the year, Mr. Sridhar Ramamurthy, Executive Director, Finance & IT and Chief Financial Officer was elevated to the position of Senior Vice President, Finance for Global Markets and Mr. P. B. Balaji succeeded him and joined the Management Committee in his capacity as Executive Director, Finance & IT and Chief Financial Officer with effect from 1st July, 2014.

Mr. Hemant Bakshi, Executive Director, Home and Personal Care (HPC) was elevated as CEO of Unilever's Indonesia business and ceased to be a member of the Management Committee of your Company. Considering the scale of business and requisite focus to further grow the categories in which the businesses operate, it was decided to divide the Home and Personal Care

business of the Company into Home Care and Personal Care with separate Executive Directors heading each business. Accordingly, Ms. Priya Nair and Mr. Samir Singh were appointed as members of Management Committee as Executive Director, Home Care and Executive Director, Personal Care, respectively with effect from 1st October, 2014.

Mr. Manish Tiwary, Executive Director, Sales and Customer Development was elevated as the Managing Director of the Gulf business of Unilever and Mr. Punit Misra, VP, CD Global RTM, TT was appointed as Executive Director, Sales and Customer Development and a member of the Management Committee, in place of Mr. Manish Tiwary with effect from 1st November, 2014.

18. AUDITORS

M/s. B S R & Co. LLP were appointed as Statutory Auditors of your Company at the last Annual General Meeting held on 30th June, 2014 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

M/s N. I. Mehta & Co., Cost Accountants carried out the cost audit for applicable business during the year. The Board of Directors have appointed M/s R. A. & Co., Cost Accountants for the financial year 2015-16.

19. OUTLOOK

The global economic climate continues to be volatile, uncertain and prone to geo-political risks. The marked slowdown in global markets is expected to continue in 2015. The sharp fall in growth of emerging markets, notably China, will continue to keep commodity prices including oil, which is significantly lower than last year, volatile. The divergence in developed market growths as a result of the US recovery is expected to add to the volatility in the currency markets.

In this global backdrop, India is expected to perform better, aided by improving macroeconomic fundamentals. However, execution of the reform agenda and kick starting the investment cycle will be key determinants of India's economic performance. While currently inflation is benign, upside pressures on inflation from the vagaries of monsoon or sudden changes in the rupee, could have a significant bearing on inflation.

FMCG markets are expected to grow. While consumer confidence has increased, this has not yet translated into significant improvement in FMCG market conditions. There are a few green shoots in market growths; however, uncertain global economic environment, inflation and competitive intensity continue to pose challenges. While the near term conditions pose a challenge for the economy, the medium to long term secular trends based on rising incomes, aspirations, low consumption levels, are positive and an opportunity for the FMCG sector. Your Company, with its brands, talent and investment in capabilities, is well placed to benefit disproportionately from this opportunity

19.1. Cautionary Statement

Statements in the Annual Report, particularly those which relate to 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.

20. APPRECIATIONS AND ACKNOWLEDGMENTS

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

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, redistribution stockists, retailers, business partners and others associated with the Company 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 the 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 also take this opportunity to thank all Investors, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

On behalf of the Board



Harish Manwani

Chairman

(DIN: 00045160)

Mumbai, 8th May, 2015

Annexure to the Directors' Report

Particulars of Loans, Guarantees or Investments

Amount outstanding as at 31st March, 2015

Particulars	(Rs. crores)
	Amount
Loans given	179.77
Guarantee given	8.20
Investments made	3,277.93

Loan, Guarantee and Investments made during the Financial Year 2014-15

Name of Entity	Relation	Amount (In Crores)	Particulars of loan, guarantee and investments	Purpose for which the loans, guarantee and investments are proposed to be utilized
Lakme Lever Private Limited	Subsidiary	10.50	Loan	Business purpose
Pond's Exports Limited	Subsidiary	63.00	Loan	Business purpose
Brooke Bond Real Estates Private Limited*	Subsidiary	2.14	Loan	Business purpose
Mutual Funds#	-	106.33	Investments	Cash Management
Lakme Lever Private Limited	Subsidiary	40.00	Investments	Business purpose
Kimberly Clark Lever Private Limited	Joint Venture	22.51	Investments	Business purpose
Bhavishya Alliance Child Nutrition Initiatives	Subsidiary	0.75 lakhs	Investments	Investment in non-profit making Company
Broadcast Audience Research Council	Member of Association	8.20	Guarantee	Corporate guarantee provided to YES Bank, Bankers of Broadcast Audience Research Council to facilitate fund raising

* The company ceased to be a subsidiary with effect from 23rd March, 2015.

For details refer to Note 1B of standalone financial statements.

On behalf of the Board

Harish Manwani

Chairman

(DIN: 00045160)

Mumbai, 8th May, 2015

Annexure to the Directors' Report

Details of shares issued Under Employees Stock Option Plan (ESOP)

	2001 HLL Stock Option Plan (Period: 2001 to 2005)	2006 HUL Performance Share Scheme (Period: 2006 to 2012)	2012 HUL Performance Share Scheme (Period: 2013 to 2015)
a) Options granted	1,31,62,941	Conditional grant of 22,87,135 equity shares of Rs.1 each	Conditional grant of 8,14,439 equity shares of Rs.1 each
b) Options vested	1,31,62,941	21,22,653	N. A.
c) Options exercised	1,00,98,691	17,92,871	NIL
d) The total number of shares arising as a result of exercise of option	1,00,98,691	17,92,871	NIL
e) Options lapsed	30,41,150	5,153	NIL
f) Exercise Price	Year 2001 - Rs.208.69 Year 2002 - Rs.201.59 Year 2003 - Rs.127.24 Year 2004 - Rs.128.47 Year 2005 - Rs.132.05	Face value of Re.1/-	Face value of Re.1/-
g) Variation of terms of options	Reduction in exercise price by Rs. 8.76 per share for grant year 2001,2002 & 2003	N.A.	N.A.
h) Money realized by exercise of options during the year	Rs. 2.11 crores	Rs. 6.1 lakhs	N.A.
i) Total number of options in force	23,100 options granted in the year 2005	3,64,566 options (11,448 options forfeited due to resignation.)	7,47,221 options (67,218 options forfeited due to resignation.)
j) Pricing Formula	Closing market price as on the date of grant for the years 2001,2002,2003 and 2005; Average of 2 week high and low preceding the date of grant for the year 2004	Face value of Re.1/-	Face value of Re.1/-

Details of Options granted during the year ended 31st March, 2015 under Performance Share Plan 2015

- k) No employee of the Company received grant of options during the year amounting to 5% or more of options granted or exceeding 1% of issued capital of the Company. During the year 5,256 options were granted to Mr. Dev Bajpai, Executive Director (Legal & Corporate Affairs) and Company Secretary under the 2012 HUL Performance Share Scheme for 2012. No options were granted to any other Key Managerial Personnel.

l) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	Rs. 19.94												
m) i) Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for Options issued under the "2012 HUL Performance Share Scheme". Gain of Rs. 2.87 crores												
ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options													
iii) The impact of this difference on profits and on EPS of the Company	The effect of adopting the fair value method on the net income and earnings per share of 2014-15 is presented below:												
	<table border="0"> <tr> <td>Net Income</td> <td colspan="2" style="text-align: right;">Rs. Crores</td> </tr> <tr> <td>As reported</td> <td></td> <td style="text-align: right;">4,315.26</td> </tr> <tr> <td>Add: Difference between Intrinsic value and Fair Value Calculation</td> <td></td> <td style="text-align: right;">2.87</td> </tr> <tr> <td>Adjusted Net Income</td> <td></td> <td style="text-align: right;">4,318.13</td> </tr> </table>	Net Income	Rs. Crores		As reported		4,315.26	Add: Difference between Intrinsic value and Fair Value Calculation		2.87	Adjusted Net Income		4,318.13
Net Income	Rs. Crores												
As reported		4,315.26											
Add: Difference between Intrinsic value and Fair Value Calculation		2.87											
Adjusted Net Income		4,318.13											
	<table border="0"> <tr> <td>Earnings Per Share (Basic & Diluted)</td> <td colspan="2" style="text-align: right;">(Rs.)</td> </tr> <tr> <td></td> <td style="text-align: right;">Basic EPS</td> <td style="text-align: right;">Diluted EPS</td> </tr> <tr> <td>-As reported</td> <td style="text-align: right;">19.95</td> <td style="text-align: right;">19.94</td> </tr> <tr> <td>-As adjusted</td> <td style="text-align: right;">19.96</td> <td style="text-align: right;">19.95</td> </tr> </table>	Earnings Per Share (Basic & Diluted)	(Rs.)			Basic EPS	Diluted EPS	-As reported	19.95	19.94	-As adjusted	19.96	19.95
Earnings Per Share (Basic & Diluted)	(Rs.)												
	Basic EPS	Diluted EPS											
-As reported	19.95	19.94											
-As adjusted	19.96	19.95											
n) Weighted average exercise price and weighted average fair value	Exercise Price is Re. 1/-												
o) Fair value of Options based on Black Scholes methodology													
Assumptions													
Risk free rate	8.85% for 2014 and 7.86% for 2015												
Expected life of options	3.125 years for each plan												
Volatility	25.56% for 2014 and 25.44% for 2015												
Expected Dividends	Rs. 13.5 per share												
Closing market price of share on date of option grant	Rs. 557.25 for 2014 and Rs. 892.8 for 2015												

Notes:

- (i) Pursuant to approval of the Members at the Annual General Meeting held on 23rd July, 2012, the Company adopted the "2012 HUL Performance Share Scheme", in place of '2006 HLL Performance Share Scheme'
- (ii) The Pricing Formula adopted by the Company for 'Employees Stock Option Plan' for the years 2001 to 2005, was based on the "Market Price" as defined in SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, and Maximum number of options to be issued per employee in a fiscal year did not exceed 0.01% of the outstanding issued share capital, in the line with Clause 6.2(h) of SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guideline 1999.

On behalf of the Board

Harish Manwani

Chairman

(DIN: 00045160)

Mumbai, 8th May, 2015

Annexure to the Directors' Report

Annual Report on Corporate Social Responsibility

(Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline of the Company's CSR Policy, including overview of projects/ programmes undertaken

Your Company is committed to operate and grow its business in a socially responsible way. The Company's vision is to grow its business, whilst reducing the environmental impact of its operations and increasing its positive social impact. Your Company has embraced Unilever Sustainable Living Plan (USLP) www.hul.co.in/sustainable-living/ which contributes to activities listed in the Schedule VII of Section 135 of the Companies Act, 2013. The USLP has three global goals namely (i) help more than a billion people take action to improve their health and well-being; (ii) halve the environmental footprint of the making and use of the products; and (iii) enhance the livelihoods of millions of people while growing the business.

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at www.hul.co.in

A brief overview of your Company's projects is as given below:

Improving Health and Well-being

- **Hand Washing Behaviour Change Programme:** India has the highest number of child deaths from diarrhoea and pneumonia in the world with 6,09,000 children dying each year before their 5th birthday from these diseases¹. Handwashing with soap can reduce diarrhoea diseases by over 40% and respiratory infections by 30%². Your Company's Lifebuoy handwashing programme promotes the benefits of handwashing with soap at key times in schools and anganwadis (pre-school centres). Since 2010, Lifebuoy has reached more than 63 million people in India with its Behaviour Change programme, through a combination of comics, songs, games and rewards which encourages children to sustain good hand washing behaviours. A successful pilot project last year in Thesgora village resulted in scale-up of 'Help a Child Reach 5' programme in 2014 which led to addition of six more villages from Chhindwara district in Madhya Pradesh under the programme. The programme reached out to hundreds of new mothers and kids. Your Company has also entered into a partnership with Children's Investment Fund Foundation (CIFF) and the Government of Bihar to promote Handwashing Behaviour Change among children in Bihar with the aim to help prevent childhood illnesses and mortality. Your Company piloted the programme in two districts of Bihar – Begusarai and Khagaria, reaching out to nearly 1 million people. Your Company will now scale up the programme to cover more districts in Bihar and reach out to more number of people. Over the next three years, 45 million people are expected to benefit through this programme

- **Safe Drinking Water:** The lack of safe drinking water is a major public health issue, particularly in developing countries where majority of diseases are waterborne. The Pureit innovation addresses one of the biggest technological challenges - that of making safe water accessible and affordable for millions. Pureit provides 1 litre of "As safe as boiled"TM water at a running cost of just 30 paise without the hassles of boiling, without the need of electricity or a continuous tap water supply. Pureit is available at a price starting from Rs. 1,600/-. However, to reach those at the "Bottom of the Pyramid" who may not be able to afford the same, Pureit has partnered with NGOs and Micro-Finance Institutions which provide micro loans to low income consumers on small monthly instalments. Pureit in-home water purifier has provided 55 billion litres of safe drinking water in India as of end of 2014.
- **Domex Toilet Academy (DTA):** Approximately, 792 million Indians live without improved sanitation, of which some 597 million people continue to defecate in the open³. These statistics clearly show that sanitation conditions in India need improvement. Your Company is committed to help in gaining improved access to a toilet and at the same time, drive behaviour change to use the toilets. One of the ways in which your Company will do this is through the Domex Toilet Academy (DTA) model. The DTA is a market-based, entrepreneurial model that provides people access to sanitation in rural communities. In partnership with the social enterprise eKutir, the DTA programme trains local micro-entrepreneurs who help execute the project in their local communities by supplying and building toilets. Through DTA, toilets are made accessible and affordable, while promoting the benefits of clean toilets and good hygiene. The objective of the programme is to reduce the incidence of open defecation and improve proper sanitation thereby promoting preventive healthcare. It also helps create awareness and drive behaviour change. Five DTAs are currently operating in Maharashtra, Odisha and Madhya Pradesh. Since 2014, the programme has reached out to over 15,000 people by building over 3,000 toilets in villages across Odisha, Maharashtra and activities have expanded to Madhya Pradesh, Uttar Pradesh and Bihar. The programme has also trained more than 100 local entrepreneurs so far to sell and maintain toilets.
- **Asha Daan:** Asha Daan is a home in Mumbai for abandoned, differently-abled children, the HIV-positive and the destitute. Since the inception of Asha Daan in 1976, your Company has been looking after the maintenance of the premises. Your Company takes care of over 400 infants, destitute men and women and HIV-positive patients at Asha Daan.
- **Sanjivani:** Your Company runs a free mobile medical service camp 'Sanjivani' near Doom Dooma Factory in Assam. The aim is to provide free mobile medical facility in the interior villages of Assam. There are two mobile vans dedicated to the project each vehicle has

¹ WHO and UNICEF (2014), "Progress on Drinking Water and Sanitation: Update 2014", World Health Organization and United Nations Children's Fund, Switzerland. Refer to http://www.unicef.org/gambia/Progress_on_drinking_water_and_sanitation_2014_update.pdf

² http://www.unicef.org/eapro/Pneumonia_and_Diarrhoea_Report_2012.pdf

³ <http://www.unicef.org/india/wes.html>

one male and one female doctor, two nurses, a medical attendant (helper) and a driver. The vans are equipped with basic kits such as diagnostic kit, blood pressure measuring unit, medicines and a mobile stretcher. More than 2,75,000 patients have been treated in these service camps since its inception in 2003. In 2014 alone, 20,512 patients were treated in the service camps.

Reducing Environmental Impact

- **Water Conservation Projects:** According to the estimates, by 2030, the supply of water in India will be half its demand. To understand and partake in meeting this challenge, your Company set up Hindustan Unilever Foundation (HUF) in 2010, a not-for-profit company that anchors various community development initiatives of Hindustan Unilever Limited. HUF supports national priorities for socio-economic development, through its 'Water for Public Good' programme. HUF, alongwith its partners, has initiated 18 projects in more than 4,000 villages of 82 districts in 13 states located across 13 river basins in India since inception. The collective action of HUF and its partners has helped in the creation of cumulative water potential of nearly 100 billion litres.
- **Environment & Sustainability - Supply Chain:** Your Company has significantly reduced the environmental footprint in areas of greenhouse gases, water and waste across manufacturing locations. With regard to reducing GHG emissions from manufacturing, the CO₂ emissions per tonne of production in 2014 has reduced by 37% compared to the 2008 baseline. Major contribution to this reduction has come from using alternative forms of energy like biogenic fuels, solar photovoltaic energy, etc. in the manufacturing operations. With respect to reducing water use in the manufacturing process, water usage (cubic meter per tonne of production) in manufacturing operations reduced by 44% compared to 2008 baseline. Major contribution to this reduction has come from reusing treated water in gardening, toilet flushing and harvesting captive rainwater collected on roof tops. Lastly, with regard to reducing waste from manufacturing, 88% reduction was achieved in total waste generation (kg per tonne of production) in 2014 over 2008 baseline. Some of the initiatives which have helped reduce the disposed waste footprint are usage of spent coffee, tea waste in biomass boilers, composting of ash and co-processing waste in cement industries. All manufacturing locations are zero non-hazardous waste to landfills.
- **Solidaridad - Sustainability (Tea Procurement):** Your Company has a clear roadmap to achieve bold commitment to source 100% of agricultural raw materials sustainably by 2020. Sustainable agriculture means growing food in ways which sustain the soil, minimise water and fertiliser use, protect biodiversity and enhance farmers' livelihoods. The Company will ensure that the agricultural raw materials that are used such as tea, fruits and vegetables are sustainably sourced. The programme aims to move the Indian tea

industry producers into adopting a sustainability code which shall promote sustainable agricultural practices, improve productivity and reduce costs ensuring future security of tea supply in India and also protect the ecosystems (soil, water and bio-diversity) whilst improving the quality of life for producers and workers.

Enhancing Livelihoods

- **Project Shakti:** Project Shakti is an initiative to financially empower rural women and create livelihood opportunities for them. It provides a regular income stream for the Shakti entrepreneurs and their families. HUL provides training on basic accounting, selling skills, health & hygiene and relevant IT skills to Shakti entrepreneurs and equips them with smart phones which have been enabled with a mini Enterprise Resource Package (ERP) which helps them to run their business efficiently and further augment their income. Your Company has trained thousands of Shakti Ammas across the villages in a bid to develop an entrepreneurial mindset and make them financially independent and more empowered. Project Shakti has empowered over 70,000 Shakti Ammas, complemented by 48,000 Shaktimaans. Shaktimaans are typically the husbands or brothers of the Shakti Ammas. They sell products on bicycles in surrounding villages, covering a larger area than Shakti Ammas can cover on foot.
- **Fair & Lovely Foundation:** The Foundation identifies academically exceptional girls from financially challenged backgrounds and offers scholarships to the deserving candidates. To maintain integrity and fairness the selection is done by a panel of eminent personalities from diverse fields. The Foundation granted scholarships of Rs.1 crore to deserving 200 girl students in the financial year 2014-15.
- **Livelihood Programme:** Prabhat (Dawn) is a programme which focuses on development of local communities around the Company's manufacturing sites. Under Prabhat's Livelihood initiative, seven new centers were launched in 2014 taking the total number of centers to thirteen and candidate enrolments to over 3,000. Twelve of the Company's Skill Development Centers are running in collaboration with LabourNet, a training partner of the National Skill Development Corporation (NSDC). More than 1,500 people have already been certified through the programme and over 500 of them either have a job or have been up-skilled or are self employed.
- **Ankur:** Ankur is a centre for special education for differently abled children at Doom Dooma in Assam. It was set up in 1993 by your Company's Plantations Division at Doom Dooma. Ankur provides educational, vocational and recreational activities to such differently-abled children.

Others

- **Project Sunlight:** Project Sunlight is your Company's initiative to build a world where everyone lives well and lives sustainably. It comprises a growing community of

people who are actively working to make this world a better place for children and future generations. It allows people to contribute in the form of volunteering, spreading the message on social media, preaching and practising behaviour changing habits or by just watching and sharing the Company's videos. In 2014, your Company took up two issues that are important for India to create a brighter future – first, to stop littering and second to reduce water wastage. Children were the key influencers for both the initiatives.

- **Relief Funds / Donation:** Your Company has always been at the forefront in responding to its call for national duty and has contributed generous amounts for upliftment of communities hit by natural disasters. It has done this through contribution to Government relief funds such as Uttarakhand flood relief, J&K flood relief etc. Last year, your Company also made a donation to 'Save the Children' towards Mobile Health Units run by them for street children in Delhi.

2. Composition of the CSR Committee

Please refer to the Corporate Governance Report for the composition of the CSR Committee.

	(Rs. lakhs)
3. Average Net Profit of the Company for last 3 financial years	3,99,093.00
4. Prescribed CSR Expenditure	7,982.00
5. Details of CSR spent during the financial year 2014- 15	
a) Total amount to be spent for the financial year	7,982.00
b) Total amount spent during the year. (2.1% of Average Net Profit)	8,235.00
c) Amount unspent, if any	Nil

d) Manner in which the amount was spent during the financial year 2014-15 is detailed below:

		(Rs. lakhs)						
Sr. No.	CSR Project	Relevant Section of Schedule VII in which the Project is covered (Note 1)	Projects/ Programmes coverage	Amount outlay (budget)	Amount spent on the project/programs		Cumulative expenditure upto 31st March, 2015	Amount spent Direct / through implementing agency*
					Direct expenditure	Overheads		
1	Handwashing Behaviour Change Programme	(i)	Bihar	60	60	-	60	CIFF
2	Safe Drinking Water	(i)	West Bengal	200	199	-	199	Population Services International (PSI)
3	Domex Toilet Academy	(i)	Chindwara, UP and Orissa	106	106	-	106	eKutir
4	Ashadaan	(iii)	Mumbai	67	88	-	88	Direct
5	Sanjivani	(i)	Assam	70	66	-	66	Direct
6	Water Conservation Projects	(iv)	PAN India	2,200	1,890	222	2,112	Implementing Agencies (Note 2)
7	Environment & Sustainability - Supply Chain	(iv)	PAN India	263	263	-	263	Direct

Sr. No.	CSR Project	Relevant Section of Schedule VII in which the Project is covered (Note 1)	Projects/ Programmes coverage	Amount outlay (budget)	Amount spent on the project/programs		Cumulative expenditure upto 31st March, 2015	Amount spent Direct / through implementing agency*
					Direct expenditure	Overheads		
8	Solidaridad - Sustainability (Tea Procurement)	(iv)	PAN India	126	126	-	126	Solidaridad Regional Expertise Centre
9	Project Shakti	(iii)	PAN India	4,651	4,651	-	4,651	Direct
10	Fair & Lovely Foundation	(ii)	PAN India	300	100	154	254	Direct
11	Livelihood Programme - Prabhat	(ii)	PAN India	150	147	-	147	Labour Net and TARA Livelihood Academy
12	Ankur School	(iii)	Assam	30	22	-	22	Direct
13	Project Sunlight	(iv)	PAN India	105	105	-	105	Direct
14	Relief Funds / Save the Children - Donation	(iii)	Delhi	31	31	-	31	Direct
15	Good Life Club - Scholarship (Hot Tea Shop)	(ii)	Chennai	5	5	-	5	Direct
TOTAL				8,364	7,859	376	8,235	

Note 1:

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and 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;

Note 2:

Foundation for Ecological Society, Mysore Resettlement and Development Agency, Society for Promotion of Eco Friendly Sustainable Development, Development Support Centre, Aga Khan Rural Support Programme (India), DHRUVA, Maharashtra Institute of Technology Transfer for Rural Areas (Khamgaon), Maharashtra Institute of Technology Transfer for Rural Areas (Nashik), Solidaridad Regional Expertise Centre, Watershed Organisation Trust (WOTR), Sanjeevani Institute for Empowerment and Development, Parmarth Samaj Sevi Sansthan, People's Action for National Integration, Professional Assistance for Development Action, International Finance Corporation, Samuha, Baif Institute for Rural Development, Parmarth Samaj Sevi Sansthan- Sumerpur, Sahjeevan

6. CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

On behalf of the Board

Mumbai, 8th May, 2015

Sanjiv Mehta
Managing Director and
Chief Executive Officer
(DIN: 06699923)

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

Annexure to the Directors' Report

Extract of Annual Return

Form No. MGT-9

(As on the Financial Year ended on 31st March, 2015)

[Pursuant to Section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L15140MH1933PLC002030
ii)	Registration Date	:	17th October, 1933
iii)	Name of the Company	:	Hindustan Unilever Limited
iv)	Category / Sub-Category of the Company	:	Public Company / Subsidiary of Foreign Company limited by shares
v)	Address of the Registered Office and contact details	:	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099. Tel : 022-39832285/39832452 E-mail : levercare_shareholder@unilever.com Website : www.huL.co.in
vi)	Whether listed company	:	Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any :	:	M/s. Karvy Computershare Private Limited, Unit : Hindustan Unilever Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad - 500 032 Phone : +91 - 40 - 67161500 ,33211000 Fax : +91 - 40 - 23420814,23001153 Toll Free no.: 1800-345-4001 E-mail : inward.ris@karvy.com Website : www.karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of Products	NIC Code of the Product	% to total turnover of the Company
1	Soaps	20231	31.99
2	Detergents	20233	16.53
3	Cosmetics & Toiletries	20237	16.44

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No.	Name and address of the company	CIN/GLN	% of shares Held
Holding Company [Section 2(46)]			
1	Unilever PLC Port Sunlight, Wirral, Merseyside CH624ZD	N.A.	51.51
2	Brooke Bond Group Limited #	N.A.	4.93
3	Unilever Overseas Holdings AG Hinterbergstrasse 28, Postfach 5364, 6330 Cham 2, Switzerland	N.A.	3.18
4	Unilever UK&CN Holdings Limited #	N.A.	2.78
5	Brooke Bond South India Estates Limited #	N.A.	2.44
6	Brooke Bond Assam Estates Limited #	N.A.	1.52
7	Unilever Overseas Holdings B V #	N.A.	0.87
Subsidiary Companies [Section 2(87)(iii)]			
1	Unilever India Exports Limited *	U51900MH1963PLC012667	100
2	Pond's Exports Limited *	U24246MH1981PLC261125	90
3	Lakme Lever Private Limited Shree Niwas House, 1st Floor, H. Somani Marg, Fort, Mumbai 400 001	U24247MH2008PTC188539	100
4	Unilever Nepal Limited Basamadi V.D.C. - 5, P.O. Box-11, Hetauda, Dist. Makwanpur, Nepal	N.A.	80
5	Daverashola Estates Private Limited *	U15200MH2004PTC149035	100
6	Jamnagar Properties Private Limited *	U70101MH2006PTC165144	100
7	Lever's Associated Trust Limited *	U74999MH1946PLC005403	100

Registered Office address as - Unilever House, 100 Victoria, Embankment, London EC4Y0DY

* Registered Office address as - B. D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099

Sl No.	Name and address of the company	CIN/GLN	% of shares Held
8	Levindra Trust Limited *	U67120MH1946PLC005402	100
9	Hindlever Trust Limited *	U65990MH1958PLC011060	100
10	Hindustan Unilever Foundation *	U93090MH2010NPL201468	76
11	Bhavishya Alliance Child Nutrition Initiatives Plot No. 131, J lane, Near Sagar Vihar Sector 8, Vashi Navi Mumbai - 400730	U93090MH2010NPL208544	100
Associate Company [Section 2(6)]			
1	Kimberly Clark Lever Private Limited Gat No 934-937 Villagesanaswadi Taluka- Shirur, PUNE - 412208	U74999PN1994PTC081290	50

Registered Office address as - Unilever House, 100 Victoria, Embankment, London EC4Y0DY

* Registered Office address as - B. D. Sawant Marg, Chakala, Andheri [East], Mumbai 400 099

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian	-	-	-	-	-	-	-	-	-
2. Foreign	-	-	-	-	-	-	-	-	-
– Bodies Corporates	145,44,12,858	-	145,44,12,858	67.25	1,45,44,12,858	-	1,45,44,12,858	67.23	-0.02
Total Promoter Shareholding (A)	1,45,44,12,858	-	1,45,44,12,858	67.25	1,45,44,12,858	-	1,45,44,12,858	67.23	-0.02
B. Public Shareholding									
1. Institutions									
– Mutual Funds	61,21,796	49,284	61,71,080	0.29	68,16,072	49,284	68,65,356	0.32	0.03
– Banks / Financial Institutions	50,77,884	1,30,990	52,08,874	0.24	21,62,571	1,30,990	22,93,561	0.11	-0.13
– State Government	-	20	20	-	-	20	20	-	0.00
– Insurance Companies	7,77,08,936	9,500	7,77,18,436	3.59	7,34,75,359	9,500	7,34,84,859	3.39	-0.20
– Foreign Institutional Investors	30,49,01,482	38,480	30,49,39,962	14.10	32,47,53,230	37,960	32,47,91,190	15.01	0.91
Sub-total (B)(1)	39,38,10,098	2,28,274	39,40,38,372	18.22	40,72,07,232	2,27,754	40,74,34,986	18.83	0.61
2. Non-Institutions									
– Bodies Corporates									
i) Indian	2,77,31,981	2,76,274	2,82,67,145	1.31	2,38,56,485	4,85,464	2,43,41,949	1.13	-0.18
ii) Overseas	3,600	-	3,600	-	3,600	-	3,600	-	0.00
– Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	21,41,67,969	5,58,00,123	26,99,68,092	12.48	20,93,74,692	5,19,21,729	26,12,96,421	12.08	-0.40
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	42,90,808	9,20,230	52,11,038	0.24	45,64,254	7,10,350	52,74,604	0.24	0.00
– Others									
i) Trust	10,82,684	-	10,82,684	0.05	17,72,826	-	17,72,826	0.08	0.03
ii) Non Resident Indians	69,45,506	4,27,400	73,72,906	0.34	72,65,962	4,22,630	76,88,592	0.36	0.02
iii) Foreign Nationals	4,886	3,120	8,006	-	13,895	3,120	17,015	-	0.00
iv) Foreign Banks	23,879	-	23,879	-	23,879	-	23,879	-	0.00
v) Directors & their Relatives	1,26,303	-	1,26,303	0.01	68,168	1,441	69,609	-	-0.01
vi) Clearing Members	21,81,309	-	21,81,309	0.10	11,28,512	-	11,28,512	0.05	-0.05
vii) Qualified Foreign Investor	100	-	100	-	-	-	-	-	0.00
Sub-total (B)(2):-	25,65,59,025	5,74,27,147	31,42,45,062	14.53	24,80,72,273	5,35,44,734	30,16,17,007	13.94	-0.59
Total Public Shareholding (B)=(B)(1)+(B)(2)	65,03,69,123	5,76,55,421	70,82,83,434	32.75	65,52,79,505	5,37,72,488	70,90,51,993	32.77	0.02
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	2,10,47,81,981	5,76,55,421	2,16,26,96,292	100.00	2,10,96,92,363	5,37,72,488	2,16,34,64,851	100.00	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of Shares total of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Unilever PLC	1,11,43,70,148	51.53	-	1,11,43,70,148	51.51	-	-0.02
2	Brooke Bond Group Limited	10,67,39,460	4.93	-	10,67,39,460	4.93	-	0.00
3	Unilever Overseas Holdings AG	6,87,84,320	3.18	-	6,87,84,320	3.18	-	0.00
4	Unilever UK & CN Holdings Limited	6,00,86,250	2.78	-	6,00,86,250	2.78	-	0.00
5	Brooke Bond South India Limited	5,27,47,200	2.44	-	5,27,47,200	2.44	-	0.00
6	Brooke Bond Assam Estates Limited	3,28,20,480	1.52	-	3,28,20,480	1.52	-	0.00
7	Unilever Overseas Holdings BV	1,88,65,000	0.87	-	1,88,65,000	0.87	-	0.00
	Total	1,45,44,12,858	67.25	-	1,45,44,12,858	67.23	-	-0.02

iii) Change in Promoters' Shareholding

There are no changes in the Promoter's shareholding during the Financial Year 2014-15. The percentage change in the Promoters' holding is due to increase in the paid up share capital of the Company

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31st March, 2015:

Sl. No.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life insurance Corporation of India				
	At the beginning of the year	1,78,74,900	0.83	1,78,74,900	0.83
	Bought during the year	17,97,749	0.08	1,96,72,649	0.91
	Sold during the year	-	-	1,96,72,649	0.91
	At the end of the year	1,96,72,649	0.91	1,96,72,649	0.91

Sl. No.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	The New India Assurance Company limited				
	At the beginning of the year	1,90,17,349	0.88	1,90,17,349	0.88
	Bought during the year	5,000	-	1,90,22,349	0.88
	Sold during the year	14,45,191	0.07	1,75,77,158	0.81
	At the end of the year	1,75,77,158	0.81	1,75,77,158	0.81
3	Virtus Emerging Markets Opportunities Fund				
	At the beginning of the year	1,96,91,476	0.91	1,96,91,476	0.91
	Bought during the year	3,59,974	0.02	2,00,51,450	0.93
	Sold during the year	51,23,696	0.24	1,49,27,754	0.69
	At the end of the year	1,49,27,754	0.69	1,49,27,754	0.69
4	Vontobel India Fund				
	At the beginning of the year	1,72,56,269	0.80	1,72,56,269	0.80
	Bought during the year	-	-	1,72,56,269	0.80
	Sold during the year	36,44,781	0.17	1,36,11,488	0.63
	At the end of the year	1,36,11,488	0.63	1,36,11,488	0.63
5	Aberdeen Global Indian Equity (Mauritius) Limited				
	At the beginning of the year	1,87,88,244	0.87	1,87,88,244	0.87
	Bought during the year	-	-	1,87,88,244	0.87
	Sold during the year	58,13,029	0.27	1,29,75,215	0.60
	At the end of the year	1,29,75,215	0.60	1,29,75,215	0.60
6	Vanguard Emerging Markets Stock Index Fund A Series				
	At the beginning of the year	1,25,30,229	0.58	1,25,30,229	0.58
	Bought during the year	8,09,066	0.04	1,33,39,295	0.62
	Sold during the year	5,02,397	0.03	1,28,36,898	0.59
	At the end of the year	1,28,36,898	0.59	1,28,36,898	0.59
7	Abu Dhabi Investment Authority – Gulab				
	At the beginning of the year	95,57,203	0.44	95,57,203	0.44
	Bought during the year	24,07,781	0.11	1,19,64,984	0.55
	Sold during the year	2,31,198	0.01	1,17,33,786	0.54
	At the end of the year	1,17,33,786	0.54	1,17,33,786	0.54

Sl. No.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	General Insurance Corporation of India				
	At the beginning of the year	1,29,74,415	0.60	1,29,74,415	0.60
	Bought during the year	-	-	1,29,74,415	0.60
	Sold during the year	12,43,475	0.06	1,17,30,940	0.54
	At the end of the year	1,17,30,940	0.54	1,17,30,940	0.54
9	Aberdeen Emerging Markets Fund				
	At the beginning of the year	1,57,00,443	0.72	1,57,00,443	0.72
	Bought during the year	-	-	1,57,00,443	0.72
	Sold during the year	50,07,000	-0.23	1,06,93,443	0.49
	At the end of the year	1,06,93,443	0.49	1,06,93,443	0.49
10	Government of Singapore				
	At the beginning of the year	54,96,225	0.26	54,96,225	0.26
	Bought during the year	52,19,083	0.24	1,07,15,308	0.50
	Sold during the year	12,50,037	0.06	94,65,271	0.44
	At the end of the year	94,65,271	0.44	94,65,271	0.44

Notes :

- The above information is based on the weekly beneficiary position received from Depositories.
- The date wise increase or decrease in shareholding of the top ten shareholders is available on the website of the Company www.hul.co.in

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Directors / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Harish Manwani				
	At the beginning of the year	22,130	-	22,130	-
	Bought during the year	-	-	22,130	-
	Sold during the year	-	-	22,130	-
	At the end of the year	22,130	-	22,130	-
2	Mr. P B Balaji				
	At the beginning of the year	3,985	-	3,985	-
	Bought during the year	8,421*	-	12,406	-
	Sold during the year	-	-	12,406	-
	At the end of the year	12,406	-	12,406	-

Sl. No.	Name of Directors / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Mr. Pradeep Banerjee				
	At the beginning of the year	26,024	-	26,024	-
	Bought during the year	15,536*	-	41,560	-
	Sold during the year	6,522	-	35,038	-
	At the end of the year	35,038	-	35,038	-
4	Mr. S. Ramadorai				
	At the beginning of the year	35	-	35	-
	Bought during the year	-	-	35	-
	Sold during the year	-	-	35	-
	At the end of the year	35	-	35	-
5	Mr. Dev Bajpai				
	At the beginning of the year	20,838	-	20,838	-
	Bought during the year	5,052*	-	25,890	-
	Sold during the year	7,202	-	18,688	-
	At the end of the year	18,688	-	18,688	-

Note : Mr. Sanjiv Mehta, Mr. Aditya Narayan, Mr. O. P. Bhatt, Dr. Sanjiv Misra and Ms. Kalpana Morparia did not hold any shares of the Company during the financial year 2014-15

* Shares allotted under ESOP

V. INDEBTEDNESS

The Company had no indebtedness with respect to secured or Unsecured Loans or Deposits during the financial year 2014-15

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD				(Rs. lakhs)
						Total
		Sanjiv Mehta	Sridhar Ramamurthy ^{\$}	P. B. Balaji ^{\$\$}	Pradeep Banerjee	Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	629.84	265.66	380.07	203.28	1,478.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	108.57	8.06	11.99	19.58	148.20
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	292.28	99.38	51.08	87.36	530.10
2.	Stock Option	361.03	368.67	177.33	180.97	1,088.00
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
5.	Others (Contribution to PF & Superannuation)	25.40	5.80	10.16	15.02	56.38
	Total (A)	1,417.12	747.57	630.63	506.21	3,301.53
	Ceiling as per the Act	Rs. 55,362 lakhs (being 10% of Net Profits of the Company has calculated as per Section 198 of the Companies Act, 2013)				

^{\$} Ceased to be as Director w.e.f. 30th June, 2014

^{\$\$} Appointed as Director w.e.f. 1st July, 2014

B. Remuneration to other Directors:

Particulars of Remuneration	Name of other Directors						(Rs. lakhs)
	Chairman*	Independent Directors					Total Amount
	Harish Manwani	Aditya Narayan	S Ramadorai	O P Bhatt	Sanjiv Misra	Kalpana Morparia	Total
- Fee for attending Board / Committee meetings	Nil	4.00	3.40	3.40	3.00	1.40	15.20
- Commission [#]	15.5	24.00	22.47	25.04	21.75	13.50	122.26
Total (B)	15.5	28	25.87	28.44	24.75	14.90	137.46
Ceiling as per the Act	Rs. 553.6 lakhs (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)						
Total Managerial Remuneration =(A+B)							3,423.49
Overall Ceiling as per the Act	Rs. 60,898 lakhs (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

* Non-Executive Non-Independent Director

[#] The commission for the Financial Year ended 31st March, 2015 will be paid after adoption of accounts by the shareholders at the AGM to be held on 29th June, 2015

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	(Rs. lakhs)
		Key Managerial Personnel Dev Bajpai
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	181.69
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15.80
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	80.82
2.	Stock Option	96.86
3.	Sweat Equity	-
4.	Commission	-
5.	Others	12.55
	Total	387.72

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

On behalf of the Board

Harish Manwani

Chairman

(DIN: 00045160)

Mumbai, 8th May, 2015

Annexure to the Directors' Report

Statement of Disclosure of Remuneration Under Section 197 of Companies Act, 2013 and Rule 5(1) of 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 2014-15, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2014-15.

