S. N. ANANTHASUBRAMANIAN & CO.
COMPANY SECRETARIES
10/26, BRINDABAN, THANE – 400601 | Tel 25345648/25432704 | Fax 25390292 | Email sna@snaco.net | Website www.snaco.net

Form No. MR-3

# SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

**The Members,**

**Hindustan Unilever Limited**

**CIN L15140MH1933PLC002030**

Unilever House, B D Sawant Marg,

Chakala, Andheri East,

Mumbai - 400099.

We have conducted 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 **31st March, 2016**, 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:

S. N. ANANTHASUBRAMANIAN & CO. PARTNER CP NO. 1774 COMPANY SECRETARIES

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 2016,** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder and the applicable provisions of the Companies Act 1956;
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'):-
    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 (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015);
    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not Applicable as the Company has not issued any further share capital during the period under review];**
    d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 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 and listed any debt securities during the financial year under**



S. N. ANANTHASUBRAMANIAN & CO. PARTNER CP No. 1774 COMPANY SECRETARIES

review];

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable as the Company is not registered as Registrar to 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 / proposed 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 / proposed to buy-back any of its securities during the financial year under review].**

vi. The Management has identified and confirmed the following law as specifically applicable to the Company:

i. The Hazardous Wastes (Management and Handling) Rules, 1989;

ii. The Insecticide Act, 1968;

iii. The Drugs and Cosmetics Act, 1940;

iv. The Prevention of Food Adulteration Act, 1954;

v. The Legal Metrology Act, 2009;

vi. The Legal Metrology (Packaged Commodities) Rules 2011;

vii. 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 with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective **1st July, 2015;**

(ii) The Listing Agreements entered into by the Company with BSE Limited and



S. N. ANANTHASUBRAMANIAN & CO. COMPANY SECRETARIES PARTNER C.P. NO. 1774

National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective **1st December, 2015.**

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.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days 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 there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines: -

- As informed, the Company has responded appropriately to notices received from various statutory /regulatory authorities including initiating actions for corrective measures, wherever found necessary.

S. N. ANANTHASUBRAMANIAN & CO. PARTNER CP NO. 1714 COMPANY SECRETARIES

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We further report that during the audit period there were following specific events/actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc., : -

- The Board of Directors at their meeting held on 15th January, 2016 has considered and approved Scheme of arrangement under Section 391-394 of the Companies Act, 1956 between the Company and its members to re-classify and transfer the amounts lying to the credit of the General Reserve to the Profit and Loss account of the Company.

For S. N. ANANTHASUBRAMANIAN & CO.
Company Secretaries
Firm Registration No.P1991MH040400

S.N.ANANTHASUBRAMANIAN
PARTNER
C.P No: 1774
Date: 6th May, 2016
Place: Thane

S. N. ANANTHASUBRAMANIAN & CO.
COMPANY SECRETARIES
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To,
The Members,
**Hindustan Unilever Limited**
CIN L15140MH1933PLC002030
Unilever House, B D Sawant Marg,
Chakala, Andheri East,
Mumbai- 400099.

**Our Secretarial Audit Report of even date is to be read along with this letter.**

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For S. N. ANANTHASUBRAMANIAN & CO**
**Company Secretaries**
**Firm Registration No. P1991MH040400**

S.N.ANANTHASUBRAMANIAN
Partner
C.P No. 1774

Date : 6th May, 2016
Place : Thane