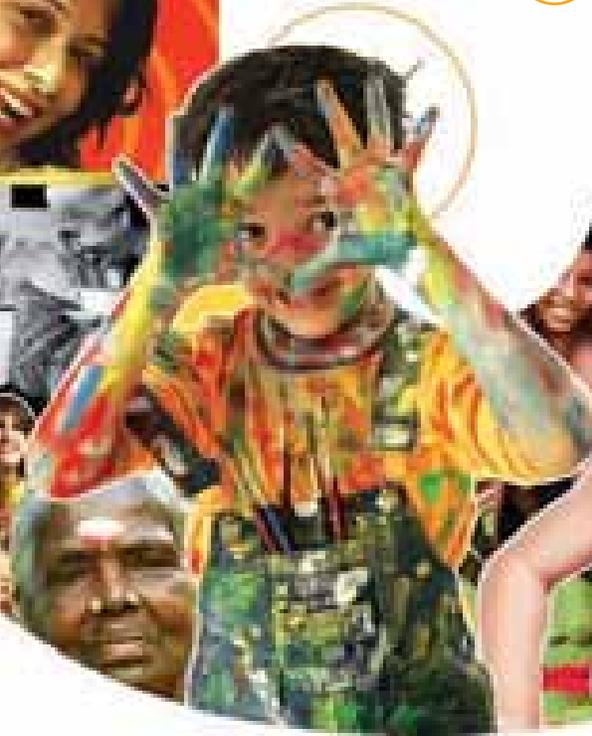
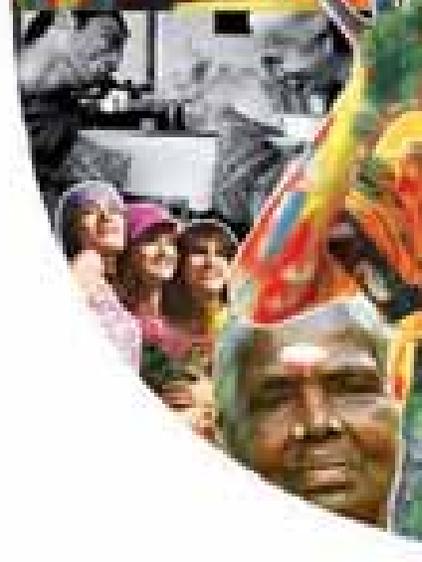


# It's all in



Hindustan Unilever Limited  
Annual Report 2008-09

# What's Inside

• About HUL	2		
• Chairman's Letter	12		
• Financial Performance and Trends	14		
• Awards and Accolades	16		
• Board of Directors' Profile	18		
• Notice of the AGM	25		
• Directors' Report and Management Discussion & Analysis	28		
• Corporate Governance	46		
• Standalone Financial Statements	64	• Standalone Financial Statements	
• Economic Value Added	111	• Significant Accounting Policies	64
• Consolidated Financial Statements	112	• Profit and Loss Account	66
• Statement Pursuant to Section 212	149	• Balance Sheet	67
• Investor Safeguards	151	• Cash Flow Statement	68
• Corporate Information	153	• Notes and Schedules	70
• Proxy		• Auditors' Report	108
		• Consolidated Financial Statements	
		• Significant Accounting Policies	112
		• Profit and Loss Account	114
		• Balance Sheet	115
		• Cash Flow Statement	116
		• Notes and Schedules	118
		• Auditors' Report	148



You, our stakeholders, are at the centre of everything we do. This simple philosophy has helped shape the organisation to become what it is today – India's leading FMCG company. Our relentless efforts to ensure that we make a difference in your lives – as shareholders, as consumers, as business partners and as citizens – has helped us achieve a position of pre-eminence in the Indian industry. It has helped us develop and evolve a portfolio of world class products that help people feel good, look good and get more out of life. It has helped us to become an integral part of the communities we operate in and seek to serve. It has helped us become a part of your everyday life – right from your morning cup of tea to your brushing routine at bedtime. This spirit of serving a billion needs and aspirations is what drives and motivates each of the more than 15,000 employees of Hindustan Unilever everyday in their collective pursuit of the Company's vision of making a real difference to every Indian.

## Welcome to the world of Hindustan Unilever.

A world where life revolves around **U** - your needs, your aspirations, and your quality of life.

# About HUL

## Incorporation

The Company was incorporated in 1933 but its products have been sold in India since 1888. In its journey of over 100 years the Company has always operated with the singular belief that 'what is good for India is good for HUL'.

## Parentage

Hindustan Unilever Limited is a part of the **€40 billion** Unilever Group. The Group has more than **400** brands spanning 14 categories of home, personal care and food products. It has presence in over **100** countries and employs more than **174,000** people worldwide.

## Business Presence

- \* **Home & Personal care (HPC)** – Personal Wash, Oral Care, Skin Care, Hair Care, Fabric Wash, Household Cleaning, Deodorants, Colour Cosmetics and Beauty and Wellness services.
- \* **Food & Beverages (F&B)** – Tea, Jam, Flour, Sauces, Soups, Coffee, Ice Cream, Bakery Products, Salt and Recipe Mixes.
- \* **Water** – Pureit in-home water purifier.
- \* **Exports** – HPC, F&B, Marine (Surimi and Crabsticks), Rice and Leather.
- \* **Hindustan Unilever Network**

## Reach

- \* Over **700** million consumers.
- \* Covers over **6.3** million retail outlets including direct reach to over **1** million.
- \* Over **2,000** customers.
- \* Over **2,000** suppliers and associates.

## Geographical Presence

- \* Headquartered in Mumbai.
- \* National Sales Network with offices in **4** metros.
- \* More than **35** manufacturing locations across India, with major hubs being Assam, Uttaranchal, Himachal Pradesh, Pondicherry and Dadra & Nagar Haveli.

## People

- \* More than **15,000** employees, including **1,300** managers.
- \* More than **200** highly qualified scientists and technologists.

## Listing

- \* Shares listed at BSE (Stock code - 500696) and NSE (Stock code - HINDUNILVR).
- \* Shareholder base of over 3.5 lakh.
- \* A BSE-30 and Nifty-50 stock.



# The HUL Brands

**Clinic plus+**

**CLEAR**

**SUNSLK**

New **Dove** Haircare  
Shampoos | Conditioners | Treatments

**Closeup**

**Pepsodent**

**LUX**

**Lifebuoy**

**Dove**

**Pears**

**breeze**

**Liril**

**Hamam**

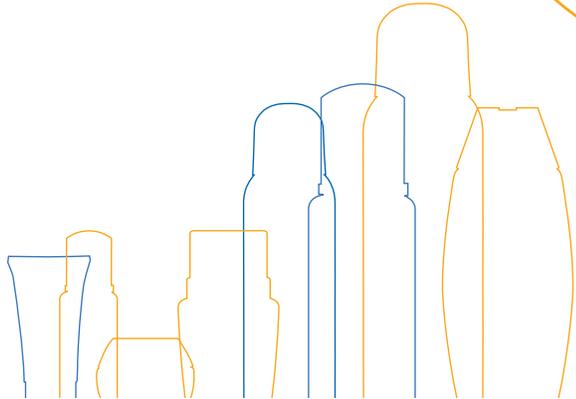


LAKMÉ



POND'S

Fair & Lovely





# It's all in Understanding

**A Billion 'Us' make the Indian market. But unlike many markets in the world, where there is a level of uniformity in consumer groups, in India uniqueness is the norm. It is one of the most culturally diverse countries in the world with vast disparity in income levels adding an extra dimension of complexity to the market.**

What does it take to become India's largest fast moving consumer goods company in these challenging circumstances? What does it take to touch two out of three Indians every day? What does it take to build strong consumer brands in the world's second most populous nation? The answers to these very important questions lie in a single word.

## **Understanding.**

Consumer understanding is at the heart of our business. This backed by our strong R&D capabilities has enabled us to bring consumer relevant innovations.

This understanding helps our brands to constantly evolve and retain consumer preference. This is the key reason why brands such as Lux and Lifebuoy have remained the most preferred and trusted brands in their categories, over several generations.

This has also helped us to grow the markets through innovations targeted at catalysing penetration, consumption or upgradation. From introducing affordable sachets to drive

penetration in Shampoos and Fabric Wash segments to introducing top-end Skin Care products catering to emerging consumer needs such as anti-ageing.

Our endeavour to serve the many Indias embedded in the one India, has enabled HUL to build an enviable portfolio of products with the unique distinction of 'straddling the consumer pyramid.' We offer premium brands to the affluent, value-for-money brands to middle-income consumers, and affordably priced brands to the low-income consumers.

**Our success is driven by an understanding of 'U'.**

# It's all in Uniting

**At HUL, we consistently work towards instilling a culture of harmonious unity, collective responsibility and team performance. HUL employs more than 15,000 people across the country.**

People drive our business. They are the driving forces behind our progress and our growth. Harnessing, developing and rewarding their skills, energy and commitment is our priority.

We have always recruited the best talent. The culture of integrity and meritocracy has helped our people to flourish and bring out the best in them. Our people have come from every part of this country. We promote inclusive growth without compromising on meritocracy. The philosophy of 'Unity in Diversity' is embedded into our DNA and has helped us to become what we are today.

Throughout our history we have used crisis as an opportunity to emerge stronger and better.

This success has been underpinned by a spirit of unity amongst our people to take challenges head-on, collectively. This spirit is needed more than ever today in the face of the challenging economic environment.

**Our spirit of unity is led by the passion to serve 'U'.**







# It's all in Uplifting

**We see opportunities to grow our business by addressing some of the most important social and environmental challenges facing the world today. We are guided by our belief of 'Doing Well by Doing Good'.**

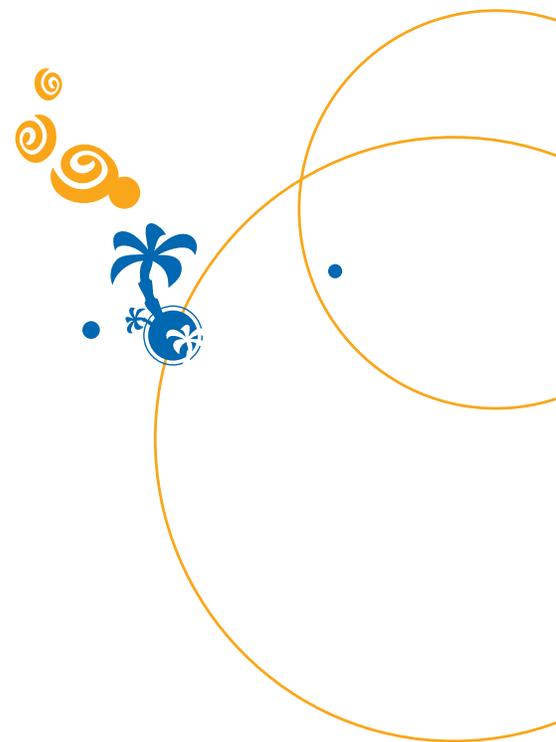
Our Corporate Responsibility strategy addresses HUL's most significant sustainability impacts of hygiene, nutrition, enhancement of livelihoods, reduction of greenhouse gases and water footprint by integrating these objectives into our brands, our people and our processes.

Serving the communities where we operate has been integral to our business conduct. Rainwater harvesting and soil conservation projects around our factories in Khamgaon, Maharashtra and Silvassa, Dadra & Nagar Haveli, have made significant impact in these regions.

Our brands have been at the forefront of social change. One of our oldest brands, Lifebuoy, has been conducting a sustained direct-contact health education programme that aims to raise hygiene standards in Indian rural communities.

In 2008, our employees volunteered more than 40,000 hours of social work. We intend to continue on this path. This participation will help embed the spirit of social upliftment into the heart, mind and soul of the organisation. It is ultimately the commitment of each and every employee that has helped shape HUL as an institution with a purpose beyond business.

**Our focus on 'being the change' is incomplete without 'U'.**





# Chairman's Letter

## Dear Shareholders,

My warm greetings to all of you. In the following pages of Report and Accounts, I am pleased to present yet another year of very good performance by your Company. You will no doubt appreciate that this performance was delivered in a challenging economic context.

The global economy suffered a slowdown; afflictions that started as financial sector issues in the US spread fast to the real sectors of the economy across the globe. Although India's domestic economy grew strongly for the whole year, many sectors like automotives, capital goods, consumer durables and realty decelerated significantly towards the second half of the year. The performance of the exports sector was well below expectations.

Another major issue we had to contend with during the year was unprecedented volatility in the price of commodities, driven largely by the swings in petroleum crude prices. Severe and continued rise during the year, the precipitous fall towards the later part of the year, and the associated uncertainties in material price movements needed very careful management. Many public policies were implemented to squarely address some of these issues in the economy. FMCG markets generally held well although some categories like fabric wash registered a slowdown in volume growth.