S.No	Name of Director/KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	Sanjiv Mehta	Managing Director & CEO	93:1	(2.9)*
2	P. B. Balaji	Executive Director, Finance & IT and CFO	59:1	(1.4)*
3	Pradeep Banerjee	Executive Director, Supply Chain	32:1	5.4
4	Dev Bajpai	Executive Director (Legal and Corporate Affairs) and Company Secretary	Not Applicable	5.6

* Governed under remuneration structure, impacted by currency fluctuations.

Note :

- a) The Non-Executive Directors of the Company are entitled for sitting fee and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report and is governed by the Differential Remuneration Policy, as detailed in the said report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is 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 2014- 15.
 - c) Employees for the purpose above includes all employees excluding employees governed under collective bargaining.
- ii. The percentage increase in the median remuneration of Employees for the financial year was 4.55%.
 - iii. The Company has 6,289 permanent Employees on the rolls of Company as on 31st March, 2015.
 - iv. **Relationship between average increase in remuneration and Company's performance:** The reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and drives performance culture. Every year, the salary increases for the Company are decided on the basis of a benchmarking exercise that is undertaken with similar profile organizations. The final salary increases given are a function of Company's market competitiveness in this comparator group as well as overall business affordability. During the year, similar approach was followed to establish the remuneration increases to the Employees. Variable compensation is an integral part of our total reward package and is directly linked to an individual performance rating and business performance. Salary increases during the year were in line with Company's performance as well as per Company's market competitiveness.
 - v. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:** In line with Company's reward philosophy, merit increases and annual bonus pay-outs of its Employees including Key Managerial Personnel are directly linked to individual performance as well as that of the business. Given the superior business performance and the performance rating of the Key Managerial Personnel, appropriate reward by way of merit increase or variable pay have been awarded to the Key Managerial Personnel for the current year. This was duly reviewed and approved by the Nomination & Remuneration Committee of the Company. During the year, the Company's Domestic Consumer business grew by 10% with 5% underlying volume growth. Profit before interest and tax (PBIT) grew by 17% with PBIT margin improving +90 bps. Profit after tax but before exceptional items, PAT (bei), grew by 8%.

- vi. The Market Capitalisation of the Company as on 31st March, 2015 was Rs.1,88,849 crores as compared to Rs. 1,30,551 crores as on 31st March, 2014. The price earnings ratio of the Company was 43.75 as at 31st March, 2015 and was 33.76 as at 31st March, 2014. The closing share price of the Company at BSE Limited on 31st March, 2015 being Rs. 879.90/- per equity share of face value of Re. 1/- each has grown 451 times since the last offer for sale made in the year 1980 (Offer Price was Rs. 19.50/- per equity share of face value of Rs. 10/- each).
- vii. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 3.95% whereas the increase in the managerial remuneration was [0.8] %. The average increases every year is an outcome of Company's market competitiveness as against its peer group companies. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.
- viii. **The key parameters for any variable component of remuneration:** Variable compensation is an integral part of our total reward package for all Employees including Executive Directors. Annual Bonus is directly linked to an individual performance rating and business performance. At the start of the year, every Employee (including Executive Directors), have key targets assigned for the year in addition to their job fundamentals. These are drawn from the organizational strategic plan and are then reviewed for consistency and stretch. Business targets are a combination of goals such as Underlying Volume Growth, Underlying Sales Growth, Core Operating Margin etc.
- ix. **The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year** : Not Applicable
- x. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

On behalf of the Board

Harish Manwani

Chairman

(DIN: 00045160)

Mumbai, 8th May, 2015

CORPORATE GOVERNANCE

“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

Transparency and accountability are the two basic tenets of Corporate Governance. At Hindustan Unilever, 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 principle of the business, as demonstrated in the words above.

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. At Hindustan Unilever, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles 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 of Business Principles inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning.

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 Board of Directors (‘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.

The Board of Directors has adopted ‘Corporate Governance Code’ for the Company which is a statement of practices and the procedures to be followed by the Company. The copy of the code is available on Company’s website www.hul.co.in/investorrelations/CorporateGovernance/

THE BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Management Committee of the Company is headed by the Managing Director and Chief Executive Officer and has business / functional heads as its members, which look after the management of the day-to-day affairs of the Company.

Composition

The Board comprises such number of Non-Executive, Executive and Independent Directors as required under applicable legislation. As on date of this Report, the Board consists of nine Directors comprising one Non-Executive Chairman, five Independent Directors and three Executive Directors. 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 positions of the Chairman of the Board and the Chief Executive Officer of the Company are held by separate individuals, where the Chairman of the Board is a Non-Executive Director. None of the Directors of your Company are related to each other.

During the year, Mr. Sridhar Ramamurthy, consequent to his elevation as Senior Vice President, Finance for Global Markets, Unilever stepped down as the Executive Director, Finance & IT and Chief Financial Officer of the Company. Mr. P. B. Balaji was appointed as the Executive Director, Finance & IT and Chief Financial Officer succeeding Mr. Sridhar Ramamurthy on the Board with effect from 1st July, 2014.

The Board of Directors appointed Ms. Kalpana Morparia, as an Independent Director on the Board of the Company with effect from 9th October, 2014.

The details of each member of the Board along with the number of Directorship(s) / Committee Membership(s)/Chairmanship(s) and date of joining the Board are provided hereinbelow:

Composition and Directorship(s) / Committee Membership(s)/Chairmanship(s) as on 31st March, 2015

Name	Date of joining the Board	Directorship in other Companies [#]	Membership(s) of Committees of other Companies ^{##}	Chairmanship(s) of Committees of other Companies ^{##}
Non-Executive Chairman				
Harish Manwani	29.04.2005	-	-	-
Managing Director and CEO				
Sanjiv Mehta	01.10.2013	-	-	-
Executive Director (Finance & IT) and CFO				
P. B. Balaji	01.07.2014	-	-	-
Executive Director				
Pradeep Banerjee	01.03.2010	1	1	-
Independent Directors				
Aditya Narayan	29.06.2001	2	2	1
S. Ramadorai	20.05.2002	7	4	1
O. P. Bhatt	20.12.2011	2	3	-
Sanjiv Misra	08.04.2013	3	2	1
Kalpana Morparia	09.10.2014	2	3	2

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

^{##} Includes only Audit Committee and Stakeholders' Relationship Committee.

The number of Directorships, Committee Memberships/ Chairmanships of all Directors is within respective limits prescribed under the Companies Act, 2013 and Listing Agreement.

Appointment and Tenure

The Directors of the Company are appointed by Members at the General Meetings. In accordance with the Articles of Association of the Company, all Directors, except the Managing Director and Independent Directors of the Company, step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election. The Managing Director of the Company is appointed for a term of five years as per the requirement of the statute. The Executive Directors on the Board serve in accordance with the terms of their contract of service with the Company.

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 Companies Act, 2013 and Listing Agreement.
- The Independent Directors will serve a maximum of two terms of five years each.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment

and tenure will be governed by provisions of the Companies Act, 2013.

Board Independence

Our definition of 'Independence' of Directors is derived from Clause 49 of the Equity Listing Agreement and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than the Chairman are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013. Mr. Harish Manwani, who was acting as Chief Operating Officer of the parent Company till 31st December, 2014, is not considered as an Independent Director.

Board Meetings

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. 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 by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

The notice of Board meeting 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 and the Chief Executive Officer of the Company. The Agenda is circulated a week prior to the date of the meeting. 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.

During the Financial Year ended 31st March, 2015, eight Board meetings were held on 28th April, 2014, 29th and 30th April, 2014, 28th July, 2014, 5th September, 2014, 27th October, 2014, 19th December, 2014, 19th January, 2015 and 17th and 18th March, 2015. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

Board Business

The normal business of the Board includes:

- framing and overseeing progress of the Company's annual plan and operating framework;
- framing strategies for shaping of portfolio and direction of the Company and for corporate resource allocation;
- reviewing financial plans of the Company;
- reviewing quarterly and annual business performance of the Company;
- reviewing the Annual Report and accounts for adoption by the Members;
- reviewing the progress of various functions and businesses of the Company;
- reviewing the functioning of the Board and its Committees;
- reviewing the functioning of the subsidiary companies;
- considering and approving declaration / recommendation of dividend;
- reviewing and resolving fatal or serious accidents or dangerous occurrences, any materially significant effluent or pollution problems or significant labour issues, if any;
- reviewing the details of significant development in human resources and industrial relations front;
- reviewing details of foreign exchange exposure and steps taken by the management to limit the risks of adverse exchange rate movement;
- reviewing compliance with all relevant legislations and regulations and litigation status, including materially important show cause, demand, prosecution and penalty notices, if any;
- reviewing Board Remuneration Policy and individual remuneration packages of Directors;
- advising on corporate restructuring such as merger, acquisition, joint venture or disposals, if any;

- appointing Directors on the Board and Members of Management Committee;
- reviewing Corporate Social Responsibility policy of the Company and monitoring implementation thereof;
- reviewing details of risk evaluation and internal controls;
- reviewing reports on progress made on the ongoing projects;
- monitoring and reviewing Board Evaluation framework.

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, advises / assures the Board 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 Browsers or iPads. The application meets high standards of security and integrity that is required for storage and transmission of Board / Committee Agenda and Pre-reads in electronic form.

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 Non-Executive Chairman, to discuss issues and concerns, if any.

The Independent Directors met four times during the Financial Year ended 31st March, 2015 on 28th April, 2014, 28th July, 2014, 27th October, 2014 and 19th January, 2015 and inter alia discussed:

- the performance of non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- the quality, quantity and timeliness of 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 Familiarization

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The Chief Executive Officer and the Company Secretary are jointly responsible for ensuring that such induction and training programmes are provided to Directors. The Independent Directors, from time to time request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The induction process is designed to:

- build an understanding of Hindustan Unilever, its businesses and the markets and regulatory environment in which it operates;
- provide an appreciation of the role and responsibilities of the Director;
- fully equip Directors to perform their role on the Board effectively; and
- develop understanding of Company's people and its key stakeholder relationships.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

In addition to the extensive induction and training provided as part of the familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy.

The details of Director's induction and familiarization are available on the Company's website at www.hul.co.in/investorrelations/CorporateGovernance/

Board Evaluation

The Nomination and Remuneration Committee of the Company approved a Evaluation Policy during the year, which was adopted by the Board of Directors. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. The Policy provides that evaluation of the performance of the Board as a whole, Board Committees and Directors shall be carried out on an annual basis and the same will be facilitated by an independent consultant once in three years.

During the year, the first Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. The exercise was led by the Non Executive Chairman alongwith a Senior Independent Director of the Company. The Evaluation process focused on various aspects of the Board and Committees functioning such

as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgement.

The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the Evaluation, the Board and Committees have agreed on the action plan to improve on the identified parameters.

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 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 a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has currently established the following statutory and non-statutory Committees.

Audit Committee

The Company's Audit Committee comprises all the five Independent Directors. The Audit Committee is headed by Mr. Aditya Narayan and has Mr. S. Ramadorai, Mr. O. P. Bhatt, Dr. Sanjiv Misra and Ms. Kalpana Morparia as its members. During the year, Ms. Kalpana Morparia was appointed as a Member of the Committee with effect from 9th October, 2014. All the members of the Committee have relevant experience in financial matters.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examination with management the quarterly financial results before submission to the Board;
- reviewing and examination with management the annual financial statements before submission to the Board and the auditors' report thereon;

- review management discussion and analysis of financial condition and results of operations;
- scrutiny of inter-corporate loans and investments made by the Company;
- reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- discussing with Statutory Auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- 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;
- evaluating internal financial controls and risk management systems;
- valuating undertaking or assets of the Company, wherever it is necessary;
- reviewing the functioning of the Whistle Blowing mechanism;
- reviewing the progress made on cases that are reported under the Code of Business Principles of the Company and implication of these cases, if any, under the UK Bribery Act, 2011.

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 and critical IT applications with implications of security and internal audit and control assurance reports of all the major divisions of the Company. The Audit Committee also reviews the functioning of the Code of Business Principles and Whistle Blower Policy of the Company and cases reported thereunder. The recommendations of audit committee were duly approved and accepted by the Board.

The meetings of Audit Committee are also attended by the Chief Executive Officer, Chief Financial Officer, Statutory Auditors 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 and confirmed 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, 2015 on 28th April, 2014, 9th June, 2014, 28th July, 2014, 27th October, 2014, 19th December, 2014 and 19th January, 2015.

Internal Controls and Risk Management

The Company has robust systems for internal audit and corporate risk assessment and mitigation. The Company has an independent Control Assurance Department (CAD) assisted by dedicated outsourced audit teams.

The Internal Audit covers all the factories, sales offices, warehouses and centrally controlled businesses and functions, as per the annual plan agreed with the Audit Committee. The audit coverage plan of CAD is approved by the Audit Committee at the beginning of every year. Every quarter, the Audit Committee of the Board is presented with key control issues and actions taken on the issues highlighted in previous report.

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.

During the year, on the recommendation of the Audit Committee, the Board of Directors appointed Mr. V. Hariharan as the Internal Auditor of the Company.

Financial controls review procedures and guidelines are issued by Unilever annually in line with Sarbanes-Oxley (S. 404) requirements. Unit heads are responsible for implementing these procedures to confirm the effectiveness of the financial controls in that unit and to correct any instances of weaknesses identified. In addition, effectiveness of operational and non-financial controls is also reviewed by the unit heads.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Mr. S. Ramadorai as the Chairman and Mr. Aditya Narayan, Mr. O. P. Bhatt, Dr. Sanjiv Misra and Mr. Harish Manwani as members of the Committee. During the year, Mr. Sanjiv Mehta stepped down as a member of the Committee with effect from 23rd June, 2014 to make the composition of the Committee consistent with requirements of revised clause 49 of Listing Agreement. In terms of Section 178 (1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Nomination

and Remuneration Committee should comprise of at least three Directors; all of whom should be Non-Executive Directors. At least half of the Committee members should be Independent with an Independent Director acting as the Chairman of the Committee.

The role of Nomination and Remuneration Committee is as follows:

- Determine/ recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine/ recommend the criteria for qualifications, positive attributes and independence of Director;
- Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc;
- Review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
- Determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
- Formulate criteria and carryout evaluation of each Director's performance and performance of the Board as a whole;

The Committee also plays a role of a Compensation Committee and is responsible for administering the Stock Option Plan and Performance Share Plan of the Company and determining eligibility of employees for stock options. During the year, the Nomination and Remuneration Committee has formulated the policy on Board Diversity to ensure diversity of experience, knowledge, perspective, background, gender, age and culture.

The Nomination and Remuneration Committee met five times during the Financial Year ended 31st March, 2015 on 28th April, 2014, 28th July, 2014, 5th August, 2014, 5th September, 2014 and 18th February, 2015.

Board Membership Criteria

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 business;

- 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.

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 the world and achieve superior operational results.

The guiding principles for Company's reward policies / practices are as follows:

1. Open, Fair, Consistent and Explainable: increase transparency and ensure fairness and consistency in Reward framework.
2. Insight and Engagement: make Reward truly relevant to the employees by using leading edge tools that helps the Company 'hear' how employees feel about their Reward.
3. Innovation: continuously improve Company's Reward through innovations based on insight, analytics and Unilever's expertise.
4. Simplicity, Speed and Accuracy: simplify reward plans and processes and deliver the information employees need quickly, clearly and efficiently.
5. 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 as management employees and therefore, their terms of employment vis-à-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time. The total reward for Executive Directors, Key Managerial Personnel and Management Committee members is reviewed and approved by the Nomination and Remuneration Committee annually, taking into account external benchmarks within the context of group and individual 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 Share Plans, seek to reward Executive Directors, Management Committee members and other eligible employees by aligning their deliverables to business results. Pursuant to the approval of Members at the Annual General Meeting held on 23rd July, 2012, the Company adopted '2012 HUL Performance Share Scheme', which provides for conditional grant of Performance Shares without charging premium to eligible management employees.

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 Companies Act, 2013. The remuneration payable to Non-Executive Directors is decided by the Board of Directors subject to the overall approval of Members of the Company.

Independent Directors are currently paid sitting fees of Rs. 20,000/- for attending every meeting of the Board or Committee thereof which has been revised to Rs. 30,000/- with effect from 1st April, 2015. In line with the globally accepted governance practices, the Board of Directors adopted a 'Differential Remuneration Policy' for Non-Executive Directors' remuneration. As per the Differential Remuneration Policy, Non-Executive Independent Directors are entitled to fixed commission on profits at the rate of Rs. 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 shall be within the overall limit of Rs. 150 lakhs, as approved by the Members at the Annual General Meeting held on 26th July, 2013. The criteria adopted by the Company for Differential Remuneration policy is as under:

Particulars	Rs. lakhs 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, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

The Non-Executive Directors, who continuously serve minimum two terms of five years each, are also entitled to one time commission of Rs. 10 lakhs at the time of stepping down from the Board.

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, stock options and conditional grants made to Executive Directors and remuneration paid to Non-Executive Directors for the Financial Year ended 31st March, 2015 are provided hereinafter:

Details of Remuneration of Executive Directors for the Financial Year ended 31st March, 2015

Name	Rs. lakhs				Total
	Salary	Bonus	Contribution to PF	Perquisites	
Sanjiv Mehta	629.84	292.28	25.40	469.60	1,417.12
P. B. Balaji ^{\$}	380.07	51.08	10.16	189.32	630.63
Sridhar Ramamurthy ^{\$\$}	265.66	99.38	5.80	376.73	747.57
Pradeep Banerjee	203.28	87.36	15.02	200.55	506.21

^{\$} Appointed as a Director w.e.f. 1st July, 2014

^{\$\$} Ceased to be a Director w.e.f. 30th June, 2014

Details of Stock Options and Conditional Grants made to the Executive Directors

Name	Outstanding as at 31st March, 2014		Options / Grants Exercised during the year		Grant under Performance Share Scheme during the year	Balance as at 31st March, 2015	
	Stock Options	Performance Shares	Stock Options	Performance Shares		Stock Options	Performance Shares
P. B. Balaji [§]	-	8,421*	-	8,421	-	-	-
Sridhar Ramamurthy ^{§§}	-	56,149*	-	40,784	-	-	15,365
Pradeep Banerjee	8,800	20,422*	8,800	6,736	1,993	-	15,679

Exercised and Allotted in March, 2015

[§] Appointed as a Director w.e.f. 1st July, 2014

^{§§} Ceased to be a Director w.e.f. 30th June, 2014

* Including vesting adjustment

Details of Remuneration of Non-Executive Directors for the Financial Year ended 31st March, 2015

Name	Rs. lakhs		Total
	Sitting Fees*	Commission [#]	
Harish Manwani	-	15.50	15.50
Aditya Narayan	4.00	24.00	28.00
S. Ramadorai	3.40	22.47	25.87
O. P. Bhatt	3.40	25.04	28.44
Sanjiv Misra	3.00	21.75	24.75
Kalpana Morparia	1.40	13.50	14.90

* Includes sitting fees paid for Board and Board Committee meetings.

[#] The Commission for the Financial Year ended 31st March, 2015 as per the Differential Remuneration Policy will be paid to Independent Directors, subject to deduction of tax, after adoption of accounts by the shareholders at the Annual General Meeting to be held on 29th June, 2015.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is comprised of Mr. O. P. Bhatt, Independent Director as the Chairman and Mr. Sanjiv Mehta and Mr. P. B. Balaji, as members of the Committee. Mr. Sridhar Ramamurthy ceased to be a member of the Committee and Mr. P. B. Balaji was appointed as a member of the Committee with effect from 1st July, 2014.

The role of Stakeholders' Relationship Committee is as follows:

- consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc;
- ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;
- evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- provide guidance and make recommendations to improve investor service levels for the investors.

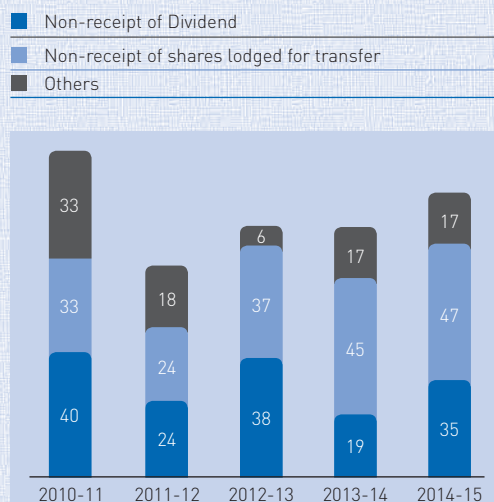
During the Financial Year ended 31st March, 2015, the Committee met once on 19th December, 2014.

Details of Shareholders' / Investors' Complaints

Mr. Dev Bajpai, Executive Director (Legal & Corporate Affairs) and Company Secretary, is the Compliance Officer for resolution of Shareholder's/Investor's complaints. During the Financial Year ended 31st March, 2015, 99 complaints were received from the shareholders. All complaints have been redressed to the satisfaction of the shareholders and none of them were pending as on 31st March, 2015.

	Complaints Received	Complaints Redressed
Non-Receipt of Dividend		
Non-Receipt of Dividend	35	35
Non-Receipt of Shares lodged for Transfer	47	47
Others (e.g. non-receipt of Annual Report)	17	17
TOTAL	99	99

TREND OF COMPLAINTS RECEIVED DURING LAST 5 YEARS:



Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises Mr. O. P. Bhatt as the Chairman and Mr. Aditya Narayan, Dr. Sanjiv Misra, Ms. Kalpana Morparia, Mr. Sanjiv Mehta and Mr. P. B. Balaji as members of the Committee. During the year Mr. Sridhar Ramamurthy ceased to be a member of the Committee. Mr. P. B. Balaji and Ms. Kalpana Morparia were appointed as members of the Committee with effect from 1st July, 2014 and 9th October, 2014 respectively.

The role of Corporate Social Responsibility Committee is as follows:

- 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 the Company in area of CSR;
- providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business;
- monitoring CSR Policy of the Company from time to time;
- monitoring the implementation of the CSR projects or programs or activities undertaken by the Company;

During the Financial Year ended 31st March, 2015, the Committee met once on 28th April, 2014.

Risk Management Committee

In accordance with the requirement of Listing Agreement, your Company constituted a Risk Management Committee during the year. The Committee comprises Mr. Sanjiv Mehta as the Chairman and Mr. P. B. Balaji, Mr. Pradeep Banerjee, Mr. Dev Bajpai, Executive Director (Legal & Corporate Affairs) and Company Secretary and Mr. V. Hariharan, Internal Auditor as members of the Committee.

The role of Risk Management Committee is as follows:

- Implementation of Risk Management Systems and Framework;
- Reviewing the Company's financial and risk management policies;
- Assessing risk and minimizing the procedures;
- Framing, implementing and monitoring the risk management plan for the Company.

During the Financial Year ended 31st March, 2015, the Committee met once on 19th March, 2015.

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 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. The Committee is authorised to sign, seal or issue any new share certificate as a result of transfer, consolidation, splitting or in lieu of share certificates lost, defaced or destroyed.

The Committee meets at regular intervals to approve the share transfers and other related matters.

Committee for Allotment of Shares under ESOPs

The Committee for Allotment of Shares under ESOPs has been constituted to expedite the process of allotment and issue of eligible shares to the employees under the Stock Option Plan of the Company.

The Committee comprises three Directors of the Board and is constituted for approval, issue and allotment of shares under ESOPs, pursuant to and in terms of '2001 HLL Stock Option Plan', '2006 HLL Performance Share Scheme' and '2012 HUL Performance Share Scheme'.

Other Functional Committees

Apart from the above statutory Committees, the Board of Directors has constituted the following Functional Committees to raise the level of governance as also to meet the specific business needs.

Routine Business Matter Committee

The Routine Business Matter Committee has been set up to inter alia 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 Directors of the Board. The Committee reports to the Board and the minutes of these meetings are placed before the Board for confirmation.

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 the said property, for and on behalf of the Company. The Committee comprises three Directors of the Board. The Committee reports to the Board and minutes of these meetings are placed before the Board for confirmation.

Attendance of Directors at Board and Committee Meeting(s)

The following table shows attendance of Directors at the Board and Committee meeting(s) for the year ended 31st March, 2015. Attendance is presented as number of meeting(s) attended, (including meetings attended through electronic mode) out of the number of meeting(s) required to be attended.

Name	Board Meeting	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Harish Manwani	8 of 8 [#]	-	5 of 5	-	-	-
Sanjiv Mehta	8 of 8	-	5 of 5	1 of 1	1 of 1	1 of 1
P. B. Balaji [§]	6 of 6	-	-	1 of 1	-	1 of 1
Pradeep Banerjee	8 of 8	-	-	-	-	1 of 1
Sridhar Ramamurthy ^{§§}	2 of 2	-	-	-	1 of 1	-
Aditya Narayan	8 of 8	6 of 6 [#]	5 of 5	-	1 of 1	-
S. Ramadorai	7 of 8	6 of 6	4 of 5 [#]	-	-	-
O. P. Bhatt	7 of 8	4 of 6	4 of 5	1 of 1 [#]	1 of 1 [#]	-
Sanjiv Misra	6 of 8	5 of 6	4 of 5	-	0 of 1	-
Kalpana Morparia ^{§§§}	4 of 4	3 of 3	-	-	0 of 0	-

[#] Chairman

[§] Appointed as a Director w.e.f. 1st July, 2014

^{§§} Ceased to be a Director w.e.f. 30th June, 2014

^{§§§} Appointed as a Director w.e.f. 9th October, 2014

The last Annual General Meeting of the Company held on 30th June, 2014 was attended by all members of the Board of Directors.

COMPANY POLICIES

Code of Business Principles / Whistle Blower Policy

The Code of Business Principles (CoBP) is the Company's statement of values and represents the standard of conduct which all employees are expected to observe in their business endeavors. 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 of Business Principles is available on the website of the Company www.hul.co.in/aboutus/purposeandprinciples/

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The Company has provided dedicated e-mail addresses whistleblowing.hul@unilever.com and cbp.hul@unilever.com for reporting

such concerns. Alternatively, employees 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 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 of Business Principles and the Whistle Blower Policy of the Company, are reported to the Committee of Executive Directors and are subject to the review of the Audit Committee. The Whistle Blower Policy is available on the website of the Company www.hul.co.in/investorrelations/CorporateGovernance/.

Preventing Conflict of Interest

The Board of Directors is responsible for ensuring that rules 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, the Directors are required to make 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 www.hul.co.in/investorrelations/CorporateGovernance/. 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. 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 dealing with Related Party Transactions

The Company has not entered in any material Related Party Transaction during the year. In line with requirement of the Companies Act, 2013 and Equity Listing Agreement, your Company has formulated a Policy on Related Party Transactions which is also available at Company's website at www.hul.co.in/investorrelations/CorporateGovernance/. The Policy intends to ensure that proper reporting, approval and disclosure 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.

Policy on Material Subsidiary

The Company has adopted a Policy in line with the requirements of the Listing Agreement. 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 www.hul.co.in/investorrelations/CorporateGovernance/.

Share Dealing Code

The Company has instituted mechanism to avoid Insider Trading and abusive self-dealing. In accordance with the SEBI Regulations as amended, the Company has established systems and procedures to restrict insider trading activity and has framed a Share Dealing Code. The Share Dealing Code of the Company prohibits the Directors of the Company and other specified employees dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The Board of Directors of the Company have adopted a new Share Dealing Code, in line with new SEBI (Prohibition of Insider Trading) Regulations, 2015.

The details of dealing in Company's shares by Specified Employees (which include members of the Management Committee and Directors) are placed for intimating the Board on quarterly basis. The Code also prescribes sanction framework and any instance of breach of code is dealt with in accordance with the same. 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 www.hul.co.in/investorrelations/CorporateGovernance/DealingHulShares/.

UN Global Compact

Unilever is a signatory to the United Nations Global Compact Programme and is fully committed to the principles of the UN Global Compact which covers human rights, labour practices, environment commitment and prevention of corruption in business organisations. The UN Global Compact is a symbol of leadership in a complex business world and provides a forward

looking forum in which the United Nations, companies and civil society organisations can come together in an open and transparent dialogue. The Company's CoBP mechanism upholds these principles in all aspects of its business operations.

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, 2015 and a declaration to that effect, signed by the Managing Director and Chief Executive Officer (CEO), is attached and forms part of this Report.

There were no materially 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.

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.

With respect to the Show Cause Notice received from the Securities and Exchange Board of India (SEBI) last year for alleged violation of the provisions of Regulation 8(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 [SAST Regulations, 1997] with respect to delay in filings in the year 2008 and 2010, the Company had filed an application for compounding the matter with SEBI. SEBI has passed an order for compounding of the matter on payment of requisite compounding fee. The matter accordingly stands closed.

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.

COMPLIANCE WITH THE GOVERNANCE FRAMEWORK

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 Clause 49 of the Listing Agreement. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- **The Board & Separate posts of Chairman and CEO:** The positions of the Chairman and the CEO are separate. Mr. Harish Manwani, Non Executive Chairman of the Company maintains office at the Company's expenses and is also allowed reimbursement of expenses incurred in performance of his duties.
- **Shareholders rights:** The quarterly results alongwith the press release are uploaded on the website of the Company www.hul.co.in/investorrelations/QuarterlyResults/. The soft copy of the quarterly results is also sent to the shareholders who have registered their e-mail addresses.
- **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.

SECRETARIAL STANDARDS AND SECRETARIAL AUDIT REPORT

The Company has undertaken Secretarial Standards Audit for the year 2014-15 for audit of secretarial records and procedures followed by the Company in compliance with relevant Secretarial Standards issued by the Institute of Company Secretaries of India, which were recommendatory in nature and Company voluntarily decided to adhere to the same. The Secretarial Standards Audit Report is part of this Annual Report.

The Company has also undertaken Secretarial Audit for the year 2014-15 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Agreement and Regulations and Guidelines prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999. The Secretarial Audit Report is part of this Annual Report.

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 Resolutions Passed
31st March, 2012	23rd July, 2012 10.30 a.m	Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099	<ul style="list-style-type: none"> Re-appointment of Mr. Nitin Paranjpe as Managing Director for another term of five years with effect from 4th April, 2013. Increase in the maximum limit of salary payable to Managing Director(s) of the Company from the existing Rs. 180 lakhs per annum to Rs. 290 lakhs per annum effective 1st April, 2013. Adoption of the revised '2012 HUL Performance Share Scheme' in amendment of '2006 HLL Performance Share Scheme'.
31st March, 2013	26th July, 2013 3.30 p.m.	Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099	<ul style="list-style-type: none"> Revision in overall limits of remuneration of Non-Executive Directors, upto a maximum of Rs. 150 lakhs in aggregate or 1% of Net Profits, whichever is lower.
31st March, 2014	30th June, 2014 2.00 p.m.	Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099	No special resolutions were passed in this meeting

Postal Ballot

During the year, a Special Resolution for appointment of Mr. P. B. Balaji as the Executive Director, Finance & IT and Chief Financial Officer of the Company with effect from 1st July, 2014 was passed by the Shareholders of the Company through Postal Ballot. In the Postal Ballot conducted pursuant to Clause 35B of the Listing Agreement, the Company had also offered e-voting facility, through National Securities Depository Limited, as an alternate, to enable the shareholders to cast their votes electronically.

The Board had appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary, as the scrutinizer to conduct the Postal Ballot process. The results of the postal ballot were declared on 5th May, 2014. Details of the voting pattern were as under:

Description of Resolution	No. of total valid Postal Ballot Forms / e-votes received	Votes Cast (No. of Shares)	
		For	Against
Approval for appointment of Mr. P. B. Balaji as the Wholetime Director of the Company.	6,130	168,04,05,455	41,06,383

Accordingly the said Resolution was approved by the shareholders, with requisite and overwhelming majority.

Annual General Meeting for the financial year 2014-15

Date	Monday, 29th June, 2015
Venue	Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099
Time	2.00 p.m.
Book Closure Dates for Final Dividend	Tuesday 23rd June, 2015 to Monday 29th June, 2015 (both days inclusive)
Last Date of receipt of Proxy Forms	Saturday, 27th June, 2015 before 2 p.m. at Registered Office of the Company

Calendar of Financial Year ended 31st March, 2015

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31st March, 2015 were held on the following dates:

First Quarter Results	28th July, 2014
Second Quarter and Half yearly Results	27th October, 2014
Third Quarter Results	19th January, 2015
Fourth Quarter and Annual Results	8th May, 2015

Tentative Calendar for financial year ending 31st March, 2016

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2016 are as follows:

First Quarter Results	21st July, 2015
Second Quarter and Half yearly Results	14th October, 2015
Third Quarter Results	27th January, 2016
Fourth Quarter and Annual Results	29th April, 2016

Dividend

The Board of Directors at their meeting held on 8th May, 2015, recommended a Final Dividend of Rs. 9.00 per equity share

of face value of Re. 1/- each, for the financial year ended 31st March, 2015. Together with the Interim Dividend of Rs. 6.00 per equity share paid on 14th November, 2014, the total dividend for the year works out to Rs. 15.00 per equity share of face value of Re. 1/- each. Final Dividend, if approved by Members, will be paid on or after 3rd July, 2015.

Unclaimed Dividends

During the year under review, the Company has credited Rs. 6.66 crores to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

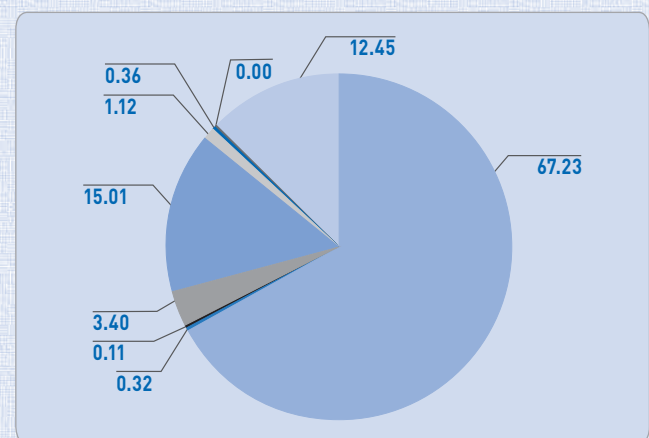
Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30th June, 2014 (date of last Annual General Meeting) on the Company's website www.hul.co.in/investorrelations/ and on the website of the Ministry of Corporate Affairs.

Distribution of Shareholding as on 31st March, 2015

Holding	Shareholders		Shares	
	Number	%	Number	%
1 - 5000	3,01,528	96.17	14,08,94,166	6.51
5001 - 10000	6,951	2.22	4,89,74,693	2.26
10001 - 20000	3,162	1.01	4,36,65,638	2.02
20001 - 30000	780	0.25	1,88,45,934	0.87
30001 - 40000	311	0.10	1,07,33,824	0.50
40001 - 50000	150	0.05	66,96,510	0.31
50001 - 100000	257	0.08	1,76,27,504	0.82
100001 and above	379	0.12	1,87,60,26,582	86.71
TOTAL	3,13,518	100.00	2,16,34,64,851	100.00

Categories of Shareholders as on 31st March, 2015

Category	No. of Folios	Shares Held (Nos.)
Unilever PLC and its Affiliates	7	145,44,12,858
Mutual Funds and Unit Trust of India	169	68,65,356
Financial Institutions / Banks	140	22,93,561
Insurance Companies	18	7,34,84,859
Foreign Institutional Investors	609	32,47,91,190
Bodies Corporate	2,455	2,43,41,949
NRIs / Foreign Bodies Corporate / Foreign Nationals	4,704	77,33,086
Directors and their Relatives	6	69,609
Resident Individuals and Others	305,410	26,94,72,383
TOTAL	313,518	2,16,34,64,851



Bifurcation of shares held in physical and demat form as on 31st March, 2015

Particulars	No. of Shares	%
Physical Segment	5,37,72,488	2.49
Demat Segment		
NSDL	208,38,72,211*	96.32*
CDSL	2,58,20,152	1.19
TOTAL	216,34,64,851	100.00

* includes shares of Unilever PLC and its Affiliates

There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments of the Company.

Listing Details

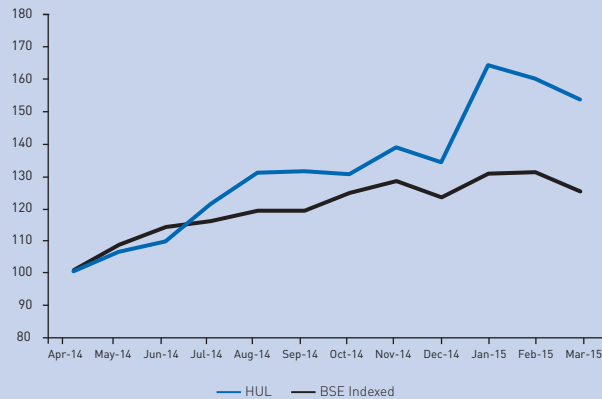
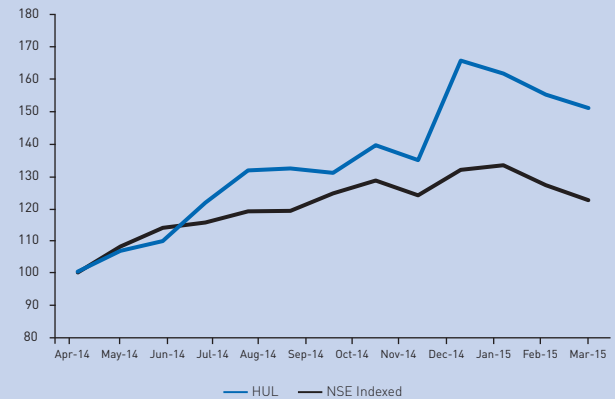
Name of Stock Exchange	Stock Code
BSE Limited (BSE)	500696
National Stock Exchange of India Limited (NSE)	HINDUNILVR
ISIN	INE030A01027

The listing fee for the financial year 2015-16 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, 2015 are as under:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-14	619.85	556.25	18,56,465	619.80	556.00	2,32,19,699
May-14	608.60	550.30	28,99,110	615.00	550.25	3,60,69,095
Jun-14	645.15	589.60	29,19,439	645.95	588.35	2,55,91,163
Jul-14	699.50	614.15	29,91,869	701.30	615.05	2,58,45,392
Aug-14	744.00	680.30	25,03,045	744.90	678.00	2,01,37,137
Sept-14	771.00	722.35	15,33,187	771.90	721.85	1,99,47,771
Oct-14	765.00	708.00	14,04,479	766.05	707.15	1,53,61,302
Nov-14	799.00	730.00	17,78,011	798.85	728.75	1,43,99,100
Dec-14	828.75	744.00	11,86,104	829.75	744.50	2,36,08,207
Jan-15	967.00	750.00	60,09,445	968.85	752.65	6,63,62,851
Feb-15	930.50	881.00	21,45,799	930.85	880.40	2,59,90,616
Mar-15	979.00	849.00	23,57,462	981.00	848.95	3,68,90,881

BSE SENSEX VS HUL SHARE PRICE (INDEXED)**NSE NIFTY VS HUL SHARE PRICE (INDEXED)****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
03-01-2005	144.35	425%	6,679.00	312%	142.29	434%	2,115.00	292%
02-01-2006	195.20	288%	9,390.00	193%	192.11	295%	2,835.95	192%
02-01-2007	216.45	250%	13,942.00	97%	213.08	256%	4,007.40	107%
01-01-2008	218.10	248%	20,300.00	36%	218.45	248%	6,144.35	35%
01-01-2009	250.75	202%	9,903.46	178%	250.75	203%	3,033.45	173%
04-01-2010	264.70	186%	17,558.73	57%	264.70	187%	5,232.20	58%
03-01-2011	313.15	142%	20,561.05	34%	313.15	142%	6,157.60	35%
03-01-2012	407.95	86%	15,939.36	73%	407.70	86%	4,765.30	74%
01-01-2013	530.60	43%	19,580.81	40%	530.60	43%	5,950.85	39%
01-01-2014	570.00	33%	21,222.19	30%	570.65	33%	6,301.65	31%
01-01-2015	758.25	-	27,507.54	-	759.30	-	8,284.00	-

Source: BSE and NSE website

All comparisons are with respect to 1st January, 2015 (the reference date).

Mergers and Demergers

The details of Mergers and Demergers with Companies and respective share exchange ratios are available on 'Investor Centre' page on the website of the Company www.hul.co.in.

Plant Locations

The details of Plant Locations form part of this Report.

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 announcement, annual report, media releases, Company's website and subject specific communications.

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Times of India and Maharashtra Times. These results are also made available on the website of the Company www.hul.co.in/investorrelations/QuarterlyResults. The website also displays vital information relating to the Company and its performance, official press releases and presentation to analysts. The Company also sends quarterly, half yearly and annual results as well as the notice of the Board Meeting to Members on e-mail.

The Investor Centre of the Company's website provides more than 50 Frequently Asked Questions on various topics related to transfers and transmission of shares, dematerialisation, nomination, change of address, loss of share certificates, dividend and sub-division of share certificates. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website of the Company.

The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites.

Investor Services

Web-based Query Redressal System

Members may utilise the facility extended by the Registrar and Transfer Agent for redressal of queries. Investors may visit <http://karisma.karvy.com> and click on "INVESTORS" option for query registration through free identity registration process.

Investors can submit their query in the "QUERIES" option provided on the above website, which would give the grievance a registration number. For accessing the status / response to the query submitted, the grievance registration number can be used at the option "VIEW REPLY" after 24 hours. Investors can continue to put an additional query relating to the case till they get a satisfactory reply.

Investors can provide their feedback on the services provided by the Company and its Registrar and Transfer Agent by filling the Shareholder Satisfaction Survey form available in Investor Centre on website of the Company at www.hul.co.in/investorrelations/ShareholderSatisfactionSurvey/.

Alternative Dispute Redressal

Shareholders

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. Further, in terms of the requirements of the Companies Act, 1956, such dividends / other specified incomes remaining unclaimed / unpaid for a period of seven years are to be credited to the Investor Education and Protection Fund and the Shareholders are not entitled to claim the same thereafter.

Keeping the above in mind, the Company in 2004, pioneered the mechanism of providing an alternate dispute redressal 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.

Consumers / Customers

In line with one of the Company's key tenets of Consumer and Customer Centricity, the Company commenced a process of resolving consumer and customer disputes and grievances through an alternative disputes redressal mechanism. The Company appointed four retired Judges of different High Courts, one in each region, to act as Ombudsman to hear the Company's consumers and customers in a bid to resolve long pending disputes. The Ombudsman independently reviews the merits of the complaint and decides on the issue. The Company has taken the view that the decision arrived at such disputes resolution meetings, while being fully binding on the Company, may not be binding on its consumers and customers and if they choose to continue with litigation, they are free to do so. These meetings were held in all the four regions and achieved reasonable success. The Company believes that such independent dispute resolution mechanism will further reinforce its commitment and credibility with its consumers and also set new benchmarks for the industry.

The Company has also set a consumer care helpline 'Levercare', to help consumers reach the Company for their grievances, suggestions, ideas and to help brands reach out to consumers.

Address for Correspondence

All shareholders' correspondence should be forwarded to M/s. Karvy Computershare Private Limited, the Registrar and 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

Karvy Computershare Private Limited Investor Service Department

Unit : Hindustan Unilever Limited
 Karvy Selenium Tower B,
 Plot 31-32, Gachibowli
 Financial District, Nanakramguda
 Hyderabad - 500 032
 Phone : +91 - 40 - 67161500 ,33211000
 Fax : +91 - 40 - 23420814,23001153
 Toll Free no.: 1800-345-4001
 E-mail : inward.ris@karvy.com
 Website : www.karvy.com

Hindustan Unilever Limited
 Unilever House,
 B. D, Sawant Marg, Chakala,
 Andheri (East), Mumbai - 400 099
 Phone : +91 - 22 - 39832285 / 32452
 Fax : +91 - 22 - 28249457
 E-mail : levercare.shareholder@unilever.com
 Website : www.hul.co.in

Compliance Officer

Mr. Dev Bajpai
 Executive Director (Legal & Corporate
 Affairs) and Company Secretary
 E-mail : levercare.shareholder@unilever.com
 Phone : +91 - 22 - 39832557 / 32358 /
 32532 / 32312

Loans and advances in the nature of loan to subsidiaries:

Information pursuant to Clause 32 of the Listing Agreement

Name of the Company	Rs. crores	
	Balance as at 31st March, 2015	Maximum outstanding during the year
Lakme Lever Private Limited	166.77	217.77
Brooke Bond Real Estates Private Limited	-	18.01
Pond's Exports Limited	12.00	14.00

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, 2015 and based on 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.

Mumbai : 8th May, 2015

Sanjiv Mehta

Managing Director and
Chief Executive Officer
(DIN: 06699923)

P. B. Balaji

Executive Director - Finance & IT
and Chief Financial Officer
(DIN: 02762983)

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Hindustan Unilever Limited

We have examined the compliance of conditions of Corporate Governance by Hindustan Unilever Limited ('the Company') for the year ended 31 March, 2015, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. 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.

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 Agreement.

We further 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.

For M/s. B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/ W - 100022

Akeel Master

Partner

Membership No: 046768

Mumbai : 8th May, 2015

SECRETARIAL STANDARDS REPORT

The Board of Directors,
Hindustan Unilever Limited
CIN : L15140MH1933PLC002030
Unilever House,
B D Sawant Marg,
Chakala, Andheri (East),
Mumbai 400 099.

At the request of the management, we have examined relevant registers, records and documents maintained and made available to us by Hindustan Unilever Limited ("the Company") for the period commencing from 1st April, 2014 to 31st March, 2015 for compliances of Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

ICSI had issued Secretarial Standards numbering 1 to 10 with reference to the provisions of the Companies Act, 1956 which were recommendatory in nature and the management had voluntarily decided to adhere to them. During the period under review ICSI had not issued corresponding Secretarial Standards with reference to the provisions of the Companies Act, 2013; nonetheless, the management had decided to continue to adhere to Standards issued earlier and comply with the same to the extent applicable to the Company.

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of Standards.

In our opinion and to the best of our information and according to the explanation given to us, we report that the Company has complied with all material aspects of applicable Secretarial Standards issued by ICSI.

S. N. Ananthasubramanian & Co

S. N. Ananthasubramanian

FCS : 4206

CP :1774

Thane: 7th May, 2015

SECRETARIAL AUDIT REPORT

To,
The Members,
Hindustan Unilever Limited
CIN : L15140MH1933PLC002030
Unilever House, B. D. Sawant Marg,
Chakala, Andheri (East)
Mumbai - 400099.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hindustan Unilever Limited (hereinafter called the "Company"). 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, 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 authorized 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 on 31st March, 2015, complied with the 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, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 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 the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

SECRETARIAL AUDIT REPORT (CONTD.)

- 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, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October, 2014);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable as the Company has not issued any debt securities;
 - 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 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 - Not applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the financial year under review;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back / propose to buyback any of its securities during the financial year under review.
- vi. The Company has identified the following laws as specifically applicable to the Company:
1. The Hazardous Wastes (Management and Handling) Rules 1989;
 2. The Insecticide Act, 1968;
 3. The Drugs and Cosmetics Act, 1940;
 4. The Prevention of Food Adulteration Act, 1954;
 5. The Legal Metrology Act, 2009;
 6. The Legal Metrology (Packaged Commodities) Rules, 2011;
 7. Food Safety and Standards Act, 2006 and Rules 2011 with allied rules and regulations.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) – ICSI had issued Secretarial Standards numbering 1 to 10 with reference to the provisions of the Companies Act, 1956 which were recommendatory in nature and the management had voluntarily decided to

adhere to them. During the period under review ICSI had not issued Standards corresponding with reference to the provisions of the Companies Act, 2013; nonetheless, the management had decided to continue to adhere to Standards issued earlier.

- (ii) The 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: -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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 that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

- as informed, the Company has responded to notices for demands, claims, penalties etc levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

We further report that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

S. N. Ananthasubramanian & Co

S. N. Ananthasubramanian

Thane: 7th May, 2015

FCS : 4206
CP : 1774

Note : This report should be read with the letter of even date by the Secretarial Auditors, which is available on the website of the Company www.hul.co.in

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 8.42% for 2014-15 (9.63% for 2013-14)

*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 7.74% for 2014-15)

+

Market risk premium (taken at 4.42%) (x) Beta variant for the Company, (taken at 0.719) 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 = 7.74% + 4.42% (x) 0.719 = 10.91%

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:

- Operating profits can be made to grow without employing more capital, i.e. greater efficiency.
- Additional capital's invested in projects that return more than the cost of obtaining new capital, i.e. profitable growth.
- 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.

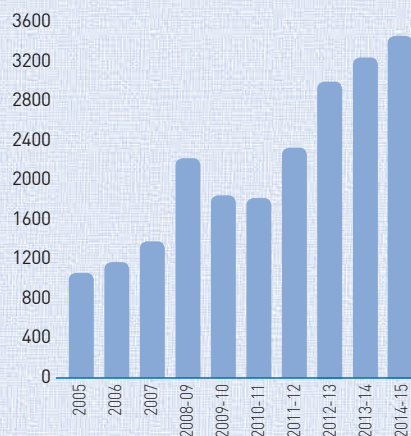
ECONOMIC VALUE ADDED (Contd.)

EVA Trends:2005-2015 (Unaudited)

[Rs. crores]

Particulars	2005	2006	2007	2008-09 (15 months)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Cost of Capital Employed (COCE)										
1 Average Debt	360	163	382	342	119	2	0	0	0	0
2 Average Equity	2,200	2,515	2,402	1,928	2,497	3,118	3,462	4,018	3,715	4,338
3 Average Capital Employed : (1) + (2)	2,560	2,678	2,784	2,270	2,616	3,120	3,462	4,018	3,715	4,338
4 Cost of Debt, post-tax %	3.38	5.90	6.24	3.91	3.95	5.36	6.20	6.02	6.36	5.56
5 Cost of Equity %	15.50	16.38	17.59	14.47	12.51	12.93	10.10	10.07	11.62	10.91
6 Weighted Average Cost of Capital % (WACC)	13.80	15.74	16.03	12.88	12.12	12.92	10.10	10.07	11.62	10.91
7 COCE : (3) x (6)	353	421	446	365	317	403	350	405	432	474
Economic Value Added (EVA)										
8 Profit after tax, before exceptional items	1,355	1,540	1,743	2,501	2,103	2,153	2,599	3,314	3,555	3,843
9 Add : Interest, after taxes	12	7	17	17	5	0	1	17	24	11
10 Net Operating Profits After Taxes (NOPAT)	1,367	1,547	1,760	2,518	2,108	2,153	2,600	3,331	3,579	3,854
11 COCE, as per (7) above	353	421	446	365	317	403	350	405	432	474
12 EVA : (10) - (11)	1,014	1,126	1,314	2,154	1,791	1,750	2,250	2,926	3,147	3,380

Economic Value Added (EVA) [Rs. crores]



INDEPENDENT AUDITORS' REPORT

to Members of Hindustan Unilever Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Hindustan Unilever Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial

statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

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 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 March 31, 2015, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section 3 of Section 143 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

INDEPENDENT AUDITORS' REPORT (Contd.)

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors as on March 31, 2015 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2015 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the other matters to be included in the Auditors' 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:
1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
 2. Provision has been made in the financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts - Refer Note 55 to the financial statements; and
 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Akeel Master
Partner
Membership No: 046768

Mumbai: 8 May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in our report of even date]

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control system.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) 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 Provident fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax, Wealth tax, Sales tax, Value added tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this report.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the year and has not incurred cash losses during the year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution or debentures holders during the year.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

- (x) According to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loan taken by others from bank are not prejudicial to the interest of the Company. The Company has not given any guarantees for loan taken by others from financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not raised any term loans.
- (xii) According to the information and explanations given to us,

no instances of material fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Akeel Master
Partner
Membership No: 046768

Mumbai: 8 May, 2015

Annexure I

Name of the statute	Nature of dues	Amount Demanded (Rs. crores)	Amount deposited under dispute (Rs in crores)	Periods to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise duty Including Interest and penalty, if applicable	170.90	4.58	1994-2014	Appellate Authority upto Commissioner's level
The Central Excise Act, 1944	Excise duty Including Interest and penalty, if applicable	19.40	0.43	1994-2010	Customs, Excise and Service Tax Appellate Tribunals of various states
The Central Excise Act, 1944	Excise duty Including Interest and penalty, if applicable	5.30	-	2003- 2012	High Courts of various states
Customs Act, 1962	Custom Duty, Including Interest and penalty, if applicable	1.71	-	2011-2012	Appellate Authority upto Commissioner's level
Central and Local Sales Tax Acts	Sales tax (including interest and penalty, as applicable)	127.83	32.07	1985-2015	Appellate Authority upto Commissioner's level
Central and Local Sales Tax Acts	Sales tax (including interest and penalty, as applicable)	21.17	2.5	1984-2015	Sales Tax Appellate Tribunals of various states
Central and Local Sales Tax Acts	Sales tax (including interest and penalty, as applicable)	114.82	75.3	1983-2015	High Courts of various states
Central and Local Sales Tax Acts	Sales tax (including interest and penalty, as applicable)	22.23	9.42	1985-2007	Supreme Court
Service Tax (Finance Act, 1994)	Appellate Authority upto Commissioner's level	80.55	0.5	2005-2014	Appellate Authority upto Commissioner's level
Income Tax Act, 1961	Income Tax Including interest and penalty, as applicable	117.14	-	1979 - 1980, 1991, 2009 - 2010	Appellate Authority - upto Commissioner's Level
Income Tax Act, 1961	Income Tax Including interest and penalty, as applicable	0.20	-	1963 - 1964, 1982 - 1983	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax Including interest and penalty, as applicable	0.06	-	1982 - 1983	Bombay High Court

BALANCE SHEET

As at 31st March, 2015

(All amounts in Rs. crores, unless otherwise stated)

	Note	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	216.35	216.27
Reserves and surplus	4	3,508.43	3,060.78
Non-current liabilities			
Other long-term liabilities	5	170.11	278.82
Long-term provisions	6	956.35	923.99
Current liabilities			
Trade payables	7	5,288.90	5,623.84
Other current liabilities	9	908.05	911.33
Short-term provisions	10	2,585.87	1,983.37
TOTAL		13,634.06	12,998.40
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	2,435.50	2,397.94
Intangible assets	13	22.03	24.12
Capital work-in-progress		479.01	312.08
Intangible assets under development		-	7.70
Non-current investments	14	654.11	636.17
Deferred tax assets (net)	15	195.96	161.73
Long-term loans and advances	16	583.46	605.51
Other non-current assets	17	0.44	0.68
Current assets			
Current investments	18	2,623.82	2,457.95
Inventories	19	2,602.68	2,747.53
Trade receivables	20	782.94	816.43
Cash and bank balances	21	2,537.56	2,220.97
Short-term loans and advances	22	657.27	528.78
Other current assets	23	59.28	80.81
TOTAL		13,634.06	12,998.40
Significant accounting policies	2		
Contingent liabilities, capital and other commitments	24, 25		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For B S R & Co. LLP

Firm Registration No. 101248W/W - 100022
Chartered Accountants

Akeel Master

Partner
Membership No. 046768

Mumbai: 8th May, 2015

For and on behalf of Board of Directors

Sanjiv Mehta

Managing Director and CEO
[DIN: 06699923]

Aditya Narayan

Chairman - Audit Committee
[DIN: 00012084]

Ritesh Tiwari

Group Contoller

Mumbai: 8th May, 2015

PB Balaji

Executive Director (Finance & IT) and CFO
[DIN: 02762983]

Dev Bajpai

Executive Director Legal and Company Secretary
Membership No. FCS 3354

STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2015

(All amounts in Rs. crores, unless otherwise stated)

	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
REVENUE FROM OPERATIONS (GROSS)	27	32,721.44	29,557.90
Less: Excise duty		(1,915.82)	(1,538.77)
Revenue from operations (net)		30,805.62	28,019.13
Other income	28	618.39	621.03
TOTAL REVENUE		31,424.01	28,640.16
EXPENSES			
Cost of materials consumed	29	11,867.31	11,159.81
Purchases of stock-in-trade	30	3,697.96	3,350.19
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	31	58.28	(166.38)
Employee benefits expenses	32	1,578.89	1,435.95
Finance costs	33	16.82	36.03
Depreciation and amortisation expenses	34	286.69	260.55
Other expenses	35	8,394.94	7,764.30
TOTAL EXPENSES		25,900.89	23,840.45
Profit before exceptional items and tax		5,523.12	4,799.71
Exceptional items	36	664.30	228.68
Profit before tax		6,187.42	5,028.39
Tax expenses			
Current tax	37	(1,902.33)	(1,117.84)
Deferred tax credit/(charge)	38	30.17	(43.06)
PROFIT FOR THE YEAR		4,315.26	3,867.49
Earnings per equity share	39		
Basic (Face value of Re. 1 each)		Rs. 19.95	Rs. 17.88
Diluted (Face value of Re. 1 each)		Rs. 19.94	Rs. 17.87
Significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For B S R & Co. LLP

Firm Registration No. 101248W/W - 100022
Chartered Accountants

Akeel Master

Partner
Membership No. 046768

Mumbai: 8th May, 2015

For and on behalf of Board of Directors

Sanjiv Mehta

Managing Director and CEO
[DIN: 06699923]

Aditya Narayan

Chairman - Audit Committee
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Ritesh Tiwari

Group Controller

Mumbai: 8th May, 2015

PB Balaji

Executive Director (Finance & IT) and CFO
[DIN: 02762983]

Dev Bajpai

Executive Director Legal and Company Secretary
Membership No. FCS 3354

CASH FLOW STATEMENT

For the year ended 31st March, 2015

(All amounts in Rs. crores, unless otherwise stated)

	Year ended 31st March, 2015	Year ended 31st March, 2014
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and tax	5,523.12	4,799.71
Adjustments for:		
Depreciation and amortisation expenses	286.69	260.55
Net gain on sale of investments	(294.38)	(259.08)
(Profit)/Loss on fixed assets sold, scrapped, etc. (net)	(2.79)	12.25
Interest income	(205.78)	(258.02)
Dividend income	(118.23)	(103.93)
Provision for expense on employee stock options/performance share schemes	19.41	7.00
Provision for diminution in the value of non-current investments	-	13.46
Write back for doubtful debts and advances (net)	(3.31)	(18.35)
Bad debts/advances written off	5.54	22.11
Provision for Mark to Market loss on derivative instruments	36.60	17.33
Unrealised foreign exchange differences	1.23	2.26
Interest expense	16.82	36.03
	(258.20)	(268.39)
Cash Generated from operations before working capital changes	5,264.92	4,531.32
Adjustments for:		
(Increase)/decrease in trade receivables	30.91	13.04
(Increase)/decrease in short-term loans and advances	(130.10)	70.61
(Increase)/decrease in long-term loans and advances	30.19	(64.99)
Increase/(decrease) in trade payables	(372.76)	606.61
Increase/(decrease) in long-term provisions	41.93	51.12
Increase/(decrease) in short-term provisions	159.47	(3.39)
Increase/(decrease) in other current liabilities	(11.35)	368.96
Increase/(decrease) in other long term liabilities	(108.71)	(344.87)
(Increase)/decrease in inventories	144.85	(220.54)
	(215.57)	476.55
Cash generated from operations	5,049.35	5,007.87
Taxes paid (net of refunds)	(1,940.43)	(1,278.53)
Cash flow before exceptional items	3,108.92	3,729.34
Exceptional items:		
Amounts paid for other restructuring activities	(5.16)	(5.19)
Net cash generated from operating activities - [A]	3,103.76	3,724.15
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of tangible/intangible assets	(526.54)	(530.81)
Sale proceeds of tangible assets	31.79	19.66
Investment in equity shares of a subsidiary	(40.00)	(100.64)
Purchase of non-current investments	(22.52)	(11.13)
Sale of non-current investments	119.37	9.13
Redemption of long term deposits with banks	296.03	-
Purchase of current investments	(17,435.19)	(9,537.48)
Sale proceeds of current investments	17,405.32	9,091.73
Loans given to subsidiaries/fellow subsidiaries	(75.64)	(261.77)
Loans repaid by subsidiaries/fellow subsidiaries	101.01	135.74
Investment in bank deposits (having original maturity more than 3 months)	(2,513.00)	(2,549.72)
Redemption/maturity of bank deposits (having original maturity more than 3 months)	2,009.97	2,641.19

CASH FLOW STATEMENT (CONTD.)

For the year ended 31st March, 2015

(All amounts in Rs. crores, unless otherwise stated)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Interest received	224.98	210.38
Gain on sale of short term highly liquid investments	51.22	29.53
Dividend received from subsidiaries	99.55	130.63
Dividend received from others	18.68	13.27
Cash flow before exceptional items	(254.97)	(710.29)
Exceptional items:		
Consideration received on disposal of surplus properties	521.09	197.13
Consideration received on disposal of a subsidiary	181.92	-
Net cash generated/(used in) from investing activities - [B]	448.04	(513.16)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Dividends paid	(2,912.30)	(2,472.70)
Dividend distribution tax paid	(515.27)	(406.39)
Amounts deposited in bank accounts towards unpaid dividends	(8.23)	(14.19)
Interest paid	(16.82)	(25.02)
Proceeds from share allotment under employee stock options/performance share schemes	2.18	1.51
Net cash used in financing activities - [C]	(3,450.44)	(2,916.79)
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	101.36	294.20
Cash and cash equivalents at the beginning of the year	620.61	326.41
Cash and cash equivalents at the end of the year	721.97	620.61
Cash and cash equivalents comprise of:		
Cash on hand	0.74	1.42
Balances with banks		
In current accounts	31.87	34.50
Term deposits with original maturity of less than three months	542.09	417.02
Short term, highly liquid investments		
Treasury bills with original maturity of less than three months	147.27	167.67
	721.97	620.61

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".
- Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

As per our report of even date

For B S R & Co. LLP

Firm Registration No. 101248W/W - 100022
Chartered Accountants

Akeel Master

Partner
Membership No. 046768

Mumbai: 8th May, 2015

For and on behalf of Board of Directors

Sanjiv Mehta

Managing Director and CEO
[DIN: 06699923]

Aditya Narayan

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Group Controller

Mumbai: 8th May, 2015

PB Balaji

Executive Director (Finance & IT) and CFO
[DIN: 02762983]

Dev Bajpai

Executive Director Legal and Company Secretary
Membership No. FCS 3354

NOTES

to the financial statements for the year ended 31st March, 2015

(All amounts in Rs. crores, unless otherwise stated)

1) COMPANY INFORMATION

Hindustan Unilever Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is a market leader in the FMCG business comprising Home and Personal Care (HPC), Foods and Refreshments. The Company has manufacturing facilities across the country and Research and Development centres in Mumbai and Bangalore and sells primarily in India through independent distributors and modern trade.

2) SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. 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/non-current classification of assets and liabilities.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes in these financial statements.

2.2. Revenue recognition

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are recognised net of trade discounts, rebates, sales taxes and excise duties (on goods manufactured and outsourced).

Income from export incentives such as duty drawback and premium on sale of import licenses, and lease license fee are recognised on accrual basis.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service

is performed using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and is recognised net of service tax, as applicable.

Interest on investments is recognised on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend income on investments is recognised when the right to receive dividend is established.

2.3. Expenditure

Expenses are accounted on accrual basis.

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility and other criteria as set out in paragraph 44 of AS 26 - 'Intangible Assets' have been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible assets.

2.4. Tangible assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of tangible assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements under "Other current assets". Any expected loss is recognised immediately in the Statement of Profit and Loss.

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method at the rates prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

- plant and equipment is depreciated over 4 to 21 years based on the technical evaluation of useful life done by the management.
- assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

2.5. Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis as per rates mentioned below:

Asset class	Rate of amortisation
Goodwill	25%
Brands/Trademarks	25%
Computer Software	20%

2.6. Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. 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. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. 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.

2.7. Investments

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, separately for each individual non-current investments.

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as "Current investments".

All other investments are classified as "Non-current investments".

Investment in land and buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on the building component of the investment property is provided in line with the policy on tangible assets.

2.8. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. 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. 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.

2.9. Trade receivables and Loans and advances

Trade receivables and Loans and advances are stated after making adequate provisions for doubtful balances.

2.10. Provisions and Contingent liabilities

Provisions are recognised when there is a present obligation 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 there is a reliable estimate 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 and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

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.

2.11. Retirement/post retirement benefits

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

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

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 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. The Company's liability towards such defined benefit plans is determined based on valuations, as at the Balance Sheet date, made by independent actuaries using the projected unit credit method. Actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss in the year in which they arise. 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 Statement of Profit and Loss when: a) the Company has a present obligation as a result of past event; b) a reliable estimate can be made of the amount of the obligation; and c) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

2.12. Income taxes

Tax expense for the year comprises current tax and deferred tax.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are

recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date for any write down, as considered appropriate.

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 assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.13. Foreign currency translations

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

Forward exchange contracts outstanding as at the year end on account of firm commitment transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

2.14. Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Company is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the Statement of Profit and Loss on a straight line basis over the primary period of the lease.

2.15. Segment reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further,

- a) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market based.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

- b) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Un-allocated corporate expenses net of un-allocated income".

2.16. Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

2.17. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders 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.

2.18. Employee share based payments

Equity settled stock options granted under "HUL ESOP/ Performance Shares Schemes" are accounted for under the intrinsic value method as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India.

2.19. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

2.20. Government Grants

Government Grants and subsidies are received and recognised after fulfilling the conditions attached to them. Government grants are of the nature of promoters' contribution and are credited to Capital Subsidy which is treated as part of Reserves and Surplus.

3) SHARE CAPITAL

	As at 31st March, 2015	As at 31st March, 2014
Authorised		
2,25,00,00,000 (March 31, 2014: 2,25,00,00,000) equity shares of Re. 1 each	225.00	225.00
Issued, subscribed and fully paid up		
2,16,34,64,851 (March 31, 2014: 2,16,26,96,292) equity shares of Re. 1 each	216.35	216.27
	216.35	216.27

a) Reconciliation of the number of shares

	As at 31st March, 2015 Number of shares	Amount	As at 31st March, 2014 Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	2,16,26,96,292	216.27	2,16,24,72,310	216.25
Add: ESOP shares issued during the year (Refer Note 51)	7,68,559	0.08	2,23,982	0.02
Balance as at the end of the year	2,16,34,64,851	216.35	2,16,26,96,292	216.27

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. 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. 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.

c) Shares held by holding company and subsidiaries of holding company in aggregate

	As at 31st March, 2015	As at 31st March, 2014
Equity Shares of Re. 1 :		
1,11,43,70,148 shares (March 31, 2014 : 1,11,43,70,148 shares) held by Unilever PLC, UK, the holding company	111.44	111.44
34,00,42,710 shares (March 31, 2014 : 34,00,42,710 shares) held by subsidiaries of the holding company	34.00	34.00

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2015	As at 31st March, 2014
Number of shares	1,11,43,70,148	1,11,43,70,148
Unilever PLC, UK, the holding company	51.51%	51.53%

e) Shares reserved for issue under options

	As at 31st March, 2015 Number of shares	Amount	As at 31st March, 2014 Number of shares	Amount
Under 2001 HLL Stock Option Plan: equity shares of Re. 1 each, at an exercise price of Rs. 132.05 per share	23,100	0.00	1,85,300	0.02
Under 2006 HUL Performance Share Scheme: equity shares of Re. 1 each, at an exercise price of Re. 1 per share	3,64,566	0.04	7,93,662	0.08
Under 2012 HUL Performance Share Scheme: equity shares of Re. 1 each, at an exercise price of Re. 1 per share	7,47,221	0.07	6,35,057	0.06
	11,34,887	0.11	16,14,019	0.16

For terms and other details Refer Note 51.

f) Aggregate number of shares bought back during 5 years immediately preceding March 31, 2015

	As at 31st March, 2015	As at 31st March, 2014
No. of equity shares bought back by the Company	2,28,83,204	2,28,83,204

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

4) RESERVES AND SURPLUS

	As at 31st March, 2015	As at 31st March, 2014
Capital Reserve	4.22	4.22
Capital Redemption Reserve	6.46	6.46
Securities Premium Account		
Balance as at the beginning of the year	59.76	55.69
Add: Additions during the year on exercise of employee stock options	21.40	4.07
Balance as at the end of the year	81.16	59.76
Revaluation Reserve	0.67	0.67
Employee Stock Options Outstanding Account		
Balance as at the beginning of the year	42.69	38.27
Add: Employee compensation expense for the year (Refer Note 51)	19.41	7.00
Less: Utilised during the year	(19.30)	(2.58)
Balance as at the end of the year	42.80	42.69
Capital Subsidy (Received from Government for eligible projects under its scheme)	6.19	6.19
Export Profit Reserve		
Balance as at the beginning of the year	12.22	12.22
Less: Transfer to General Reserve	(12.22)	-
Balance as at the end of the year	-	12.22
Development Allowance Reserve		
Balance as at the beginning of the year	0.27	0.27
Less: Transfer to General Reserve	(0.27)	-
Balance as at the end of the year	-	0.27
General Reserve		
Balance as at the beginning of the year	2,182.74	1,795.99
Add: Transfer from Surplus in Statement of Profit and Loss	-	386.75
Add: Transfer from Export Profit Reserve	12.22	-
Add: Transfer from Development Allowance Reserve	0.27	-
Less: Adjusted for Depreciation (a)	(7.90)	-
Balance as at the end of the year	2,187.33	2,182.74
Other Reserves (b)	2.51	2.51
(Created on amalgamation of Brooke Bond Lipton India Limited)		
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	743.05	535.28
Add: Profit for the year	4,315.26	3,867.49
Less: Appropriations		
Interim dividend on equity shares for the year [per share Rs. 6.00 (2013-14: Rs. 5.50 per share)]	(1,298.20)	(1,189.41)
Proposed final dividend on equity shares for the year [per share Rs. 9.00 (2013-14: Rs. 7.50 per share)]	(1,947.12)	(1,622.02)
Dividend distribution tax - net (c)	(635.90)	(461.54)
Transfer to General Reserve	-	(386.75)
Balance as at the end of the year	1,177.09	743.05
TOTAL	3,508.43	3,060.78

(a) During the year, the Company has adopted estimated useful life of fixed assets as stipulated by Schedule II to the Companies Act, 2013. Accordingly, depreciation of Rs. 7.90 crores (net of deferred tax of Rs. 4.07 crores) on account of assets whose useful life is already exhausted on April 01, 2014 has been adjusted against General Reserve.

(b) Not available for capitalisation/declaration of dividend/share buyback.

(c) Dividend Distribution Tax (DDT)-net, pertaining to the current year comprises the DDT on interim and proposed final dividend and the credit in respect of tax paid under section 115 O of the Indian Income-tax Act, 1961 by the Company on dividend received from its domestic subsidiaries during the year.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

5) OTHER LONG-TERM LIABILITIES

	As at 31st March, 2015	As at 31st March, 2014
Employee and ex-employee related liabilities	152.06	112.43
Security deposits	18.05	166.39
	170.11	278.82

6) LONG-TERM PROVISIONS

	As at 31st March, 2015	As at 31st March, 2014
Provision for employee benefits (pension, medical, compensated absences and others) (Refer Note 50)	522.65	521.75
Provision for income tax (net of advance tax)	127.78	131.98
Other provisions (including for statutory levies etc) - net (Refer Note 11)	305.92	270.26
	956.35	923.99

7) TRADE PAYABLES

	As at 31st March, 2015	As at 31st March, 2014
Acceptances	437.36	882.35
Trade payables (Refer Note 8)	4,851.54	4,741.49
	5,288.90	5,623.84

8) DUES TO MICRO AND SMALL ENTERPRISES

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

9) OTHER CURRENT LIABILITIES

	As at 31st March, 2015	As at 31st March, 2014
Unpaid dividends (Refer note (a) below)	92.30	84.07
Statutory dues (including provident fund, tax deducted at source and others)	404.16	316.82
Salaries, wages and bonus payable	274.42	262.52
Advance from customers	43.42	34.42
Other payables (VRS, payable for purchase of tangible assets etc.)	93.75	213.50
	908.05	911.33

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 the year end.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

10) SHORT-TERM PROVISIONS

	As at 31st March, 2015	As at 31st March, 2014
Provision for employee benefits (gratuity, pension, medical, compensated absences and others) (Refer Note 50)	50.86	10.24
Provision for wealth tax (net of advance tax)	6.73	5.68
Others		
Provision for proposed final dividend (Refer Note 26)	1,947.12	1,622.02
Provision for dividend distribution tax on proposed final dividend	396.39	275.66
Other provisions (including restructuring etc.) (Refer Note 11)	184.77	69.77
	2,585.87	1,983.37

11) MOVEMENT IN OTHER PROVISIONS (SHORT TERM AND LONG TERM) (REFER NOTES 6 AND 10)

	As at 31st March, 2015	As at 31st March, 2014
Opening balance	340.03	189.21
Provision/reclassified during the year	160.27	153.98
Amount utilised/reversed during the year	(9.61)	(3.16)
Balance at the end of the year	490.69	340.03

Other Provisions (in Short Term and Long Term includes provision for tax disputes, employee related disputes, restructuring and other provisions)

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

	Land				Furniture and Fixtures	Vehicles	Office Equipment	Others	
	- Freehold	- Leasehold	Buildings	Plant and Equipment				- Railway Sidings	Total
Gross Block									
Balance as at April 01, 2013	61.30	55.92	980.76	2,562.22	78.67	1.70	92.26	0.01	3,832.84
Additions	17.28	-	54.21	338.04	3.97	-	6.17	-	419.67
Deletions	(18.76)	(0.01)	(0.26)	(88.52)	(2.22)	(0.31)	(3.63)	-	(113.71)
Balance as at March 31, 2014	59.82	55.91	1,034.71	2,811.74	80.42	1.39	94.80	0.01	4,138.80
Additions	-	-	47.04	300.22	4.93	0.00	8.02	-	360.21
Deletions	(0.97)	(23.57)	(5.32)	(52.24)	(2.57)	(0.06)	(5.68)	-	(90.41)
Balance as at March 31, 2015	58.85	32.34	1,076.43	3,059.72	82.78	1.33	97.14	0.01	4,408.60
Accumulated Depreciation									
Balance as at April 01, 2013	0.07	9.92	218.77	1,263.84	34.55	1.61	47.28	0.01	1,576.06
Additions	-	2.74	29.54	198.71	4.49	0.00	9.35	-	244.84
Deletions	-	(0.00)	(0.10)	(74.70)	(1.52)	(0.31)	(3.39)	-	(80.02)
Balance as at March 31, 2014	0.07	12.66	248.21	1,387.85	37.52	1.30	53.24	0.01	1,740.86
Additions	-	0.77	30.91	214.66	8.15	0.01	20.56	-	275.06
Deletions	-	(7.66)	(0.54)	(40.07)	(1.51)	(0.06)	(4.95)	-	(54.79)
Adjusted with General Reserve	-	-	0.35	-	2.95	-	8.67	-	11.97
Balance as at March 31, 2015	0.07	5.77	278.93	1,562.44	47.11	1.25	77.52	0.01	1,973.10
Net Block									
Balance as at March 31, 2014	59.75	43.25	786.50	1,423.89	42.90	0.09	41.56	-	2,397.94
Balance as at March 31, 2015	58.78	26.57	797.50	1,497.28	35.67	0.08	19.62	-	2,435.50

NOTES :

- Buildings include Rs. 0.00 crore (March 31, 2014 - Rs. 0.01 crore) being the value of shares in co-operative housing societies.
- The title deeds of Freehold Land aggregating Rs. 3.21 crores (March 31, 2014 - Rs. 3.21 crores), acquired on transfer of business/undertakings are in the process of being transferred in the name of the Company.
- Deletions include Assets held for sale shown under 'Other current assets' (Refer Note 23) : Gross block Rs. 1.13 crores (March 31, 2014 - Rs. 3.10 crores), Accumulated depreciation Rs. 0.08 crores (March 31, 2014 - Rs. 0.69 crores) and Net block Rs. 1.05 crores (March 31, 2014 - Rs. 2.41 crores).
- Additions in capital expenditure of Rs. 0.81 crores (March 31, 2014 - Rs. 1.10 crores) and Rs. 1.72 crores (March 31, 2014 - Rs. 4.54 crores) incurred at Company's inhouse R&D facilities at Mumbai and Bangalore respectively are eligible for weighted deduction under section 35 (2AB) of the Income Tax Act, 1961.
- Depreciation of Rs. 11.97 crores on account of assets whose useful life is already exhausted on April 01, 2014 has been adjusted against General Reserve pursuant to adoption of estimated useful life of fixed assets as stipulated by Schedule II of Companies Act, 2013. [Refer Note 4(a)].