I am pleased to state that for the financial year 2008-09 (i.e. comparable period of 12 months ended March 2009 over that of March 2008), your Company recorded an overall sales growth of 15.5% with FMCG categories growing at 18.3%. Both HPC and Foods contributed to this growth. Operating margins expanded by 0.4%, from 14.1% to 14.5%.

“I am always inspired by HUL’s vision of earning the love and respect of India by making a real difference to every Indian. We believe that we can contribute through both our business and the manner in which we conduct our business. As we call it, Doing Well by Doing Good.”

Continued drive on excellence in execution both at the front end of sales operations and the back end of supply chain and functional processes, helped growth and margin. We continued to strengthen our brand equities through innovation and appropriate levels of advertising and promotional spending. This is key to delivering consistent and profitable growth in the future.

Margin management was a significant challenge in the context of a volatile commodity cost environment. The impact of this was managed dynamically through a combination of judicious pricing, aggressive cost savings programmes and tight control of indirect costs. This allowed us to deliver margin improvements while continuing to invest in our business.

Your Company’s key assets are its brands, people and reputation. HUL is known for its powerful brands, formidable talent pool and excellent corporate reputation.

An estimated 700 million people in our country use our products. Our brands continue to feature high in India’s most trusted brands lists. During the year we won many awards for Corporate Social Responsibility, Innovation and Human Resource practices. Our people received recognition for their outstanding professional contribution in their respective fields.

I am always inspired by HUL’s vision of earning the love and respect of India by making a real difference to every Indian. We believe that we can contribute through both our business and the manner in which we conduct our business. As we call it, Doing Well by Doing Good. It is about integrating social good into business good. While

delighting the consumers and rewarding the investors are very important, these need to be delivered with a larger benefit to communities. We have outlined our actions in this area in the Directors’ Report (page no. 41), and this balance is an integral part of our corporate values. We have a well defined Code of Business Principles (CoBP) that guides our day to day actions. These principles are well disseminated across the employees, business partners and associates of the Company and drive our behaviour – as individuals and as a responsible Corporate.

I am also happy that your Company continued to receive excellent support and assistance from Unilever. In the spirit of interdependence, HUL enjoys unrestricted access to the repertoire of Unilever’s brands, technologies, business processes and international best practices. HUL is also able to take advantage of Unilever’s global scale, particularly in the areas of brand marketing and advertising, international supply chain, procurement of material and leadership development.

In conclusion, I would like to reiterate that we will remain focused on competitive, profitable and sustainable growth. This will be done in the context of ‘Doing Well by Doing Good’ and by upholding the highest levels of Corporate Integrity.

I thank you all for your constant support and goodwill for HUL. I am sure this will continue in the years ahead.

**With warm regards,**



**H. Manwani**

# Financial Performance

## 10 year track record

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008-09
	Rs. crores									
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008-09</b>
<b>Profit &amp; Loss Account</b>	(15 months)									
Gross Sales*	10917.69	11392.14	11781.30	10951.61	11096.02	10888.38	11975.53	13035.06	14715.10	21649.51
Other Income	318.98	345.07	381.79	384.54	459.83	318.83	304.79	354.51	431.53	567.79
Interest	(22.39)	(13.15)	(7.74)	(9.18)	(66.76)	(129.98)	(19.19)	(10.73)	(25.50)	(25.32)
Profit Before Taxation @	1387.94	1665.09	1943.37	2197.12	2244.95	1505.32	1604.47	1861.68	2146.33	3025.12
Profit After Taxation @	1069.94	1310.09	1540.95	1731.32	1804.34	1199.28	1354.51	1539.67	1743.12	2500.71
Earnings Per Share of Re. 1#	4.86	5.95	7.46	8.04	8.05	5.44	6.40	8.41	8.73	11.46
Dividend Per Share of Re. 1#	2.90	3.50	5.00	5.16	5.50	5.00	5.00	6.00	9.00	7.50
<b>Balance Sheet</b>										
Fixed Assets	1087.17	1203.47	1320.06	1322.34	1369.47	1517.56	1483.53	1511.01	1708.14	2078.85
Investments	1006.11	1769.74	1635.93	2364.74	2574.93	2229.56	2014.20	2413.93	1440.80	332.62
Net Deferred Tax	-	-	246.48	269.92	267.44	226.00	220.14	224.55	212.39	254.83
Net Current Assets	187.25	(373.38)	(75.04)	(239.83)	(368.81)	(409.30)	(1355.31)	(1353.40)	(1833.57)	(182.85)
	<b>2280.53</b>	<b>2599.83</b>	<b>3127.43</b>	<b>3717.17</b>	<b>3843.03</b>	<b>3563.82</b>	<b>2362.56</b>	<b>2796.09</b>	<b>1527.76</b>	<b>2483.45</b>
Share Capital	220.06	220.06	220.12	220.12	220.12	220.12	220.12	220.68	217.74	217.99
Reserves & Surplus	1883.20	2268.16	2823.57	3438.75	1918.60	1872.59	2085.50	2502.81	1221.49	1843.52
Loan Funds	177.27	111.61	83.74	58.30	1704.31	1471.11	56.94	72.60	88.53	421.94
	<b>2280.53</b>	<b>2599.83</b>	<b>3127.43</b>	<b>3717.17</b>	<b>3843.03</b>	<b>3563.82</b>	<b>2362.56</b>	<b>2796.09</b>	<b>1527.76</b>	<b>2483.45</b>

\* Sales before Excise Duty Charged @ Before Exceptional/Extraordinary Items # Adjusted for bonus

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008-09
<b>Segment-wise Sales (%)</b>										
Soaps, Detergents & Household Care	41	40	40	45	44	45	45	47	47	49
Personal Products	17	17	21	22	24	26	28	29	29	29
Foods	34	37	33	30	29	27	25	22	22	20
Chemicals, Agri, Fertilisers & Animal Feeds	6	4	3	2	2	1	1	1	1	1
Others	2	2	3	1	1	1	1	1	1	1
EBIT as % of Sales	10.7	12.3	14.0	17.6	18.4	13.4	12.3	13.1	13.1	13.1
Fixed Assets Turnover (No. of times)	10.0	9.5	8.9	8.3	8.1	7.2	8.1	8.6	8.6	8.3*
Economic Value Added (EVA) (Rs. crores)	694	858	1080	1236	1429	886	1014	1126	1314	2097
PAT / Sales (%)	9.8	11.5	13.1	15.8	16.3	11.0	11.3	11.8	11.8	11.6
Return on Capital Employed (%)	61.8	64.6	62.4	59.4	60.2	45.9	68.7	67.0	78.0	107.5*
Return on Net Worth (%)	50.9	52.7	53.9	48.4	82.8	57.2	61.1	68.1	80.1	103.6*

\* Shown on an annualised basis

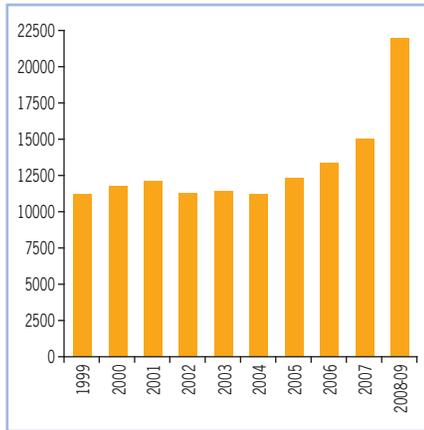
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008-09
	Rs. crores									
HUL Share Price on BSE (Rs. Per Share of Re. 1)*	225.00	206.35	223.65	181.75	204.70	143.50	197.25	216.55	213.90	237.50
Market Capitalisation	49513	45409	49231	40008	45059	31587	43419	47788	46575	51770
Exports**	1803	1934	1845	1411	1416	1459	1461	1369	1413	1630
Contribution to Exchequer	2341	2524	2478	2609	2999	2674	2638	2813	3133	4429

\* Based on year-end closing prices quoted in the Bombay Stock Exchange, adjusted for bonus shares

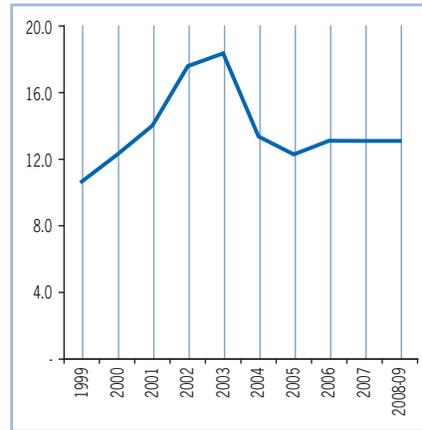
\*\* Includes exports made by subsidiaries

# Performance Trends

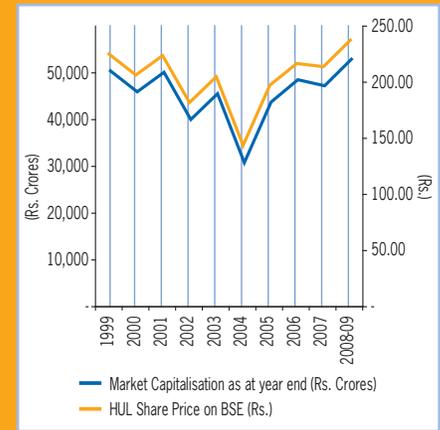
**Gross Sales (Rs. crores)**



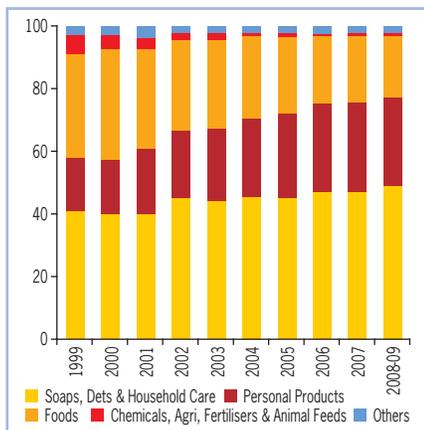
**EBIT as % of Sales**



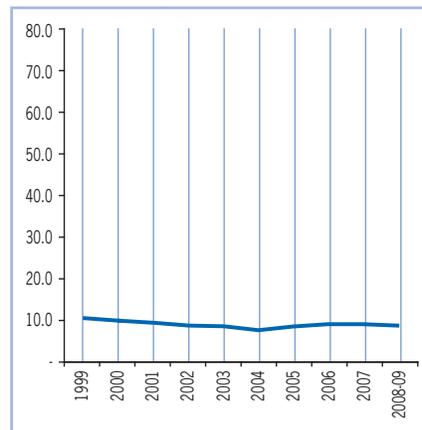
**Market Capitalisation and HUL Share Price**



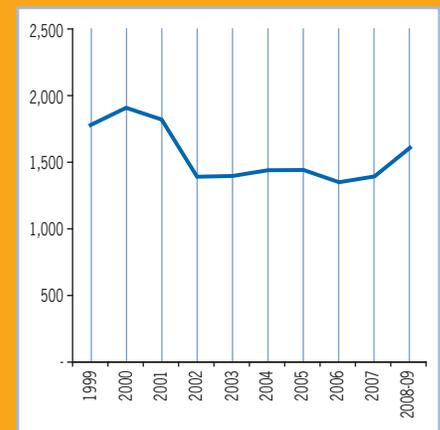
**Segment-wise Sales (%)**



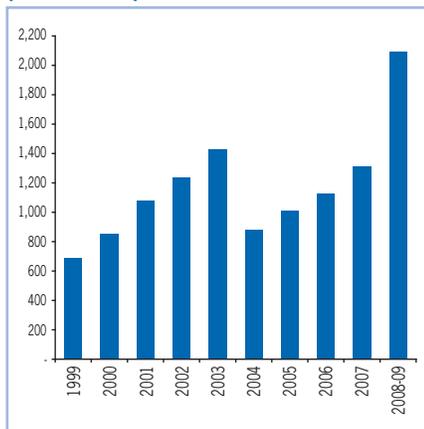
**Fixed Assets Turnover (No. of times)**



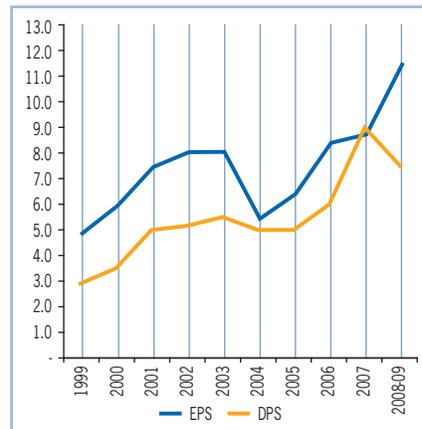
**Exports (Rs. crores)**



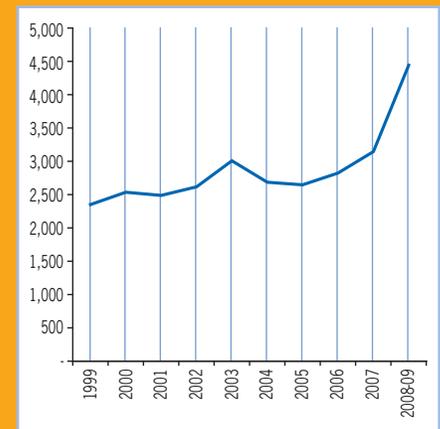
**Economic Value Added (EVA) (Rs. crores)**



**Earnings & Dividend Per Share (Rs.)**



**Contribution to Exchequer (Rs. crores)**



# Awards and Accolades



## Corporate Awards

- \* CII (Western Region) HR Excellence Award 2008.
- \* CNBC AWAAZ Consumer Awards 2008 for 'Most Preferred Personal Care Company' and 'Most Preferred Home Care Company'.
- \* Dun & Bradstreet–Rolta Corporate Awards 2008 for being the top Indian company in the FMCG sector.
  - \* Express Logistics & Supply Chain Award in the category 'FMCG Manufacturing Supply Chain Excellence'.