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

13) INTANGIBLE ASSETS

(Acquired, unless otherwise stated)

	Goodwill	Brands/ Trademarks	Computer Software	Total
Gross Block				
Balance as at April 01, 2013	11.82	159.85	129.69	301.36
Additions	-	-	2.69	2.69
Deletions	-	-	-	-
Balance as at March 31, 2014	11.82	159.85	132.38	304.05
Additions	-	-	8.75	8.75
Deletions	-	-	(0.04)	(0.04)
Balance as at March 31, 2015	11.82	159.85	141.09	312.76
Accumulated Depreciation				
Balance as at April 01, 2013	11.82	146.35	107.08	265.25
Additions	-	6.00	8.68	14.68
Deletions	-	-	-	-
Balance as at March 31, 2014	11.82	152.35	115.76	279.93
Additions	-	3.75	7.10	10.85
Deletions	-	-	(0.05)	(0.05)
Adjusted with General Reserve	-	-	-	-
Balance as at March 31, 2015	11.82	156.10	122.81	290.73
Net Block				
Balance as at March 31, 2014	-	7.50	16.62	24.12
Balance as at March 31, 2015	-	3.75	18.28	22.03

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

14) NON - CURRENT INVESTMENTS

	As at 31st March, 2015	As at 31st March, 2014
A. INVESTMENT PROPERTY		
Cost of building given on operating lease	-	27.65
Less: Accumulated depreciation	-	(8.20)
Net block	-	19.45
Total (A)	-	19.45
B. TRADE INVESTMENTS (VALUED AT COST UNLESS OTHERWISE STATED)		
a) Quoted equity instruments		
- Equity shares [March 31, 2014: 38,33,619] of Rs. 10 each held in Tata Chemicals Limited	-	11.66
	-	11.66
b) Unquoted equity instruments		
Investment in subsidiaries		
29,75,000 Equity shares [March 31, 2014: 29,75,000] of Rs. 10 each held in Unilever India Exports Limited	72.63	72.63
3,59,07,547 Equity shares [March 31, 2014: 2,00,00,000] of Rs. 10 each held in Lakme Lever Private Limited [Refer Note (i) below]	172.43	20.00
7,36,560 Equity shares [March 31, 2014: 7,36,560] of Nepalese Rs. 100 each held in Unilever Nepal Limited	4.60	4.60
1,79,10,132 Equity shares [March 31, 2014: 1,79,10,132] of Re. 1 each held in Pond's Export Limited	2.58	2.58
- Equity shares [March 31, 2014: 20,05,600] of Rs. 100 each held in Aquagel Chemicals Private Limited [Refer Note (i) below]	-	112.43
Investment in joint venture		
4,24,10,843 Equity shares [March 31, 2014: 3,97,00,000] of Rs. 10 each held in Kimberly Clark Lever Private Limited [net of provision for other than temporary diminution in value Rs. 49.71 crores (March 31, 2014: Rs. 49.71 crores)]	35.94	13.43
Investment in associates		
52,000 Equity shares [March 31, 2014: 52,000] of Rs. 100 each held in Aquagel Chemicals Bhavanagar Private Limited	0.52	0.52
58,400 Equity shares [March 31, 2014: 58,400] of Rs. 10 each held in Hi Tech Surfactants Limited	0.06	0.06
Others		
- Equity shares [March 31, 2014: 7,164] of Rs. 100 each held in Goldfield Fragrances Private Limited	-	0.02
96,125 Equity shares [March 31, 2014: 96,125] of Rs. 10 each held in Hindustan Field Services Private Limited	0.10	0.10

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

14) NON - CURRENT INVESTMENTS (CONTD.)

		As at 31st March, 2015	As at 31st March, 2014
1,000	Equity shares [March 31, 2014: 1,000] of Rs. 10 each held in Super Bazar Co-operative Stores Limited	0.00	0.00
1	Equity share [March 31, 2014: 1] of Rs. 10,000 each held in Coffee Futures India Exchange Limited	0.00	0.00
50	Equity shares [March 31, 2014: 50] of Rs. 100 each held in Dugdha Sahakari Kraya-Vikraya Samiti Limited	0.00	0.00
		288.86	226.37
c) Unquoted preference instruments			
5,20,000	9% Cumulative Redeemable Preference Shares [March 31, 2014: 5,20,000] of Rs. 100 each held in Aquagel Chemicals Bhavanagar Private Limited	5.20	5.20
		5.20	5.20
Total (B)		294.06	243.23
C. OTHER INVESTMENTS (VALUED AT COST UNLESS OTHERWISE STATED)			
a) Quoted equity instruments			
10,000	Equity shares [March 31, 2014: 10,000] of Rs. 10 each held in Scooters India Limited	0.01	0.01
		0.01	0.01
b) Unquoted equity instruments			
Investment in subsidiaries			
-	Equity shares [March 31, 2014: 1,29,46,000] of Rs. 10 each held in Brooke Bond Real Estates Private Limited	-	12.95
50,00,000	Equity shares [March 31, 2014: 50,00,000] of Rs. 10 each held in Jamnagar Properties Private Limited	5.00	5.00
2,21,700	Equity shares [March 31, 2014: 2,21,700] of Rs. 10 each held in Daverashola Estates Private Limited	4.51	4.51
50,000	Ordinary shares [March 31, 2014: 50,000] of Rs. 10 each held in Levindra Trust Limited	0.05	0.05
50,000	Ordinary shares [March 31, 2014: 50,000] of Rs. 10 each held in Hindlever Trust Limited	0.05	0.05
50,000	Ordinary shares [March 31, 2014: 50,000] of Rs. 10 each held in Levers Associated Trust Limited	0.05	0.05
7,600	Equity shares [March 31, 2014: 7,600] of Rs. 10 each held in Hindustan Unilever Foundation	0.01	0.01
10,000	Equity shares [March 31, 2014: 2,500] of Rs. 10 each held in Bhavishya Alliance Child Nutrition Initiatives	0.01	0.00
Investment in associates			
2,40,000	Equity shares [March 31, 2014: 2,40,000] of Rs. 10 each held in Comfund Financial Services India Limited	0.24	0.24

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

14) NON - CURRENT INVESTMENTS (CONTD.)

	As at 31st March, 2015	As at 31st March, 2014
Investment in others		
1,00,000 Equity shares [March 31, 2014: 1,00,000] of Rs. 10 each held in Biotech Consortium India Limited	0.10	0.10
8,284 Equity shares [March 31, 2014: 8,284] of Rs. 10 each held in Assam Bengal Cereals Limited	0.01	0.01
200 Equity shares [March 31, 2014: 200] of Rs. 100 each held in The Nilgiri Co-operative Enterprises Limited	0.00	0.00
1,000 Equity shares [March 31, 2014: 1,000] of Rs. 10 each held in Saraswat Co-operative Bank Limited	0.00	0.00
1,150 Ordinary shares [March 31, 2014: 1,150] of Rs. 100 each held in Annamallais Ropeway Company Limited	0.00	0.00
	10.03	22.97
c) Unquoted other instruments		
Investment in debentures and bonds		
- 6% Capital Gains Bond [March 31, 2014: 500] face value of Rs. 10,000 each held in National Highway Authority of India	-	0.50
14 6 1/2% Non-redeemable Registered Debentures [March 31, 2014: 14] face value of Rs. 1,000 each held in The Bengal Chamber of Commerce & Industry	0.00	0.00
44 1/2% Debentures [March 31, 2014: 44] face value of Rs. 100 each held in Woodlands Hospital and Medical Research Centre Limited	0.00	0.00
1 5% Non-redeemable Registered Debenture stock [March 31, 2014: 1] face value of Rs. 100 each held in Woodlands Hospital and Medical Research Centre Limited	0.00	0.00
56 5% Debentures [March 31, 2014: 56] face value of Rs. 100 each held in Shillong Club Limited	0.00	0.00
Investment in government and trust securities		
7 Year National Savings Certificates - II Issue	0.01	0.01
Investment in controlled trust		
Hindustan Unilever Limited Securitisation of Retirement Benefit Trust	350.00	350.00
	350.01	350.51
Total (C)	360.05	373.49
Total (A+B+C)	654.11	636.17
Aggregate amount of quoted investments	0.01	11.67
Market Value of quoted investments	0.02	110.11
Aggregate amount of unquoted investments	654.11	605.05
Aggregate amount of investment property	-	19.45
Aggregate provision for diminution other than temporary in the value of non-current investments	49.71	49.71

(i) Pursuant to the scheme of amalgamation of Aquagel Chemicals Private Limited with Lakme Lever Private Limited under Sections 391 to 394 of the Companies Act, 1956 (or re-enactment thereof upon effectiveness of the Companies Act, 2013) as sanctioned by Honourable High Court of Judicature of Bombay vide its Order dated February 06, 2015, the entire business and all assets and liabilities of Aquagel Chemicals Private Limited were transferred and vested in Lakme Lever Private Limited effective from the appointed date, i.e. April 01, 2014. Accordingly, the Company has reassigned the investments made in Aquagel Chemicals Private Limited to Lakme Lever Private Limited.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

15) DEFERRED TAX ASSETS (NET)

	As at 31st March, 2015	As at 31st March, 2014
Deferred tax assets		
Provision for post retirement benefits and other employee benefits	153.18	148.28
Provision for doubtful debts and advances	29.00	28.26
Expenses allowable for tax purposes when paid	136.25	110.54
Other timing differences	148.19	109.06
	466.62	396.14
Deferred tax liabilities		
Depreciation	(270.66)	(234.41)
	195.96	161.73

Refer Note 4(a) for utilisation of Deferred Tax of Rs. 4.07 crores (2013-14: Nil) on depreciation on account of assets whose useful life is already exhausted on April 01, 2014 has been adjusted against General Reserve.

16) LONG-TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)

	As at 31st March, 2015	As at 31st March, 2014
Capital advances	9.01	10.82
Security deposits		
- Deposits with customs, port trust, excise and other government authorities	35.12	55.38
- Deposits with others	99.76	103.57
Loans and advances to related parties (Refer Note 57)	179.77	205.14
Advance income tax (net of provision for tax)	247.36	212.40
Advance agriculture tax (net of provision for tax)	5.09	5.09
Other loans and advances (includes employee advances, advances for materials etc)		
- Considered good	7.35	13.11
- Considered doubtful	46.60	50.98
- Less: Provision for doubtful loans and advances	(46.60)	(50.98)
	583.46	605.51

17) OTHER NON-CURRENT ASSETS

	As at 31st March, 2015	As at 31st March, 2014
Long term deposits with banks with original maturity of more than twelve months	0.44	0.68
	0.44	0.68

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

18) CURRENT INVESTMENTS (with original maturity of between 3 months and 12 months) (At cost or market value, whichever is less)

	As at 31st March, 2015	As at 31st March, 2014
Quoted		
Government securities		
Treasury bills of face value aggregating Rs. 1,353.87 crores [March 31, 2014 - Rs. 1,776.44 crores]	1,303.80	1,707.95
Government Securities of face value aggregating Rs. 445.00 crores [March 31, 2014 - Rs. Nil]	463.69	-
Unquoted		
Mutual Funds		
UTI Mutual Fund - Units UTI Liquid Fund - Cash Plan - Direct - Growth - 2,644,859 units [March 31, 2014: 2,618,552 units]	556.03	550.00
DWS Insta Cash Plus Fund - Direct Plan - Growth - 15,604,816 units [March 31, 2014: 12,019,029 units]	265.00	200.00
UTI Mutual Fund-Units UTI Liquid Fund - Cash Plan - IP - Growth - 109,598 units [March 31, 2014: Nil units]	25.01	-
Reliance Liquidity Fund - Direct Plan - Growth - 48,824 units [March 31, 2014: Nil units]	10.29	-
	2,623.82	2,457.95
Aggregate amount of quoted investments	1,767.49	1,707.95
Market value of quoted investments	1,792.03	1,731.33
Aggregate amount of unquoted investments	856.33	750.00

19) INVENTORIES (At the lower of cost and net realisable value)

	As at 31st March, 2015	As at 31st March, 2014
Raw materials [includes in transit: Rs. 24.88 crores, (March 31, 2014 - Rs. 46.21 crores)]	776.87	885.04
Packing materials	108.99	126.98
Work-in-progress [Refer Note 42]	294.83	318.34
Finished goods [includes in transit: Rs. 29.52 crores (March 31, 2014 - Rs. 51.20 crores)] [Refer Note 41]	1,361.00	1,344.83
Stores and spares	60.99	72.34
	2,602.68	2,747.53

Finished goods include stock-in-trade, as both are stocked together

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

20) TRADE RECEIVABLES (Unsecured unless otherwise stated)

	As at 31st March, 2015	As at 31st March, 2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	18.85	34.80
- Considered doubtful	37.20	36.13
	56.05	70.93
Other trade receivables		
- Considered good	764.09	781.63
- Considered doubtful	-	-
	764.09	781.63
Less: Provision for doubtful debts	(37.20)	(36.13)
	782.94	816.43

21) CASH AND BANK BALANCES

	As at 31st March, 2015	As at 31st March, 2014
A. Cash and cash equivalents		
Cash on hand	0.74	1.42
Balances with banks		
In current accounts	31.87	34.50
Term deposits with original maturity of less than three months	542.09	417.02
Short term, highly liquid investments		
Treasury bills with original maturity of less than three months	147.27	167.67
Total (A)	721.97	620.61
B. Other bank balances		
Term deposit with original maturity of more than three months but less than twelve months [including lien and margin money deposits Rs. 2.08 crores (March 31, 2014 - Rs. 2.69 crores)]	1,723.00	1,219.97
Long term deposit with maturity of more than three months but less than twelve months from the Balance Sheet date	0.29	296.32
Unpaid dividend account	92.30	84.07
Total (B)	1,815.59	1,600.36
Total (A+B)	2,537.56	2,220.97

22) SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)

	As at 31st March, 2015	As at 31st March, 2014
Current account balances with group companies and joint venture	83.56	96.05
Other loans and advances	381.52	264.59
Others		
CENVAT receivable	165.16	124.08
VAT credit receivable	27.03	44.06
	657.27	528.78

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

23) OTHER CURRENT ASSETS (Unsecured, considered good unless otherwise stated)

	As at 31st March, 2015	As at 31st March, 2014
Income accrued on investments	6.41	0.04
Income accrued on deposits	32.98	58.31
Export benefits receivable	10.51	8.90
Tangible assets held for sale (at lower of cost and net realisable value) [Refer Note 12 (c)]	9.38	13.56
	59.28	80.81

24) CONTINGENT LIABILITIES

	As at 31st March, 2015	As at 31st March, 2014
Claims against the Company not acknowledged as debts		
Income tax matters	558.99	545.90
Sales tax matters - Rs. 40.54 crores (March 31, 2014 - Rs. 52.84 crores) net of tax	61.42	80.05
Excise duty, service tax and customs duty matters - Rs. 134.23 crores (March 31, 2014 - Rs. 132.61 crores) net of tax	203.35	200.89
Other matters including claims related to employees/ex-employees, property related demands, etc - Rs. 51.62 crores (March 31, 2014 - Rs. 45.74 crores) net of tax	78.20	69.29
(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.		
(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 Income Tax, Excise, Custom, Sales/VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.		
(iv) The Company has given Bank Guarantees in respect of certain matters of above contingent liabilities.		
Corporate Guarantee given	8.20	-

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

25) CAPITAL AND OTHER COMMITMENTS

	As at 31st March, 2015	As at 31st March, 2014
(a) Capital commitments		
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	162.55	95.07
(b) Other commitments		
During the year, the Company has issued letters of undertakings to provide need based financial support to its following wholly owned subsidiaries:		
i) Lakme Lever Private Limited		
ii) Daverashola Estates Private Limited		
iii) Jamnagar Properties Private Limited		
	162.55	95.07

26) PROPOSED DIVIDEND

	As at 31st March, 2015	As at 31st March, 2014
The final dividend proposed for the year is as follows:		
On equity shares of Re. 1 each		
Amount of dividend proposed	1,947.12	1,622.02
Dividend per equity share	Rs. 9.00	Rs. 7.50

27) REVENUE FROM OPERATIONS

	Year ended 31st March, 2015	Year ended 31st March, 2014
Sale of products (Refer Note 40)	32,086.32	28,947.06
Other operating revenue		
Income from services rendered to group companies	511.88	479.57
Others (including scrap sales, export incentives, commission, lease license fee etc.)	123.24	131.27
	32,721.44	29,557.90
Less: Excise duty	(1,915.82)	(1,538.77)
	30,805.62	28,019.13

28) OTHER INCOME

	Year ended 31st March, 2015	Year ended 31st March, 2014
Interest income		
On bank deposits	168.21	204.44
On others (includes interest on income tax refund)	37.57	53.58
Dividend income		
From subsidiaries	99.55	90.66
From current investments	18.42	8.78
From non-current investments	0.26	4.49
Net gain on sale of investments	294.38	259.08
	618.39	621.03

NOTES

to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

29) COST OF MATERIALS CONSUMED

	Year ended 31st March, 2015	Year ended 31st March, 2014
Raw materials consumed (Refer Note 43)	9,435.93	8,912.18
Packing materials consumed	2,431.38	2,247.63
	11,867.31	11,159.81

Cost materials consumed is based on derived values.

30) PURCHASES OF STOCK-IN-TRADE

	Year ended 31st March, 2015	Year ended 31st March, 2014
Purchases of goods (Refer Note 46)	3,697.96	3,350.19
	3,697.96	3,350.19

31) CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK-IN-TRADE) AND WORK-IN-PROGRESS

	Year ended 31st March, 2015	Year ended 31st March, 2014
Opening inventories		
Finished goods	1,344.83	1,280.66
Work-in-progress	318.34	226.96
Closing inventories		
Finished goods	(1,361.00)	(1,344.83)
Work-in-progress	(294.83)	(318.34)
Excise duty on increase/(decrease) of finished goods	50.94	(10.83)
	58.28	(166.38)

32) EMPLOYEE BENEFITS EXPENSES

	Year ended 31st March, 2015	Year ended 31st March, 2014
Salaries, wages, bonus, etc.	1,390.08	1,245.02
Contribution to provident fund and other funds	57.69	85.58
Gratuity	11.74	14.22
Expense on employee stock option schemes (Refer Note 51)	19.41	7.00
Workmen and staff welfare expenses	99.97	84.13
	1,578.89	1,435.95

NOTES

to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

33) FINANCE COSTS

	Year ended 31st March, 2015	Year ended 31st March, 2014
Interest expense on bank overdraft/short term borrowings	0.23	0.06
Interest on Income tax	-	11.01
Interest expense on security deposit	16.59	24.96
	16.82	36.03

34) DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31st March, 2015	Year ended 31st March, 2014
Depreciation on tangible assets	275.06	244.83
Amortisation on intangible assets	10.85	14.68
Depreciation on investment property	0.78	1.04
	286.69	260.55

35) OTHER EXPENSES

	Year ended 31st March, 2015	Year ended 31st March, 2014
Consumption of stores & spares	125.01	111.70
Power, Fuel, Light and Water	304.62	321.05
Processing charges	380.78	354.12
Rent [Refer note (c) below]	196.51	183.94
Repairs to building	12.68	12.16
Repairs to plant and equipment	81.37	84.65
Repairs others	11.32	10.21
Insurance	5.18	5.73
Rates and taxes (excluding income tax)	128.07	129.51
Advertising and sales promotion	3,874.94	3,613.60
Carriage and freight	1,411.51	1,297.73
Provision/(write back) for doubtful debts and advances (net)	(3.31)	(18.35)
Bad debts/advances written off	5.54	22.11
Travelling and motor car expenses	166.07	192.65
(Profit)/Loss on fixed assets sold, scrapped, etc. (net)	(2.79)	12.25
Royalty	735.47	525.29
Miscellaneous expenses [Refer note (d) below]	977.81	917.64
Expenses shared by subsidiary companies for use of common facilities	(15.84)	(11.69)
	8,394.94	7,764.30

NOTES

to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

	Year ended 31st March, 2015	Year ended 31st March, 2014
(a) Miscellaneous expenses include:		
Auditors' remuneration and expenses		
Statutory Audit fees	1.60	1.80
Tax audit fees	0.60	0.70
Non audit fees	-	-
Others		
Fees for other audit related services	1.08	1.24
Fees for certification	0.56	0.64
Reimbursement of out-of-pocket expenses	0.20	0.20
Payments to Cost auditors		
Cost audit fees	0.11	0.22
Reimbursement of out-of-pocket expenses	0.01	0.02
Research and development expenses	62.31	73.64

(b) Total revenue expenditure (net of recoveries) on Research and Development (R&D) included in Note 35, eligible for weighted deduction under section 35(2AB) of the Income Tax Act, 1961 aggregates to Rs. 29.60 crores (2013-14 -Rs. 31.22 crores). The details are:

Location of the R&D facility	Bangalore	Mumbai
Revenue expenditure eligible u/s 35(2AB)		
Salaries & wages	8.08	11.00
	(9.16)	(10.98)
Materials, consumables and spares	0.56	4.59
	(1.06)	(2.92)
Utilities	-	0.16
	-	(0.14)
Other expenditure directly related to R&D	2.37	2.84
	(4.04)	(2.92)

(figures in brackets pertain to 2013-14)

(c) The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godown etc.) and computers. These leasing arrangements which are not non-cancellable (other than those specified in note below), range between 11 months and 10 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss.

The Company has also given certain land and building on operating lease to a third party which has been disposed during the year. The lease arrangement was for a period of 5 years, including a non-cancellable term of 3 years. The license fee of Rs. 23.35 crores (2013-14 - Rs. 30.90 crores) on such lease is included in other operating revenue (Refer Note 27).

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

With respect to non-cancellable period of the operating lease, the future minimum lease license fee receivable is as follows:

	Year ended 31st March, 2015	Year ended 31st March, 2014
Not later than one year	-	30.37

The Company has entered into agreement to take certain land and building on operating lease for warehousing activities from a third party during the year. The lease arrangement is for 10 years, including a non-cancellable term of 9 years. The lease rent of Rs 6.26 crores (2013-14- Rs. Nil) on such lease is included in Rent.

	Year ended 31st March, 2015	Year ended 31st March, 2014
Not later than one year	11.40	-
Later than one year and not later than five years	50.96	-
Later than five years	52.60	-

- (d)** Miscellaneous expenses include provision for other than temporary diminution in the value of investment in joint venture Rs. Nil crores (2013-14 - Rs. 13.46 crores) - Refer note 14(B)(b) and the net foreign exchange loss (i.e. exchange differences on settlement/restatement of all monetary items and mark to market valuation of outstanding forward contracts on account of firm commitments) Rs. 24.41 crores (2013-14 - Rs. 19.40 crores).
- (e)** Other expenses include Rs.82.35 crores spent towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

36) EXCEPTIONAL ITEMS

	Year ended 31st March, 2015	Year ended 31st March, 2014
i) Profit on disposal of surplus properties	503.77	188.31
ii) Profit on disposal of Subsidiary	168.97	-
iii) Reduction in liability for retirement benefits arising from actuarial assumption changes	5.37	50.75
Total exceptional income (A)	678.11	239.06
iv) Restructuring costs :		
a) Other costs	(13.81)	(10.38)
Total exceptional expenditure (B)	(13.81)	(10.38)
Exceptional items (net) (A+B)	664.30	228.68

37) CURRENT TAX

	Year ended 31st March, 2015	Year ended 31st March, 2014
Income tax for the year	1,871.17	1,293.15
Adjustments/(credits) related to previous year - (net)	31.16	(175.31)
	1902.33	1,117.84

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

38) DEFERRED TAX

	Year ended 31st March, 2015	Year ended 31st March, 2014
Deferred tax for the year - (credit)/charge	(33.82)	24.83
Adjustments/(credits) related to previous year - (net)	3.65	18.23
	(30.17)	43.06

39) EARNINGS PER SHARE

	Year ended 31st March, 2015	Year ended 31st March, 2014
Earnings Per Share has been computed as under:		
Profit for the year (Rs. crores)	4,315.26	3,867.49
Weighted average number of equity shares outstanding	2,16,31,11,502	2,16,25,58,113
Earnings Per Share (Rs.) - Basic (Face value of Re. 1 per share)	Rs. 19.95	Rs. 17.88
Add: Weighted average number of potential equity shares on account of employee stock options/performance share schemes	11,63,349	13,21,344
Weighted average number of Equity shares (including dilutive shares) outstanding	2,16,42,74,851	2,16,28,32,747
Earnings Per Share (Rs.) - Diluted (Face value of Re. 1 per share)	Rs. 19.94	Rs. 17.87

40) SALES (INCLUDING EXPORTS), NET OF EXCISE DUTY

	Year ended 31st March, 2015	Year ended 31st March, 2014
Soaps	6,141.18	5,694.54
Synthetic detergents	7,175.95	6,539.82
Personal products	8,996.69	8,092.72
Tea	2,811.93	2,577.98
Frozen desserts	551.48	454.91
Processed triglycerides/hydrogenated oils/vanaspati	23.73	23.27
Canned and processed fruits and vegetables	905.73	770.20
Branded staple foods (a)	465.11	434.80
Others (b)	3,098.70	2,820.05
	30,170.50	27,408.29

NOTES:

a) Branded staple foods includes breads, wheat flour, iodised salt and rice in consumer packs.

b) Others includes coffee, scourers, water, marine products, agriculture commodities, infant care products etc.

41) CLOSING FINISHED GOODS INVENTORY

	As at 31st March, 2015	As at 31st March, 2014
Soaps	330.04	287.90
Synthetic detergents	229.55	266.78
Personal products	403.52	446.13
Tea	126.68	106.50
Others (coffee, water, scourers, etc.)	271.21	237.52
	1,361.00	1,344.83

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

42) CLOSING WORK-IN-PROGRESS

	As at 31st March, 2015	As at 31st March, 2014
Soaps	59.44	67.99
Synthetic detergents	41.06	46.84
Personal products	43.76	43.26
Tea	129.02	150.12
Others (coffee, water, scourers, etc.)	21.55	10.13
	294.83	318.34

43) RAW MATERIALS CONSUMED

	Year ended 31st March, 2015	Year ended 31st March, 2014
Oils, fats and rosins	1,928.87	1,711.01
Chemicals and perfumes	5,072.60	4,888.19
Tea	1,465.36	1,336.51
Others (coffee, flavours, other chemicals, etc.)	969.10	976.47
	9,435.93	8,912.18

44) VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	%	Amount	%	Amount
Raw materials	9	875.70	8	719.81
	91	8,560.23	92	8,192.37
Stores and spares (including components)	19	24.69	27	29.76
	81	107.41	73	81.94

45) VALUE OF IMPORTS ON CIF BASIS

(excluding purchases from canalising agencies and imported items purchased locally)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Raw and packing materials	827.62	735.98
Stores, spare parts and components	23.93	44.54
Capital goods	81.88	82.11
	933.43	862.63

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

46) PURCHASES OF STOCK-IN-TRADE

	Year ended 31st March, 2015	Year ended 31st March, 2014
Soaps	501.20	357.18
Synthetic detergents	973.53	972.19
Personal products	1,193.29	1,071.72
Tea	0.40	1.75
Frozen desserts	92.44	78.12
Processed triglycerides	14.36	14.33
Others (coffee, water, scourers, etc.)	1,234.87	1,137.33
Total	4,010.09	3,632.62
Less : Excise duty on purchases	(312.13)	(282.43)
	3,697.96	3,350.19

47) EARNINGS IN FOREIGN EXCHANGE

	Year ended 31st March, 2015	Year ended 31st March, 2014
Exports at FOB (including exports to Nepal and Bhutan)	81.07	91.21
Income from services rendered	492.36	456.70
	573.43	547.91

48) EXPENDITURE IN FOREIGN CURRENCY

	Year ended 31st March, 2015	Year ended 31st March, 2014
Professional and consultants fees	1.82	7.84
Royalty	726.98	514.14
Import of stock-in-trade	125.18	150.41
Other expenses (advertisement fees, travel, freight, training, etc)	95.63	116.54
	949.61	788.93

49) NET DIVIDEND REMITTED IN FOREIGN CURRENCY

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Rs. crores	USD crores	Rs. crores	USD crores
2012-13 Final to 7 shareholders on 1,13,48,49,460 shares of Re. 1 each	-	-	680.91	11.49
2013-14 Interim to 7 shareholders on 1,45,44,12,858 shares of Re. 1 each	-	-	799.93	12.93
2013-14 Final to 7 shareholders on 1,45,44,12,858 shares of Re. 1 each	1,090.81	18.12	-	-
2014-15 Interim to 7 shareholders on 1,45,44,12,858 shares of Re. 1 each	872.65	14.18	-	-
	1,963.46	32.30	1,480.84	24.42

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

50) DEFINED BENEFIT PLANS

Gratuity is funded through investment mostly with an insurance service provider and partly through direct investment under Hind Lever Gratuity Fund.

Pension for most employees are managed through a trust, investments with an insurance service provider and for some employees investments are managed through Company managed trust.

Post-retirement medical benefits are managed through investment made under Company managed trust.

Provident Fund for most of the employees are managed through trust investments and for some employees through government administered fund.

As per Actuarial Valuation as on March 31, 2015 and as recognised in the financial statements in respect of Employee Benefit Schemes :

	Gratuity		Management Pension		Officers Pension		Provident Fund #		Post Retirement Medical Benefits	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
I Components of Employer Expense										
(a) Current Service Cost	8.97	11.09	5.40	5.83	0.48	0.53	55.50	51.40	0.51	0.61
(b) Interest Cost	15.23	13.90	38.30	34.03	1.16	1.17	112.80	89.80	14.14	14.48
(c) Expected Return on Plan Assets	(12.46)	(10.77)	(6.82)	(6.58)	(4.18)	(4.14)	(114.70)	(103.40)	-	-
(d) Actuarial (Gain)/Loss	27.58	(13.37)	(1.02)	0.23	(0.23)	(3.06)	1.90	13.60	(33.31)	(32.00)
(e) Total expense/(gain) recognised in the Statement of Profit and Loss	39.32	0.85	35.86	33.51	(2.77)	(5.50)	55.50	51.40	(18.66)	(16.91)
II Net Asset/(Liability) recognised in Balance Sheet as at March 31, 2015										
(a) Present Value of Obligation as at March 31, 2015	204.16	169.22	464.94	442.00	11.68	13.78	1,448.60	1,275.90	136.61	162.57
(b) Fair Value of Plan Assets as at March 31, 2015	(163.33)	(168.37)	(94.38)	(95.73)	(49.91)	(57.76)	(1,448.60)	(1,275.90)	-	-
(c) [Asset]/Liability recognised in the Balance Sheet (Refer notes #, * and @ below)	40.83	0.85	370.56	346.27	-*	-*	-	-	136.61	162.57
Notes:										
#	Refer footnote at the bottom of Note 50									
*	The excess of assets over liabilities in respect of Officer's Pension have not been recognised as they are lying in an Income Tax approved irrevocable trust fund									
@	Refer Note 14(c) in respect of the Company's investment in Hindustan Unilever Limited Securitisation of Retirement Benefit Trust covering management pension and post retirement medical benefits									
III Change in Defined Benefit Obligations (DBO) during the year ended as on March 31, 2015										
(a) Present Value of Obligation as at March 31, 2014	169.22	170.80	442.00	435.62	13.78	15.69	1,275.90	1,145.40	162.57	184.56
(b) Current Service Cost	10.48	11.09	5.40	5.83	0.48	0.53	55.50	51.40	0.51	0.61
(c) Interest Cost	15.23	13.90	38.30	34.03	1.16	1.17	112.80	89.80	14.14	14.48
(d) Settlement Cost/(Credit)	-	-	-	-	(1.02)	(0.02)	(0.40)	-	-	-

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

50) DEFINED BENEFIT PLANS (CONTD.)

	Gratuity		Management Pension		Officers Pension		Provident Fund #		Post Retirement Medical Benefits	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
(e) Acquisition Adjustment	-	-	-	-	-	-	-	5.70	-	-
(f) Employees' contribution	-	-	-	-	-	-	113.50	107.20	-	-
(g) Actuarial (Gain)/Loss	30.00	(8.63)	(0.06)	0.68	(0.27)	(1.89)	4.40	9.90	(33.31)	(32.00)
(h) Benefits Paid	(20.77)	(17.94)	(20.70)	(34.16)	(2.45)	(1.70)	(113.10)	(133.50)	(7.30)	(5.08)
(i) Present Value of Obligation as at March 31, 2015	204.16	169.22	464.94	442.00	11.68	13.78	1,448.60	1,275.90	136.61	162.57
<p>\$ Includes an amount of Rs. 1.51 crores (2013-14: Nil) towards cost borne by the subsidiaries and a fellow subsidiary.</p>										
IV	Changes in the Fair value of Plan Assets									
(a) Present Value of Plan Assets as at March 31, 2014	168.37	148.69	95.73	95.98	57.76	59.89	1,275.90	1,145.40	-	-
(b) Acquisition Adjustment	-	-	-	-	-	-	-	5.70	-	-
(c) Expected Return on Plan Assets	12.46	10.77	6.82	6.58	4.18	4.14	114.70	103.40	-	-
(d) Actuarial Gain/(Loss)	2.42	4.74	0.96	0.44	(0.05)	1.17	2.50	(3.70)	-	-
(e) Assets distributed on settlements	-	-	-	-	(5.53)	(0.02)	(0.40)	-	-	-
(f) Employer's Contribution	0.85	22.11	11.57	26.89	(4.00)	(5.72)	55.50	51.40	7.30	5.08
(g) Employees' contribution	-	-	-	-	-	-	113.50	107.20	-	-
(h) Benefits Paid	(20.77)	(17.94)	(20.70)	(34.16)	(2.45)	(1.70)	(113.10)	(133.50)	(7.30)	(5.08)
(i) Fair Value of Plan Assets as at March 31, 2015	163.33	168.37	94.38	95.73	49.91	57.76	1,448.60	1,275.90	-	-
V	Actual return on Plan Assets									
	14.88	15.51	7.78	7.01	4.13	5.31	117.20	99.70	-	-
VI	Actuarial Assumptions									
Financial Assumptions:										
(a) Discount Rate (per annum)	7.90%	8.85%	7.90%	8.85%	7.90%	8.85%	7.90%	8.85%	7.90%	8.85%
(b) Expected Rate of Return on Assets (per annum)	7.30%	7.30%	7.10%	7.10%	7.40%	7.40%	8.88%	8.80%	N.A.	N.A.
(c) Annual Increase in Healthcare Costs (per annum)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	9.00%	12.00%
<p>The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.</p>										
Demographic Assumptions:										
<p>Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table Mortality in Retirement : LIC Buy-out Annuity Rates & UK Published PA (90) Annuity Rates suitably adjusted for Indian Lives.</p>										

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

50) DEFINED BENEFIT PLANS (CONTD.)

	Gratuity		Management Pension		Officers Pension		Provident Fund #		Post Retirement Medical Benefits	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
VII Effect of Increase or Decrease in Healthcare costs										
Effect of 1% increase in Healthcare Costs on										
- the aggregate of service cost and interest cost									1.50	2.23
- Defined Benefit Obligation									17.97	23.55
Effect of 1% decrease in Healthcare Costs on										
- the aggregate of service cost and interest cost									(1.32)	(1.84)
- Defined Benefit Obligation									(15.91)	(19.46)
VIII Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2015										
(a) Government of India Securities	9.00%	8.00%	-	-	-	-	43.00%	44.00%	-	-
(b) Corporate Bonds	7.00%	7.00%	-	-	-	-	40.00%	37.00%	-	-
(c) Bank Deposits (Special Deposit Scheme, 1975)	-	-	-	-	-	-	14.00%	16.00%	-	-
(d) Administered by Life Insurance Corporation of India	84.00%	85.00%	100.00%	100.00%	100.00%	100.00%	-	-	-	-
(e) Others	-	-	-	-	-	-	3.00%	3.00%	-	-
IX Expected Employers contribution for the next year	40.83	20.00	40.00	30.00	-	-	60.00	57.60	7.33	6.69

	Gratuity	Management Pension	Officers Pension	Provident Fund #	Post Retirement Medical Benefits
	X Present value of DBO, Fair Value of Plan Assets, Deficit/ (Surplus), Experience Adjustments for current and earlier periods:				
i) For the year ended March 31, 2015					
Present value of DBO	204.16	464.94	11.68	1,448.60	136.61
Fair value of plan assets	163.33	94.38	49.91	1,448.60	-
Deficit/(Surplus)	40.83	370.56	(38.23)	-	136.61
Experience adjustments on plan liabilities	9.19	(8.03)	(0.71)	4.40	2.68
Experience adjustments on plan assets	2.42	0.96	(0.05)	2.50	-
ii) For the year ended March 31, 2014					
Present value of DBO	169.22	442.00	13.78	1,275.90	162.57
Fair value of plan assets	168.37	95.73	57.76	1,275.90	-
Deficit/(Surplus)	0.85	346.27	(43.97)	-	162.57
Experience adjustments on plan liabilities	7.56	8.66	(1.35)	9.90	(10.15)
Experience adjustments on plan assets	4.74	0.44	1.17	(3.70)	-

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

50) DEFINED BENEFIT PLANS (CONTD.)