## Corporate Responsibility Awards

- \* Bombay Chamber Good Corporate Citizen Award for the year 2007-08.
- \* Bombay Chamber Civic Award 2007 in the category of Sustainable Environmental Initiatives, for our water conservation and harvesting project at Karchond village, Silvassa in Dadra & Nagar Haveli.
- \* Social and Corporate Governance Award in the category of Best Corporate Social Responsibility Practice, awarded by BSE, NASSCOM Foundation and Times Foundation.

## Innovation Awards

- \* UNESCO Water Digest Water Awards 2008-2009 in the category of Best Domestic Non-Electric Water Purifier for Pureit.
- \* Golden Peacock Innovative Product/Service Award for Pureit.
- \* UK Trade & Investment India Business Award in the Innovation category for Pureit.
- \* Silver Trophy of the EMPI - Indian Express Indian Innovation Awards for Project Shakti.



## Brands and Marketing Awards

- \* 16 HUL brands among the country's 100 most trusted brands featured in Brand Equity Most Trusted Brands 2008 survey conducted by AC Nielsen ORG - MARG.
- \* Five HUL brands (Lux, Dove, Pears, Clinic Plus and Sunsilk) won the Reader's Digest Trusted Brand 2008 Awards.
- \* Eight Emvies Awards (3 Gold and 5 Silver) across categories.
- \* 34 awards at India Star Awards for outstanding innovation in packaging concepts and systems across Foods and Home & Personal Care brands.
- \* Customer and Brand Loyalty Award in 'Consumer Non Durables Sector'.



## Individual recognitions

- \* Our Chairman, Harish Manwani won the CNBC Asia Business Leader of the Year Award 2008.
- \* Our Vice Chairman and CFO, D. Sundaram was awarded the Best performing CFO in FMCG Sector at the CNBC-TV18 CFO Awards 2008 for excellence in the financial field.
- \* Our Executive Director - HR, Leena Nair received the 'Young Women Achiever Awards - 2009' for outstanding work in the field of business. She was also felicitated by Business Today as one of the 25 Most Powerful Women in Indian business.



# Board of Directors' Profile



**Harish Manwani**  
Non-Executive Chairman

**Mr. Harish Manwani (55)**, assumed charge as the Non-Executive Chairman of the Company with effect from 1st July, 2005. He is also President Asia & Africa, Central & Eastern Europe and a member of the Unilever Executive (UEX), an 8 member team that oversees Unilever's operations worldwide.

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 & Oral Care Categories,

and in early 2001, he was appointed President Home & Personal Care (HPC), Latin America Business Group. He also served as the Chairman of Unilever's Latin America Advisory Council. In 2004, he was appointed President and CEO of the HPC North America Business Group, and in April 2005, was elevated to the Unilever Executive as the President Asia & Africa.

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

Mr. Manwani is a member of the Compensation Committee of the Company.

## Directorship in other Companies

Indian School of Business

ING Groep NV

## Chairman of Board Committee

-

## Member of Board Committee

-



**Nitin Paranjpe**  
Managing Director and  
Chief Executive Officer

**Mr. Nitin Paranjpe (46)**, after obtaining a degree in BE (Mechanical) and MBA in Marketing (JBIMS) from Mumbai, joined the Company as a management trainee in 1987. In his early years in the Company, Mr. Paranjpe worked as Area Sales Manager – Detergents and then Product Manager-Detergents. In April 1996, he became the Branch Manager, Chennai and in February 1999 he was appointed a member of the Project Millennium team. In 2000, he moved to Unilever London, and was involved in a review of the organisation structure. During 2001, he was an executive assistant to the Unilever Chairman & Executive Committee in London. On his return to India in 2002, he became the Category Head – Fabric Wash &

Regional Brand Director (Asia) for some Laundry and Household Cleaning (HHC) Brands. In 2004, he became Vice President - Home Care (Laundry & HHC) India, responsible for the Home Care business. Mr. Paranjpe was appointed as the Executive Director for the Home & Personal Care business in March 2006.

Mr. Paranjpe was appointed as Managing Director and Chief Executive Officer of the Company and Group Vice President of Unilever Companies in South Asia, in April 2008.

Mr. Paranjpe is a member of the Shareholders/Investors Grievance Committee and Compensation Committee of the Company.

## Directorship in other Companies

Kimberly Clark Lever Private Limited

## Chairman of Board Committee

-

## Member of Board Committee

-



**D. Sundaram**  
Vice Chairman and  
Chief Financial Officer

**Mr. D. Sundaram (56)**, joined the Company in 1975 after qualifying as a cost accountant from ICWA. Mr. Sundaram has also attended the Advanced Management Program (AMP) at Harvard Business School. Having worked in various capacities within the Company, he was seconded to Unilever, London for the period 1990-93. On his return to India, he was the financial member of the TOMCO Integration team and then became the Finance Director of Brooke Bond Lipton India Limited in March 1994. After another round of secondment to Unilever,

London as the Senior Vice President, Finance (Central Asia and Middle East Group) during 1996-99, he returned to the Company in May 1999 as Director, Finance and IT. Mr. Sundaram was elevated as Vice Chairman of the Company in April 2008. Mr. Sundaram was awarded as 'CFO of the Year' in FMCG Sector by CNBC-TV 18, for excellence in the financial field for 2006 and 2008.

Mr. Sundaram is the member of the Shareholders/Investors Grievance Committee of the Company.

#### Directorship in other Companies

State Bank of India	Brooke Bond Real Estates Private Limited
SBI Capital Markets Limited	Pond's Exports Limited
Capgemini Business Services (India) Limited	Lakme Lever Private Limited
Unilever India Exports Limited	

#### Chairman of Board Committee

SBI Capital Markets Limited (Audit Committee)
Pond's Exports Limited (Audit Committee)

#### Member of Board Committee

-
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**D. S. Parekh**  
Independent Director

**Mr. D. S. Parekh (64)**, is a B.Com graduate and holds a FCA degree from England and Wales. Mr. Parekh has held senior positions in Grindlays and Chase Manhattan. He is the Executive Chairman of Housing Development Finance Corporation Limited and is a member of several prestigious committees appointed by the Government of India including on Foreign Direct Investment (FDI). Mr. Parekh is a recipient of Padma Bhushan in recognition for his contributions to the national economy and public policy. He has also received several awards including the 'Finance Asia Lifetime Achievement Award', in the year 2008, for services to financial

services and banking industry in India and 'Best Non-Executive Director 2006' by the Asian Centre for Corporate Governance.

Mr. Parekh is widely consulted by the Government on a wide range of issues of national importance and has been a member of various Government appointed committees and advisory panels, which includes financial services, capital markets and infrastructure sector reforms. Mr. Parekh joined the Board of the Company in May 1997.

Mr. Parekh is the Chairman of the Audit Committee of the Company.

**Directorship in other Companies**

Housing Development Finance Corporation Limited	Castrol India Limited
Infrastructure Development Finance Company Limited	The Indian Hotels Company Limited
GlaxoSmithKline Pharmaceuticals Limited	Borax Morarji Limited
HDFC Asset Management Company Limited	Zodiac Clothing Company Limited
HDFC ERGO General Insurance Company Limited	Bharat Bijlee Limited
HDFC Standard Life Insurance Company Limited	Exide Industries Limited
Siemens Limited	Satyam Computer Services Limited
Mahindra & Mahindra Limited	Lafarge India Private Limited
Hindustan Oil Exploration Company Limited	

**Chairman of Board Committee**

Castrol India Limited (Audit Committee)
GlaxoSmithKline Pharmaceuticals Limited (Audit Committee and Investors/Shareholders Grievance Committee)
Mahindra & Mahindra Limited (Audit Committee)

**Member of Board Committee**

Infrastructure Development Finance Company Limited (Remuneration Committee)
Siemens Limited (Audit Committee and Remuneration Committee)
The Indian Hotels Company Limited (Audit Committee)



**C. K. Prahalad**  
Independent Director

**Prof. C. K. Prahalad (67)**, is the Paul and Ruth McCracken distinguished University Professor of Corporate Strategy at the University of Michigan. He received his Doctorate of Business Administration from the Harvard Business School. Prof. Prahalad specialises in corporate strategy and has authored several books and numerous articles in reputed journals. His contribution to business strategy is

globally recognised. Prof. Prahalad has been honoured with Padma Bhushan, the country's third highest civilian honour for his contribution in the field of literature and education. He joined the Board of the Company in April 2000.

Prof. Prahalad is a member of the Audit Committee and Remuneration Committee of the Company.

**Directorship in other Companies**

NCR Corporation	Pearson PLC
<b>Chairman of Board Committee</b>	<b>Member of Board Committee</b>
-	NCR Corporation (Audit Committee)



**A. Narayan**  
Independent Director

**Mr. A. Narayan (57)**, joined ICI India as a Management Trainee in 1973 and grew through diverse functions and businesses before being appointed as the Managing Director of ICI India in 1996. On completion of his term as the Managing Director in ICI India, he was appointed as the Non-Executive Chairman of ICI India. Just prior to this appointment he served as a Corporate Planning Manager at the ICI Group Head

Quarters in London. A B.Tech. from IIT Kanpur, he also has formal qualifications in law, interdisciplinary sciences and strategic management. He joined the Board of the Company in 2001.

Mr. Narayan is the Chairman of Shareholders/Investors Grievance Committee, Remuneration Committee and a member of Audit Committee of the Company.

#### Directorship in other Companies

ICI India Limited

#### Chairman of Board Committee

-

#### Member of Board Committee

-



**S. Ramadorai**  
Independent Director

**Mr. S. Ramadorai (64)**, is the Chief Executive Officer and Managing Director of Tata Consultancy Services Limited; Chairman of Tata Technologies Limited and Chairman of CMC Limited. Holder of a Bachelor Degree in Physics from Delhi University, a Bachelor of Engineering Degree in Electronics and Telecommunications from Indian Institute of Science, Bangalore; and a Masters Degree in Computer Science from the University of California, USA. Mr. Ramadorai took the Senior Executive Development Program at MIT's Sloan School of Management in 1993. Mr. Ramadorai joined the Board of the

Company in May 2002.

Mr. Ramadorai was conferred the prestigious Padma Bhushan by the President of India in recognition of his contributions to trade and public policy of the country.

During 2008, Mr. Ramadorai was recognised as the 'International CEO of the Year' at the 14th Annual LT Bravo Business Awards and the 'Asia Talent Management of the Year' at CNBC's 7th Asia Business Leader Award.

Mr. Ramadorai is the member of Audit Committee and Remuneration Committee of the Company.

#### Directorship in other Companies

Tata Industries Limited

Tata Elxsi Limited

Tata Technologies Limited

WTI Advanced Technology Limited

Innova TV Inc.(USA)

CMC Limited

Piramal Healthcare Limited

TCS Iberoamerica SA. (Uruguay)

Tata Consultancy Services De Espana SA (Spain)

Tata Consultancy Services Chile SA (Chile)

Tata Consultancy Services Limited

Tata Communication International Pte Limited

C-Edge Technologies Limited

Tata America International Corporation

Tata Teleservices (Maharashtra) Limited

Computational Research Laboratories Limited

Tata Consultancy Services BPO Chile S.A.

ACCION Technical Advisors India

Tata Communications Limited

Chairman of Board Committee	Member of Board Committee
Tata Technologies Limited (Audit Committee and Remuneration Committee)	Tata Consultancy Services Limited (Investors/Shareholders Grievance Committee)
	Tata Elxsi Limited (Audit Committee and Remuneration Committee)



**R. A. Mashelkar**  
Independent Director

**Dr. R. A. Mashelkar (66)**, is presently the President of Global Research Alliance, a network of publicly funded R&D institutes from Asia-Pacific Europe and USA.

Dr. Mashelkar served as the Director General of Council of Scientific and Industrial Research (CSIR) for over eleven years. He was also the President of Indian National Science Academy (INSA) and the President of Institution of Chemical Engineers.

Dr. Mashelkar is only the third Indian engineer to have been elected as the Fellow of Royal Society (FRS), London in the twentieth century.