	Gratuity	Management Pension	Officers Pension	Provident Fund #	Post Retirement Medical Benefits
iii) For the year ended March 31, 2013					
Present value of DBO	170.80	435.62	15.70	1,145.40	184.56
Fair value of plan assets	148.69	95.98	59.89	1,145.40	-
Deficit/(Surplus)	22.11	339.64	(44.19)	-	184.56
Experience adjustments on plan liabilities	7.02	(14.41)	2.08	12.30	(8.62)
Experience adjustments on plan assets	2.92	3.91	1.85	5.10	-
iv) For the year ended March 31, 2012					
Present value of DBO	149.80	427.84	15.90		181.54
Fair value of plan assets	132.55	91.86	62.19		-
Deficit/(Surplus)	17.25	335.98	(46.29)		181.54
Experience adjustments on plan liabilities	7.24	2.25	2.47		1.87
Experience adjustments on plan assets	0.21	4.65	0.68		-
v) For the year ended March 31, 2011					
Present value of DBO	134.12	436.45	19.07		170.35
Fair value of plan assets	126.28	103.93	64.84		-
Deficit/(Surplus)	7.84	332.52	(45.77)		170.35
Experience adjustments on plan liabilities	5.35	(30.41)	5.62		2.18
Experience adjustments on plan assets	2.79	3.18	1.68		-

The Guidance Note on Implementing AS 15, 'Employee Benefits' issued by the Accounting Standard Board (ASB) of the Institute of Chartered Accountants of India states that Provident Funds set up by employers that guarantee a specified rate of return and which require interest shortfall to be met by the employer would be defined benefit plans in accordance with the requirements of paragraph 26(b) of AS 15. The year 2012-13 was the first year in which the actuary had given the detailed disclosures in the actuarial valuation report, in view of the issuance of the Guidance Note by the Institute of Actuaries of India. Accordingly the compliance with the disclosure requirements of paragraph 120(n) of AS 15: Employee Benefits in respect of Provident Fund has been done prospectively from 2012-13.

51) EMPLOYEE STOCK OPTION PLAN

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 SEBI (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999.

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, core operating margin improvement and 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 Re. 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 SEBI (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999 and amendments thereof from time to time.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

51) EMPLOYEE STOCK OPTION PLAN (CONTD.)

Scheme	Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (INR) per share	Weighted Average Exercise Price (INR) per share
2001 HLL Stock Option Plan	2004	30-Jun-04	16,30,450	Vested after three years from date of grant	7 years from date of vesting	128.47	128.47
	2005	27-May-05	15,47,700			132.05	132.05
2006 HLL Performance Share Scheme	2009	11-May-09	3,33,811	Vested after three years from date of grant	3 months from date of vesting	1.00	1.00
	Interim PSP 2009	06-Nov-09	4,920			1.00	1.00
	2010	29-Mar-10	2,71,113			1.00	1.00
	Interim PSP 2010	05-Nov-10	51,455			1.00	1.00
	2011	29-Mar-11	3,08,455			1.00	1.00
	Interim PSP 2011	07-Nov-11	47,118			1.00	1.00
	2012	17-Feb-12	4,20,080			1.00	1.00
	Interim PSP 2012	30-Jul-12	51,385			1.00	1.00
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 PSP 2013	29-Jul-13	25,418			1.00	1.00
	2014	14-Feb-14	2,62,155			1.00	1.00
	Interim PSP 2014	28-Jul-14	16,805			1.00	1.00
	2015	13-Feb-15	1,42,038			1.00	1.00

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

51) EMPLOYEE STOCK OPTION PLAN (CONTD.)

Scheme	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	Exercisable at the end of the year	Outstanding at the end of the year
2001 HLL Stock Option Plan	2004	68,900	-	-	68,900	-	-
		(1,36,000)	-	-	(67,100)	(68,900)	(68,900)
	2005	1,16,400	-	-	93,300	23,100	23,100
		(1,65,300)	-	-	(48,900)	(1,16,400)	(1,16,400)
2006 HUL Performance Share Scheme	2010	-	-	-	-	-	-
		(59,137)	-	-	(59,137)	-	-
	Interim PSP 2010	-	-	-	-	-	-
		(45,283)	(7,473)	(3,911)	(48,845)	-	-
	2011	3,50,503	-	-	3,50,503	-	-
		(2,57,869)	(1,11,151)	(18,517)	-	(3,50,503)	(3,50,503)
	Interim PSP 2011	41,282	18,507	-	59,789	-	-
		(43,818)	-	(2,536)	-	-	(41,282)
2012	3,59,170	1,61,526	-	1,96,067	-	3,24,629	
	(3,88,942)	-	(29,772)	-	-	(3,59,170)	
Interim PSP 2012	42,707	-	2,770	-	-	39,937	
	(51,385)	-	(8,678)	-	-	(42,707)	
2012 HUL Performance Share Scheme	2013	3,47,484	-	28,232	-	-	3,19,252
		(3,68,023)	-	(20,539)	-	-	(3,47,484)
	Interim PSP 2013	25,418	-	-	-	-	25,418
		-	(25,418)	-	-	-	(25,418)
	2014	2,62,155	-	18,447	-	-	2,43,708
		-	(2,62,155)	-	-	-	(2,62,155)
	Interim PSP 2014	-	16,805	-	-	-	16,805
		-	-	-	-	-	-
2015	-	1,42,038	-	-	-	1,42,038	

* Granted during the year includes additional shares granted upon meeting the vesting conditions

(figures in bracket pertain to 2013-14)

The Company has adopted the intrinsic value method as permitted by the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India in respect of stock options granted. The value of the underlying shares has been determined by an independent valuer.

The Employee Stock Option Plan includes employees of Hindustan Unilever Limited, its subsidiaries and a subsidiary of parent company.

The Company's profit for the year and earnings per share would have been as under, had the compensation cost for employees' stock options been recognized based on the fair value at the date of grant in accordance with Black Scholes model.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

51) EMPLOYEE STOCK OPTION PLAN (CONTD.)

	31st March, 2015	31st March, 2014
Profit for the year	4,315.26	3,867.49
Add: Reduction in employee compensation cost based on fair value	2.87	1.03
Profit for the year as per fair value method	4,318.13	3,868.52
Basic Earnings Per Share (EPS)		
Weighted average number of equity shares	2,16,31,11,502	2,16,25,58,113
Basic EPS as reported (in Rs.) [Refer Note 39]	19.95	17.88
Proforma Basic EPS (in Rs.)	19.96	17.89
Diluted Earnings Per Share (EPS)		
Weighted average number of equity shares (including dilutive ESOP shares)	2,16,42,74,851	2,16,38,79,457
Diluted EPS as reported (in Rs.) [Refer Note 39]	19.94	17.87
Proforma Diluted EPS (in Rs.)	19.95	17.88
Weighted average equity share price at the date of exercise of options (in Rs.)	696.07	588.46
Weighted average remaining contractual life of options (in years)	1.34	1.43

The following assumptions were used for calculation of fair value of grants:

	Year ended 31st March, 2015	Year ended 31st March, 2014
Risk-free interest rate (%)	7.86%	8.85%
Expected life of options (years) [(year to vesting + contractual option term)/2]	3.125	3.125
Expected volatility (%)	25.44%	25.56%
Dividend yield	1.51%	2.06%

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

Effect of share-based payment plan on the Statement of Profit and Loss:

	Year ended 31st March, 2015	Year ended 31st March, 2014
Expense arising from employee share-based payment plan	19.41	7.00

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

52) DERIVATIVE INSTRUMENTS

a) The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding as at 31st March, 2015 are as under:

Currency exchange	GBP/ INR	EUR/ INR	USD/ INR	SEK/ INR	CAD/ INR	EUR/ USD	GBP/ USD	SGD/ INR
i) Number of 'buy' contracts	7 (1)	42 (26)	39 (76)	10 (4)	2 -	- (4)	- (2)	9 (1)
ii) Aggregate "buy" foreign currency amount (crores)	0.13 (0.01)	2.63 (1.65)	5.15 (5.61)	1.78 (0.97)	0.12 -	- (0.23)	- (0.04)	0.18 (0.02)
iii) Number of 'sell' contracts	-	-	1 (3)	-	-	-	-	-
iv) Aggregate "sell" foreign currency amount (crores)	-	-	0.03 (0.09)	-	-	-	-	-

(figures in bracket pertain to 2013-14)

b) The foreign currency exposures not hedged in respect of trade receivables as at the year end are as under:

Currency exchange	GBP	EUR	USD	SEK	SGD	JPY	THB
Unhedged exposure in currency (crores)	0.00 (0.02)	0.02 (0.04)	0.01 (0.03)	0.05 (0.09)	0.01 (0.02)	0.10 -	0.02 -

(figures in bracket pertain to 2013-14)

c) Mark-to-Market losses

	Year ended 31st March, 2015	Year ended 31st March, 2014
Mark-to-market losses provided for	36.60	17.33

53) INTEREST IN JOINT VENTURE

The Company has the following investment, in a jointly controlled entity:

Name of the entity	Country of Incorporation	Percentage of ownership interest, as at 31st March, 2015	Percentage of ownership interest, as at 31st March, 2014
Kimberly Clark Lever Private Limited	India	50%	50%

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

53) INTEREST IN JOINT VENTURE (CONTD.)

The Company's interest in this Joint Venture is reported as Non-current investment (Refer Note 14) and is stated at cost (net of provision for other than temporary diminution in value). The Company's share of each of the assets, liabilities, income, expenses, etc (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interest in this joint venture, based on the audited financial statements are:

	As at 31st March, 2015	As at 31st March, 2014
(a) ASSETS		
Fixed Assets (including capital work-in-progress)	43.57	28.82
Long-term loans and advances	40.33	32.72
Inventories	33.26	31.95
Trade receivables	3.36	4.82
Cash and bank balances	8.89	10.37
Short-term loans and advances	4.26	3.15
Other current assets	0.25	0.02
(b) LIABILITIES		
Long-term borrowings	7.00	8.44
Deferred tax liability (net)	0.37	0.22
Long-term provisions	-	-
Short-term borrowings	36.04	37.14
Trade payables	54.84	52.07
Other current liabilities	14.43	5.98
Short-term provisions	0.91	0.37
(c) INCOME	177.39	156.61
(d) EXPENSES	180.01	182.46
(e) OTHER MATTERS		
Contingent liabilities	58.03	75.49
Capital commitments	0.13	0.18

54) DISCLOSURES PURSUANT TO CLAUSE 32 OF THE EQUITY LISTING AGREEMENT AND SECTION 186 OF THE COMPANIES ACT, 2013

	Year ended 31st March, 2015	Year ended 31st March, 2014
(a) Loans and advances in the nature of loans to subsidiaries		
Loan to subsidiary: Pond's Exports Limited, India		
Balance as at the year end	12.00	4.50
Maximum amount outstanding at any time during the year (Pond's Export Limited has utilised the loan for meeting working capital requirements. It is repayable over a period of 7 years and carries an average rate of interest at 9.34%)	14.00	4.50
Loan to subsidiary: Lakme Lever Private Limited, India		
Balance as at the year end	167.77	70.00
Maximum amount outstanding at any time during the year (Lakme Lever Private Limited has utilised the loan for meeting capital projects for job work business and working capital requirements of salon business. It is repayable over a period of 7 years and carries an average rate of interest at 9.34%)	217.77	70.00

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

54) DISCLOSURES PURSUANT TO CLAUSE 32 OF THE EQUITY LISTING AGREEMENT AND SECTION 186 OF THE COMPANIES ACT, 2013 (CONTD.)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Loan to subsidiary: Brooke Bond Real Estates Private Limited, India		
Balance as at the year end	-	15.87
Maximum amount outstanding at any time during the year (Brooke Bond Real Estates Private Limited has utilised the loan for meeting working capital requirements which has been repaid during the year and carried an average rate of interest at 9.34%)	18.01	15.87
Loan to subsidiary: Aquagel Chemicals Private Limited, India		
Balance as at the year end	-	114.77
Maximum amount outstanding at any time during the year	-	114.77
(b) Investment by the loanees in the shares of the Company		
The loanees have not made any investments in the shares of the Company		

55) 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 ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

56) PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped/restated wherever necessary to conform with this year's classification. Previous year's financial statements were audited by a firm of Chartered Accountants other than B S R & Co. LLP.

57) RELATED PARTY DISCLOSURES

A. Enterprises where control exists

(i) Holding Company	: Unilever PLC
(ii) Subsidiaries (Extent of holding)	: Aquagel Chemicals Private Limited (100%) (Amalgamated with Lakme Lever Private Limited with effect from April 01, 2014) [Refer Note 14(i)] Brooke Bond Real Estates Private Limited (100%) (upto March 23, 2015) Daverashola Estates Private Limited (100%) Hindlever Trust Limited (100%) Jamnagar Properties Private Limited (100%) Lakme Lever Private Limited (100%) Lever's Associated Trust Limited (100%) Levindra Trust Limited (100%) Pond's Exports Limited (90%) Unilever India Exports Limited (100%) Unilever Nepal Limited (80%) Bhavishya Alliance Child Nutrition Initiatives (100%) (with effect from March 12, 2015) (Section 8 company) Hindustan Unilever Foundation (76%) (Section 8 company)
(iii) Trust	: Hindustan Unilever Limited Securitisation of Retirement Benefit Trust (100% control)

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

57) RELATED PARTY DISCLOSURES (CONTD.)

B. Other Related Parties with whom the Company had transactions during the year

(i) Fellow Subsidiaries

: Brooke Bond Assam Estates Limited
 Brooke Bond Group Limited
 Brooke Bond South India Estates Limited
 Conopco, Inc.
 Corporativo Unilever de Mexico, S.de R.L. de C.V. (merged)
 Glidat Strauss Limited
 Unilever Europe Business Center BV
 Lipton Soft Drinks Ireland
 Mascolo Brothers Limited
 OOO Unilever Russia
 P.T. Unilever Indonesia, Tbk.
 Tigi Holdings Limited
 Tigi Linea International B.V.
 UL Research & Development Vlaard
 Unilever (Malaysia) Holdings Sdn Bhd
 Unilever ASCC AG
 Unilever Asia Private Limited
 Unilever Australia Limited
 Unilever Bangladesh Limited
 Unilever Brasil Limited
 Unilever Business and Marketing Support AG
 Unilever Canada-Food Solutions
 Unilever De Argentina SA
 Unilever Employment Services B.V.
 Unilever Europe IT Services
 Unilever Gulf Free Zone Establishment, Arabia
 Unilever Industries Private Limited
 Unilever Italy Holdings Srl
 Unilever Japan
 Unilever Lipton Ceylon Limited
 Unilever N.V.
 Unilever Overseas Holdings AG
 Unilever Overseas Holdings BV
 Unilever Pakistan Limited
 Unilever Philippines, Inc.
 Unilever Research and Development Vlaardingen B.V.
 Unilever Sanayi ve Ticaret Türk A.S.
 Unilever Singapore PTE LTD
 Unilever SNG
 Unilever South Africa (Pty) Limited
 Unilever South Central Europe S.R.L.
 Unilever Sri Lanka Limited
 Unilever Supply Chain Company AG

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

57) RELATED PARTY DISCLOSURES (CONTD.)

	Unilever Thai Services Limited
	Unilever Thai Trading Limited
	Unilever U.K. Central Resources Limited
	Unilever UK & CN Holdings Limited
	Unilever United States, Inc.
	Unilever Ventures India Advisory Private Ltd
	Unilever Zimbabwe (Pvt) Limited
	Walls (China) Co. Limited
	Unilever Kenya Ltd
	Unilever Andina Ecuador
	Unilever Market Development (pty) Limited
	USUP Spolka z ograniczona odpo
	Lever International Marine Supplies (LIMS) BV
	Toni&Guy Product Limited
	Unilever Belgium BVBA
	Unilever Technology Ventures Advisory Company LLC
	Unilever Iran
	Unilever UK Limited
(ii) Joint Ventures	: Kimberly Clark Lever Private Limited
(iii) Associates	: Aquagel Chemicals (Bhavnagar) Pvt. Ltd. Hi Tech Surfactants Pvt Ltd Comfund Financial Services India Limited Hindustan Field Services Private Limited (up to March 10, 2015)
(iv) Key Management Personnel	: BP Biddappa Dev Bajpai Geetu Verma Hemant Bakshi Manish Tiwary (up to November 30, 2014) Nitin Paranjpe (up to October 09, 2013) PB Balaji (with effect from July 01, 2014) Pradeep Banerjee Priya Nair (with effect from October 01, 2014) Punit Misra (with effect from November 01, 2014) Sanjiv Mehta Samir Singh (with effect from October 01, 2014) Sridhar Ramamurthy (up to June 30, 2014)
(v) Other (Non Executive Chairman)	: Harish Manwani (upto December 31, 2014)
(vi) Employees' Benefit Plans where there is significant influence	: Hind Lever Gratuity Fund The Hind Lever Pension Fund The Union Provident Fund

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

57) RELATED PARTY DISCLOSURES (CONTD.)

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2015

	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Holding Company :		
Dividend paid	1,504.40	1,089.79
Royalty expense	726.86	519.71
Income from services rendered	484.05	447.04
Outstanding as at the year end :		
- Trade payables	136.46	97.30
Subsidiaries/Trust :		
Sale of finished goods/raw materials etc	297.52	232.48
Processing charges	128.71	94.55
Sale of fixed assets	-	6.78
Purchase of fixed assets	0.05	1.14
Investment in equity shares	40.01	9.13
Purchase of finished goods/raw materials etc	13.33	96.73
Royalty income	6.99	7.03
Rent income	0.61	0.12
Management fees paid	2.49	5.86
Commission paid	0.81	-
Expenses shared by subsidiary companies	15.84	11.69
Dividend income	99.55	90.66
Interest income	20.62	16.51
Reimbursement received/receivable towards pension and medical benefits	22.98	25.13
Purchase of export licences	21.26	27.43
Rent expense	0.12	0.12
Contribution to foundation	21.11	10.23
Reimbursements paid	0.51	1.89
Reimbursements received	6.58	29.02
Inter corporate loans given during the year	75.64	157.62
Inter corporate loans repaid during the year	101.01	30.19
Investment in trust	-	2.00
Redemption of preference shares	-	9.13
Outstanding as at the year end:		
- Current account balances receivable with subsidiaries and trust	16.59	27.28
- Advances recoverable in cash or kind or for value to be received	-	3.76
- Trade receivables	23.05	22.39
- Trade payables	12.11	24.23
- Loans & advances to subsidiaries	179.77	205.14
- Security deposits	1.66	1.84
Fellow Subsidiaries :		
Purchased of fixed assets	0.48	-
Rent income	1.10	1.10
Sale of fixed assets	0.62	0.28
Income from services rendered	27.84	32.53
Management fees paid	1.73	1.95
Purchase of finished goods/raw materials etc.	278.81	286.74

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

57) RELATED PARTY DISCLOSURES (CONTD.)

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2015

		For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
	Dividend paid	459.06	391.05
	Royalty expense	8.61	5.58
	Expenses shared by fellow subsidiary companies	3.86	4.35
	Maintenance and support costs for licences and software	6.09	4.54
	Reimbursements paid	66.67	26.53
	Reimbursements received	21.43	34.51
	Inter corporate loans given during the year	-	104.15
	Inter corporate loans repaid during the year	-	105.55
	Interest income	-	0.22
	Outstanding as at the year end with fellow subsidiaries		
	- Current account balances receivable with fellow subsidiaries	35.14	43.70
	- Trade payables	70.90	91.95
Joint Ventures	: Purchase of finished goods/raw materials etc.	367.87	369.33
	Reimbursements received	80.83	82.98
	Investment in equity shares	22.52	-
	Outstanding as at the year end with joint ventures		
	- Current account balances receivable with joint ventures	31.83	25.07
	- Trade payables	2.37	5.85
Associates	: Processing charges	10.12	7.95
	Expense for business support services	318.60	309.40
	Dividend Income	0.26	0.66
	Purchase of finished goods/raw materials etc.	9.33	13.02
	Rent income	0.98	0.88
	Reimbursements received	0.28	0.25
	Outstanding as at the year end with associates		
	- Trade payables	1.23	1.99
Key Management Personnel	: Remuneration	71.68	39.91
	Dividend paid	0.46	0.45
	Consideration received on exercise of options	0.39	0.26
Other (Non Executive Chairman)	: Dividend paid	0.01	0.03
Employees' Benefit Plans where there is significant influence	: Contributions during the year	38.15	64.86
	Outstanding as at the year end :		
	- Advances recoverable in cash or kind or for value to be received	-	4.06
	- Payables	1.36	-

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

57) RELATED PARTY DISCLOSURES (CONTD.)

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Remuneration		
Nitin Paranjpe	-	4.56
Sridhar Ramamurthy	7.48	4.83
BP Biddappa	5.85	4.99
Pradeep Banerjee	5.06	4.34
Hemant Bakshi	9.01	6.71
Sanjiv Mehta	14.17	6.14
Purchase of export licences		
Pond's Exports Limited	4.57	2.85
Unilever India Exports Limited	16.69	24.58
Maintenance and support costs for licences and software		
Unilever N.V.	4.41	0.85
Unilever U.K. Central Resources Limited	1.68	3.69
Reimbursements paid		
Unilever N.V.	51.00	14.85
Reimbursements received		
Unilever Industries Private Limited	12.59	22.29
Kimberly Clark Lever Private Limited	80.83	82.98
Expense for business support services		
Hindustan Field Services Private Limited	318.60	309.40
Contributions during the year		
The Union Provident Fund	37.31	39.52
Hind Lever Gratuity Fund	0.85	22.11
Consideration received on exercise of options		
Pradeep Banerjee	0.12	0.14
Nitin Paranjpe	-	0.11
Hemant Bakshi	0.19	0.00
Sridhar Ramamurthy	0.00	0.00
Manish Tiwari	0.07	-
Outstanding as at the year end - loans and advances to subsidiaries		
Lakme Lever Private Limited	167.77	70.00
Brooke Bond Real Estates Private Limited	-	15.87
Aquagel Chemicals Private Limited	-	114.77
Outstanding as at the year end - trade receivables		
Unilever India Exports Limited	23.05	22.39
Outstanding as at the year end - payable		
The Union Provident Fund	2.65	-
The Hind Lever Pension Fund	0.16	-

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

57) RELATED PARTY DISCLOSURES (CONTD.)

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Outstanding as at the year end - advances recoverable in cash or kind or for value to be received		
Hindustan Unilever Limited Securitisation of Retirement Benefit Trust	-	3.76
The Hind Lever Pension Fund	-	1.14
Hind Lever Gratuity Fund	1.44	0.93
Security deposits		
Unilever India Exports Limited	1.66	1.84
Outstanding as at the year end - current account balances receivable with group companies and joint venture		
Unilever India Exports Limited	3.24	9.39
Kimberly Clark Lever Private Limited	31.83	25.07
Pond's Exports Limited	0.79	11.86
Unilever Industries Private Limited	25.35	40.23
Outstanding as at the year end - trade payables		
Unilever Plc	136.46	97.30
Unilever Supply Chain Company AG	44.10	40.58
Unilever Asia Private Limited	12.00	21.17
Pond's Exports Limited	0.35	3.73
Unilever N.V.	6.05	15.63
Dividend paid		
Unilever Plc	1,504.40	1,089.79
Royalty expense		
Unilever Plc	726.86	519.70
Income from services rendered		
Unilever Plc	484.05	447.04
Sale of finished goods/raw materials etc		
Unilever India Exports Limited	296.19	230.20
Processing charges		
Lakme Lever Private Limited	128.71	94.55
Investment in equity shares		
Kimberly Clark Lever Private Limited	22.52	-
Lakme Lever Private Limited	40.01	9.13

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

57) RELATED PARTY DISCLOSURES (CONTD.)

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Sale of fixed assets		
Unilever Sri Lanka Limited	0.62	0.28
Unilever India Exports Limited	-	6.71
Purchase of fixed assets		
Unilever India Exports Limited	0.05	0.80
Unilever Europe IT Services	0.48	0.34
Expenses shared by subsidiary companies/fellow subsidiaries		
Pond's Exports Limited	1.58	1.24
Unilever India Exports Limited	11.49	10.45
Unilever Industries Private Limited	3.86	4.35
Lakme Lever Private Limited	2.77	-
Dividend income		
Unilever Nepal Limited	39.55	34.95
Unilever India Exports Limited	60.00	50.00
Interest income		
Pond's Exports Limited	0.80	1.43
Lakme Lever Private Limited	18.29	6.13
Brooke Bond Real Estates Private Limited	1.53	1.48
Aquagel Chemicals Private Limited	-	7.47
Rent income		
Unilever Industries Private Limited	1.10	1.10
Hindustan Field Services Private Limited	0.84	0.84
Lakme Lever Private Limited	0.61	0.12
Royalty income		
Lakme Lever Private Limited	1.70	1.77
Unilever Nepal Limited	5.29	5.26
Management fees paid		
Unilever Industries Private Limited	1.73	1.95
Lakme Lever Private Limited	2.49	5.86
Commission paid		
Lakme Lever Private Limited	0.81	-
Purchase of finished goods/raw materials etc.		
Kimberly Clark Lever Private Limited	367.87	369.33
Unilever Supply Chain Company AG	168.00	158.67
Unilever Asia Private Limited	96.80	112.80

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

57) RELATED PARTY DISCLOSURES (CONTD.)

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Rent expense		
Unilever India Exports Limited	0.12	0.12
Contribution to foundation		
Hindustan Unilever Foundation	21.11	10.23
Investment in trust		
Hindustan Unilever Limited Securitisation of Retirement Benefit Trust	-	2.00
Redemption of preference shares		
Aquagel Chemicals Private Limited	-	9.13
Inter corporate loans given during the year		
Lakme Lever Private Limited	63.00	18.90
Pond's Exports Limited	10.50	4.50
Unilever Industries Private Limited	-	104.15
Aquagel Chemicals Private Limited	-	132.96
Inter corporate loans repaid during the year		
Pond's Exports Limited	0.80	2.00
Unilever Industries Private Limited	-	105.55
Aquagel Chemicals Private Limited	-	28.19
Lakme Lever Private Limited	80.00	-
Brooke Bond Real Estates Private Limited	18.01	-
Reimbursement received/receivable towards pension and medical benefits		
Hindustan Unilever Limited Securitisation of Retirement Benefit Trust	22.98	25.13

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

58) SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2015

Information About Primary Business Segments

	For the Year ended 31st March, 2015			For the Year ended 31st March, 2014		
	External	Intersegment	Total	External	Intersegment	Total
REVENUE						
Soaps and Detergents	14,876.61	-	14,876.61	13,683.41	-	13,683.41
Personal Products	9,006.53	-	9,006.53	8,120.91	-	8,120.91
Beverages	3,631.49	-	3,631.49	3,311.86	-	3,311.86
Packaged Foods	1,891.80	-	1,891.80	1,648.30	-	1,648.30
Others	1,312.91	-	1,312.91	1,156.30	-	1,156.30
Total Revenue (Refer note 3 to segment information)	30,719.34	-	30,719.34	27,920.78	-	27,920.78
RESULT						
Soaps and Detergents			2,033.65			1,785.81
Personal Products			2,424.35			2,068.06
Beverages			614.56			580.69
Packaged Foods			83.17			61.26
Others			(15.48)			(37.00)
Total Segment			5,140.25			4,458.82
Un-allocated corporate expenses net of un-allocated income			(218.70)			(244.11)
Operating Profit			4,921.55			4,214.71
Finance Costs			(16.82)			(36.03)
Other income			618.39			621.03
Profit before exceptional items and tax			5,523.12			4,799.71
Exceptional items - income/(expenditure) - Segment						
Soaps and Detergents		(5.88)			22.37	
Personal Products		(3.49)			13.26	
Beverages		(1.43)			3.58	
Packaged foods		(2.55)			(0.03)	
Others		(0.47)			1.19	
			(13.82)			40.37
Exceptional items - income/(expenditure) - Unallocated/Corporate			678.12			188.31
Profit before tax			6,187.42			5,028.39
Taxation for the year						
Current tax			(1,902.33)			(1,117.84)
Deferred tax - credit/(charge)			30.17			(43.06)
Profit for the year			4,315.26			3,867.49

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

58) SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2015 (CONTD.)

Information About Primary Business Segments

Other Information

	Segment Assets		Segment Liabilities	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Soaps and Detergents	3,233.82	3,122.51	(3,357.15)	(3,353.42)
Personal Products	1,464.22	1,380.59	(1,891.82)	(1,855.68)
Beverages	1,077.01	1,083.27	(699.81)	(735.92)
Packaged foods	683.89	612.49	(467.97)	(438.21)
Others	221.43	237.23	(246.00)	(258.83)
Total	6,680.37	6,436.09	(6,662.75)	(6,642.06)
Unallocated Corporate Assets/ (Liabilities)	7,224.36	6,796.72	(3,517.20)	(3,313.70)
Total Assets/(Liabilities)	13,904.73	13,232.81	(10,179.95)	(9,955.76)

	Capital Expenditure		Depreciation/Amortisation		Non - Cash Expenses other than Depreciation	
	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Soaps and Detergents	260.45	245.80	94.39	86.76	29.23	22.20
Personal Products	104.16	130.00	84.74	80.75	17.15	14.07
Beverages	57.06	31.91	15.88	13.32	6.72	6.07
Packaged Foods	58.27	43.98	33.19	30.48	3.41	2.95
Others	2.32	17.09	8.58	7.54	4.93	1.16
Unallocated Corporate Assets/ (Liabilities)	44.15	57.72	49.91	41.70	0.11	13.46

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

Information about Secondary Business Segments

	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Revenue by Geographical Markets		
India	30,144.20	27,370.08
Outside India	575.14	550.70
Total	30,719.34	27,920.78
Additions to Tangible and Intangible Fixed Assets		
India	482.25	468.78
Outside India	-	-
Total	482.25	468.78
Carrying Amount of Segment Assets		
India	6,680.37	6,436.09
Outside India	-	-
Total	6,680.37	6,436.09

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

NOTES :

1. Business Segments

The Company has considered business segments as the primary segments for disclosure on the basis that the risk and returns of the Company is primarily determined by the nature of products and services. Consequently the geographical segment has been considered as a secondary segment. The products included in each of the reported domestic business segments are as follows:

- Soaps and Detergents include soaps, detergent bars, detergent powders, detergent liquids, scourers, etc.
- Personal Products include products in the categories of Oral Care, Skin Care (excluding soaps), Hair Care, Deodorants, Talcum Powder, Colour Cosmetics, Ayush services, etc.
- Beverages include tea and coffee.
- Packaged foods include Branded Staples (Atta, Salt, Bread, etc.), Culinary Products (tomato based products, fruit based products, soups, etc.) and Frozen desserts.
- Others include Exports, Chemicals, Water business, Infant Care Products etc.

Segment Revenue relating to each of the above domestic business segments includes Income from Services provided to group companies, where applicable.

The above business segments have been identified considering :

- the nature of products and services
- the differing risks and returns
- the internal organisation and management structure, and
- the internal financial reporting systems

2. Geographical Segments

The geographical segments considered for disclosure are as follows :

- Sales within India includes sales to customers located within India.
- Sales outside India includes sales to customers located outside India.
- The carrying amount of segment assets in India and Outside India is based on geographical location of assets.

3. Revenue comprises :

	Year ended 31st March, 2015	Year ended 31st March, 2014
Sale of Products (net of excise duty)	30,170.50	27,408.29
Income from services rendered to group companies	511.89	479.57
Scrap sales and export incentives included in other operating income	36.95	32.92
	30,719.34	27,920.78

4. Previous year's figures have been regrouped wherever necessary to conform with this year's classification.

As per our report of even date

For B S R & Co. LLP

Firm Registration No. 101248W/W - 100022
Chartered Accountants

Akeel Master

Partner
Membership No. 046768

For and on behalf of Board of Directors

Sanjiv Mehta

Managing Director and CEO
[DIN: 06699923]

Aditya Narayan

Chairman - Audit Committee
[DIN: 00012084]

Ritesh Tiwari

Group Controller

PB Balaji

Executive Director (Finance & IT) and CFO
[DIN: 02762983]

Dev Bajpai

Executive Director Legal and Company Secretary
Membership No. FCS 3354

Mumbai: 8th May, 2015

Mumbai: 8th May, 2015

INDEPENDENT AUDITORS' REPORT

to Members of Hindustan Unilever Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Hindustan Unilever Limited (hereinafter referred to as 'the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and a jointly controlled entity, comprising the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard 21 - Consolidated Financial Statements and Accounting Standard 27 - Financial Reporting of Interest in Joint Ventures). The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of a subsidiary and a jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2015;
- ii) in the case of the Consolidated Profit and Loss Account, of the consolidated profits for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

OTHER MATTER

We did not audit the financial statements / financial information

INDEPENDENT AUDITORS' REPORT (Contd.)

of one subsidiary and one jointly controlled entity, whose financial statements reflect total assets of Rs. 523.05 crores as at March 31, 2015, total revenues of Rs. 693.78 crores and net cash inflows amounting to Rs. 10.49 crores for the year then ended, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have 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 the subsidiary and the jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and jointly controlled entity, is based solely on the reports 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 this matter with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary companies and jointly controlled company incorporated / registered in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub-sections 3 of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of a subsidiary and a jointly controlled entity, 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 reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the relevant assertion contained in the audit reports on standalone financial statements of each subsidiary company and the jointly controlled entity which are incorporated in India none of the Directors of any such company is disqualified as on March 31, 2015 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - (f) With respect to the other matters to be included in the Auditors' 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 report of the other auditors on separate financial statements as also the other financial information of a subsidiary and a jointly controlled entity, as noted in the 'Other Matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity – Refer Note 27 to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts – Refer note 47 to the consolidated financial statements; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entity incorporated in India.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Akeel Master
Partner
Membership No: 046768

Mumbai: 8 May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

As stated in Para 1 'Report on Other Legal and Regulatory Requirements' in our Auditors' report of even date, the following statement is based on the comments in the Auditors' reports on the standalone financial statements of the Holding Company, subsidiary companies and jointly controlled company incorporated in India.

- (i) (a) The Holding Company, its subsidiary companies and jointly controlled company incorporated in India have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Holding Company, its subsidiary companies and jointly controlled company incorporated in India have a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner largely over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Group and its jointly controlled company and the nature of its assets. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the respective management of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, written confirmations have been obtained for a substantial part of such inventory.
- (b) The procedures for the physical verification of inventories followed by the management as referred to above are reasonable and adequate in relation to the size of the respective company and the nature of its business.
- (c) The Holding Company, its subsidiary companies and jointly controlled company incorporated in India are maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Holding Company, its subsidiary companies and jointly controlled company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained by it under Section 189 of the Act.
- (iv) In their opinion and according to the information and explanations obtained by the statutory auditors of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India, these companies have an adequate internal control system commensurate with the respective size of each company and the nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services except that for jointly controlled company incorporated in India with regards to key fixed assets, their nature and specifications are such that the jointly controlled company incorporated in India is required to procure them from specified vendors only, without inviting comparative quotations and there is no continuing failure to correct major weaknesses in internal control system in any of these companies.
- (v) The Holding Company, its subsidiary companies and jointly controlled company incorporated in India have not accepted any deposits in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The statutory auditors of the Holding Company and jointly controlled company incorporated in India have broadly reviewed the books of account maintained by each company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-Section 1 of Section 148 of the Act wherever applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, the statutory auditors have not made a detailed examination of the records. For subsidiary companies incorporated in India, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013, for the products and services of the Company.
- (vii) (a) According to the information and explanations given to and on the basis of the examination of the records of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India by their respective statutory auditors, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues, as applicable, have been generally regularly deposited during the year by each of these companies with the appropriate authorities.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

According to the information and explanations given to the statutory auditors of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India, no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to the statutory auditors of the holding company, its subsidiary companies and jointly controlled company incorporated in India such dues of Income tax, Wealth tax, Sales Tax, Value added tax, Service tax, Customs duty, Excise duty and Cess as have not been deposited with the appropriate authorities on account of any dispute are disclosed in Annexure I to this report.
- (c) According to the information and explanations given to and on the basis of the examination by the statutory auditors of the records of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India, the amounts required to be transferred by the Holding Company to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time. The subsidiary companies and the jointly controlled company incorporated in India did not have any dues on account of Investor Education and Protection Fund.
- (viii) One of the subsidiary companies has accumulated losses at the end of the year on a standalone basis and has incurred cash losses on a standalone basis in the immediately preceding financial year (No cash losses were incurred on a standalone basis in the current financial year). The jointly controlled company has accumulated losses exceeding fifty percent of its net worth at the end of the year on a standalone basis and has also incurred cash losses on a standalone basis in the current financial year and in the immediately preceding financial year. The Holding Company and the remaining subsidiary companies do not have any accumulated losses at the end of the year on a standalone basis, and have not incurred cash losses on a standalone basis, during the year and in the immediately preceding financial year. On a consolidated basis, the Holding Company and its subsidiaries and jointly controlled company do not have any accumulated losses at the end of

the year, and have not incurred cash losses during the year and in the immediately preceding financial year.

- (ix) In their opinion and according to the information and explanations given to the statutory auditors of the Holding Company and jointly controlled company incorporated in India, none of the companies has defaulted in repayment of their respective dues to their bankers. The subsidiary companies incorporated in India did not have dues to banks during the year. The holding company, its subsidiary companies and jointly controlled company incorporated in India did not have any outstanding dues to any financial institution or debentures holders during the year.
- (x) According to the information and explanations given to the statutory auditors of the Holding Company, the terms and conditions on which the holding company has given guarantees for loan taken by other from bank is not prejudicial to its interest. The subsidiary companies and jointly controlled company incorporated in India have not given any guarantees for the loans taken by others from bank. The Holding Company, its subsidiary companies and jointly controlled company incorporated in India has not given any guarantees for loans taken by others from financial institutions.
- (xi) In their opinion and according to the information and explanations given to the respective statutory auditors, the Holding Company and its subsidiary companies incorporated in India have not raised any term loan and the term loan taken by the jointly controlled company incorporated in India has been applied for the purpose for which it was obtained.
- (xii) According to the information and explanations given to the statutory auditors of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India no instances of material fraud on or by each company has been noticed or reported during the course of audit by the statutory auditors of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Akeel Master
Partner
Membership No: 046768

Mumbai: 8 May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Annexure I							
Name of the Company	Relationship	Name of the Statute	Nature of dues	Amount Demanded (Rs in Crores)	Amount Deposited Under Disputes (Rs in Crores)	Period to which the amount relates	Forum where dispute is pending
Hindustan Unilever Limited	Holding Company	The Central Excise Act, 1944	Excise duty Including Interest and penalty, if applicable	170.90	4.58	1994-2014	Appellate Authority upto Commissioner's level
Hindustan Unilever Limited	Holding Company	The Central Excise Act, 1944	Excise duty Including Interest and penalty, if applicable	19.40	0.43	1994-2010	Customs, Excise and Service Tax Appellate Tribunals of various states
Hindustan Unilever Limited	Holding Company	The Central Excise Act, 1944	Excise duty Including Interest and penalty, if applicable	5.30	-	2003- 2012	High Courts of various states
Hindustan Unilever Limited	Holding Company	Customs Act, 1962	Custom Duty, Including Interest and penalty, if applicable	1.71	-	2011-2012	Appellate Authority upto Commissioner's level
Hindustan Unilever Limited	Holding Company	Central and Local Sales Tax Acts	Sales tax (including interest and penalty, as applicable)	127.83	32.07	1985-2015	Appellate Authority upto Commissioner's level
Hindustan Unilever Limited	Holding Company	Central and Local Sales Tax Acts	Sales tax (including interest and penalty, as applicable)	21.17	2.5	1984-2015	Sales Tax Appellate Tribunals of various states
Hindustan Unilever Limited	Holding Company	Central and Local Sales Tax Acts	Sales tax (including interest and penalty, as applicable)	114.82	75.3	1983-2015	High Courts of various states
Hindustan Unilever Limited	Holding Company	Central and Local Sales Tax Acts	Sales tax (including interest and penalty, as applicable)	22.23	9.42	1985-2007	Supreme Court
Hindustan Unilever Limited	Holding Company	Service Tax (Finance Act, 1994)	Appellate Authority upto Commissioner's level	80.55	0.5	2005-2014	Appellate Authority upto Commissioner's level
Hindustan Unilever Limited	Holding Company	Income Tax Act, 1961	Income Tax Including Interest and penalty, as applicable	117.14	-	1979 - 1980, 1991, 2009 - 2010	Appellate Authority upto Commissioner's level

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Annexure I Name of the Company	Relationship	Name of the Statute	Nature of dues	Amount Demanded (Rs in Crores)	Amount Deposited Under Disputes (Rs in Crores)	Period to which the amount relates	Forum where dispute is pending
Hindustan Unilever Limited	Holding Company	Income Tax Act, 1961	Income Tax Including Interest and penalty, as applicable	0.20	-	1963 - 1964 1982 - 1983	Income Tax Appellate Tribunal, Mumbai
Hindustan Unilever Limited	Holding Company	Income Tax Act, 1961	Income Tax Including Interest and penalty, as applicable	0.06	-	1982 - 1983	Bombay High Court
Unilever India Exports Limited	Subsidiary	The Central Excise Act, 1994	Excise duty Including Interest and penalty, if applicable	0.30	-	2007-2008	High Court
Unilever India Exports Limited	Subsidiary	The Central Excise Act, 1994	Excise duty Including Interest and penalty, if applicable	0.11	-	2004-2005	Appellate Authority upto Commissioner's level
Unilever India Exports Limited	Subsidiary	Customs Act, 1962	Custom Duty, Including Interest and penalty, if applicable	8.74	-	2001-2013	Appellate Authority upto Commissioner's level
Unilever India Exports Limited	Subsidiary	Customs Act, 1962	Custom Duty, Including Interest and penalty, if applicable	3.81	-	2011-12	Supreme Court
Unilever India Exports Limited	Subsidiary	Customs Act, 1962	Custom Duty, Including Interest and penalty, if applicable	0.28	-	2004	Customs, Excise and Service Tax Appellate Tribunals of various states
Unilever India Exports Limited	Subsidiary	Income Tax Act, 1961	Income tax, Including Interest and penalty, if applicable	0.01	-	2001-2002	Appellate Authority upto Commissioner's level
Unilever India Exports Limited	Subsidiary	Central Sales Tax Act and Local Sales Tax Act	Sales Tax, Including Interest and penalty, if any.	0.77	-	2001-2008	Appellate Authority upto Commissioner's level

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Annexure I Name of the Company	Relationship	Name of the Statute	Nature of dues	Amount Demanded (Rs in Crores)	Amount Deposited Under Disputes (Rs in Crores)	Period to which the amount relates	Forum where dispute is pending
Pond's Exports Limited	Subsidiary	The Central Excise Act, 1994	Excise duty Including Interest and penalty, if applicable	0.05	-	1999-2004	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Pond's Exports Limited	Subsidiary	Income Tax Act, 1961	Income tax, Including Interest and penalty, if applicable	0.33	-	2008-2014	Appellate Authority -Income Tax officer's
Lakme Lever Private Limited	Subsidiary	The Central Excise Act, 1994	Excise duty Including Interest and penalty, if applicable	0.72	-	2008-2013	Appellate Authority upto Commissioner's level
Lakme Lever Private Limited	Subsidiary	Income Tax Act, 1961	Income tax, Including Interest and penalty, if applicable	0.59	-	2007-2015	Appellate Authority -Income Tax officer's
Kimberly Clark Lever Private Limited	Joint Venture	Income Tax Act, 1961	Income tax, Including Interest and penalty, if applicable	65.01	-	2007-2012	Income Tax Appellate Tribunal, Mumbai
Kimberly Clark Lever Private Limited	Joint Venture	Central Sales Tax Act and Local Sales Tax Act	Sales tax including Interest and penalty, as applicable	56.70	-	2005-2009	Sales Tax Appellate Tribunals of various states
Kimberly Clark Lever Private Limited	Joint Venture	Central Sales Tax Act and Local Sales Tax Act	Sales tax including Interest and penalty, as applicable	11.51	-	2006-2009	Appellate Authority upto Commissioner's level

BALANCE SHEET

As at 31st March, 2015

(All amounts in Rs. crores, unless otherwise stated)

	Note	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	216.35	216.27
Reserves and surplus	4	3,805.29	3,321.02
Minority Interest		24.80	22.28
Non-current liabilities			
Long-term borrowings	5	7.00	8.44
Deferred tax liabilities (net)	6	0.37	0.22
Other long-term liabilities	7	178.24	285.55
Long-term provisions	8	993.56	983.69
Current liabilities			
Short-term borrowings	9	36.04	37.14
Trade payables	10	5,507.31	5,824.86
Other current liabilities	12	952.77	966.50
Short-term provisions	13	2,709.07	2,088.14
TOTAL		14,430.80	13,754.11
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	15	2,717.80	2,640.94
Intangible assets	16	22.03	24.12
Capital work-in-progress		516.30	364.90
Intangible assets under development		-	7.70
Goodwill on Consolidation		81.18	81.18
Non-current investments	17	323.90	380.19
Deferred tax assets (net)	18	199.79	179.77
Long-term loans and advances	19	587.24	546.46
Other non-current assets	20	0.46	0.70
Current assets			
Current investments	21	2,701.18	2,457.95
Inventories	22	2,848.79	2,939.83
Trade receivables	23	1,011.18	1,016.81
Cash and bank balances	24	2,689.49	2,516.03
Short-term loans and advances	25	646.79	504.87
Other current assets	26	84.67	92.66
TOTAL		14,430.80	13,754.11
Significant accounting policies	2		
Contingent liabilities and capital commitments	27, 28		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For and on behalf of Board of Directors

For B S R & Co. LLP

Firm Registration No. 101248W/W - 100022
Chartered Accountants

Sanjiv Mehta

Managing Director and CEO
[DIN: 06699923]

PB Balaji

Executive Director (Finance & IT) and CFO
[DIN: 02762983]

Akeel Master

Partner
Membership No. 046768

Aditya Narayan

Chairman - Audit Committee
[DIN: 00012084]

Dev Bajpai

Executive Director Legal and Company Secretary
Membership No. FCS 3354

Ritesh Tiwari

Group Contoller

Mumbai : 8th May, 2015

Mumbai : 8th May, 2015

STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2015

(All amounts in Rs. crores, unless otherwise stated)

	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
REVENUE FROM OPERATIONS (GROSS)	30	33,903.14	30,797.15
Less: Excise duty		(1,930.95)	(1,563.41)
Revenue from operations (net)		31,972.19	29,233.74
Other income	31	566.65	570.12
TOTAL REVENUE		32,538.84	29,803.86
EXPENSES			
Cost of materials consumed	32	12,569.21	11,889.68
Purchases of stock-in-trade	33	3,549.82	3,151.63
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	34	57.04	(171.30)
Employee benefits expenses	35	1,723.87	1,572.66
Finance costs	36	17.70	40.68
Depreciation and amortisation expenses	37	322.39	295.54
Other expenses	38	8,658.52	8,045.40
TOTAL EXPENSES		26,898.55	24,824.29
Profit before exceptional items and tax		5,640.29	4,979.57
Exceptional items	39	679.22	235.61
Profit before tax		6,319.51	5,215.18
Tax expenses			
Current tax	40	(1,959.81)	(1,228.24)
Deferred tax credit/(charge) [Share of joint venture Rs. 0.15 crores, [2013-14 Rs. 0.47 crores]]	41	15.81	(31.20)
Profit after tax and before minority interest		4,375.51	3,955.74
Less : Minority Interest		(12.43)	(10.17)
PROFIT FOR THE YEAR		4,363.08	3,945.57
Earnings per equity share	42		
Basic [Face value of Re. 1 each]		Rs. 20.17	Rs. 18.24
Diluted [Face value of Re. 1 each]		Rs. 20.16	Rs. 18.23
Significant accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For B S R & Co. LLP

Firm Registration No. 101248W/W - 100022
Chartered Accountants

Akeel Master

Partner
Membership No. 046768

Mumbai : 8th May, 2015

For and on behalf of Board of Directors

Sanjiv Mehta

Managing Director and CEO
[DIN: 06699923]

Aditya Narayan

Chairman - Audit Committee
[DIN: 00012084]

Ritesh Tiwari

Group Controller

Mumbai : 8th May, 2015

PB Balaji

Executive Director (Finance & IT) and CFO
[DIN: 02762983]

Dev Bajpai

Executive Director Legal and Company Secretary
Membership No. FCS 3354

CASH FLOW STATEMENT

For the year ended 31st March, 2015

(All amounts in Rs. crores, unless otherwise stated)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and tax	5,640.29	4,979.57
Adjustments for:		
Depreciation and amortisation expenses	322.39	295.54
Unrealised foreign exchange loss	0.57	-
Net gain on sale of investments	(294.93)	(259.28)
Profit or Loss on fixed assets sold, scrapped, etc. (net)	(1.31)	13.34
Interest income	(218.26)	(283.33)
Dividend income	(24.31)	(14.87)
Provision for expenses on employee stock options/performance share schemes	19.41	7.00
Provision/(write back) for doubtful debts and advances (net)	(2.12)	(20.43)
Bad debts/advances written off	13.78	22.77
Provision for Mark to Market loss on derivative instruments	36.60	20.64
Interest expense	17.70	40.68
	(130.48)	(177.94)
Cash generated from operations before working capital changes	5,509.81	4,801.63
Adjustments for:		
(Increase)/decrease in trade receivables	1.77	(17.18)
(Increase)/decrease in short-term loans and advances	(179.13)	47.89
(Increase)/decrease in other current assets	3.81	10.37
(Increase)/decrease in long-term loans and advances	25.46	(51.95)
Increase/(decrease) in trade payables	(325.94)	546.47
Increase/(decrease) in long-term provisions	26.70	50.72
Increase/(decrease) in short-term provisions	143.62	21.98
Increase/(decrease) in other current liabilities	(22.16)	340.37
Increase/(decrease) in other long-term liabilities	(107.31)	(342.10)
(Increase)/decrease in inventories	91.04	(201.22)
	(342.14)	405.35
Cash generated from operations	5,167.67	5,206.98
Taxes paid (net of refunds)	(2,029.73)	(1,383.61)
Cash flow before exceptional items	3,137.94	3,823.37
Exceptional items:		
Amounts paid for other restructuring activities	(14.17)	(5.19)
Net cash generated from operating activities - [A]	3,123.77	3,818.18
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of tangible/intangible assets	(605.69)	(606.38)
Sale proceeds of tangible assets	33.05	21.98
Investment in equity shares of a subsidiary	-	(100.64)
Sale/(Purchase) of other non-current investments	56.29	11.87
Investment in long-term deposits with banks	296.27	-
Purchase of current investments	(19,409.54)	(9,537.51)
Sale proceeds of current investments	19,461.24	9,171.53
Loans given to fellow subsidiaries	-	(104.15)
Loans repaid by fellow subsidiaries	-	105.55
Investment in bank deposits (having original maturity more than 3 months)	(2,504.88)	(2,563.26)
Redemption/maturity of bank deposits (having original maturity more than 3 months)	2,009.97	2,641.19
Interest received	218.26	232.47
Gain on sale of short term highly liquid investments	-	29.53

CASH FLOW STATEMENT (CONTD.)

For the year ended 31st March, 2015

(All amounts in Rs. crores, unless otherwise stated)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Dividend received	24.31	15.51
Cash flow before exceptional items	(420.72)	(682.31)
Exceptional items:		
Consideration received on disposal of surplus properties	526.84	207.27
Consideration received on disposal of a subsidiary	200.00	-
Net cash (used in)/generated from investing activities - [B]	306.12	(475.04)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Dividends paid	(2,911.80)	(2,481.38)
Dividend distribution tax paid	(525.45)	(422.65)
Amounts deposited in bank accounts towards unpaid dividends	(7.12)	(14.25)
Interest paid	(17.68)	(28.86)
Amounts (repaid)/borrowed for long-term purposes	(1.44)	(10.03)
Amounts (repaid)/borrowed for short-term purposes	(1.10)	(4.63)
Proceeds from share allotment under employee stock options/ performance share schemes	2.17	1.51
Net cash used in financing activities - [C]	(3,462.42)	(2,960.29)
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	(32.53)	382.85
Cash and cash equivalents at the beginning of the year	845.31	462.46
Less: In respect of sold subsidiary company	(0.01)	-
Cash and cash equivalents at the end of the year	812.77	845.31
Cash and cash equivalents comprise of:		
Cash on hand	0.90	1.71
Cheques on hand	0.35	-
Balances with banks		
In current accounts	81.33	64.45
Term deposits with original maturity of less than three months	574.09	601.17
Short term, highly liquid investments		
Treasury bills with original maturity of less than three months	147.27	167.67
Share of Joint Venture		
In current accounts	8.83	10.31
	812.77	845.31

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS - 3), 'Cash Flow Statements'.
- Figures in brackets indicate Cash Outflow.
- The previous year's figures have been regrouped/restated wherever necessary to conform to this year's classification.
- During the year, Aquagel Chemicals Private Limited got merged with Lakme Lever Private Limited pursuant to a scheme of amalgamation as described in Note 1 (a) Group Information. This being a share swap arrangement, is a non-cash transaction.

As per our report of even date

For and on behalf of Board of Directors

For B S R & Co. LLP

Firm Registration No. 101248W/W - 100022
Chartered Accountants

Sanjiv Mehta

Managing Director and CEO
[DIN: 06699923]

PB Balaji

Executive Director (Finance & IT) and CFO
[DIN: 02762983]

Akeel Master

Partner
Membership No. 046768

Aditya Narayan

Chairman - Audit Committee
[DIN: 00012084]

Dev Bajpai

Executive Director Legal and Company Secretary
Membership No. FCS 3354

Ritesh Tiwari

Group Contoller

Mumbai : 8th May, 2015

Mumbai : 8th May, 2015

NOTES

to the financial statements for the year ended 31st March, 2015

(All amounts in Rs. crores, unless otherwise stated)

1) GROUP INFORMATION

Hindustan Unilever Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is a market leader in the FMCG business comprising Home and Personal Care (HPC) and Foods and Refreshments. The Company has manufacturing facilities across the country and Research and Development centres in Mumbai and Bangalore and sells primarily in India through independent distributors and modern trade.

The Company, its subsidiaries, controlled trust and its joint venture (jointly referred to as the 'Group' herein under) considered in these consolidated financial statements are:

a) Subsidiaries:

Name of the Company	Country of Incorporation	% voting power held as at 31st March, 2015	% voting power held as at 31st March, 2014
Unilever India Exports Limited	India	100	100
Unilever Nepal Limited	Nepal	80	80
Daverashola Estates Private Limited	India	100	100
Pond's Exports Limited	India	100	100
Levers Associated Trust Limited	India	100	100
Levindra Trust Limited	India	100	100
Hindlever Trust Limited	India	100	100
Jamnagar Properties Private Limited	India	100	100
Lakme Lever Private Limited	India	100	100
Brooke Bond Real Estates Private Limited* (sold w.e.f. March 23, 2015)	India	-	100
Aquagel Chemicals Private Limited ^ (Amalgamated with Lakme Lever Private Limited w.e.f. April 01, 2014)	India	-	100

* The Group has sold the investments in Brooke Bond Real Estates Private Limited (BBREPL) during the year and accordingly the difference between the proceeds from disposal of investment in the subsidiary and the carrying amount of its assets and liabilities as on the date of disposal is recognised in the consolidated Statement of Profit and Loss as the profit on the disposal of the investment in the subsidiary.

^ During the year, Aquagel Chemicals Private Limited (ACPL) got merged with Lakme Lever Private Limited pursuant to a scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956 (or re-enactment thereof upon effectiveness of the Companies Act, 2013) as sanctioned by Honourable High Court of Judicature of Bombay vide its Order dated February 06, 2015, the entire business and all assets and liabilities of Aquagel Chemicals Private Limited were transferred and vested in Lakme Lever Private Limited effective from the appointed date, i.e. April 01, 2014.

During the previous year, the excess of the cost to the Company of its investment in ACPL over the Company's portion of equity of ACPL amounting to Rs. 81.18 crores, at the date of investment, has been treated as 'Goodwill on consolidation' and is shown as a separate asset line item in the Balance Sheet. This 'Goodwill on consolidation' will be tested for impairment at each reporting date.

b) Controlled Trust:

Name of the Entity	Country of Incorporation	% ownership interest, as at 31st March, 2015	% ownership interest, as at 31st March, 2014
Hindustan Unilever Limited Securitisation of Retirement Benefit Trust	India	100	100

c) Joint Venture:

Name of the Company	Country of Incorporation	% ownership interest, as at 31st March, 2015	% ownership interest, as at 31st March, 2014
Kimberly Clark Lever Private Limited	India	50	50

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

d) Associate:

Section 129 (3) of the Companies Act, 2013, requires preparation of consolidated financial statement of the company and of all the subsidiaries including associate company and joint venture businesses in the same form and manner as that of its own. Accounting Standard (AS) 23 on Accounting for Investments in Associates in Consolidated Financial Statements defines Associate Company as an enterprise in which an entity has significant influence and which is neither a subsidiary nor a joint venture of that party. It mentions that if an investing party holds, directly or indirectly through intermediaries, 20 per cent or more of the voting power of the enterprise, it is presumed that the investing party does have significant influence, unless it can be clearly demonstrated that this is not the case.

The Company holds investments in the below entities which by share ownership are deemed to be an associate company:

- i) Comfund Financial Services India Limited where the Company has 24% equity holding. This is a NBFC set up between HUL and a partner company, currently dormant.
- ii) Aquagel Chemicals (Bhavnagar) Private Limited where the Company has 26% equity and 26% preference capital holding. This is a Company engaged in Silica business.
- iii) Hi-Tech Surfactants Limited where the Company has 33% equity holding. This is a job-worker for HUL undertaking conversion activities for laundry business.

However the Company does not exercise significant influence in any of the above entities, as demonstrated below :

- i) The Company does not have any representation on the Board of Directors or corresponding governing body of the investee.
- ii) The Company does not participate in policy making process.
- iii) The Company does not have any material transactions with the investee.
- iv) The Company does not interchange any managerial personnel.
- v) The Company does not provide any essential technical information to the investee.
- vi) As these are not investments strategic to the core business of HUL, these are intended to be divested/liquidated in the near future.

As the interests in above enterprises originated for investment purposes and are not of sufficient proportions for the Company to be able to control or exercise significant influence on decisions of the investee, these are not being construed as associate companies for the purpose of consolidation and therefore these have not been consolidated in the financial statement of the company.

e)

Name of the Entity	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent Company				
Hindustan Unilever Limited	92.05%	3,724.78	98.34%	4,315.25
Subsidiaries				
Indian				
Unilever India Exports Limited	9.42%	381.29	2.26%	99.04
Lakme Lever Private Limited	3.73%	150.99	(0.78%)	(34.30)
Pond's Exports Limited	0.32%	12.76	0.11%	4.73
Daverashola Estates Private Limited	0.10%	4.18	0.00%	-
Levers Associated Trust Limited	0.00%	0.05	0.00%	-
Levindra Trust Limited	0.00%	0.05	0.00%	-
Hindlever Trust Limited	0.00%	0.05	0.00%	-
Jamnagar Properties Private Limited	0.10%	4.03	0.00%	(0.11)
Hindustan Unilever Limited Securitisation of Retirement Benefit Trust	8.74%	353.83	0.03%	1.42
Brooke Bond Real Estates Private Limited	0.02%	0.76	(0.04%)	(1.88)
Foreign				
Unilever Nepal Limited	1.94%	78.41	1.42%	62.13
Minority Interest in all Subsidiaries	0.61%	24.80	0.28%	12.43
Joint Venture				
Indian				
Kimberly Clark Lever Private Limited	0.50%	20.33	(0.22%)	(9.80)
Total Eliminations	(17.54%)	(709.86)	(1.39%)	(60.97)
TOTAL	100.00%	4,046.45	100.00%	4,387.94

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

2) SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

These consolidated financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements' and Accounting Standard 27 (AS 27) - 'Financial Reporting of Interest in Joint Venture'.

The financial statements of the Company, its subsidiaries, controlled trust and the joint venture (on a proportionate basis) have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances and intra group transactions and resulting unrealised profits are eliminated in full. Unrealised losses resulting from intra group transactions are also eliminated unless cost cannot be recovered.

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 financial statements are consistent with those of previous year.

The difference between the cost of investment in the subsidiaries, and the Company's share of net assets at the time of acquisition of share in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.

Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.

Minority interest in the net assets of consolidated subsidiaries consists of:

- (a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
- (b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.

Minority interest's share of Net Profit/(Loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the Group.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

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/non-current classification of assets and liabilities.

Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0.00" in the relevant notes in these consolidated financial statements.

2.2 Revenue recognition

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the Group retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are recognised net of trade discounts, rebates, sales taxes and excise duties (on goods manufactured and outsourced).

Income from export incentives such as duty drawback and premium on sale of import licences, and lease license fee are recognised on accrual basis.

Income from Property Development Activity is recognised in terms of arrangements with developers, where applicable.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and is recognised net of service tax, as applicable.

Interest on investments is recognised on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend income on investments is recognised when the right to receive dividend is established.

2.3 Expenditure

Expenses are accounted on accrual basis.

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility and other criteria set out in paragraph 44 of AS 26 - 'Intangible assets' have been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible assets.

2.4 Tangible assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of tangible assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements under "Other current assets". Any expected loss is recognised immediately in the Statement of Profit and Loss.

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method at the rates prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- plant and equipment is depreciated over 2 to 21 years based on the technical evaluation of useful life done by the management.
- certain assets lying at salons and training centre, included in plant and equipment, furniture and fixtures and office equipment, are depreciated over five to nine years.
- assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

2.5. Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis as per rates mentioned below:

Asset class	Rate of amortisation
Goodwill	25%
Brands/Trademarks	25%
Computer Software	25%

2.6 Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. 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. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. Recoverable

amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. 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.

2.7 Investments

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, separately for each individual non-current investments.

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as "Current investments". All other investments are classified as "Non-current investments".

Investment in land and buildings that are not intended to be occupied substantially for use by, or in the operations of the company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on the building component of the investment property is provided in line with the policy on tangible assets.

2.8 Interests in joint venture

Interests in Jointly controlled entities (incorporated Joint Venture) are accounted for using proportionate consolidation method.

2.9 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. 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. 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.

2.10 Trade receivables and Loans and advances

Trade receivables and Loans and advances are stated after making adequate provisions for doubtful balances.

2.11 Provisions and Contingent liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources

NOTES

to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

embodying economic benefits will be required to settle the obligation and there is a reliable estimate 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 and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

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.

2.12 Retirement/post retirement benefits

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 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 Group. 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 Group. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. The Group 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. The Group's liability towards such defined benefit plans is determined based on valuations, as at the Balance Sheet date, made by independent actuaries using the projected unit credit method. Actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss in the year in which they arise. The classification of the Group'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 Statement of Profit and Loss when: a) the Group has a present obligation as a result of past event; b) a reliable estimate can be made of the amount of the obligation; and c) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

2.13 Income taxes

Tax expense for the year comprises current tax and deferred tax.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date for any write down, as considered appropriate.

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 assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.14 Foreign currency translations

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

Forward exchange contracts outstanding as at the year end on account of firm commitment transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

2.15 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Group is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the Statement of Profit and Loss on a straight line basis over the primary period of the lease.

2.16 Segment reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Further,

- Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market based.
- Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Un-allocated corporate expenses net of un-allocated income".

2.17 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

2.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders 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.

2.19 Employee share based payments

Equity settled stock options granted under "HUL ESOP/ Performance Shares Schemes" are accounted for under the intrinsic value method as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by the Securities and Exchange Board of India and the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants Of India.

2.20 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

2.21 Government Grants

Government Grants and subsidies are received and recognised after fulfilling the conditions attached to them. Government grants are of the nature of promoters' contribution and are credited to Capital Subsidy which is treated as part of Reserves and Surplus.

3) SHARE CAPITAL

	As at 31st March, 2015	As at 31st March, 2014
Authorised		
2,25,00,00,000 (March 31, 2014: 2,25,00,00,000) equity shares of Re. 1 each	225.00	225.00
Issued, subscribed and fully paid up		
2,16,34,64,851 (March 31, 2014: 2,16,26,96,292) equity shares of Re. 1 each	216.35	216.27
	216.35	216.27

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

a) Reconciliation of the number of shares

	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	2,16,26,96,292	216.27	2,16,24,72,310	216.25
Add : ESOP shares issued during the year	7,68,559	0.08	2,23,982	0.02
Balance as at the end of the year	2,16,34,64,851	216.35	2,16,26,96,292	216.27

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. 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. 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.

c) Shares held by holding company and subsidiaries of holding company in aggregate

	As at 31st March, 2015	As at 31st March, 2014
Equity Shares of Re. 1 held by:		
1,11,43,70,148 shares (March 31, 2014 : 1,11,43,70,148 shares) held by Unilever PLC, UK, the holding company	111.44	111.44
34,00,42,710 shares (March 31, 2014 : 34,00,42,710 shares) held by subsidiaries of the holding company	34.00	34.00

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2015	As at 31st March, 2014
Number of shares	1,11,43,70,148	1,11,43,70,148
Unilever PLC, UK, the holding company	51.51%	51.53%

e) Shares reserved for issue under options

	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares	Amount	Number of shares	Amount
Under 2001 HLL Stock Option Plan: equity shares of Re. 1 each, at an exercise price of Rs. 132.05 per share	23,100	0.00	1,85,300	0.02
Under 2006 HUL Performance Share Scheme: equity shares of Re. 1 each, at an exercise price of Re. 1 per share	3,64,566	0.04	7,93,662	0.08
Under 2012 HUL Performance Share Scheme: equity shares of Re. 1 each, at an exercise price of Re. 1 per share	7,47,221	0.07	6,35,057	0.06
	11,34,887	0.11	16,14,019	0.16

For terms and other details Refer Note 44

f) Aggregate number of shares bought back during 5 years immediately preceding March 31, 2015

	As at 31st March, 2015	As at 31st March, 2014
No. of equity shares bought back by the company	2,28,83,204	2,28,83,204

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

4) RESERVES AND SURPLUS

	As at 31st March, 2015	As at 31st March, 2014
Capital Reserve	4.22	4.22
Capital Redemption Reserve	6.46	6.46
Securities Premium Account		
Balance as at the beginning of the year	59.75	55.68
Add: Additions during the year on exercise of employee stock options	21.40	4.07
Balance as at the end of the year	81.15	59.75
Revaluation Reserve	0.67	0.67
Employee Stock Options Outstanding Account		
Balance as at the beginning of the year	42.68	38.26
Add: Employee compensation expense for the year (Refer Note 44)	19.41	7.00
Less: Utilised during the year	(19.30)	(2.58)
Balance as at the end of the year	42.79	42.68
Capital Subsidy (Received from Government for eligible projects under its scheme)	6.20	6.20
Export Profit Reserve		
Balance as at the beginning of the year	12.26	12.26
Less: Transfer to General Reserve	(12.22)	-
Balance as at the end of the year	0.04	12.26
Development Allowance Reserve		
Balance as at the beginning of the year	0.27	0.27
Less: Transfer to General Reserve	(0.27)	-
Balance as at the end of the year	-	0.27
General Reserve		
Balance as at the beginning of the year	2,298.30	1,896.17
Add: Transferred from Surplus in Statement of Profit and Loss	-	402.13
Add: Transfer from Export Profit Reserve	12.22	-
Add: Transfer from Development Allowance Reserve	0.27	-
Less: Adjusted for Depreciation (a)	(8.77)	-
Balance as at the end of the year	2,302.02	2,298.30
Other Reserves (b)	2.51	2.51
(Created on amalgamation of Brooke Bond Lipton India Limited)		
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	887.70	625.82
Add: Profit for the year	4,363.08	3,945.57
Less: Adjusted for Depreciation (a)	(0.14)	-
Less: Appropriations		
Interim dividend on equity shares for the year [per share Rs. 6.00 (2013-14: Rs. 5.50 per share)]	(1,298.20)	(1,189.41)
Proposed final dividend on equity shares for the year [per share Rs. 9.00 (2013-14: Rs. 7.50 per share)]	(1,947.12)	(1,622.02)
Dividend distribution tax - net (c)	(646.09)	(470.04)
Dividend distribution tax on Preference shares	-	(0.09)
Transfer to General Reserve	-	(402.13)
Balance as at the end of the year	1,359.23	887.70
TOTAL	3,805.29	3,321.02

(a) During the year, the Group has adopted estimated useful life of fixed assets as stipulated by Schedule II to the Companies Act, 2013. Accordingly, depreciation of Rs. 8.91 crores (net of deferred tax of Rs. 4.07 crores) on account of assets whose useful life is already exhausted on April 01, 2014 has been adjusted against General reserve and Surplus in statement of Profit and Loss.

(b) Not available for capitalisation/declaration of dividend/share buyback.

(c) Dividend Distribution Tax (DDT)-net, pertaining to the current year comprises the DDT on interim and proposed final dividend and the credit in respect of tax paid under section 115 O of the Indian Income-tax Act, 1961 by the Company on dividend received from its domestic subsidiaries during the year.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

5) LONG-TERM BORROWINGS

	As at 31st March, 2015	As at 31st March, 2014
Secured		
Loan from Bank*		
Share of Joint Venture - Refer Note 46	7.00	8.44
	7.00	8.44

*Loan from bank is repayable in three yearly installments starting from February, 2018; to be secured against assets to be purchased by the joint venture.

6) DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2015	As at 31st March, 2014
Share of Joint Venture - Refer Note 46	0.37	0.22
	0.37	0.22

7) OTHER LONG-TERM LIABILITIES

	As at 31st March, 2015	As at 31st March, 2014
Employee and ex-employee related liabilities	158.63	119.38
Security deposits	19.61	166.17
	178.24	285.55
Share of Joint Venture - Refer Note 46	-	-
	178.24	285.55

8) LONG-TERM PROVISIONS

	As at 31st March, 2015	As at 31st March, 2014
Provision for employee benefits (gratuity, pension, medical, compensated absences and others) (Refer Note 43)	524.68	522.98
Provision for income tax (net of advance tax)	131.80	148.62
Other provisions (including for statutory levies etc) - net (Refer Note 14)	337.08	312.09
	993.56	983.69
Share of Joint Venture - Refer Note 46	-	-
	993.56	983.69

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

9) SHORT-TERM BORROWINGS

	As at 31st March, 2015	As at 31st March, 2014
Unsecured		
Short-term Loan from Bank*		
Share of Joint Venture - Refer Note 46	36.04	37.14
	36.04	37.14

*Loan from bank is repayable in three yearly installments starting from February, 2018; to be secured against assets to be purchased by the joint venture.

10) TRADE PAYABLES

	As at 31st March, 2015	As at 31st March, 2014
Acceptances	439.65	889.94
Trade payables (Refer Note 11)	5,012.82	4,882.85
	5,452.47	5,772.79
Share of Joint Venture - Refer Note 46	54.84	52.07
	5,507.31	5,824.86

11) DUES TO MICRO AND SMALL ENTERPRISES

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Group. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

12) OTHER CURRENT LIABILITIES

	As at 31st March, 2015	As at 31st March, 2014
Unpaid dividends [Refer note (a) below]	93.60	85.18
Statutory dues (including provident fund, tax deducted at source and others)	409.07	319.55
Salaries, wages and bonus payable	291.04	277.79
Advance from customers	45.98	36.58
Other payables (VRS, payable for purchase of tangible assets etc.)	98.65	241.42
	938.34	960.52
Share of Joint Venture - Refer Note 46	14.43	5.98
	952.77	966.50

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 the year end.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

13) SHORT-TERM PROVISIONS

	As at 31st March, 2015	As at 31st March, 2014
Provision for employee benefits (gratuity, pension, medical, compensated absences and others) (Refer Note 43)	50.88	10.25
Provision for income tax (net of advance tax)	107.58	93.86
Provision for wealth tax (net of advance tax)	6.78	5.74
Others		
Provision for proposed final dividend (Refer Note 29)	1,947.12	1,622.02
Provision for dividend distribution tax on proposed final dividend	396.39	275.75
Other provisions (including for restructuring etc.) (Refer Note 14)	199.41	80.15
	2,708.16	2,087.77
Share of Joint Venture - Refer Note 46	0.91	0.37
	2,709.07	2,088.14

14) MOVEMENT IN OTHER PROVISIONS (SHORT-TERM AND LONG-TERM), REFER NOTES 8 AND 13

	As at 31st March, 2015	As at 31st March, 2014
Opening Balance	392.24	222.44
Transfer in through acquisition	-	1.90
Provision/reclassified during the year	176.25	171.06
Amount utilised/reversed/reclassified during the year	(32.00)	(3.16)
Balance at the end of the year	536.49	392.24

Other Provisions (in Short Term and Long Term includes provision for tax disputes, employee related disputes, restructuring and other provisions)

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above, pending resolution.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

	Land		Others					Share in Joint Venture	Grand Total	
	-Freehold	-Leasehold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office Equipment			-Railway Sidings
15) TANGIBLE ASSETS (Own assets, unless otherwise stated)										
Gross Block										
Balance as at April 01, 2013	76.66	56.48	1,029.82	2,715.86	94.01	1.86	99.72	0.01	4,074.42	4,121.85
Additions	17.28	-	62.12	380.23	10.79	-	7.66	-	478.08	481.11
Transfer in through acquisition	1.12	-	44.02	173.30	0.47	0.10	0.98	-	219.99	219.99
Deletions	(18.76)	(0.01)	(3.14)	(93.85)	(3.55)	(0.41)	(4.00)	-	(123.72)	(123.81)
Balance as at March 31, 2014	76.30	56.47	1,132.82	3,175.54	101.72	1.55	104.36	0.01	4,648.77	4,699.14
Additions	0.21	-	51.84	361.64	11.45	0.00	8.73	-	433.87	451.49
Deletions	(15.27)	(15.79)	(11.41)	(56.33)	(4.95)	(0.12)	(7.17)	-	(111.04)	(127.28)
Balance as at March 31, 2015	61.24	40.68	1,173.25	3,480.85	108.22	1.43	105.92	0.01	4,971.60	5,023.35
Accumulated Depreciation										
Balance as at April 01, 2013	0.07	10.19	235.48	1,367.43	41.00	1.76	52.35	0.01	1,708.29	1,726.53
Additions	-	2.86	34.38	221.37	6.43	0.01	10.17	-	275.22	279.82
Transfer in through acquisition	-	-	18.43	118.68	0.44	0.09	0.93	-	138.57	138.57
Deletions	-	-	(1.08)	(79.61)	(1.96)	(0.41)	(3.64)	-	(86.70)	(86.72)
Balance as at March 31, 2014	0.07	13.05	287.21	1,627.87	45.91	1.45	59.81	0.01	2,035.38	2,058.20
Additions	-	0.89	35.84	237.40	8.07	0.01	21.26	-	303.47	311.09
Deletions	-	(4.63)	(1.21)	(43.92)	(3.73)	(0.10)	(6.58)	-	(60.17)	(76.72)
Adjusted with General Reserve and Profit and Loss	-	-	0.38	-	3.30	-	9.30	-	12.98	12.98
Balance as at March 31, 2015	0.07	9.31	322.22	1,821.35	53.55	1.36	83.79	0.01	2,291.66	2,305.55
Net Block										
Balance as at March 31, 2014	76.23	43.42	845.61	1,547.67	55.81	0.10	44.55	-	2,613.39	2,640.94
Balance as at March 31, 2015	61.17	31.37	851.03	1,659.50	54.67	0.07	22.13	-	2,679.94	2,717.80

NOTES :

- Buildings include Rs. 0.01 crores (March 31, 2014 - Rs. 0.01 crores) being the value of shares in co-operative housing societies.
- The title deeds of Freehold Land aggregating Rs. 8.80 crores (March 31, 2014 - Rs. 7.67 crores), acquired on transfer of business/undertakings are in the process of being transferred in the name of the Group.
- Deletions include Assets held for sale shown under 'Other current assets' (Refer Note 26) : Gross block Rs. 1.13 crores (March 31, 2014 - Rs. 3.10 crores), Accumulated depreciation Rs. 0.08 crores (March 31, 2014 - Rs. 0.69 crores) and Net block Rs.1.05 crores (March 31, 2014 - Rs. 2.41 crores).
- During the year, the Group has adopted estimated useful life of fixed assets as stipulated by Schedule II to the Companies Act, 2013, applicable for accounting periods commencing from April 01, 2014 or re-assessed useful life based on technical evaluation. Accordingly, depreciation of Rs. 12.98 crores on account of assets whose useful life is already exhausted as on April 01, 2014 has been adjusted General Reserve and Profit and Loss.
- Under the Gudalur Janmam Estates (Abolition and Conversion into Ryotwari) Act, 1969, the right and title to certain leasehold land may be altered at a later date, the nature and effect of which cannot be ascertained at present. However, appropriate steps have been taken to protect the Group's interest.
- Impairment charge of Rs. NIL (March 31, 2014 - Rs. 0.68) on plant and equipment has been included in depreciation charge as the Group's share of joint venture.
- Accelerated depreciation of Rs. 3.51 crores (March 31, 2014 - Rs. NIL) on plant and equipment has been included in exceptional items (Refer Note 39) as the Group's share of joint venture.