Twenty-seven universities have honoured Dr. Mashelkar with honorary doctorates, which include Universities of London, Salford, Pretoria, Wisconsin and Delhi. In 1998, Dr. Mashelkar won the JRD Tata Corporate Leadership Award, the first scientist to win it. In 2005, Dr. Mashelkar became the first Asian scientist to receive the award of 'Stars of Asia' at the hands of George Bush (Sr.), the former President of USA.

As the Chairman of the Standing

Committee on Information Technology of World Intellectual Property Organisation (WIPO), as a member of the International Intellectual Property Rights Commission of UK Government and as the Vice Chairman on Commission in Intellectual Property Rights, Innovation and Public Health (CIPIH) set up by World Health Organisation (WHO), he brought new perspectives on the issue of IPR and the developing world concerns.

Dr. Mashelkar has won over 50 awards and medals in the field of science and technology and was honoured by the President of India with Padmashri (1991) and with Padmabhushan (2000), which are two of the highest civilian honours in India, in recognition of his contribution to nation building. Recently Dr. R.A. Mashelkar has won the 'Punyabhushan Award' at the hands of the legendary Dr. A.P.J. Abdul Kalam. Dr. Mashelkar joined the Board of the Company in April 2008.

Dr. Mashelkar is a member of the Audit Committee and Remuneration Committee of the Company.

Directorship in other Companies	
ICICI Knowledge Park	KPIT Cummins Infosystems Limited
Reliance Industries Limited	Sakal Papers Limited
TATA Motors Limited	Piramal Life Sciences Limited
Thermax Limited	
Chairman of Board Committee	Member of Board Committee
-	Tata Motors Limited (Audit Committee)
	KPIT Cummins Infosystems Limited (Remuneration Committee)



**Dhaval Buch**

Executive Director, Supply Chain

**Mr. Dhaval Buch (48)**, joined the Company as a Management Trainee in June 1984. Mr. Buch has held a series of assignments in Manufacturing, Household Care Category and New Ventures including a stint with Unilever in UK during 1993-95. He was a member of Project Millennium, a key

organisational initiative. In June 2005, Mr. Buch was appointed as Vice President – Technical (HPC) and in 2006 was appointed as an Executive Director Supply Chain. Mr. Buch was elevated to the Board of Directors of the Company in April 2008.

**Directorship in other Companies**

Unilever Industries Private Limited	Levers Associated Trust Limited
Unilever Nepal Limited	
<b>Chairman of Board Committee</b>	<b>Member of Board Committee</b>
-	-



**Gopal Vittal**

Executive Director,  
Home and Personal Care

**Mr. Gopal Vittal (42)**, an alumnus of Madras Christian College, completed his MBA from IIM, Kolkata. Mr. Vittal has 18 years experience in Marketing & Sales in FMCG market including Skin Care, Soaps and Laundry. He has worked both in India and Asia for Unilever for over 16

years, following which Mr. Vittal was the Marketing Director at Bharti Airtel for a period of 2 years leading the Marketing and Distribution strategy for the group. He rejoined the Company in July, 2008 as the Executive Director for Home & Personal Care business.

**Directorship in other Companies**

Unilever India Exports Limited	Kimberly Clark Lever Private Limited
<b>Chairman of Board Committee</b>	<b>Member of Board Committee</b>
-	-

# Management Committee



**Nitin Paranjpe**  
Managing Director and  
Chief Executive Officer



**D. Sundaram**  
Vice Chairman and  
Chief Financial Officer



**Shrijeet Mishra**  
Executive Director, Foods



**Ashok Gupta**  
Executive Director, Legal  
and Company Secretary



**Dhaval Buch**  
Executive Director,  
Supply Chain



**Gopal Vittal**  
Executive Director,  
Home and Personal Care



**Hemant Bakshi**  
Executive Director, Sales  
and Customer Development



**Leena Nair**  
Executive Director,  
Human Resources



Hindustan Unilever Limited

## NOTICE of the Annual General Meeting

Notice is hereby given that the 76th Annual General Meeting of Hindustan Unilever Limited will be held on Friday, 3rd July, 2009 at 2.30 P.M. at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020, to transact the following businesses:

### ORDINARY BUSINESS

- To receive, consider and adopt the Audited Profit and Loss Account for the fifteen month period ended 31st March, 2009, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
- To confirm the payment of Interim Dividend and to declare a Final Dividend on Equity Shares for the fifteen month period ended 31st March, 2009.
- To elect and appoint Directors in place of the Directors retiring by rotation.
- To appoint M/s. Lovelock & Lewes, Chartered Accountants, Mumbai as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration for the year ending 31st March, 2010.

### SPECIAL BUSINESS

- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Dhaval Buch, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation in terms of the provisions of the Articles of Association of the Company."
- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Gopal Vittal, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation in terms of the provisions of the Articles of Association of the Company."
- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Sridhar Ramamurthy, be and is hereby appointed as Director of the Company, liable to retire by rotation in terms of the provisions of the Articles of Association of the Company."
- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 198, 269,

309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act, as amended, the approval of Members of the Company be and is hereby accorded to the appointment of Mr. Dhaval Buch as the Wholetime Director of the Company, liable to retire by rotation in terms of the provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT the remuneration of Mr. Dhaval Buch in his capacity as a Wholetime Director be fixed by the Board or a duly constituted committee thereof and thereafter be revised from time to time, within the limits as approved by the Members by way of a Special Resolution adopted at their meeting held on 4th April, 2008."

- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act, as amended, the approval of Members of the Company be and is hereby accorded to the appointment Mr. Gopal Vittal as the Wholetime Director of the Company, liable to retire by rotation in terms of the provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT the remuneration of Mr. Gopal Vittal in his capacity as a Wholetime Director be fixed by the Board or a duly constituted committee thereof and thereafter be revised from time to time, within the limits as approved by the Members by way of a Special Resolution adopted at their meeting held on 4th April, 2008."

- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act, as amended, the approval of Members of the Company be and is hereby accorded to the appointment Mr. Sridhar Ramamurthy as the Wholetime Director of the Company, liable to retire by rotation in terms of the provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT the remuneration of Mr. Sridhar Ramamurthy in his capacity as a Wholetime Director be fixed by the Board or a duly constituted committee thereof and thereafter be revised from time to time, within the limits as approved by the Members by way of a Special Resolution adopted at their meeting held on 4th April, 2008."

### Notes:

- An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Businesses to be transacted at the meeting is annexed hereto.
- In accordance with the Articles of Association of the Company,



Hindustan Unilever Limited

## NOTICE

### of the Annual General Meeting

all Directors (except Mr. Nitin Paranjpe who has been elected as Managing Director for a term of 5 years effective from 4th April, 2008), retire every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting. The relevant details of Directors seeking appointment/ re-appointment as Directors under item nos. 3, 5, 6 and 7 above, are provided at page nos 18 to 23 of this Report.

3. The Members, at the Annual General Meeting held on 4th April, 2008, had approved the remuneration of the Statutory Auditors of the Company for the year ending 31st December, 2008. No increase is proposed in the remuneration paid last year on account of fifteen months annual accounts.
4. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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 sent herewith. Proxies submitted on behalf of the limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 16th June, 2009 to Thursday, 2nd July, 2009 (both days inclusive).
6. The final dividend for the fifteen month period ended 31st March, 2009 as recommended by the Board, if approved at the meeting, will be paid on or after Monday, 6th July, 2009 to those Members whose names appear in the Company's Register of Members as on the book closure dates.
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/ Registrar and Share Transfer Agents, M/s. Karvy Computershare Private Limited.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit

their PAN details to the Company/Registrar and Share Transfer Agents, M/s. Karvy Computershare Private Limited.

10. For convenience of Members and for proper conduct of the meeting, entry to the place of meeting will be regulated by attendance slip, which is annexed to the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
11. Shareholders desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

Registered Office:  
165/166, Backbay Reclamation,  
Mumbai 400 020.

By Order of the Board

**(Ashok Gupta)**  
Company Secretary

10th May, 2009

#### EXPLANATORY STATEMENT ITEM NOS. 5, 6, 8 and 9

The Board of Directors of the Company had appointed Mr. Dhaval Buch and Mr. Gopal Vittal as Additional Directors of the Company with effect from 4th April, 2008 and 1st September, 2008 respectively. As per the provisions of Section 260 of the Act, these Directors hold office only up to the date of the forthcoming Annual General Meeting of the Company, and are eligible for appointment as Directors.

The Board had also appointed Mr. Dhaval Buch as Executive Director, Supply Chain and Mr. Gopal Vittal as Executive Director, Home and Personal Care with effect from 4th April, 2008 and 1st September 2008 respectively, which is subject to the approval of the Members.

The Company has received Notices under Section 257 of the Act from certain members of the Company, in respect of the above candidates, proposing their appointment as Directors of the Company liable to retire by rotation, along with the requisite deposit.

A brief resume of these Directors, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and Memberships/ Chairmanship of Board Committees are provided at page no. 23 of this Report.

In so far as the remuneration of Mr. Dhaval Buch and Mr. Gopal Vittal as a Wholtime Director of the Company is concerned, the shareholders have by a Special Resolution at the Annual General Meeting held on 4th April, 2008 approved the maximum limits within which the authority has been delegated to the Board to fix the remuneration of the Wholtime and Managing Directors of the Company.

Mr. Dhaval Buch and Mr. Gopal Vittal may be deemed to be concerned or interested in the resolutions relating to their respective appointment.

The Board accordingly recommends the Ordinary Resolutions set out at item nos. 5,6,8 and 9 of the accompanying Notice for the approval of the Members.



Hindustan Unilever Limited

## NOTICE

### of the Annual General Meeting

#### ITEM NOS. 7 & 10

Mr. D. Sundaram, Vice Chairman and CFO of the Company has decided to retire from services of the Company and therefore, will not be seeking re-appointment in the ensuing Annual General Meeting of the Company.

To fill up the vacancy caused by the retirement of Mr. D. Sundaram, it is proposed to appoint Mr. Sridhar Ramamurthy as Executive Director Finance and IT of the Company.

Mr. Sridhar Ramamurthy (44) is a Chartered Accountant (Gold Medallist) as well as a Cost Accountant and Company Secretary. He is a Commerce graduate from R. A. Podar College, Mumbai. He joined the Company in May 1989 and worked in a number of finance and commercial functions in India till December 2002 - spanning Internal Audit, Factory Commercial, Post-acquisition Integration of TOMCO with HLL, Supply Chain and Corporate Accounts. In January 2003, Mr. Sridhar moved to Singapore to take up the position of VP Finance and Controller, Home and Personal Care Business Group for Unilever in Asia. Mr. Sridhar's role expanded over the years with the changes to the Unilever organisation during 2005- 2008. His last assignment in the Group before coming to India was that of VP Finance and Controller, Unilever Asia, Africa, Middle

East, Turkey, Central & Eastern Europe (AACEE), the largest of the 3 regions in Unilever with a turnover of c. € 15 bn.

Prior to joining Unilever, Mr. Sridhar worked for 3 years with Larsen & Toubro Limited as Accounts Officer. Mr. Sridhar is a Director on the Board of Unilever India Exports Limited.

The Company has received Notice under Section 257 of the Act from a member of the Company, proposing the appointment of Mr. Sridhar Ramamurthy as a Director of the Company liable to retire by rotation, along with the requisite deposit.

In so far as the remuneration of Mr. Sridhar Ramamurthy as a Wholetime Director of the Company is concerned, the shareholders have by a Special Resolution at the Annual General Meeting held on 4th April, 2008 approved the maximum limits within which the authority has been delegated to the Board to fix the remuneration of the Wholetime and Managing Directors of the Company.

None of the Directors of the Company except Mr. Sridhar Ramamurthy are concerned or interested in the said Resolution.

The Board accordingly recommends the Ordinary Resolutions set out at item nos. 7 and 10 of the accompanying Notice for the approval of the Members.

#### DIRECTORS' INTEREST

The Directors of the Company may be deemed to be concerned or interested in the Special Businesses as set out in the Notice to the extent of shares held by them in the Company as appear in the table below :

Name of the Director	No. of Shares	% Holding
Harish Manwani	22,130	0.001
Nitin Paranjpe	23,056	0.001
D. Sundaram	22,020	0.001
D. S. Parekh	38,250	0.002
Prof. C. K. Prahalad	Nil	N.A.
Aditya Narayan	Nil	N.A.
S. Ramadorai	Nil	N.A.
Dr. R. A. Mashelkar	Nil	N.A.
Dhaval Buch	15,153	0.001
Gopal Vittal	2,300	0.00
Sridhar Ramamurthy	1,146	0.00

Registered Office:  
165/166, Backbay Reclamation,  
Mumbai 400 020.

10th May, 2009

By Order of the Board

**(Ashok Gupta)**

Company Secretary



# DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

## To the Members,

Your Company's Directors are pleased to present the 76th Annual Report of the Company along with the audited accounts for the fifteen month period ended 31st March, 2009.

You are aware that the Accounting year of the Company was changed from Calendar Year (January-December) to Financial Year (April-March), to avoid duplication in preparation and audit of accounts under the Companies and Income Tax Acts. This change simplifies the process, thereby saving cost and time. Consequently, **the current Annual Accounts and Report of the Company are for a period of fifteen months, from 1st January, 2008 to 31st March, 2009; these figures, therefore, are not comparable with those of previous year ended 31st December, 2007.**

## 1. FINANCIAL PERFORMANCE

### 1.1. Results

Rs. lakhs

	Fifteen Months Period ended 31st March, 2009	Twelve Months Period ended 31st December, 2007
Turnover, net of excise	20239,33	13675,43
Profit before tax	3025,12	2146,33
Net profit	2496,45	1925,47
Dividend (including tax on distributed profits)	(1912,29)	(2331,62)
Transfer to General Reserve	(250,00)	(200,00)
Profit & Loss account balance carried forward	531,66	197,50

### 1.2. Category wise Turnover

Rs. lakhs

	Fifteen Months Period ended 31st March, 2009		Twelve Months Period ended 31st December, 2007	
	Sales	Others*	Sales	Others*
Soaps and Detergents	9770,26	110,30	6328,80	71,13
Personal Products	5272,31	95,13	3614,76	71,83
Beverages	2272,29	22,17	1520,40	20,23
Foods	791,25	19,45	532,98	7,13
Ice Creams	229,44	5,70	158,49	3,01
Exports	1567,29	8,41	1342,26	6,71
Others	344,41	16,56	184,56	42
Less : Inter segment revenue	(7,92)		(6,82)	-
<b>Total</b>	<b>20239,33</b>	<b>277,72</b>	<b>13675,43</b>	<b>180,46</b>

\*Other revenue represents service income from operations, relevant to the respective businesses

### 1.3. Summarised Profit and Loss Account

	Rs. lakhs (except EPS)	
	Fifteen Months Period ended 31st March, 2009	Twelve Months Period ended 31st December, 2007
Net sales	20239,33	13675,43
Other operational income	362,23	193,66
Total	20601,56	13869,09
Operating costs and expenses	(17561,37)	(11796,77)
<b>PBDIT</b>	<b>3040,19</b>	<b>2072,32</b>
Depreciation	(195,30)	(138,36)
<b>PBIT</b>	<b>2844,89</b>	<b>1933,96</b>
Interest Income (net)	180,23	212,37
<b>PBT</b>	<b>3025,12</b>	<b>2146,33</b>
Taxation	(524,41)	(403,21)
<b>PAT (before exceptional items)</b>	<b>2500,71</b>	<b>1743,12</b>
Exceptional items (net of tax)	(4,26)	182,35
<b>Net profit</b>	<b>2496,45</b>	<b>1925,47</b>
<b>Basic EPS (Rs.)</b>	<b>11.46</b>	<b>8.73</b>

For the fifteen month period ended 31st March, 2009, the Company registered an overall turnover growth of 48%; Profit After Tax registered a growth of 43% and Net Profit (after Exceptional Items) by 30%. Basic Earnings Per Share for the period 2008-09 was Rs 11.46.

### 2. DIVIDEND

Directors are pleased to recommend a final dividend of Rs.4/- per equity share of the face value of Re. 1/- for the period ended 31st March, 2009. The interim dividend of Rs. 3.50 per equity share was paid on 18th August, 2008.

The final dividend, subject to approval at the AGM on 3rd July, 2009, will be paid to the shareholders whose names appear on the Register of Members with reference to the book closure from 16th June, 2009 to 2nd July, 2009 (inclusive of both dates)

The total dividend for the period including the proposed final dividend amounts to Rs. 7.50 per share and

will absorb Rs. 1912.13 crores including Dividend Distribution Tax of Rs. 277.76 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 same;

\* they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;

\* they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

\* they have prepared the annual accounts on a going concern basis.

### 4. MANAGEMENT DISCUSSION & ANALYSIS

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

#### 4.1 Economy and Markets

World economy was severely impacted by the US financial crisis, with its contagion effect across countries. Global trade was affected with reduced exports from Developing & Emerging (D & E) countries like India and China.

India was one of the few large economies that registered a robust growth in GDP at 7% for 2008-09. Country benefited from a near normal monsoon, reflecting in agriculture growing by 2.6%. Rural economy was also buoyed by Government spendings, employment schemes and higher food prices. While services sector continued to grow at a healthy rate, industrial production registered significant slow down, impacted by the global recession. Country's GDP growth for the second half of 2008-09 was lower compared to the first half.

Slow down was witnessed in capital goods, consumer durables, automotives, aviation and the like,

although FMCG markets somewhat held their value growth levels. There was pressure on volumes in categories like Soaps and Detergents, with signs of downtrading across segments. Government including Reserve Bank of India, launched fiscal and monetary measures to boost credit, investment and consumption. FMCG sector benefited from significant reduction in excise duty rates on finished goods.

The year 2008 also witnessed high levels of volatility in commodity prices, essentially led by petroleum crude. Vegetable fats, chemicals and packaging materials also reflected this price volatility, causing stress in business planning processes. Wholesale price inflation touched high levels during the year, before decelerating sharply towards the later part of the year under review.

Your Company's good performance for the period 2008-09 has to be seen in the context of above economic background.

#### **PERFORMANCE OF DIVISIONS/ CATEGORIES**

Some highlights are given below in respect of each of the business categories of the Company. Increase / growth percentages refer to a period of 15 months over the base of 12 months.

#### **4.2 Home & Personal Care Business (HPC)**

The business comprises Personal Wash, Fabric Wash, Household Care and Personal Care categories.

The business recorded a growth of 51%. This was broad based and across categories and was achieved in the face of two major challenges;

\* Competition continued to be intense, both from existing and new

players. Your Company responded through increased brand investments, value enhancing innovations and powerful market activation.

\* Volatile commodity markets with petroleum crude prices at c.\$ 90 per barrel at the beginning of 2008 peaking to \$ 147 per barrel before dropping to levels of c.\$ 50. The severe impact of cost inflation was felt in inputs like vegetable oils, laundry chemicals, packaging and freight. Robust planning systems and strong dynamic performance management processes helped the business manage this volatility. Judicious and sensible price increases, together with continued aggressive cost savings programme enabled competitiveness of Company's brands in the market place. Benefit due to reduction in excise duty rates from 14% to 8% in two phases (in December 2008 and February 2009) was pooled and passed on to consumers through price reduction in select packs.

Potential for growth in all categories of Home and Personal Care is high, given the current low levels of per capita consumption. Directors believe that sustained investments behind brands by way of technology, innovations and consumer communication will benefit the business in creating value.

##### **4.2.1 Soaps & Detergents**

Soaps and Detergents category recorded a robust sales growth of 54% with a slight drop in annual segmental margin by 20 bps. This needs to be seen in the backdrop of high and volatile input costs and competitive pressures. With the softening of crude oil prices and the consequent easing of input material

costs, product prices have been recalibrated to enhance market competitiveness and grow volumes.

Fabric Wash continued its growth momentum despite experiencing severe cost pressures. All brands across price segments, Surf, Rin, Sunlight and Wheel delivered strong value and volume growth. Wheel became the largest detergent brand of India with annual turnover exceeding Rs. 2000 crores. Wheel Gold was successfully launched, providing better wash performance at affordable prices to drive upgradation of consumers. Surf franchise continued to do well with both, bar and powder, reporting growth. Rin Powder was re-launched during the year with superior formulation and proposition, and was extended to washing machine segment with the launch of Rin Matic. Sunlight grew well in its stronghold markets.

Cost pressure in the category was managed through judicious price increases on premium products, but price point affordability was retained in mass segment for the low income consumers by appropriately adjusting fill levels.

In Household Care, Vim liquid, a convenient premium dish wash product was re-launched in a highly efficient gel formulation; it is receiving good consumer response. In surface cleaning, Domex continued to grow and doubled sales. Strong marketing activities established Domex as a powerful proposition for floor and toilet cleaning.

Personal Wash category faced a steep rise in vegetable/palm oil prices during the course of the year. Competition from existing and new players has been intense.

The category was managed through multi-pack offerings, consumer promotions and moderate price increase in low unit price packs. Lifebuoy grew on the back of small and multi packs. Re-launch of Lux in variants like Strawberry and Peach supported by a new thematic communication enabled the brand to grow well. Dove and Pears grew ahead of the market in the premium category. We will leverage all our brands in this category to drive growth.

#### 4.2.2 Personal Products

Personal Products include categories like hair care, skin care, toothpaste and brush, deodorants and colour cosmetics.

In Hair Care, HUL maintained the leadership position in Shampoo with its powerful brand portfolio, addressing consumer needs across the income pyramid. Price points were carefully maintained in the context of inflationary pressures. The premium Dove shampoo and conditioners range launched during 2007, reported very good growth through a combination of high quality advertising and actions in the market place. Clinic Plus continued to grow and strengthened its position as the single largest shampoo brand. Sunsilk range was re-launched with further improvements to product quality and packaging. Clinic All Clear is being re-launched to regain its earlier position. Rapid progress is being achieved in driving the emerging and high potential hair conditioner segment.

Skin Care category continued to witness intense activities in the market across income segments. Share of high value premium products

is also increasing; this has excellent potential for HUL through Pond's top end products. In mass skin lightening category, Fair & Lovely delivered strong growth. A consumer friendly pack format at affordable price was introduced; this will help to upgrade sachet users to tube format. In premium category, Pond's increased its consumer base with good offerings in anti-ageing and skin lightening segments. Modern Trade and specialist distribution channels helped in upgrading consumers to premium products.

Lakmé Skin Care range performed well. Vaseline launched newer formulations in body lotions offering relevant consumer benefits like moisturisation. Talcum powders continued to do well.

In Oral category, Close-up performed very well, led by the re-launch in September 2008, recording growth ahead of the market for the third year in a row. Pepsodent underperformed and appropriate actions are being taken to drive the performance of the brand in 2009.

The Lakmé range of Colour Cosmetics grew well. New innovations like aqua shine lip colour, summer and winter collections were well received by the consumers. Lakmé Fashion Week continues to be a signature campaign for the brand.

In countries like India, Deodorants business has excellent potential for growth given the low user base currently. Investment behind Axe Deodorant was significantly enhanced. Special edition packs and memorable media campaigns support the brand. The category, however, continues to suffer from duplicates and illegal imports. We

are addressing this issue holistically through consumer information and working with industry bodies for effective enforcement of laws by agencies concerned. Going forward, we will deploy the totality of the portfolio to sustain growth of this key category.

*Kimberly Clark Lever Pvt Ltd (KCLL)*  
KCLL is a Joint Venture between HUL (50% equity) and Kimberly Clarke Corp., USA (50% equity) and is engaged in infant care and feminine care products under brands like Huggies and Kotex. These products are sold through HUL distribution system and delivered a good underlying volume growth. New products were introduced at different price points for further developing the market. The Joint Venture is profitable and has been paying dividends for the past few years.

#### 4.3 Foods

HUL's Foods portfolio comprises Beverages (Tea and Coffee), Processed Foods (Kissan, Knorr and Annapurna range of products), Ice Cream and Bakery products (Modern Foods).

The business sustained its growth momentum of the last three years. The growth has been broad based, competitive and profitable. Delivering product freshness continued to receive utmost priority and several actions have been taken to further reinforce the work already done.

Beverages like Tea and Coffee are well entrenched habits among Indian consumers with further potential for higher per capita consumption. However, processed foods is a small fraction of the large foods market and hence offers huge

potential for companies like HUL. The processed foods opportunity is at an inflexion point in India. With a formidable array of brands (across hot and cold formats, in-house and out-of-home segments), strong research, development and technology support from Unilever and your Company's intimate understanding of Indian consumers, we are well positioned to benefit from the thrust on Foods categories.

#### 4.3.1 Processed Foods

Kissan is one of the most trusted Foods brands among Indian consumers. The growth in Kissan portfolio, supported by successful innovations, was good. Jam squeeze launched in September quarter was attractive to children. New packaging formats in Ketchup such as value packs and kids friendly upside down squeezable pack were received very well. Kissan continued to maintain its leadership position in Jams and achieved strong shares in Ketchup segment.

The Knorr proposition was extended through Indian range of soups and ready to cook recipes. These have been well received in the market.

The staples business (Annapurna salt and flour) was impacted in the first half of 2008 on account of supply issues. These have since been addressed, helping the business achieve good growth. There has been a significant improvement in the profitability of the business on the back of supply chain savings and improved product mix. 'Amaze' brain food is in test market phase in three Southern states.

#### 4.3.2 Beverages

Consumers of Tea continued to upgrade from loose tea to branded

packet tea, which now accounts for some 40% of total domestic tea consumption. Packet Tea market remains extremely competitive. The tea business delivered well with good volume gains and further strengthened its value leadership position. The market shares increased across brands. Focussed marketing initiatives undertaken in key geographies have delivered good results. Tea prices continued to rule high necessitating selective price increases across packs and brands. Margins were managed through a combination of pricing and supply chain cost savings.