NOTES

to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

16) INTANGIBLE ASSETS (Acquired, unless otherwise stated)

	Goodwill	Brands/ Trademarks	Computer Software	Total
Gross Block				
Balance as at April 01, 2013	6.34	159.85	129.69	295.88
Additions	-	-	2.69	2.69
Deletions	-	-	-	-
Balance as at March 31, 2014	6.34	159.85	132.38	298.57
Additions	-	-	8.76	8.76
Deletions	-	-	(0.05)	(0.05)
Balance as at March 31, 2015	6.34	159.85	141.09	307.28
Accumulated Depreciation				
Balance as at April 01, 2013	6.34	146.35	107.08	259.77
Additions	-	6.00	8.68	14.68
Deletions	-	-	-	-
Balance as at March 31, 2014	6.34	152.35	115.76	274.45
Additions	-	3.75	7.10	10.85
Deletions	-	-	(0.05)	(0.05)
Adjusted with General Reserve and Profit and Loss	-	-	-	-
Balance as at March 31, 2015	6.34	156.10	122.81	285.25
Net Block				
Balance as at March 31, 2014	-	7.50	16.62	24.12
Balance as at March 31, 2015	-	3.75	18.28	22.03

17) NON - CURRENT INVESTMENTS (VALUED AT COST UNLESS OTHERWISE STATED)

	As at 31st March, 2015	As at 31st March, 2014
Investment Property	-	19.45
Trade Investments		
Quoted	-	36.15
Unquoted	323.51	323.70
Other Investments		
Quoted	0.01	0.01
Unquoted	0.38	0.88
	323.90	380.19
Aggregate amount of quoted investments	0.01	36.16
Market value of quoted investments	0.02	110.11
Aggregate amount of unquoted investments	323.89	324.58
Aggregate amount of investment property	-	19.45

NOTES

to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

18) DEFERRED TAX ASSETS (NET)

	As at 31st March, 2015	As at 31st March, 2014
Deferred tax assets		
Provision for post retirement benefits and other employee benefits	154.23	149.55
Provision for doubtful debts and advances	31.48	28.53
Expenses allowable for tax purposes when paid	139.13	115.94
Depreciation	0.51	0.64
Other timing differences	151.78	125.89
	477.13	420.55
Deferred tax liabilities		
Depreciation	(277.34)	(240.78)
	199.79	179.77
Share of Joint Venture - Refer Note 46	-	-
	199.79	179.77

- (a) Refer Note 4(a) for utilisation of Deferred Tax of Rs. 4.07 crores (2013-14: Nil) for depreciation on account of assets whose useful life is already exhausted on April 01, 2014 has been adjusted against General Reserve.
- (b) Deferred tax balances of the Group have been aggregated on a line by line basis for the like items.

19) LONG-TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)

	As at 31st March, 2015	As at 31st March, 2014
Capital advances	9.63	11.49
Security deposits		
- Deposits with customs, port trust, excise, and other government authorities	35.21	55.47
- Deposits with others	113.28	116.00
Advance income tax (net of provision for tax)	376.35	312.58
Advance agriculture tax (net of provision for tax)	5.09	5.09
Other loans and advances (includes employee advances, advances for materials etc)		
- Considered good	7.35	13.11
- Considered doubtful	46.60	50.98
- Less : Provision for doubtful loans and advances	(46.60)	(50.98)
	546.91	513.74
Share of Joint Venture - Refer Note 46	40.33	32.72
	587.24	546.46

20) OTHER NON-CURRENT ASSETS

	As at 31st March, 2015	As at 31st March, 2014
Long term deposits with original maturity of more than twelve months	0.46	0.70
	0.46	0.70
Share of Joint Venture - Refer Note 46	-	-
	0.46	0.70

NOTES

to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

21) CURRENT INVESTMENTS (with original maturity between 3 months and 12 months)

(At cost or market value, whichever is less)

	As at 31st March, 2015	As at 31st March, 2014
Quoted investments	1,767.49	1,707.95
Unquoted investments	933.69	750.00
	2,701.18	2,457.95
Share of Joint Venture - Refer Note 46	-	-
	2,701.18	2,457.95
Aggregate amount of quoted investments	1,767.49	1,707.95
Market value of quoted investments	1,792.03	1,731.33
Aggregate amount of unquoted investments	933.69	750.00

22) INVENTORIES

(At the lower of cost and net realisable value)

	As at 31st March, 2015	As at 31st March, 2014
Raw materials [includes in transit: Rs. 24.88 crores, (March 31,2014 - Rs. 51.25 crores)]	895.75	950.27
Packing materials	132.15	149.41
Work-in-progress	318.19	337.93
Finished goods [includes in transit: Rs. 29.56 crores, (March 31,2014 - Rs. 51.34 crores)]	1,399.82	1,389.21
Stores and spares	69.62	81.06
	2,815.53	2,907.88
Share of Joint Venture - Refer Note 46	33.26	31.95
	2,848.79	2,939.83

Finished goods include stock-in-trade, as both are stocked together

23) TRADE RECEIVABLES

(Unsecured unless otherwise stated)

	As at 31st March, 2015	As at 31st March, 2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	37.01	51.66
- Considered doubtful	41.08	39.45
	78.09	91.11
Other trade receivables		
- Considered good	970.81	960.33
- Considered doubtful	-	-
	970.81	960.33
Less: Provision for doubtful debts	(41.08)	(39.45)
	1,007.82	1,011.99
Share of Joint Venture - Refer Note 46	3.36	4.82
	1,011.18	1,016.81

NOTES

to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

24) CASH AND BANK BALANCES

	As at 31st March, 2015	As at 31st March, 2014
A. Cash and cash equivalents		
Cash on hand	0.90	1.71
Cheques/drafts on hand	0.35	-
Balances with banks		
In current accounts	81.33	64.45
Term deposits with original maturity of less than three months	574.09	601.17
Short term, highly liquid investments		
Treasury bills with original maturity of less than three months	147.27	167.67
Share of Joint Venture - Refer Note 46	8.83	10.31
Sub Total - (A)	812.77	845.31
B. Other bank balances		
Term deposit with original maturity of more than three months but less than twelve months [including lien and margin money deposits Rs. 2.08 crores, (March 31, 2014 - Rs. 2.69 crores)]	1,784.07	1,289.16
Long term deposit with maturity of more than three months but less than twelve months from the Balance Sheet date	0.29	296.32
Unpaid dividend account	92.30	85.18
Share of Joint Venture - Refer Note 46	0.06	0.06
Sub Total - (B)	1,876.72	1,670.72
Total (A+B)	2,689.49	2,516.03

25) SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2015	As at 31st March, 2014
Other loans and advances*	427.50	319.07
Others		
CENVAT receivable	188.00	137.26
VAT credit receivable	27.03	45.39
	642.53	501.72
Share of Joint Venture - Refer Note 46	4.26	3.15
	646.79	504.87

* Other loans and advances include current account balances with group companies and joint venture amounting to Rs. 51.05 crores (March 31, 2014 - Rs. 56.24 crores).

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

26) OTHER CURRENT ASSETS (Unsecured, considered good unless otherwise stated)

	As at 31st March, 2015	As at 31st March, 2014
Income accrued on investments	14.00	7.55
Income accrued on deposits	33.15	58.96
Export benefits receivable	27.89	12.57
Tangible assets held for sale (at lower of cost and net realisable value)(Refer Note 15 (c))	9.38	13.56
	84.42	92.64
Share of Joint Venture - Refer Note 46	0.25	0.02
	84.67	92.66

27) CONTINGENT LIABILITIES

	As at 31st March, 2015	As at 31st March, 2014
Claims against the Group not acknowledged as debts		
Income tax matters	565.50	547.63
Sales tax matters - Rs. 40.54 crores (March 31, 2014 - Rs. 53.73 crores) net of tax	61.42	81.39
Excise duty, service tax and customs duty matters - Rs. 134.74 crores (March 31, 2014 - Rs. 132.99 crores) net of tax	204.12	201.48
Other matters including claims related to employees/ex-employees, property related demands, etc - Rs. 67.72 crores (March 31, 2014 - Rs. 56.37 crores) net of tax	93.51	85.39
Corporate Guarantee	8.20	-
TOTAL	932.75	915.89
Share of Joint Venture - Refer Note 46	58.03	75.49

- (a) 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 judgements/decisions pending with various forums/authorities.
- (b) The Group does not expect any reimbursements in respect of the above contingent liabilities.
- (c) The Group's pending litigations comprise of claims against the Group by employees and pertaining to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.
- (d) The Group has given Bank Guarantees in respect of certain matters of above contingent liabilities.

NOTES

to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

28) CAPITAL COMMITMENTS

	As at 31st March, 2015	As at 31st March, 2014
Estimated value of contracts in capital account remaining to be executed and not provided for [net of capital advances]	166.78	110.00
	166.78	110.00
Share of Joint Venture - Refer Note 46	0.13	0.18
	166.91	110.18

29) PROPOSED DIVIDEND

	As at 31st March, 2015	As at 31st March, 2014
The final dividend proposed for the year is as follows:		
On Equity Shares of Re.1 each		
Amount of dividend proposed	1,947.12	1,622.02
Dividend per Equity Share	Rs. 9.00	Rs. 7.50

30) REVENUE FROM OPERATIONS

	Year ended 31st March, 2015	Year ended 31st March, 2014
Sale of products	32,944.20	29,937.44
Other operating revenue		
Income from services rendered to group companies	511.88	479.57
Others (including salon services, export incentives, scrap sales, commission, lease license fee etc.)	260.59	214.73
	33,716.67	30,631.74
Less: Excise Duty [includes share of Joint Venture Rs. 12.00 crores (2013-14 - Rs. 10.22 crores)]	(1,930.95)	(1,563.41)
	31,785.72	29,068.33
Share of Joint Venture including excise duty - Refer Note 46	186.47	165.41
	31,972.19	29,233.74

NOTES

to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

31) OTHER INCOME

	Year ended 31st March, 2015	Year ended 31st March, 2014
Interest income		
From non-current investments	0.01	-
From bank deposits	176.14	222.53
From others (includes interest on income tax refund)	42.11	60.80
Dividend income		
From current investments	24.05	10.38
From non-current investments	0.26	4.49
Net gain on sale of current investments	294.93	259.28
Miscellaneous income [Refer note (a) below]	26.23	11.22
	563.73	568.70
Share of Joint Venture - Refer Note 46	2.92	1.42
	566.65	570.12

(a) The net difference in foreign exchange (i.e. exchange differences on settlement/restatement of all monetary items and mark to market valuation of outstanding forward contracts on account of firm commitments) Rs. 9.76 crores (2013-14 - Rs. 26.95 crores debited to Statement of Profit and Loss).

32) COST OF MATERIALS CONSUMED

	Year ended 31st March, 2015	Year ended 31st March, 2014
Raw materials consumed	9,850.32	9,387.43
Packing material consumed	2,609.63	2,396.68
	12,459.95	11,784.11
Share of Joint Venture - Refer Note 46	109.26	105.57
	12,569.21	11,889.68

Cost of materials is based on derived values

33) PURCHASES OF STOCK - IN - TRADE

	Year ended 31st March, 2015	Year ended 31st March, 2014
Purchases of goods	3,548.02	3,150.06
	3,548.02	3,150.06
Share of Joint Venture - Refer Note 46	1.80	1.57
	3,549.82	3,151.63

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

34) CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK-IN-TRADE) AND WORK-IN-PROGRESS

	Year ended 31st March, 2015	Year ended 31st March, 2014
Opening inventories		
Finished goods	1,389.21	1,310.72
Work-in-progress	337.93	248.00
Transfer in by way of acquisition	-	9.37
Closing inventories		
Finished goods	(1,399.82)	(1,389.21)
Work-in-progress	(318.19)	(337.93)
Excise duty on increase/(decrease) of finished goods	51.03	(10.83)
	60.16	(169.88)
Share of Joint Venture - Refer Note 46	(3.12)	(1.42)
	57.04	(171.30)

35) EMPLOYEE BENEFITS EXPENSES

	Year ended 31st March, 2015	Year ended 31st March, 2014
Salaries, wages, bonus, etc.	1,510.43	1,361.69
Contribution to provident fund and other funds	62.13	90.06
Gratuity	12.46	14.22
Expense on employee stock option schemes (Refer Note 44)	19.41	7.00
Workmen and staff welfare expenses	106.68	90.06
	1,711.11	1,563.03
Share of Joint Venture - Refer Note 46	12.76	9.63
	1,723.87	1,572.66

36) FINANCE COSTS

	Year ended 31st March, 2015	Year ended 31st March, 2014
Interest expense on bank overdraft/short-term and long-term borrowings	0.23	2.49
Interest on income tax	0.02	11.82
Interest expense on security deposit	16.59	24.96
	16.84	39.27
Share of Joint Venture - Refer Note 46	0.86	1.41
	17.70	40.68

37) DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31st March, 2015	Year ended 31st March, 2014
Depreciation on tangible assets	306.65	275.22
Amortisation on intangible assets	10.85	14.68
Depreciation on investment property	0.78	1.04
	318.28	290.94
Share of Joint Venture - Refer Note 46	4.11	4.60
	322.39	295.54

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

38) OTHER EXPENSES

	Year ended 31st March, 2015	Year ended 31st March, 2014
Consumption of stores & spares	141.80	120.57
Power, fuel, light and water	346.97	362.76
Processing charges	291.62	300.08
Rent [Refer note (a) below]	219.13	205.80
Repairs to buildings	15.08	13.31
Repairs to plant and equipment	92.12	93.72
Repairs others	14.39	15.19
Insurance	6.66	7.95
Rates and taxes (excluding income tax)	128.95	132.90
Advertising and sales promotion	3,943.59	3,674.66
Carriage and freight	1,460.40	1,354.64
Provision/(write back) for doubtful debts and advances (net)	(2.12)	(20.43)
Bad debts/advances written off	13.78	22.77
Travelling and motor car expenses	170.99	197.97
(Profit)/Loss on fixed assets sold, scrapped, etc. (net)	(1.31)	13.34
Royalty	751.19	543.50
Miscellaneous expenses [Refer note (a) below]	1,007.43	945.79
	8,600.67	7,984.52
Share of Joint Venture - Refer Note 46	57.85	60.88
	8,658.52	8,045.40

- (a) The group's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godown etc.) and computers. These leasing arrangements which are not non-cancellable (other than specified in note below), range between 11 months and 10 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the statement of Profit and Loss.

The group has also given certain land and building on operating lease to a third party which has been disposed during the year. The lease arrangement was for a period of 5 years, including a non-cancellable term of 3 years. The license fee of Rs. 26.22 crores (2013-14 - Rs. 33.79 crores) on such lease is included in other operating revenue.

With respect to non-cancellable period of the operating lease, the future minimum lease license fee receivable is as follows:

	Year ended 31st March, 2015	Year ended 31st March, 2014
Not later than one year	1.00	31.49
Later than one year and not later than five years	0.95	0.97

The group has entered into agreement to take certain land and building on operating lease for warehousing activities from a third party during the year. The lease arrangement is for 10 years, including a non-cancellable term of 9 years. The lease rent of Rs. 6.26 crores (2013-14- Rs. Nil) on such lease is included in Rent (Refer Note 38).

	Year ended 31st March, 2015	Year ended 31st March, 2014
Not later than one year	11.40	-
Later than one year and not later than five years	50.96	-
Later than five years	52.60	-

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

- (b) Other expenses include Rs. 88.13 crores spent towards various schemes of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013.

39) EXCEPTIONAL ITEMS

	Year ended 31st March, 2015	Year ended 31st March, 2014
i) Profit on disposal of surplus properties	510.51	198.37
ii) Profit on disposal of subsidiary	181.16	-
iii) Reduction in liability for retirement benefits arising from actuarial assumption changes	5.23	51.07
Total exceptional income (A)	696.90	249.44
iv) Restructuring costs :		
a) Compensation under voluntary separation schemes	-	-
b) Other costs	(14.17)	(13.83)
Total exceptional expenditure (B)	(14.17)	(13.83)
Exceptional items (net) (A+B)	682.73	235.61
Share of Joint Venture - Refer Note 46	(3.51)	-
	679.22	235.61

*Group's share of joint venture in exceptional items represents accelerated depreciation of Rs. 3.51 crores (March 31, 2014 - Rs. NIL) on plant and equipment [Refer note 15(g)].

40) CURRENT TAX

	Year ended 31st March, 2015	Year ended 31st March, 2014
Income tax for the year	1,929.03	1,403.44
Adjustments/(credits) related to previous year - (net)	30.78	(175.20)
	1,959.81	1,228.24
Share of Joint Venture - Refer Note 46	-	-
	1,959.81	1,228.24

41) DEFERRED TAX

	Year ended 31st March, 2015	Year ended 31st March, 2014
Deferred tax for the year - (credit)/charge	(19.61)	13.66
Adjustments/(credits) related to previous year - (net)	3.65	18.23
	(15.96)	31.89
Share of Joint Venture - Refer Note 46	0.15	(0.69)
	(15.81)	31.20

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

42) EARNINGS PER SHARE

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Earnings Per Share has been computed as under:		
Profit for the year (Rs. crores)	43,63.08	3,945.57
Weighted average number of Equity shares outstanding	2,16,31,11,502	2,16,25,58,113
Earnings Per Share (Rs.) - Basic (Face value of Re. 1 per share)	Rs. 20.17	Rs. 18.24
Add: Weighted average number of potential equity shares on account of employee stock options/ performance share schemes	11,63,349	13,21,344
Weighted average number of Equity shares (including dilutive shares) outstanding	2,16,42,74,851	2,16,38,79,457
Earnings Per Share (Rs.) - Diluted (Face value of Re. 1 per share)	Rs. 20.16	Rs. 18.23

43) DEFINED BENEFIT PLANS

Gratuity is funded through investment mostly with an insurance service provider and partly through direct investment under Hind Lever Gratuity Fund.

Pension for most employees are managed through a trust, investments with an insurance service provider and for some employees investments are managed through Company managed trust.

Post-retirement medical benefits are managed through investment made under company managed trust.

Provident Fund for most of the employees are managed through trust investments and for some employees through government administered fund.

As per Actuarial Valuation as on March 31, 2015 and as recognised in the financial statements in respect of Employee Benefit Schemes:

	Gratuity		Management Pension		Officers Pension		Provident Fund #		Post Retirement Medical Benefits	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
I Components of Employer Expense										
(a) Current Service Cost	9.69	11.09	5.40	5.83	0.48	0.53	55.50	51.40	0.51	0.61
(b) Interest Cost	15.23	13.90	38.30	34.03	1.16	1.17	112.80	89.80	14.14	14.48
(c) Expected Return on Plan Assets	(12.46)	(10.77)	(6.82)	(6.58)	(4.18)	(4.14)	(114.70)	(103.40)	-	-
(d) Actuarial (Gain)/Loss	27.58	(13.37)	(1.02)	0.23	(0.23)	(3.06)	1.90	13.60	(33.31)	(32.00)
(e) Total expense/ (gain) recognised in the Statement of Profit and Loss	40.04	0.85	35.86	33.51	(2.77)	(5.50)	55.50	51.40	(18.66)	(16.91)
II Net Asset/ (Liability) recognised in Balance Sheet as at March 31, 2015										
(a) Present Value of Obligation as at March 31, 2015	204.16	169.22	464.94	442.00	11.68	13.78	1,448.60	1,275.90	136.61	162.57
(b) Fair Value of Plan Assets as at March 31, 2015	(163.33)	(168.37)	(94.38)	(95.73)	(49.91)	(57.76)	(1,448.60)	(1,275.90)	-	-
(c) (Asset)/ Liability recognised in the Balance Sheet (Refer note *, \$ and @ below)	40.83	0.85	370.56	346.27	-*	-*	-	-	136.61	162.57
Notes:										
#	Refer footnote at the bottom of Note 43									
*	The excess of assets over liabilities in respect of Officer's Pension have not been recognised as they are lying in an Income Tax approved irrevocable trust fund									

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

43) DEFINED BENEFIT PLANS (CONTD.)

	Gratuity		Management Pension		Officers Pension		Provident Fund #		Post Retirement Medical Benefits	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Ⓓ Refer note 14(c) of standalone financial statement in respect of the Company's investment in Hindustan Unilever Limited Securitisation of Retirement Benefit Trust covering management pension and post retirement medical benefits										
III Change in Defined Benefit Obligations (DBO) during the year ended as on March 31, 2015										
(a) Present Value of Obligation as at March 31, 2014	169.22	170.80	442.00	435.62	13.78	15.69	1,275.90	1,145.40	162.57	184.56
(b) Current Service Cost	10.48 ⁵	11.09	5.40	5.83	0.48	0.53	55.50	51.40	0.51	0.61
(c) Interest Cost	15.23	13.90	38.30	34.03	1.16	1.17	112.80	89.80	14.14	14.48
(d) Settlement Cost/(Credit)	-	-	-	-	(1.02)	(0.02)	(0.40)	-	-	-
(e) Acquisition Adjustment	-	-	-	-	-	-	-	5.70	-	-
(f) Employees' Contribution	-	-	-	-	-	-	113.50	107.20	-	-
(g) Actuarial (Gain)/Loss	30.00	(8.63)	(0.06)	0.68	(0.27)	(1.89)	4.40	9.90	(33.31)	(32.00)
(h) Benefits Paid	(20.77)	(17.94)	(20.70)	(34.16)	(2.45)	(1.70)	(113.10)	(133.50)	(7.30)	(5.08)
(i) Present Value of Obligation as at March 31, 2015	204.16	169.22	464.94	442.00	11.68	13.78	1,448.60	1,275.90	136.61	162.57
\$ Includes an amount of Rs. 0.79 crores (2013-14: Nil) towards cost borne by a fellow subsidiary.										
IV Changes in the Fair value of Plan Assets										
(a) Present Value of Plan Assets as at March 31, 2014	168.37	148.69	95.73	95.98	57.76	59.89	1,275.90	1,145.40	-	-
(b) Acquisition Adjustment	-	-	-	-	-	-	-	5.70	-	-
(c) Expected Return on Plan Assets	12.46	10.77	6.82	6.58	4.18	4.14	114.70	103.40	-	-
(d) Actuarial Gain/(Loss)	2.42	4.74	0.96	0.44	(0.05)	1.17	2.50	(3.70)	-	-
(e) Assets distributed on settlements	-	-	-	-	(5.53)	(0.02)	(0.40)	-	-	-
(f) Employer's Contribution	0.85	22.11	11.57	26.89	(4.00)	(5.72)	55.50	51.40	7.30	5.08
(g) Employees' Contribution	-	-	-	-	-	-	113.50	107.20	-	-
(h) Benefits Paid	(20.77)	(17.94)	(20.70)	(34.16)	(2.45)	(1.70)	(113.10)	(133.50)	(7.30)	(5.08)
(i) Fair Value of Plan Assets as at March 31, 2015	163.33	168.37	94.38	95.73	49.91	57.76	1,448.60	1,275.90	-	-
V Actual return on Plan Assets	14.88	15.51	7.78	7.01	4.13	5.31	117.20	99.70	-	-
VI Actuarial Assumptions										
Financial Assumptions:										
(a) Discount Rate (per annum)	7.90%	8.85%	7.90%	8.85%	7.90%	8.85%	7.90%	8.85%	7.90%	8.85%
(b) Expected Rate of Return on Assets (per annum)	7.30%	7.30%	7.10%	7.10%	7.40%	7.40%	8.88%	8.80%	N.A.	N.A.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

43) DEFINED BENEFIT PLANS (CONTD.)

	Gratuity		Management Pension		Officers Pension		Provident Fund #		Post Retirement Medical Benefits	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
(c) Annual Increase in Healthcare Costs (per annum)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	9.00%	12.00%
<p>The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.</p> <p>Demographic Assumptions:</p> <p>Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table Mortality in Retirement : LIC Buy-out Annuity Rates & UK Published PA (90) Annuity Rates suitably adjusted for Indian Lives.</p>										
VII	Effect of Increase or Decrease in Healthcare Costs									
	Effect of 1% increase in Healthcare Costs on									
- The aggregate of service cost and interest cost									1.50	2.23
- Defined Benefit Obligation									17.97	23.55
	Effect of 1% decrease in Healthcare Costs on									
- The aggregate of service cost and interest cost									(1.32)	(1.84)
- Defined Benefit Obligation									(15.91)	(19.46)
VIII	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2015									
(a) Government of India Securities	9.00%	8.00%	-	-	-	-	43.00%	44.00%	-	-
(b) Corporate Bonds	7.00%	7.00%	-	-	-	-	40.00%	37.00%	-	-
(c) Bank Deposits (Special Deposit Scheme, 1975)	-	-	-	-	-	-	14.00%	16.00%	-	-
(d) Administered by Life Insurance Corporation of India	84.00%	85.00%	100.00%	100.00%	100.00%	100.00%	-	-	-	-
(e) Others	-	-	-	-	-	-	3.00%	3.00%	-	-
IX	Expected Employers contribution for the next year									
	40.83	20.00	40.00	30.00	-	-	60.00	57.60	7.33	6.69

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

43) DEFINED BENEFIT PLANS (CONTD.)

	Gratuity	Management Pension	Officers Pension	Provident Fund #	Post Retirement Medical Benefits
X Present value of DBO, Fair Value of Plan Assets, Deficit/ (Surplus), Experience Adjustments for current and earlier periods:					
i) For the year ended March 31, 2015					
Present value of DBO	204.16	464.94	11.68	1,448.60	136.61
Fair value of plan assets	163.33	94.38	49.91	1,448.60	-
Deficit/(Surplus)	40.83	370.56	(38.23)	-	136.61
Experience adjustments on plan liabilities	9.19	(8.03)	(0.71)	4.40	2.68
Experience adjustments on plan assets	2.42	0.96	(0.05)	2.50	-
ii) For the year ended March 31, 2014					
Present value of DBO	169.22	442.00	13.78	1,275.90	162.57
Fair value of plan assets	168.37	95.73	57.76	1,275.90	-
Deficit/(Surplus)	0.85	346.27	(43.97)	-	162.57
Experience adjustments on plan liabilities	7.56	8.66	(1.35)	9.90	(10.15)
Experience adjustments on plan assets	4.74	0.44	1.17	(3.70)	-
iii) For the year ended March 31, 2013					
Present value of DBO	170.80	435.62	15.70	1,145.40	184.56
Fair value of plan assets	148.69	95.98	59.89	1,145.40	-
Deficit/(Surplus)	22.11	339.64	(44.19)	-	184.56
Experience adjustments on plan liabilities	7.02	(14.41)	2.08	12.30	(8.62)
Experience adjustments on plan assets	2.92	3.91	1.85	5.10	-
iv) For the year ended March 31, 2012					
Present value of DBO	149.80	427.84	15.90		181.54
Fair value of plan assets	132.55	91.86	62.19		-
Deficit/(Surplus)	17.25	335.98	(46.29)		181.54
Experience adjustments on plan liabilities	7.24	2.25	2.47		1.87
Experience adjustments on plan assets	0.21	4.65	0.68		-
v) For the period ended March 31, 2011					
Present value of DBO	134.12	436.45	19.07		170.35
Fair value of plan assets	126.28	103.93	64.84		-
Deficit/(Surplus)	7.84	332.52	(45.77)		170.35
Experience adjustments on plan liabilities	5.35	(30.41)	5.62		2.18
Experience adjustments on plan assets	2.79	3.18	1.68		-

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(All amounts in Rs. crores, unless otherwise stated)

43) DEFINED BENEFIT PLANS (CONTD.)

XI	Share of Joint Venture (Refer Note 46)	Gratuity	
		2015	2014
i)	Components of Employer Expense		
	(a) Current Service Cost	0.18	0.11
	(b) Interest Cost	0.07	0.06
	(c) Expected Return on Plan Assets	(0.06)	(0.05)
	(d) Actuarial (Gain)/Loss	0.30	(0.09)
	(e) Total expense/(gain) recognised in the Statement of Profit and Loss	0.49	0.03
ii)	Net Asset/(Liability) recognised in Balance Sheet as at March 31, 2015		
	(a) Present Value of Obligation as at March 31, 2015	1.30	0.83
	(b) Fair Value of Plan Assets as at March 31, 2015	(0.70)	(0.48)
	(c) (Asset)/Liability recognised in the Balance Sheet	0.60	0.34
iii)	Change in Defined Benefit Obligations (DBO) during the year ended as on March 31, 2015		
	(a) Present Value of Obligation as at March 31, 2014	0.83	0.77
	(b) Current Service Cost	0.18	0.11
	(c) Interest Cost	0.07	0.06
	(d) Settlement Cost/(Credit)	(0.00)	-
	(e) Acquisition Adjustment	-	-
	(f) Employees' Contribution	-	-
	(g) Actuarial (Gain)/Loss	0.33	(0.10)
	(h) Benefits Paid	(0.10)	(0.01)
	(i) Present Value of Obligation as at March 31, 2015	1.30	0.83
iv)	Changes in the Fair value of Plan Assets		
	(a) Present Value of Plan Assets as at March 31, 2014	0.68	0.43
	(b) Acquisition Adjustment	-	-
	(c) Expected Return on Plan Assets	0.06	0.05
	(d) Actuarial Gain/(Loss)	0.03	0.01
	(e) Assets distributed on settlements	(0.00)	-
	(f) Employer's Contribution	0.05	-
	(g) Employees' Contribution	-	-
	(h) Benefits Paid	(0.10)	-
	(i) Fair Value of Plan Assets as at March 31, 2015	0.70	0.48
v)	Actuarial Assumptions		
	Financial Assumptions:		
	(a) Discount Rate (per annum)	7.80%	9.10%
	(b) Expected Rate of Return on Assets (per annum)	8.75%	9.15%

The Guidance Note on Implementing AS 15, 'Employee Benefits' issued by the Accounting Standard Board (ASB) of the Institute of Chartered Accountants of India states that Provident Funds set up by employers that guarantee a specified rate of return and which require interest shortfall to be met by the employer would be defined benefit plans in accordance with the requirements of paragraph 26(b) of AS 15. The year 2012-13 was the first year in which the actuary had given the detailed disclosures in the actuarial valuation report, in view of the issuance of the Guidance Note by the Institute of Actuaries of India. Accordingly the compliance with the disclosure requirements of paragraph 120(n) of AS 15: Employee Benefits in respect of Provident Fund has been done prospectively from 2012-13.

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(All amounts in Rs. crores, unless otherwise stated)

44) EMPLOYEE STOCK OPTION PLAN

The Group implemented '2001 HLL Stock Option Plan' on 22nd June, 2001. The plan envisaged grant of share options to eligible employees at market price as defined in SEBI (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999.

This plan was amended and revised vide '2006 HLL Performance Share Scheme' 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' 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, core operating margin improvement and 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 Re. 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 SEBI (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999 and amendments thereof from time to time.

Scheme	Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (INR) per share	Weighted Average Exercise Price (INR) per share
2001 HLL Stock Option Plan	2004	30-Jun-04	16,30,450	Vested after three years from date of grant	7 years from date of vesting	128.47	128.47
	2005	27-May-05	15,47,700			132.05	132.05
2006 HLL Performance Share Scheme	2009	11-May-09	3,33,811	Vested after three years from date of grant	3 months from date of vesting	1.00	1.00
	Interim PSP 2009	06-Nov-09	4,920			1.00	1.00
	2010	29-Mar-10	2,71,113			1.00	1.00
	Interim PSP 2010	05-Nov-10	51,455			1.00	1.00
	2011	29-Mar-11	3,08,455			1.00	1.00
	Interim PSP 2011	07-Nov-11	47,118			1.00	1.00
	2012	17-Feb-12	4,20,080			1.00	1.00
Interim PSP 2012	30-Jul-12	51,385	1.00	1.00			
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 PSP 2013	29-Jul-13	25,418			1.00	1.00
	2014	14-Feb-14	2,62,155			1.00	1.00
	Interim PSP 2014	28-Jul-14	16,805			1.00	1.00
	2015	13-Feb-15	1,42,038			1.00	1.00

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

44) EMPLOYEE STOCK OPTION PLAN (CONTD.)

Scheme	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	Exercisable at the end of the year	Outstanding at the end of the year
2001 HLL Stock Option Plan	2004	68,900	-	-	68,900	-	-
		(1,36,000)	-	-	(67,100)	(68,900)	(68,900)
	2005	1,16,400	-	-	93,300	23,100	23,100
		(1,65,300)	-	-	(48,900)	(1,16,400)	(1,16,400)
2006 HUL Performance Share Scheme	2010	-	-	-	-	-	-
		(59,137)	-	-	(59,137)	-	-
	Interim PSP 2010	-	-	-	-	-	-
		(45,283)	(7,473)	(3,911)	(48,845)	-	-
	2011	3,50,503	-	-	3,50,503	-	-
		(2,57,869)	(1,11,151)	(18,517)	-	(3,50,503)	(3,50,503)
	Interim PSP 2011	41,282	18,507	-	59,789	-	-
		(43,818)	-	(2,536)	-	-	(41,282)
	2012	3,59,170	1,61,526	-	1,96,067	-	3,24,629
		(3,88,942)	-	(29,772)	-	-	(3,59,170)
Interim PSP 2012	42,707	-	2,770	-	-	39,937	
	(51,385)	-	(8,678)	-	-	(42,707)	
2012 HUL Performance Share Scheme	2013	3,47,484	-	28,232	-	-	3,19,252
		(3,68,023)	-	(20,539)	-	-	(3,47,484)
	Interim PSP 2013	25,418	-	-	-	-	25,418
		-	(25,418)	-	-	-	(25,418)
	2014	2,62,155	-	18,447	-	-	243,708
		-	(2,62,155)	-	-	-	(2,62,155)
	Interim PSP 2014	-	16,805	-	-	-	16,805
	-	-	-	-	-	-	
2015	-	1,42,038	-	-	-	1,42,038	

* Granted during the year includes additional shares granted upon meeting the vesting conditions.

(figures in bracket pertain to 2013-14)

The Group has adopted the intrinsic value method as permitted by the Securities and Exchange Board of India [Employee Stock Option Scheme and Employee Stock Purchase Scheme] Guidelines, 1999 and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India in respect of stock options granted. The value of the underlying shares has been determined by an independent valuer.

The Employee Stock Option Plan includes employees of Hindustan Unilever Limited, its subsidiaries and a subsidiary of parent Company.

The Group's profit for the year and earnings per share would have been as under, had the compensation cost for Employees' Stock Options been recognized based on the fair value at the date of grant in accordance with Black Scholes model.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

44) EMPLOYEE STOCK OPTION PLAN (CONTD.)