3 Roses Mindsharp was launched to offer the consumer the goodness of ayurvedic ingredients like brahmi and badam which help to achieve relaxed yet alert state of mind. Taj tea bags were relaunched in Ginger, Cardamom and Lemon flavours. The business is currently test marketing a new product under the brand 'Brooke Bond Sehatmand', offering nutritional benefits like vitamins to tea consumers. Lipton has been relaunched and continues to grow strongly in the out of home segment through acquisition of new accounts and expansion of vending machines, gaining a wider national footprint.

Coffee business led by Bru Instant Coffee registered a good growth in 2008. Bru was re-launched in the second half of 2008 focussing on aroma delivery (through aroma lock) and improved sensorials, backed by strong media campaigns and trade activations program. Cappuccino business continued to add new consumers in non-south geographies both in hot and ice cool variants. We will continue to focus on building growth in Instant Coffee, consolidate

our position in 'roast and ground' segment and drive premiumisation of the portfolio.

Out-of-home consumption is one of the key value drivers for the business, by providing consumers with a refreshing experience of branded beverages while they are out of home – at work or wait or play. We will continue to drive aggressive growth in this channel through required investments.

#### 4.3.3 Ice Creams

Ice Cream business sustained its growth momentum and delivered strongly; both impulse and take home segments delivered well. Underlying profitability continued to improve with increasing scale and better operational efficiencies. The business fully uses its unlimited access to Unilever's portfolio of brands and innovations to offer exciting products, suitable to Indian consumers.

Gelato, a premium take home product was introduced with two variants – Tiramisu and Nochiola and has shown encouraging results. Further, a range of innovations in Cornetto such as 'Almond Praline' and 'Choco Brownie' has been introduced in the impulse segment; Cornetto cone variants called 'Black Forest' and 'Strawberry Tease Cake' were launched successfully. Attention to expansion of cabinets infrastructure for increasing availability, improved customer service and strong brand communication have ensured that the business continues to perform well.

#### 4.3.4 Bakery (Modern Foods)

Bakery (bread and cakes) grew strongly through a combination of higher volumes, better product mix

and judicious pricing. Profitability has also improved over the years. Merger synergies are being realised through centralised buying for key materials and adoption of good manufacturing practices.

#### 4.4 Exports Business

Continuing portfolio of Exports comprising FMCG and Specialty Exports grew strongly. Margins improved reflecting the benefits of a rationalised product portfolio and appropriate restructuring. All categories recorded good value growth leveraging on the high commodity prices. Your Company also earned the reputation for delivering excellent levels of customer service.

HPC Exports reported handsome growth driven by Skin and Hair categories. Investments in Kandla unit helped to develop the site into a world class competitive sourcing location for HPC products, particularly high range Skin Care products. Kandla unit secured international certification from US FDA and the Canadian Ministry of Health. Skin care exports to Arabia, Malaysia and Sri Lanka performed very well, thanks to good demand. Oral turnover growth was flat as toothpaste sourcing for Europe dried up following their move of on-shore production. Pears franchise continued its good performance across many countries.

Foods and Beverages exports improved its profitability with parts of portfolio rationalised, mainly by way of stoppage of Bulk tea and raw coffee bean exports. The continuing businesses performed well; value added tea bags segment grew strongly. Efforts to increase the

coverage of Instant Tea exports to Europe were successful. Export of 3 in 1 tea premix to Arabia has also been received well. Culinary products like soups and jams show promise with turnover doubling, albeit on a small base.

In Specialty Exports, Marine business reported profits, benefiting from very favourable market conditions for Surimi. Crabstick business continued steady growth and profitability with a widened customer base. Rice business reported good growth of turnover and profits driven by strong brand positions in Indus Valley and Rozana especially in the Gulf markets.

Your Company will continue to focus on value added FMCG exports and drive international competitiveness to deliver growth.

#### *Leather (Pond's Exports Limited)*

Leather Exports had a difficult year due to forex volatility and recessionary conditions in Europe. India's competitive advantages of good quality leather and the ability to service small orders were neutralised by China's significant cost advantages and a well developed market for components. The shoe-upper business continued to deliver profits. In the shoes segment, major markets in the European Union were price sensitive, with some key customers switching to low cost locations. In order to achieve cost competitiveness and remain viable, the Company has taken steps to restructure the high cost manufacturing facility at Puducherry. Collaboration with a Design Centre in China to provide a stream of new designs and cost effective components has been helpful.

HUL shareholders have already approved the divestment of this business, but we are yet to find a suitable buyer. In the meantime, steps are being taken continuously to improve the performance and profitability of the business.

#### 4.5 Water

Pureit is a unique in-home drinking water purification system, offering water 'as safe as boiled', thereby protecting children and families from waterborne diseases. It is the only purifier in the world that provides this level of safety without depending on cooking gas, electricity and pressurised tap water, and is affordably priced.

Following awards for Pureit during the year reflect the high public recognition for the same:

- \* Golden Peacock product innovation award,
- \* Innovation award in India from the United Kingdom Trade and Investment organisation, and
- \* Water Digest award supported by UNESCO for the best domestic non-electric water purifier.

Pureit has been nationally extended with its footprint in 28 states. The business has developed a unique customer acquisition system and strong capabilities in supply chain and customer service. More than one million units of Pureit were sold during the period of April 2008 to March 2009; sales turnover of the business was Rs. 190 crores for this period. The business is in an investment phase, we continue to commit resources in this business, mainly to fund brand development and sales infrastructure. The potential for the business is high given the critical need for clean water at low cost.

#### 4.6 Hindustan Unilever Network

The strategy of the network is redefined in line with its vision of empowering modern Indian woman by serving her with superior beauty and healthcare products through customised and professional services.

Accordingly the network channel has been repositioned, to offer premium products in the two growing categories of Beauty Solutions and Health & Wellness, under two core brands viz. Aviance and Ayush respectively. This is an important channel and the key challenge to drive the business to scale through outstanding execution remains.

#### 4.7 Beauty & Wellness Division

Growing disposable income and changing lifestyles in urban India have led to greater awareness about personal grooming, health and wellness. The emerging trends augur well, for Beauty and Wellness services sector, presenting a large and exciting opportunity. We currently operate in this segment through a largely franchised network of Lakmé Beauty Salons and Ayush Therapy Centers.

We have licensed 'Lakmé' and 'Lever Ayush' brands to, 'Lakme Lever Private Limited', a subsidiary Company. This creates the necessary focus for the services business and nurtures a dedicated customer service mindset. Lakme Lever Private Limited will evaluate options towards developing a uniquely different, new business model for this opportunity, with singularity of purpose and dedicated focus. In the meanwhile the existing network of

franchisees would continue to grow in the segment.

#### 5. CUSTOMER MANAGEMENT

There was a special focus on further improving customer management systems across all trade channels to drive Company's growth agenda. This required consolidating our strong position with customers and channels in general trade. A pilot project in Mumbai Metro on customer consolidation was successfully executed. This enables an efficient back-end and a world class front-end and facilitates increased speed to deliver innovations and activation schemes to market. The concept of a 'zero inventory model' which reduces customers' investment and improves logistical efficiencies was also part of the pilot project.

We are investing heavily in state-of-the-art IT application systems in Sales and Distribution to substantially improve speed of information, quality of service and productivity of human resources. Distributors' salesmen were equipped with Hand Held Terminals to simplify the processes of order taking, billing and order delivery. This gives them more time to focus on the core job of selling.

Towards the end of 2008, your Company also started the process of rejuvenating its long standing and successful rural distribution system. With the significant improvements in rural economy and infrastructure, we are positioning ourselves well to serve the trade more efficiently. The process of bringing more and more outlets under direct coverage was successfully piloted. The objective is to offer the right assortment of

products to the rural consumers in line with their changing requirements and aspirations. This enables the Company to leverage its product portfolio fully by staying closer to the rural trade channels.

Modern Trade has expanded rapidly across the country in the past few years, although there is some consolidation taking place recently. This retail format provides consumers with a different shopping experience. Therefore, the Company is committing resources to understand the changing shopping habits and to deliver appropriate solutions to grow the business across categories. We continued to build capabilities and improve processes in this domain. We lead many initiatives in customer service, category management and merchandising to deliver best in class practices. As Modern Trade in India is evolving rapidly, we need to win at the point-of-purchase with shoppers and deliver highest quality service to Modern Trade customers. The joint venture with Smollans Holdings of South Africa is helping us develop and increase the capabilities required to meet the overall merchandising demands in Modern Trade. They bring world class execution excellence and build the right capabilities to win in Modern Trade.

The emerging hybrid customer structure (comprising General Trade, Modern Trade and Specialised Stores) requires new 'route to market' approaches to service customers and distributors. Your Company is equipping itself with capabilities and revitalised distribution and customer service network to face the challenges of the evolving new market dynamics.

## 5.1 Project Shakti

Project Shakti is a rural initiative of your Company that targets small villages typically with a population of less than 5000. It empowers women in rural markets, while contributing well as a sales channel and is a great example of 'Doing Well by Doing Good'.

The specific objectives of Shakti are:

- \* Reach new consumers in small rural villages
- \* Develop/grow markets through consumer education programs
- \* Empower women through creation of employment opportunities for them
- \* Build a sustainable business model

Project Shakti benefits the business by significantly enhancing its direct rural reach, and by helping the Company's brands to touch the lives of people hitherto untouched.

Shakti is built on Shakti Entrepreneurship program and Shakti Vani program.

Shakti Entrepreneur program creates a win-win model by enhancing the efficacy of the micro-credit as an institution to alleviate poverty; this is done by providing appropriate investment opportunities and sustainable income for the recipients. Micro-credit enables rural women to become direct-to-home distributors in rural markets with significant retained earnings. This benefits rural consumers also by giving them access to some of India's most trusted brands at affordable prices. Significant investment is made in building the capability of Shakti entrepreneurs through classroom and

on-the-job training programmes. This helps build confidence and develop the business acumen necessary to run a micro-enterprise. In addition, your Company invests significantly in creating rural activation models which expose rural consumers to Company's brands.

Your Company is working on bringing efficiencies in this model by creating 'communities' within the Shakti family. Groups of Shakti Entrepreneurs are organised into 'Kuls' (communities). These communities are provided monthly forums for interaction where the concept of 'each one help one' is practised. The idea is to build on collective synergies of Shakti Entrepreneurs and to help them manage their business independently. This is in line with the long term goal of developing entrepreneurs out of women in rural areas. This is currently being piloted in Karnataka.

Pureit has been launched on a pilot basis in the Shakti channel. This pilot has started in Andhra Pradesh where Shakti was born nine years ago. Shakti Ammas would offer Pureit water purifiers to households in their villages. By doing so, rural consumers will now have access to a high quality water purification system at affordable price. Shakti entrepreneurs will get yet another sustainable source of income.

Shakti Vani program focuses on building awareness about health and hygiene in the rural community. Vanis are trained communicators who target congregations like village schools and 'mohallas' and engage with key opinion leaders of villages like the sarpanch, the school teacher etc. 'Vani' has emerged as a unique

rural communication vehicle using the principle of one-to-one contact which is successful in driving important messages on sanitation, good hygiene practices and women empowerment. Brand messages are a part of these which create a potential platform for brands to communicate with rural consumers.

By the end of the year 2008, Shakti network had grown to more than 45,000 Shakti Ammas covering 100,000 plus villages across 15 states in the country and reaching over 3 million homes.

## 6. SUPPLY CHAIN

We continued our journey towards delivering the vision of world class service at the lowest imaginable cost. Winning with Customers through outstanding customer service is a key thrust towards realisation of this vision.

Deployment of advanced IT solutions on the back of a strong suite of SAP application systems led to significant improvements in planning and logistics. The manufacturing teams focussed on increasing operational flexibility and improving reliability to deliver better service with lesser assets. These initiatives resulted in improved customer service levels measured as 'Customer Case Filled On Time' (CCFOT) through the year. Several organised retailers have acknowledged our excellent customer service performance.

A relentless focus on eliminating waste and hidden costs from all operations led to significant supply chain savings which helped the business in dealing with severe cost and inflationary pressures. Multi-functional teams worked together to drive cost reduction programmes

spanning across all facets of the business. Empowered teams led initiatives to reduce specific energy consumption and also piloted the use of sustainable alternative bio-fuels at several sites, resulting in appreciable savings in energy costs. Buying function delivered outstanding efficiencies and reduction in procurement costs, fully leveraging the benefits of scale and synergy through Unilever's global buying network.

We also executed appropriate capital expenditure investments in creating capacity to enable future growth, and to de-bottleneck existing assets to run them efficiently; principles of Total Productive Maintenance were applied. This resulted in increase in asset productivity levels.

## 7. RESEARCH & DEVELOPMENT

Your Company continues to benefit from the strong foundation and long tradition of Research & Development (R & D) which differentiates us from many others. These benefits flow not only from work done in Research Centres in India, but also from the centres of Unilever's global research work. With the world class facilities and a superior science and technology culture, we are able to attract the best of talent to provide significant technology differentiation to our products and processes.

The R & D labs in Mumbai and Bangalore are aligned significantly to Unilever's global R & D. Many of the projects which are run out of these centers are of global relevance and with a strong focus on needs of this region and the overall D & E World.

There are several exciting innovations that are in the pipeline now in Water, Laundry, Skin, Oral Care, Beverages,

Savoury, Ice Cream etc. These technological innovations cover the whole spectrum of consumer income segments. A series of new and superior products were launched helped by the formidable global research and development activities. A range of Pond's top end products with anti-ageing and skin lightening benefits was introduced using technology developed at the global R & D centre. The R & D team also developed products to address specific requirements of Indian consumers like Lifebuoy range with improved hygiene benefits and Wheel detergents requiring less effort for cleaning. The R & D team responded very quickly to the increase in cost of various inputs during the year and your Company realised significant benefits. Ice Cream team helped to launch a slew of new variants. Based on unique consumer insight, Foods R & D came up with an innovative design for packaging of Kissan Jam in Squeeze Tubes. Development of Knorr Indian Mealmakers and Indian Style Soups launched in several variants also demonstrates the interconnected nature of R & D and business.

India now occupies a premier position in the global R&D domain for Unilever, performing leading research and development work to advance its brands and categories. A testimony of the high quality research done by Indian labs is the recent selection of Bangalore lab as one of the six major Discover Research Centers for Unilever globally. In addition to the professional growth of people and creation of new products, their global role also facilitates further advances, through synergistic links to the other major Unilever laboratories.

## 8. ENVIRONMENT, SAFETY AND HEALTH /ENERGY CONSERVATION

Your Company continues to focus on the vision of an 'injury free' organisation. In 2008, the safety agenda consisted of three key thrusts:

- \* an ongoing behavioural safety initiative,
- \* a renewed focus on systems and processes, and
- \* a road safety programme covering all employees.

The behavioural safety programme has now been in place for more than three years and continues to deliver strong results. Several measures have been implemented to revitalise safety systems and processes especially across the extended supply chain operations – in co-packing locations and in distribution centres. Road safety was also a key thrust during the year. Employees across the Company were trained and educated about road safety. In several locations, your Company has actively engaged with local administration authorities to mitigate hazards. These efforts have led to a substantial improvement in safety performance across the Company.

The environmental agenda was marked by a shift towards reducing environmental impact of Company's operations. During the year, four sites recorded water positive status. This was achieved through a combination of water conservation, rain water harvesting and water recycling. Four sites modified their boilers to use bio-fuels, resulting in significant environmental benefits.

The information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies

(Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is appended hereto and forms part of this report.

## 9. HUMAN RESOURCES

The Human Resources (HR) agenda for the year 2008 was focused on strengthening three key areas – completing the second phase of the HR Transformation (HRT) programme that had been initiated in 2007, building organisational and individual capabilities and significantly enhancing people productivity to drive sustainable business growth.

HRT is a business change programme and impacts ways of working. At the core of this programme are world class IT enabled processes to efficiently manage Human Resources transactions. The programme also aligns HR systems and processes in a similar way across Unilever. In 2008, the HRT journey moved to the next phase of implementation; line organisation is taking over management of transactions for their teams themselves which was previously done by HR Manager. The technology applications are available on a 'self-service' portal which increase the productivity of every line manager and HR Manager by freeing up their time from managing routine and transactional workload. HRT has been a big journey of change and your Company is on course to go live with this change in 2009.

The belief that 'great people create great organisations' has been at the core of the Company's approach to its people. Your Company made significant investments for training in the areas of marketing excellence, customer service and building capabilities for organised retail

trade. Large number of training programmes were delivered through classrooms, new capability building courses and external learning sessions. Our e-learning platform introduced in 2007 offers a bouquet of 3000+ courses via internet. This continues to provide employees access to learning anywhere, anytime. In its second year itself, with over 25000 course registrations by our employees, we have set a benchmark.

During 2008, TPM gained further momentum through TPMedge initiative. This is aimed at distilling TPM best practices and Unilever business processes into an effective blend for Every Day Great Execution (EDGE). The focus is equally on enlisting more and more shopfloor ownership for sustaining TPM processes across all our operations. The TPMedge process is designed around a system of monthly self-assessments and quarterly central assessments of the health of on-ground TPM systems. These assessments now form the centre piece of continuous improvement efforts.

There was practically no loss of mandays due to industrial relations issues. Seventeen productivity linked long term settlements were signed through the process of collective bargaining involving over 5000 employees. All these settlements were signed with zero disruption to business activity reflecting the maturity of workmen collectively. In 2008, four manufacturing units were restructured and another two went through a consolidation. The process of redeployment/rehabilitation was undertaken with utmost concern for our people.

Your Company was conferred HR Excellence Award by the CII Western Region for the year, wherein we have set some new benchmarks in CII's assessment for the award. During the year, HUL was ranked as the 'Dream Employer' across top management and technical schools in India, a testimony to your Company's strong leadership development practices.

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent excluding the statement containing the particulars to be provided under Section 217(2A) of the Act. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy thereof.

## 10. INFORMATION TECHNOLOGY

Your Company believes that Information Technology is a source of competitive advantage and has therefore continued to invest in the same.

Information technology in the area of sales and customer development has been one of the key thrusts. All Redistribution Stockists operate on a common transaction system fully integrated with Company's systems. This capability enables to collaborate with customers on a near on-line basis and significantly improves field execution and customer service. In 2008, the Company implemented a handheld based selling system across nearly 10000 distributors' salesmen. In Modern Trade, the IT

platforms were leveraged to closely engage with this emerging Channel to increase efficiencies and service levels.

We have also completed the implementation of an enterprise-wide SAP capability. This was accompanied by significant re-engineering and simplification of the underlying business processes. All Company customers can now place replenishment orders on SAP. It also provides capability for supply chain optimisation across a large and complex manufacturing and distribution network. Additionally, it supports a comprehensive data warehouse with real-time information across all our operations. The end-to-end SAP capability will be the platform for further business process innovation and increased speed of response.

Towards realising the ambition of a chequeless organisation, we have implemented both e-collection (from sales) and e-payments (for purchases) with steadily increasing coverage. These have increased speed and service substantially while simplifying processes.

We continue to invest in IT infrastructure to support all business applications. A robust virtual private network using MPLS technology, is supplemented by VSATs for the remote locations. We have leveraged the expanded telecom footprint in the country to provide high bandwidth terrestrial links to all operating units. Video conferencing is extensively used to collaborate across locations while reducing travel costs.

Information Security and reliable disaster recovery management

continue to be a critical focus area – especially as most business processes become fully IT-enabled. We carry out regular exercises to reassure ourselves on the same.

## 11. FINANCE AND ACCOUNTS

Focus on cash generation continued and we delivered a strong operating cash flow during the period. This was driven by good business performance, underlying efficiencies and cost savings across the supply chain and a continued efficient collection system. The Company managed the investments prudently by deployment of cash surplus in a balanced portfolio of safe and liquid debt market instruments; returns earned were higher than market benchmarks. In a volatile financial environment, towards the December quarter of 2008, surplus funds were invested in bank fixed deposits.

Capital Expenditure during the fifteen month period was at Rs. 609 crores (2007, Rs. 372 crores) and was in the areas of capacity expansion, information technology, energy and other cost savings.

The total amount of fixed deposits taken by the Company as of 31st March, 2009 was Nil. There was no outstanding towards unclaimed deposits payable to depositors as on 31st March, 2009.

In terms of the provisions of Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001, Rs. 285 lakhs of unpaid/unclaimed dividends, interest on debentures and deposits were transferred during the year to the Investor Education and Protection Fund.

Return on Net Worth, Return on Capital Employed and Earnings Per Share (EPS) for the last four years and for the fifteen month period ended 31st March, 2009 are given below:

For the year	2004	2005	2006	2007	Period ended 31st March, 2009
Return on Net Worth (%)	57.2	61.1	68.1	80.1	103.6*
Return on Capital Employed (%)	45.9	68.7	67.0	78.0	107.5*
Basic EPS of Re.1 (after exceptional items)	5.44	6.40	8.41	8.73	11.46**

\* Annualised numbers for proportionate period

\*\* for fifteen month period

### Key figures for 12 months ended April – March

As indicated earlier, the full year audited results for 15 month period ended 31st March, 2009 are not comparable with those for year ended 31st December, 2007. However, on a memorandum basis, for comparative purposes, unaudited results for 12 months ended 31st March, 2009 are given below:

- \* Net sales at Rs. 16476.75 crores (2007–08: 14266.94 crores) grew by 15.5%
- \* Profit from Operations before Interest and Exceptional items at Rs 2396.06 crores (2007–08: 2017 crores) grew by 18.8%
- \* Profit After Tax from ordinary activities before exceptional items at Rs 2065.20 crores (2007–08: 1795.5 crores) grew by 15%
- \* Net profit at Rs 2115.50 crores (2007–08: 1913.53 crores) grew by 10.6%

### Segment-wise results

Your Company has identified seven business segments in line with the Accounting Standard on Segment Reporting (AS-17). These are: (i) Soaps and Detergents, (ii) Personal Products, (iii) Beverages, (iv) Foods, including culinary and branded staples, (v) Ice Creams, (vi) Exports, and (vii) Others, including Water. The audited financial results of these segments are given as part of financial statements.

## 12. MERGERS, ACQUISITIONS, JOINT VENTURES AND DISPOSALS

### 12.1 Demerger of immovable properties at Brookefields, Bangalore

We had taken shareholders' approval to the scheme of demerger covering transfer of certain immovable properties of the Company located at Brookefields, Bangalore to Brooke Bond Real Estates Private Limited, a subsidiary of the Company. The objective of the said demerger was to develop an IT and IT enabled Special Economic Zone at the Demerged Unit. The Company has received in-principle approval from the State Government of Karnataka for such a project. Further approvals are being sought, including that of Government of India. This project will be executed after all statutory approvals are obtained.

### 12.2 Amendment of the Shareholders' Agreement with CapGemini SA

In line with its strategy to focus on core areas, during October 2006, your Company divested its 51% controlling stake in the business (Capgemini Business Services (India) Limited) to CapGemini SA for a consideration of Rs 52 crores.

Both parties have a put/call option for the balance 49% stake. In December, 2008 the parties agreed to extend the period of the options by one year from 31st March, 2009 to 31st March, 2010, being in the business and strategic interests of both parties.

### 12.3 Lakme Lever Private Limited

Lakme Lever Private Limited (LLPL), a 100% subsidiary of your Company has been formed to implement the potential beauty services opportunity for providing the necessary focus and developing a service culture. Transfer of a few own outlets from HUL to LLPL will be done during this year. Please refer to 4.7 above.

## 13. EMPLOYEE STOCK OPTION PLAN (ESOP)

Details of the shares issued under ESOP, as also the disclosures in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in the Annexure to this Report.

None of the management employees or Wholtime Directors has received options exceeding 5% of the value of the options issued for the year ending March 2009. Likewise, no employee has been issued share options, during the period year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

Pursuant to the approval of the members at the Annual General Meeting held on 29th May, 2006, the Company adopted the '2006 HLL Performance Share Scheme'. The

Scheme has been registered with the Income Tax authorities in compliance with the relevant provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. As per the terms of the Performance Share Scheme, employees are eligible for the award of conditional rights to receive equity shares of the Company at the face value of Re. 1/- per share. These awards will vest only on the achievement of certain performance criteria measured over a 3 year period. 148 employees including Wholtime Directors were awarded conditional rights to receive a total of 2,06,250 equity shares at the face value of Re. 1/-.

## 14. CORPORATE GOVERNANCE

Your Company has been practising the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity. A separate section on Corporate Governance is given on page no. 46 of the Annual Report and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement(s) with the Stock Exchange(s) and a certificate of the CEO & CFO in terms of sub-clause (v) of Clause 49 of Listing Agreement, inter alia, confirming the correctness of the financial statements, adequacy of the internal control measures and reporting of matters to the Audit Committee is annexed to the Corporate Governance Report.

### 14.1 Risk and Internal Adequacy

Your Company manages cash and cash flow processes assiduously involving all parts of the business.

There was net cash surplus of Rs. 1355 crores (net of short term export and other debts of Rs. 422 crores) as on 31 March, 2009. The Company's debt equity ratio is very low which provides ample scope to gear up the Balance Sheet should that need arise. Foreign exchange transactions are always fully covered with strict limits placed on the amount of 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. Company provides for 'mark to market' gains or losses at every quarter end in line with the requirements of AS-11. These are being highlighted separately every quarter.