	31st March, 2015	31st March, 2014
Profit for the year	4,363.08	3,945.58
Add: Reduction in employee compensation cost based on fair value	2.87	1.03
Profit for the year as per fair value method	4,365.96	3,946.61
Basic Earnings Per Share (EPS)		
Weighted average number of equity shares	2,16,31,11,502	2,16,25,58,113
Basic EPS as reported (in Rs.) [Refer Note 42]	20.17	18.24
Proforma Basic EPS (in Rs.)	20.18	18.25
Diluted Earnings Per Share (EPS)		
Weighted average number of equity shares (including dilutive ESOP shares)	2,16,42,74,851	2,16,38,79,457
Diluted EPS as reported (in Rs.) [Refer Note 42]	20.16	18.23
Proforma Diluted EPS (in Rs.)	20.17	18.24
Weighted average equity share price at the date of exercise of options (in Rs.)	696.07	588.46
Weighted average remaining contractual life of options (in years)	1.34	1.43

The following assumptions were used for calculation of fair value of grants:

	Year ended 31st March, 2015	Year ended 31st March, 2014
Risk-free interest rate (%)	7.86%	8.85%
Expected life of options (years) [(year to vesting + contractual option term)/2]	3.125	3.125
Expected volatility (%)	25.44%	25.56%
Dividend yield	1.51%	2.06%

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

Effect of share-based payment plan on the Statement of Profit and Loss:

	Year ended 31st March, 2015	Year ended 31st March, 2014
Expense arising from employee share-based payment plan	19.41	7.00

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

45) DERIVATIVE INSTRUMENTS

a) The Group uses forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding as at March 31, 2015 are as under:

Currency exchange	GBP/ INR	EUR/ INR	USD/ INR	SEK/ INR	CAD/ INR	EUR/ USD	GBP/ USD	SGD/ INR	CAD/ USD	AUD/ INR
i) Number of 'buy' contracts	7.08 (1.01)	42.02 (26.07)	39.06 (76.01)	10.00 (4.00)	2.00 -	- (4.00)	- (2.00)	9.00 (1.00)	- -	0.01 -
ii) Aggregate "buy" foreign currency amount (crores)	0.22 (0.02)	2.69 (1.78)	5.23 (5.64)	1.78 (0.97)	0.12 -	- (0.23)	- (0.04)	0.18 (0.02)	- -	0.01 -
iii) Number of 'sell' contracts	0.04 (0.02)	0.16 (0.13)	1.58 (3.70)	- -	- (0.01)	- (0.04)	- (0.01)	- -	- (0.01)	0.08 (0.05)
iv) Aggregate "sell" foreign currency amount (crores)	0.07 (0.05)	0.52 (0.45)	3.66 (5.17)	- -	- (0.02)	- (0.19)	- (0.04)	- -	- (0.01)	0.09 (0.10)

(figures in bracket pertain to 2013-14)

b) The foreign currency exposures not hedged in respect of trade receivables as at the year end are as under:

Currency exchange	GBP	EUR	USD	SEK	SGD	JPY	THB	CAD	CHF	AUD
Unhedged exposure in currency (crores)	0.01 (0.05)	0.07 (0.12)	0.02 (0.16)	0.05 (0.09)	0.01 (0.02)	0.10 -	0.02 -	0.00 (0.00)	0.00 -	0.02 (0.00)

(figures in bracket pertain to 2013-14)

c) Mark-to-Market losses

	Year ended 31st March, 2015	Year ended 31st March, 2014
Mark-to-market losses provided for	36.60	18.67

46) INTEREST IN JOINT VENTURE

The Company has the following investment, in a jointly controlled entity:

Name of the Entity	Country of Incorporation	Percentage of ownership interest, as at 31st March, 2015	Percentage of ownership interest, as at 31st March, 2014
Kimberly Clark Lever Private Limited	India	50%	50%

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

46) SHARE IN JOINT VENTURE (CONTD.)

The Group's share of each of the assets, liabilities, income, expenses, etc. (each without elimination of the effect of transactions between the Group and the Joint Venture) related to its interests in this joint venture, based on the audited financial statement are:

	As at 31st March, 2015	As at 31st March, 2014
(a) ASSETS		
Fixed Assets (including capital work-in-progress)	43.57	28.82
Long-term loans and advances	40.33	32.72
Inventories	33.26	31.95
Trade receivables	3.36	4.82
Cash and bank balances	8.89	10.37
Short-term loans and advances	4.26	3.15
Other current assets	0.25	0.02
(b) LIABILITIES		
Long-term borrowings*	7.00	8.44
Deferred tax liability (net)	0.37	0.22
Long-term provisions	-	-
Short-term borrowings	36.04	37.14
Trade payables	54.84	52.07
Other current liabilities	14.43	5.98
Short-term provisions	0.91	0.37
* Long-term borrowings representing loan from bank repayable in three yearly installments starting from February, 2018; to be secured against assets to be purchased by the joint venture.		
(c) INCOME	177.39	156.61
(d) EXPENSES	180.01	182.46
(e) OTHER MATTERS		
Contingent liabilities	58.03	75.49
Capital commitments	0.13	0.18

47) 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 ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

48) PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped/restated wherever necessary to conform with this year's classification. Previous year's financial statements were audited by a firm of Chartered Accountants other than B S R & Co. LLP.

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

49) RELATED PARTY DISCLOSURES

A. Enterprises where control exists

(i) Holding Company : Unilever PLC

B. Other Related Parties with whom the Group had transactions during the year

(i) Fellow Subsidiaries :

- Brooke Bond Assam Estates Limited
- Brooke Bond Group Limited
- Brooke Bond South India Estates Limited
- Conopco, Inc.
- Corporativo Unilever De Mexico, S.De R.L. De C.V. (Merged)
- Elida Nepal (Pvt) Ltd.
- Glidat Strauss Limited
- Lever International Marine Supplies (LIMS) BV
- Lipton Soft Drinks Ireland
- Mascolo Brothers Limited
- OOO Unilever Russia
- P.T. Unilever Indonesia, Tbk.
- Tigi Holdings Limited
- Tigi Linea International B.V.
- Tigi Liniea, LP
- UL Research & Development Vlaard
- Unilever Algeria Spa
- Unilever Andina Colombia Ltd
- Unilever Ascc AG
- Unilever Asia Private Limited
- Unilever Australasia
- Unilever Australia Limited
- Unilever Australia Trading Limited
- Unilever Bangladesh Limited
- Unilever Brasil Limited
- Unilever Business And Marketing Support AG
- Unilever Canada INC
- Unilever Canada-Food Solutions
- Unilever Chile S.A.
- Unilever Chile Home And Personal Care Limitada
- Unilever China Limited
- Unilever Cote D'ivoire
- Unilever De Argentina SA
- Unilever De Mexico S De RL
- Unilever Employment Services B.V.
- Unilever Europe IT Services

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

49) RELATED PARTY DISCLOSURES (CONTD.)

(i) Fellow Subsidiaries (Contd.)

Unilever Gulf Free Zone Establishment, Arabia
 Unilever Hong Kong Limited
 Unilever Industries Private Limited
 Unilever Iran (Private Joint Stock Company)
 Unilever Israel Marketing Limited
 Unilever Europe Business Center BV
 Unilever Italy Holdings Srl
 Unilever Japan
 Unilever Kenya Ltd
 Unilever Korea
 Unilever Lipton Ceylon Limited
 Unilever Maghreb Exports SA, Tunisia
 Unilever (Malaysia) Holdings Sdn Bhd
 Unilever Market Development (pty) Limited
 Unilever Mashreq International Company
 Unilever N.V.
 Unilever Nigeria Plc.
 Unilever Overseas Holdings AG
 Unilever Overseas Holdings BV
 Unilever Pakistan Limited
 Unilever Philippines, Inc.
 Unilever Research and Development Vlaardingen B.V.
 Unilever Sanayi ve Ticaret Türk A.S.
 Unilever Singapore PTE LTD
 Unilever SNG
 Unilever South Africa (Pty) Limited
 Unilever South Central Europe S.R.L
 Unilever Sri Lanka Limited
 Unilever Supply Chain Company AG
 Unilever Taiwan Limited
 Unilever Thai Services Limited
 Unilever Thai Trading Limited
 Unilever Trading LLC
 Unilever U.K. Central Resources Limited
 Unilever UK & CN Holdings Limited
 Unilever United States, Inc.
 Unilever Ventures India Advisory Private Ltd
 Unilever Vietnam International Company Limited
 Unilever Zimbabwe (Pvt) Limited
 Walls (China) Co. Limited
 Unilever Andina Ecuador
 Toni&Guy Product Limited

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

49) RELATED PARTY DISCLOSURES (CONTD.)

	Unilever Belgium BVBA Unilever Technology Ventures Advisory Company LLC Unilever Iran USUP Spolka z ograniczona odpo Unilever UK Limited Unilever Japan BEV Unilever South East Africa - Z Binzagr Unilever Ltd AL Gurg Lever LLC Severn Gulf FZE Unilever Korea Chusik Hoesa Unilever Mashreq - Personal Care
(ii) Joint Ventures	: Kimberly Clark Lever Private Limited
(iii) Associate	Aquagel Chemicals (Bhavnagar) Pvt. Ltd. Hitech Surfactants Pvt Ltd Comfund Financial Services India Limited Hindustan Field Services Private Limited (up to March 10, 2015)
(iv) Key Management Personnel	: BP Biddappa Dev Bajpai Geetu Verma Hemant Bakshi Manish Tiwary (up to November 30, 2014) Nitin Paranjpe (up to October 09, 2013) PB Balaji (with effect from July 01, 2014) Pradeep Banerjee Priya Nair (with effect from October 01, 2014) Punit Misra (with effect from November 01, 2014) Sanjiv Mehta Samir Singh (with effect from October 01, 2014) Sridhar Ramamurthy (up to June 30, 2014)
(v) Other (Non Executive Chairman)	: Harish Manwani
(vi) Employees' Benefit Plans where there is significant influence	: Hind Lever Gratuity Fund The Hind Lever Pension Fund The Union Provident Fund
(vii) Controlled Entity (Sec. 8 Companies Act, 2013)	: Bhavishya Alliance Child Nutrition Initiatives (100%) (with effect from March 12, 2015) Hindustan Unilever Foundation (76%)

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

49) RELATED PARTY DISCLOSURES (CONTD.)

Disclosure of transactions between the Group and Related Parties and the status of outstanding balances as on 31st March, 2015

		For the year ended 31st March, 2015	For the year ended 31st March, 2014
Holding Company	: Dividend paid	1,504.40	1,089.79
	Royalty expense	728.28	537.92
	Income from services rendered	484.05	447.04
	Outstanding as at the year end:		
	- Trade Payables	137.37	104.09
Fellow Subsidiaries	: Sale of finished goods/raw materials etc	661.46	731.54
	Purchased of fixed assets	0.48	-
	Purchase of finished goods/raw materials etc	332.35	334.98
	Rent income	1.10	1.10
	Sale of fixed assets	0.62	0.28
	Income from services rendered	27.84	32.53
	Management fees paid	1.73	1.95
	Dividend paid	459.06	391.05
	Royalty expense	8.61	5.58
	Expenses shared by fellow subsidiaries	3.86	4.35
	Maintenance and support costs for licences and software	6.09	4.54
	Reimbursements paid	66.67	26.53
	Reimbursements received	21.43	34.51
	Inter corporate loans given during the year	-	104.15
	Inter corporate loans repaid during the year	-	105.55
	Interest income	-	0.22
	Outstanding as at the year end:		
- Current account balances receivable with fellow subsidiaries	35.14	43.62	
- Trade receivables	138.68	136.53	
- Trade payables	76.52	106.94	
Joint Venture (to the extent not consolidated)	: Purchase of finished goods/raw materials etc.	183.93	184.67
	Reimbursements received	40.42	41.49
	Investment in equity shares	22.52	-
	Outstanding as at the year end :		
	- Current account balances receivable with joint ventures	15.92	12.54
- Trade payables	1.19	2.92	
Associate	Processing charges	10.12	7.95
	Expense for business support services	318.60	309.40
	Dividend Income	0.26	0.66
	Purchase of finished goods/raw materials etc.	9.33	13.02
	Rent income	0.98	0.88
	Reimbursement of expenses	0.28	0.25
	Outstanding as at the year end :		
- Trade payables	1.23	1.99	

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

49) RELATED PARTY DISCLOSURES (CONTD.)

Disclosure of transactions between the Group and Related Parties and the status of outstanding balances as on 31st March, 2015

		For the year ended 31st March, 2015	For the year ended 31st March, 2014
Key Management Personnel	Remuneration	71.68	39.91
	Dividend paid	0.46	0.45
	Consideration received on exercise of options	0.39	0.26
Other (Non Executive Chairman)	Dividend paid	0.01	0.03
Employees' Benefit Plans where there is significant influence	Contributions during the year	38.15	64.86
	Outstanding as at the year end :		
	- Advances recoverable in cash or kind or for value to be received	-	4.06
	- Payables	1.36	-
Controlled Entity (Sec. 8 Companies Act, 2013)	Contribution to foundation	24.68	10.23

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

		For the year ended 31st March, 2015	For the year ended 31st March, 2014
Dividend paid			
	Unilever PLC	1,504.40	1,089.79
Royalty expense			
	Unilever PLC	728.28	537.92
Income from services rendered			
	Unilever PLC	484.05	447.04
Sale of finished goods/raw materials etc.			
	Unilever Asia Private Limited	146.85	152.27
	Unilever Gulf Free Zone Establishment, Arabia	164.43	184.25
Purchase of fixed assets			
	Unilever Europe IT Services	0.48	0.34
Purchase of finished goods/raw materials etc.			
	Kimberly Clark Lever Private Limited	183.93	184.67
	Unilever Supply Chain Company AG	168.00	158.66
	Unilever Asia Private Limited	148.33	160.54
Rent income			
	Unilever Industries Private Limited	1.10	1.10
	Hindustan Field Services Private Limited	0.84	0.84
Sale of fixed assets			
	Unilever Sri Lanka Limited	0.62	0.28
Management fees paid			
	Unilever Industries Private Limited	1.73	1.95
Expenses shared by fellow subsidiaries			
	Unilever Industries Private Limited	3.86	4.35

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

49) RELATED PARTY DISCLOSURES (CONTD.)

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Dividend income		
Hindustan Field Services Private Limited	0.26	0.66
Maintenance and support costs for licences and software		
Unilever N.V.	4.41	0.85
Unilever U.K. Central Resources Limited	1.68	3.69
Reimbursements paid		
Unilever N.V.	51.00	14.85
Reimbursements received		
Unilever Industries Private Limited	12.59	22.29
Kimberly Clark Lever Private Limited	40.42	40.42
Expense for business support services		
Hindustan Field Services Private Limited	318.60	309.40
Inter corporate loans given during the year		
Unilever Industries Private Limited	-	104.15
Inter corporate loans repaid during the year		
Unilever Industries Private Limited	-	105.55
Interest income		
Unilever Industries Private Limited	-	0.22
Investment in equity shares		
Kimberly Clark Lever Private Limited	22.52	-
Remuneration		
Nitin Paranjpe	-	4.56
Sridhar Ramamurthy	7.48	4.83
Sanjiv Mehta	14.17	6.14
BP Biddappa	5.85	4.99
Pradeep Banerjee	5.06	4.34
Hemant Bakshi	9.01	6.71
Contributions during the year		
The Union Provident Fund	37.31	39.52
Hind Lever Gratuity Fund	0.85	22.11
Consideration received on exercise of options		
Pradeep Banerjee	0.12	0.14
Nitin Paranjpe	-	0.11
Hemant Bakshi	0.19	0.00
Sridhar Ramamurthy	0.00	-
Leena Nair	-	0.00
Manish Tiwari	0.07	-
Processing charges		
Hitech Surfactants Pvt Ltd	10.12	7.95

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

49) RELATED PARTY DISCLOSURES (CONTD.)

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Contribution to fund		
Hindustan Unilever Foundation	24.68	10.23
Outstanding as at the year end - trade receivables		
Unilever Asia Private Limited	31.20	34.97
Unilever Gulf Free Zone Establishment, Arabia	40.17	19.77
Unilever ASCC AG	19.99	17.70
Outstanding as at the year end - current account balances receivable with group companies and joint venture		
Unilever Industries Private Limited	25.35	39.94
Kimberly Clark Lever Private Limited	15.92	12.54
Outstanding as at the year end - trade payables		
Unilever Plc	137.37	104.09
Unilever Supply Chain Company AG	44.10	40.58
Unilever Asia Private Limited	17.57	31.07

50) SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2015

Information About Primary Business Segments

	For the Year ended 31st March, 2015			For the Year ended 31st March, 2014		
	External	Intersegment	Total	External	Intersegment	Total
REVENUE						
Soaps and Detergents	14,876.50	-	14,876.50	13,683.41	-	13,683.41
Personal Products	9,100.03	-	9,100.03	8,194.36	-	8,194.36
Beverages	3,631.26	-	3,631.26	3,311.86	-	3,311.86
Packaged Foods	1,891.80	-	1,891.80	1,648.30	-	1,648.30
Others	2,392.01	-	2,392.01	2,306.31	-	2,306.31
Total Revenue (Refer note 3 to segment information)	31,891.60	-	31,891.60	29,144.24	-	29,144.24
RESULT						
Soaps and Detergents			2,065.50			1,802.34
Personal Products			2,423.53			2,056.77
Beverages			614.56			580.69
Packaged Foods			83.17			61.26
Others			196.10			205.33
Total Segment			5,382.86			4,706.39
Un-allocated corporate expenses net of un-allocated income			(288.95)			(256.26)

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

50) SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2015 (CONTD.)

	For the Year ended 31st March, 2015			For the Year ended 31st March, 2014		
	External	Intersegment	Total	External	Intersegment	Total
Operating Profit			5,093.91			4,450.13
Finance Costs			(17.70)			(40.68)
Other income			564.08			570.12
Profit before exceptional items and tax			5,640.29			4,979.57
Exceptional items - income/(expenditure) - Segment						
Soaps and Detergents		(5.88)			22.37	
Personal Products		(3.49)			13.26	
Beverages		(1.43)			3.58	
Packaged foods		(2.55)			(0.03)	
Others		(3.98)			1.19	
			(17.33)			40.37
Exceptional items - income/(expenditure) - Unallocated/Corporate			696.55			195.24
Profit before tax			6,319.51			5,215.18
Taxation for the year						
Current tax			(1,959.81)			(1,228.24)
Deferred tax - credit/(charge)			15.81			(31.20)
Profit after tax and before minority interest			4,375.51			3,955.74
Less: Minority Interest			(12.43)			(10.17)
Profit for the year			4,363.08			3,945.57

Information about Primary Business Segments

Other Information

	Segment Assets		Segment Liabilities	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Soaps and Detergents	3,409.52	3,283.69	(3,357.15)	(3,382.35)
Personal Products	1,491.88	1,412.33	(1,877.23)	(1,875.46)
Beverages	1,077.01	1,083.27	(699.81)	(735.92)
Packaged foods	683.89	612.49	(467.97)	(438.21)
Others	870.73	806.14	(562.86)	(538.26)
Total	7,533.03	7,197.92	(6,965.02)	(6,970.20)
Unallocated Corporate Assets/(Liabilities)	7,178.25	6,812.38	(3,699.83)	(3,480.53)
Total Assets/(Liabilities)	14,711.28	14,010.30	(10,664.85)	(10,450.73)

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to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

50) SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2015 (CONTD.)

	Capital Expenditure		Depreciation/Amortisation		Non - Cash Expenses other than Depreciation	
	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Soaps and Detergents	287.45	545.37	110.64	103.27	29.23	22.50
Personal Products	111.25	135.86	87.78	83.12	18.00	14.64
Beverages	57.06	31.91	15.88	13.32	6.72	6.07
Packaged Foods	58.27	43.98	33.19	30.48	3.41	2.95
Others	39.21	39.11	24.80	23.39	7.10	6.77
Unallocated Corporate Assets/ (Liabilities)	44.15	57.74	50.10	41.96	0.96	-

Information about Secondary Business Segments

	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Revenue by Geographical Markets		
India	29,981.59	27,210.45
Outside India	1,910.01	1,931.56
Total	31,891.60	29,142.01
Additions to Tangible and Intangible Fixed Assets		
India	548.36	791.86
Outside India	4.87	4.37
Total	553.23	796.23
Carrying Amount of Segment Assets		
India	7,254.45	6,940.83
Outside India	278.58	257.09
Total	7,533.03	7,197.92

NOTES:

1. Business Segments

The Group has considered business segments as the primary segments for disclosure on the basis that the risk and returns of the Group is primarily determined by the nature of products and services. Consequently the geographical segment has been considered as a secondary segment. The products included in each of the reported domestic business segments are as follows:

- Soaps and Detergents include soaps, detergent bars, detergent powders, detergent liquids, scourers, etc.
- Personal Products include products in the categories of Oral Care, Skin Care (excluding soaps), Hair Care, Deodorants, Talcum Powder, Colour Cosmetics, Ayush services, etc.
- Beverages include tea and coffee.
- Packaged foods include Branded Staples (Atta, Salt, Bread, etc.), Culinary Products (tomato based products, fruit based products, soups, etc.) and Frozen desserts.

NOTES

to the financial statements for the year ended 31st March, 2015 (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

50) SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2015 (CONTD.)

e) Others include Exports, Chemicals, Water business, Infant Care Products etc.

Segment Revenue relating to each of the above domestic business segments includes Income from Services provided, where applicable.

In addition, the Group's others segment includes export sale of Marine products, Leather products etc.

The above business segments have been identified considering:

- the nature of products and services
- the differing risks and returns
- the internal organisation and management structure, and
- the internal financial reporting systems.

2. Geographical Segments

The geographical segments considered for disclosure are as follows :

- Sales within India includes sales to customers located within India.
- Sales outside India includes sales to customers located outside India.
- The carrying amount of segment assets in India and Outside India is based on geographical location of assets.

3. Revenue comprises:

	Year ended 31st March, 2015	Year ended 31st March, 2014
Sale of products (net of excise duty)	31,199.72	28,538.98
Income from services rendered to group companies	511.88	479.57
Salon services, Export incentives, scrap sales included in other operating income	180.00	123.46
Total	31,891.60	29,142.01

4. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

As per our report of even date

For B S R & Co. LLP

Firm Registration No. 101248W/W - 100022
Chartered Accountants

Akeel Master

Partner
Membership No. 046768

Mumbai : 8th May, 2015

For and on behalf of Board of Directors

Sanjiv Mehta

Managing Director and CEO
[DIN: 06699923]

Aditya Narayan

Chairman - Audit Committee
[DIN: 00012084]

Ritesh Tiwari

Group Contoller

Mumbai : 8th May, 2015

PB Balaji

Executive Director (Finance & IT) and CFO
[DIN: 02762983]

Dev Bajpai

Executive Director Legal and Company Secretary
Membership No. FCS 3354

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(All amounts in Rs. crores, unless otherwise stated)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES

Part "A": Subsidiaries

Name of the subsidiary	Unilever India Exports Limited	Pond's Exports Limited	Unilever Nepal Limited - Indian Rs	Unilever Nepal Limited - Nepalese Rs	Lakme Lever Private 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
			(note ii and iii)						(note iii)			
1 Reporting period	31/03/2015	31/03/2015	15/07/2014 (Ashaad, 31, 2071)		31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015
2 Share capital	2.98	1.99	5.75	9.20	35.91	5.00	0.22	0.01	0.01	0.05	0.05	0.05
3 Reserves & surplus	378.32	10.77	85.08	136.13	115.10	(0.97)	3.96	1.11	0.46	-	-	-
4 Total assets	575.17	53.76	255.21	408.34	366.51	4.03	4.47	1.30	3.16	0.05	0.05	0.05
5 Total Liabilities	193.88	41.00	164.38	263.01	215.51	-	0.29	0.19	2.69	-	-	-
6 Investments	48.79	-	-	-	-	-	-	-	-	-	-	-
7 Turnover	932.46	138.27	336.68	538.69	227.28	-	-	-	-	-	-	-
8 Profit / (loss) before taxation	154.59	3.88	79.12	126.59	(34.30)	(0.11)	-	0.10	0.47	-	-	-
9 Provision for taxation	(55.55)	0.85	(16.99)	(27.18)	-	-	-	-	-	-	-	-
10 Profit / (loss) after taxation	99.04	4.73	62.13	99.41	(34.30)	(0.11)	-	0.10	0.47	-	-	-
11 Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-
12 % of shareholding	100%	90%	80%		100%	100%	100%	76%	100%	100%	100%	100%

Notes:

- During the year Brooke Bond Real Estates Private Limited (BBREPL) and Aquagel Chemicals Private Limited (ACPL) ceased to be the subsidiaries of the Company.
- Converted into Indian Rupees at the Exchange rate INR 1 = 1.6 Nepalese Rupees.
- The financial statements have been audited by a firm of Chartered Accountants other than B S R & Co. LLP.

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) (Contd.)

(All amounts in Rs. crores, unless otherwise stated)

Part "B": Joint Venture

Name of the subsidiary	Kimberly - Clark Lever Private Limited (Refer note iii above)
1 Latest audited Balance Sheet Date	31/03/2015
2 Shares of Joint Ventures held by the Company on the year end	
i) Number	4,23,46,667
ii) Amount of Investment in Joint Venture	35.94
iii) Extend of Holding%	50%
3 Description of how there is significant influence	Joint venture agreement
4 Reason why the joint venture is not consolidated	Not applicable
5 Net worth attributable to shareholding as per latest audited Balance Sheet	20.33
6 Loss for the year	
i) Considered in Consolidation	(9.80)
ii) Not Considered in Consolidation	(9.80)

Note: a) Refer note 1. d of the consolidated financial statements for information on associates.

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director and CEO
[DIN: 06699923]

PB Balaji
Executive Director (Finance & IT) and CFO
[DIN: 02762983]

Aditya Narayan
Chairman - Audit Committee
[DIN: 00012084]

Dev Bajpai
Executive Director Legal and Company Secretary
Membership No. FCS 3354

Ritesh Tiwari
Group Controller

Mumbai : 8th May, 2015

INVESTOR SAFEGUARDS

In order to serve you better and prevent risks associated with dealing in securities, we request you to follow the general safeguards as detailed hereunder:

Demat / Exchange

To avail the benefits of holding shares in demat form, Members are requested to convert their physical holdings to demat / electronic form through a Depository Participant (DP) of their choice. Holding securities in demat form helps investors to get immediate transfer of securities, without payment of stamp duty. The Company also offers help to its Members to demat their physical shares. Share certificates of face value of Rs. 10/- are no longer tradeable in the market and will not be accepted by the DPs for demat. Members who still hold Share Certificates with a face value of Rs. 10/- each are therefore requested to forward the same to M/s. Kary Computershare Private Limited (the Registrar), along with a request letter signed by all the holders for exchange of Share Certificate(s). The exchanged Share Certificate(s) of shares having a face value of Re.1/- each will help you to demat your shares expeditiously.

Registration of Nomination and NECS Mandate

Members holding shares in physical form are requested to register Nomination in their folio(s) by sending duly completed Nomination Form to the Registrar / Investor Service Department of the Company.

Members who have not registered their NECS Mandate are requested to send their NECS Mandate Form to the Registrar / Investor Service Department of the Company or to their DP, as the case may be. For any change in bank particulars, either due to banker having migrated their operations to core banking solutions or merged with another bank, Members are requested to register a fresh NECS Mandate with the revised bank particulars.

Unclaimed Dividend

Details of unclaimed dividends are available on the Investor Centre page on the website of the Company www.hul.co.in. Those Members whose dividends remain unclaimed are requested to check the details of unclaimed dividends on the website and send their requests to the Registrar / Investor Service Department of the Company for issuance of fresh Demand Drafts. To ensure maximum disbursement of unclaimed dividends, the Company also sends reminders to the relevant Members before transfer of unclaimed dividends to Investor Education and Protection Fund (IEPF).

E-Communication

To receive Company related information and communication promptly, Members are requested to register / update their e-mail addresses with the Company by sending duly completed E-Communication Registration Form, which is available on the website of the Company www.hul.co.in. Members who hold shares in demat form can request their DP to update the e-mail address in their records. The Companies Act, 2013 and Rules framed thereunder governing e-communication have been notified and the Company shall be sending notice, documents, financial statements, etc. through electronic mode to the Members who have provided their email address to the Company or Depository Participants. Members may send request for hard copy of such notices, documents, financial statements, etc. to the Registrar / Investor Service Department of the Company.

Consolidation of Multiple Folios

Members are requested to consolidate their shareholdings under multiple folios, to save themselves from the burden of receiving multiple communications as also to facilitate one point tracking of all corporate benefits on their shares.

PAN Requirement for Transfer of Shares in Physical Form

SEBI has mandated submission of Permanent Account Number (PAN) for securities market transactions and off market / private transactions involving transfer of shares of listed companies in physical form. Therefore, it shall be mandatory for the transferee(s) to furnish a copy of their PAN card to the Registrar / Investor Service Department of the Company for registration of such transfers. Members / Investors are, therefore, requested to take note of the same and submit their PAN card copy to the Registrar / Investor Service Department of the Company.

General Safeguards

- Please send Share Certificate(s) and high value dividend warrants / cheques / demand drafts by registered post or courier so as to avoid loss of document in transit.
- Exercise due diligence and notify any change in address, stay abroad or demise of any shareholder as soon as possible to the Company or DP, as the case may be.
- Deal only with SEBI registered intermediaries and obtain a valid Contract Note / Confirmation Memo from the broker / sub-broker, within 24 hours of execution of the trade.
- Do not disclose your Folio Nos. / DP ID and Client ID to any unknown person.
- Do not hand over signed blank transfer deeds, delivery instruction slips to any unknown person.
- Do not leave your demat account dormant for long.
- Obtain periodic statement of holdings from the concerned DP and verify the holdings periodically.

For further information on Investor Safeguards, Frequently Asked Questions and Related Forms, please visit the 'Investor Centre' page on the website of the Company www.hul.co.in.

INVESTOR SERVICE DEPARTMENT

Hindustan Unilever Limited
Unilever House, B. D. Sawant Marg
Chakala, Andheri (East)
Mumbai - 400 099.
Phone : +91 - 22 - 39832285 / 32452
Fax : +91 - 22 - 28249457
E-mail : levercare.shareholder@unilever.com
Website : www.hul.co.in

KARVY COMPUTERSHARE PRIVATE LIMITED

Kary Computershare Private Limited
Unit : Hindustan Unilever Limited
Kary Selenium Tower B,
Plot 31-32, Gachibowli Financial District,
Nanakramguda
Hyderabad - 500 032
Phone : +91 - 40 - 67161500, 33211000
Fax : +91 - 40 - 23420814, 23001153
Toll Free no. : 1800-345-4001
E-mail : einward.ris@karvy.com
Website : www.karvy.com

CORPORATE INFORMATION

REGISTERED OFFICE

Unilever House, B. D. Sawant Marg,
Chakala, Andheri (East), Mumbai - 400 099.

AUDITORS

B S R & Co. LLP, Mumbai

BANKERS

Bank of America
Bank of Baroda
Bank of India
Citibank N.A.
Deutsche Bank
HDFC Bank

Hongkong & Shanghai Banking Corporation
ICICI Bank
Indian Bank
Punjab National Bank
Royal Bank of Scotland
Standard Chartered Bank

State Bank of Hyderabad
State Bank of India
Syndicate Bank
Union Bank of India

PLANT LOCATIONS

NORTHERN REGION

BAROTIWALA

- Khasra No. 94-96, 355-409, Village Balyana, Barotiwala IA, Tehsil Kasauli, District Solan - 174 103, Himachal Pradesh
- Khasra No. 1350 - 1318, Bhatoli Kalan, Hill Top Industrial Area, Jharmajri, Tehsil Baddi, District Solan - 173 205, Himachal Pradesh

ETAH

Village Asrauli, G.T.Road, Etah-207 001, Uttar Pradesh

HARIDWAR

Plot No. 1, Sector 1A, Integrated Industrial Estate, Ranipur,
Haridwar - 249 403, Uttarakhand

NALAGARH

Hudbust No. 143, Khasra No. 182 / 183 / 187/1, Village
Kirpalpur, Near Nalagarh Fire Station, Tehsil - Nalagarh,
District Solan - 174 101, Himachal Pradesh

ORAI

A-1, UPSIDC Industrial Area, Orai, District Jalaun - 285 001
Uttar Pradesh

RAJPURA

A-5, Phase II-B, Focal Point, Rajpura - 140 401, Punjab

SUMERPUR

A-1, UPSIDC Industrial Area, Bharua, Sumerpur,
Hamirpur - 210 502, Uttar Pradesh

EASTERN REGION

HALDIA

PO Durgachak, Haldia - 721 602, Midnapore, West Bengal

KOLKATA

- 1, Transport Depot Road, Kolkata - 700 088, West Bengal
- 63, Garden Reach, Kolkata - 700 024, West Bengal
- P10 Taratola Road, Kolkata - 700 088, 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

PLANT LOCATIONS (CONTD.)

SOUTHERN REGION

BANGALORE

30, Industrial Suburb Stage II, Yashwantpur,
Bangalore - 560 002, Karnataka

CHENNAI

C.P.T. Campus, Tharamani, Chennai – 600 113, Tamilnadu

COCHIN

- Ernakulam North PO, Tatapuram, Cochin - 682 018, Kerala
- Edapally, Cochin – 682 024, Kerala

HOSUR

Plot No.50 & 51, SIPCOT Industrial Complex,
Hosur - 635 126, Tamilnadu

HYDERABAD

Uppal Kalan, Hyderabad – 500 039, Andhra Pradesh

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. 3, Cuddalore Main Road, Kirumambakkam,
Pondicherry – 605 702.

WESTERN REGION

CHHINDWARA

5/6 KM Stone, Narsinghpur Road, Lehgadua, Post Khajari,
Chhindwara – 480 002, Madhya Pradesh

CHIDLUN

B-7/17, Lote Parshuram MIDC, Khed Taluka,
District Ratnagiri, Chiplun – 415 722, Maharashtra

GOA

Plot Nos. 128 - 139 & 324 - 326, Kundaim Industrial Estate,
Kundaim – 403 115, Goa

KHAMGAON

C-9, MIDC, Khamgaon, District Buldhana – 444 303,
Maharashtra

MUMBAI

Aarey Milk Colony, Goregaon, Mumbai – 400 065, Maharashtra

NASIK

Plot No. A-8/9, MIDC, Malegaon, Sinnar - 422 103, Nasik,
Maharashtra

SILVASSA

- Survey No.151/1/1, Village Dapada, Khanvel Road,
Silvassa - 396 230, Dadra and Nagar Haveli
- Survey No.907, Kilwali Road, Amlli Village, Near
Gandhigram Bus Stop, Silvassa - 396 230,
Dadra and Nagar Haveli



Hindustan Unilever Limited

Registered office: Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099

CIN: L15140MH1933PLC002030, Web: www.hul.co.in, Email: levercare.shareholder@unilever.com, Tel: +91 22 39832285 / 39832452

Form No. MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____
Registered address: _____
E-mail ID: _____ Folio No. / DP ID and Client ID: _____

I/We, being the Member(s) of _____ shares of the above named Company, hereby appoint

- Name: _____ E-mail ID: _____
Address: _____
Signature: _____, or failing him/her
- Name: _____ E-mail ID: _____
Address: _____
Signature: _____, or failing him/her
- Name: _____ E-mail ID: _____
Address: _____
Signature: _____

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 82nd Annual General Meeting of the Company, to be held on Monday, the 29th day of June, 2015 at 2.00 p.m. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Reso. No.	Description	For*	Against*
1.	Adoption of Financial Statements and Reports thereon for the financial year ended 31st March, 2015	<input type="checkbox"/>	<input type="checkbox"/>
2.	Confirmation of interim dividend and declaration of final dividend	<input type="checkbox"/>	<input type="checkbox"/>
3.	Re-appointment of Mr. Harish Manwani as Director	<input type="checkbox"/>	<input type="checkbox"/>
4.	Re-appointment of Mr. Pradeep Banerjee as Director	<input type="checkbox"/>	<input type="checkbox"/>
5.	Re-appointment of Mr. P. B. Balaji as Director	<input type="checkbox"/>	<input type="checkbox"/>
6.	Ratification of the appointment of M/s. BSR & Co. LLP, Statutory Auditors and to fix their remuneration for the financial year ending 31st March, 2016	<input type="checkbox"/>	<input type="checkbox"/>
7.	Appointment of Ms. Kalpana Morparia as an Independent Director of the Company for a term upto five years	<input type="checkbox"/>	<input type="checkbox"/>
8.	Ratification of the remuneration of M/s. RA & Co, Cost Accountants for the financial year ending 31st March, 2016	<input type="checkbox"/>	<input type="checkbox"/>
9.	Increase in overall limit of remuneration payable to Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>
10.	Adoption of new Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>

Signed this _____ day of _____ 2015.

Signature of Shareholder (s) _____

Affix
Revenue
Stamp

Notes:

- Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as Proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as Proxy, who shall not act as Proxy for any other Member.
- This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099 not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

AWARDS AND RECOGNITION

FINANCIAL YEAR 2014-15 SAW MANY SUCCESSES.
SOME OF THE ACHIEVEMENTS ARE LISTED BELOW.



- 1 BrandZ™ Awards
- 2 'Client of the Year' at Effies
- 3 Dun and Bradstreet Corporate Awards
- 4 Greentech Award

OUR BRANDS

- HUL was the No. 1 Indian company to feature on the Forbes list of the World's Most Innovative Companies.
- HUL's mobile radio channel 'Kan Khajura Tesan' won three Gold Lions at the Cannes International Festival of Creativity.
- Ten HUL brands featured in the first ever BrandZ™ Top 50 Most Valuable Indian Brands ranking.
- The Kissanpur campaign won Silver at the Jay Chiat Strategic Excellence Awards 2014.
- HUL was the 'Client of the Year' at Effies 2014 and 'Media Client of the Year' at Emvies 2014.

OUR PEOPLE

- HUL is the 'No. 1 Employer of Choice' across all sectors for the 2015 graduating batch of B-School students according to Nielsen Campus Track-B School Survey.
- HUL was the 'Dream Employer' for sixth year in a row according to Nielsen Campus Track-B School Survey.

- HUL was recognised as the 'Top Indian Company' in FMCG sector at Dun & Bradstreet Corporate Awards.
- HUL was ranked No. 3 in Fortune India's list of most admired companies.
- HUL ranked No. 3 in the 2014 Global Aon Hewitt Top Companies for Leaders survey.
- HUL earned the highest recognition of 'Leadership in HR Excellence' across industries at the 5th Confederation of Indian Industry (CII) National HR Excellence Awards 2014.

OUR OPERATIONS

- HUL's Nasik factory won the Vasundhara Award for environment management performance.
- HUL received the 'Frost and Sullivan Award' for Excellence in FMCG Supply Chain.
- HUL's legal team was awarded the 'best in house compliance team' by Legal Era.
- HUL's Haridwar factory won Gold at Greentech Environment Award 2015 in the FMCG sector.

SUSTAINABILITY

- HUL's Project Shakti received the 'Porter Prize' for 'Creating Shared Value'.
- HUL's Silvassa manufacturing cluster was conferred the prestigious Sankalp Award 2014 by the Administration of Dadra and Nagar Haveli for the outstanding work done in uplifting the region under the USLP-linked 'Prabhat' initiative.
- HUL won 'Best Overall CSR Practices' at the Global CSR Excellence & Leadership Awards.
- HUL won the ICAI CSR Awards for Best CSR Projects under two categories – Health and Environment.

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**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

HUL INVESTOR RELATIONS APP

Scan the code given below to download the
HUL Investor Relations App
for iOS and Android