Company's internal control systems are well commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal auditors and cover all the offices, factories and key areas of business. Significant audit observations and follow up actions thereon are reported to the Audit Committee. Audit Committee reviews the 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.

Your Company has an elaborate process for Risk Management. This rests on the three pillars of Business Risk Assessment, Operational Controls Assessment and Policy Compliance at all levels through a 'positive assurance process'. Major risks identified are systematically

addressed through mitigating actions on a continuing basis. These are discussed with both Management Committee (doubling up as Risk Committee) and Audit Committee. Some of the risks relate to economic volatility, competitive intensity, slower market growth and/or downtrading and pressures on margins.

#### 14.2 Outlook

It is believed that India's GDP will continue to grow robustly in the future, not withstanding the current and short term blips. FMCG categories have very good potential to grow, as the current per capita consumption levels are still low, compared even to some other Developing and Emerging economies like China, Indonesia, Thailand, etc. Participation by more players through competitive activities will only help expand the market for HUL's categories. Increased per capita income will also provide opportunities to consumers for brand experiences and up trading. While commodity costs are subdued at present, significant upward trends due to global triggers, could cause unit prices of products to rise and consequently slow down market growth. Your Company will continue to focus on both development and expansion of markets and share gains as appropriate to secure competitive growth. Underlying volume growth is a key requirement to deliver this. Managing margins through judicious pricing and sustained efficiencies and cost saving will receive constant attention.

#### 14.3 Cautionary Statement

Statements in this 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. Actual results might differ materially from those either expressed or implied.

#### 14.4 Subsidiary Companies

Lakme Lever Private Limited became the wholly owned subsidiary of the Company to operate in Beauty & Wellness segment through 'Lakmé Beauty Salons' and 'Ayush Therapy Centers', Brands 'Lakmé' and 'Lever Ayush' will be licensed to Lakme Lever Private Limited by HUL. A statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies is attached to the accounts.

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, the Audited Statements of Accounts and the Auditors' Reports thereon for the fifteen month period ended 31st March, 2009 along with the Reports of the Board of Directors of the Company's subsidiaries have not been annexed. The Company will make available these documents upon request by any member of the Company interested in obtaining the same. However, as directed by the Central Government, the financial data of the subsidiaries have been furnished under 'Subsidiary Companies' Particulars' forming part of the Annual Report (Refer Page 150). Further, pursuant to Accounting Standard 21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiaries.

## 15. CORPORATE SOCIAL RESPONSIBILITY

Your Company strongly believes that growth has not only to be profitable and competitive, but also sustainable in a socially relevant way. Our sustainability agenda therefore seeks to address issues of Hygiene, Nutrition, Enhancement of livelihoods, Reduction of greenhouse gases and water footprint. These social, environment and economic agenda are integrated and well woven into the brands, people and the business of the Company. The strategy is to grow markets in a responsible manner and to create a wider positive impact through brands. We believe that 'doing well' and 'doing good' are two sides of the same coin and it would work towards realising the vision of making a real difference to every Indian.

We have made significant progress on the environment front over the past few years. Your Company has reduced water usage per tonne by more than 26% in its manufacturing operations since 2004. The Company aims to become water positive across all its operations by 2015. The energy consumption per unit of production since 2004 has also come down by 34%. We have exceeded the target of 25% reduction in CO<sub>2</sub> (Green House gases) in manufacturing operations per tonne of production against a baseline of 2004. We have taken a lead in sustainable agricultural sourcing; 10 Indian tea estates have been provided with the Rainforest Alliance certification. Handwash programme driven by Lifebuoy and safe drinking water through the innovation of Pureit have made significant impact in the area of health and hygiene.

To commemorate your Company's 75th year, employees of the Company had committed to volunteer one hour for everyday that Hindustan Unilever has been in the country, which amounted to 27,375 hours of voluntary work. During the year, with an overwhelming response, the employees undertook volunteering and community service totaling more than 48,000 hours and addressed some of the issues facing our country. In partnership with DHAN foundation, your Company has also enhanced the livelihoods of 75,000 women in southern India.

Your Company has contributed 10,000 kits worth Rs. 60 lakhs as the first instalment of relief material for the immediate relief of the flood affected families of Araria District in Bihar. The kit contained essential items such as utensils, clothes, blankets and other useful material. A sum of Rs.84 lakhs was contributed jointly by HUL and its employees to rehabilitate the underprivileged amongst the flood-affected families in the village of Jorgawan, Madhepura District, Bihar. The Project aims at providing long-term housing and livelihood aid to the people in a phased manner, through a strategic alliance among HUL, ACC and Habitat International.

Your Company believes that the long-term growth and success of the business goes hand in hand with ensuring a sustainable future for the planet and helping society to prosper. Increasingly we find that we can only achieve our goal to deliver Competitive, Profitable and Sustainable Growth of our Business by providing superior and safe products, reach new consumers and markets in ways that help address in

our small way some of India's major challenges like poverty, health, climate change and demographic shifts.

## 16. BOARD OF DIRECTORS

At an Extraordinary General Meeting held on 4th April, 2008, Mr. Nitin Paranjpe was appointed as the Managing Director and CEO of the Company to succeed Mr. Douglas Baillie, who stepped down as a CEO to join the Unilever Executive, taking on the role of President, Western Europe. The Board places on record their appreciation for the distinguished services rendered by Mr. Douglas Baillie during his tenure with the Company.

Consequent to his appointment as Chairman, Unilever Russia, Ukraine and Belarus (RUB), Mr. Sanjiv Kakkar stepped down as an Executive Director, Sales & Customer Development w.e.f. 1st September, 2008. The Board places on record their appreciation for the valuable contribution made by Mr. Sanjiv Kakkar while leading the Foods business and then the Customer Development function of the Company.

Dr. R. A. Mashelkar was appointed as Non Executive Independent Director of the Company in the Annual General Meeting held on 4th April, 2008. Mr. Dhaval Buch, Executive Director Supply Chain, was appointed as an Additional Director on the Board with effect from 4th April, 2008 and Mr. Gopal Vittal, Executive Director Home & Personal Care, was appointed as an Additional Director on the Board with effect from 1st September, 2008 in accordance with Section 269 and Article 111 of the Articles of Association.

Mr. D. Sundaram, Director Finance and IT was elevated as the Vice Chairman with effect from 4th April, 2008. He will not be seeking re-appointment in the ensuing Annual General Meeting as he has decided to retire from the services of the Company at the Annual General Meeting. The Board places on record their appreciation for the valuable services rendered by Mr. D. Sundaram during his long innings with HUL, including as a member of the Board for the past ten years.

To fill up the vacancy caused by the retirement of Mr. D. Sundaram, it is proposed to appoint Mr. Sridhar Ramamurthy as Executive Director Finance and IT of the Company.

Notices have been received from members pursuant to Section 257 of the Companies Act, together with necessary deposits proposing the appointments of Mr. Dhaval Buch, Mr. Gopal Vittal and Mr. Sridhar Ramamurthy as Wholetime Directors on the Board.

In accordance with the Articles of Association of the Company, all other Directors, except for Managing Director, will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-election.

### 17. MANAGEMENT COMMITTEE

The day-to-day management affairs of the Company are vested with the Management Committee which is subjected to the overall superintendence and control of the Board. The Management Committee is headed by Mr. Nitin Paranjpe, as the Chief Executive Officer, and has functional/business heads as its members.

Mr. Gopal Vittal, Executive Director, Home & Personal Care was appointed

as the member of the Management Committee with effect from 1st September, 2008. Mr. Hemant Bakshi moved from his role as Regional Category Vice President, Skin, South Asia, Unilever, to take over from Mr Sanjiv Kakkar as Executive Director, Sales & Customer Development in the Management Committee with effect from 1st September, 2008.

### 18. AUDITORS

M/s. Lovelock & Lewes, statutory auditors of the Company retire and offer themselves for re-appointment as the statutory auditor of the Company pursuant to Section 224 of the Companies Act, 1956.

### 19. APPRECIATIONS AND ACKNOWLEDGEMENTS

Directors wish to 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 at the forefront of the industry.

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

The Board place on record their appreciation for the support and co-operation your Company has been receiving from its suppliers, redistribution stockists, retailers, business partners, canteen stores

department 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 to and co-operation with each other, consistent with consumer interests.

Directors also take this opportunity to thank all investors, clients, vendors, banks, regulatory and government authorities and stock exchanges, for their continued support.

On behalf of the Board



**Harish Manwani**

*Chairman*

Mumbai  
10th May, 2009



Hindustan Unilever Limited

# ANNEXURE

## to the Directors' Report

### DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Canned and processed fruits and vegetables			15 Months ended 31st March, 2009	12 Months ended 31st December, 2007
<b>A POWER AND FUEL CONSUMPTION</b>				
<b>1 Electricity</b>				
(a) Purchased				
Unit	Lakh KWH		40.48	23.39
Total Amount	Rs.Lakhs		210.73	116.59
Rate / Unit	Rs.		5.21	4.99
(b) Own Generation				
(i) Through own generator				
Unit	Lakh KWH		1.82	–
Unit per ltr of diesel oil	KWH		2.50	–
Cost per unit	Rs.		15.50	–
(ii) Through steam turbine / generator			Nil	Nil
<b>2 Furnace Oil</b>				
Quantity	KL		1,000.34	644.00
Total Cost	Rs.Lakhs		307.46	152.43
Average Rate	Rs. / KL		30,735.96	23,669.80
<b>B CONSUMPTION PER UNIT OF PRODUCTION</b>				
Electricity	KWH/Tonne		249.62	145.70
Furnace Oil	Lts/Tonne		61.69	40.12

### DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

1 Specific areas in which R&D carried out by the Company	2 Benefits derived as a result of the above R&D and Future plans of action
<ul style="list-style-type: none"> <li>- New product / process development</li> <li>- Quality enhancement to achieve International Standards.</li> <li>- Technology Upgradation</li> <li>- Speciality ingredients from natural sources</li> <li>- Development and evaluation of alternative raw materials</li> <li>- Project of Global relevance</li> </ul>	<ul style="list-style-type: none"> <li>- The benefits and Future plan of action have been discussed in details in the Director's report</li> </ul>

3 Expenditure of R&D	Rs. lakhs	
	15 Months ended 31st March, 2009	12 Months ended 31st December, 2007
(a) Capital	14,80	9,42
(b) Recurring	74,47	49,39
(c) Total	89,27	58,81
(d) Total R & D expenditure as a percentage of total turnover	0.44%	0.43%

### TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1 Efforts, in brief, made towards technology absorption, adoption and innovation	2 Benefits derived as a result of the above efforts
<p>The Company maintains interaction with Unilever internationally. This is facilitated through a well co-ordinated management exchange programme.</p>	<p>The benefits have been covered in the Director's report.</p>
<b>3 Imported Technology</b>	
(a) Technology imported	- Cosmetic products
(b) Year of import	- 2001
(c) Has technology been fully absorbed	- No

FOREIGN EXCHANGE EARNINGS & OUTGO	Rs. lakhs	
	15 Months ended 31st March, 2009	12 Months ended 31st December, 2007
Foreign exchange earnings	1941,89.37	1483,70.72
Foreign exchange outgo	2731,91.49	1975,94.75



Hindustan Unilever Limited

# ANNEXURE

## to the Directors' Report

### DISCLOSURE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES, 1999

	Stock Option 2001	Stock Option 2002	Stock Option 2003	Stock Option 2004	Stock Option 2005
a) Options granted	24,75,100 equity shares of Re. 1/- each valued at Rs. 53.82 crores	32,33,601 equity shares of Re. 1/- each valued at Rs. 68.02 crores	42,76,090 equity shares of Re. 1/- each valued at Rs. 58.16 crores	16,30,450 equity shares of Re. 1/- each valued at Rs. 20.95 crores	15,47,700 equity shares of Re. 1/- each valued at Rs. 20.44 crores
b) The pricing formula	Closing market price as on the date of option grant - 24.7.2001	Closing market price as on the date of option grant - 23.4.2002	Closing market price as on the date of option grant - 24.4.2003	Average of highs and lows for two week period preceding the date of option grant - 30.6.2004	Closing market price, prior to the date of meeting of the Board of Directors in which the options were granted - 26.5.2005
	Rs. 217.45	Rs. 210.35	Rs. 136.00	Rs. 128.47	Rs. 132.05
c) Options vested	Options vested after three years from date of grant (24.7.2001)	Options vested after three years from date of grant (23.4.2002)	Options vested after three years from date of grant (24.4.2003)	Options vested after three years from date of grant (30.06.2004)	Options vested after three years from date of grant (27.05.2005)
d) Options exercised (as at March 31, 2009)	7,86,195 equity shares of Re 1/- each	11,36,548 equity shares of Re 1/- each	23,54,435 equity shares of Re 1/- each	6,69,206 equity shares of Re 1/- each	4,73,200 equity shares of Re 1/- each
e) The total number of shares arising as a result of exercise of option	7,86,195 equity shares of Re 1/- each	11,36,548 equity shares of Re 1/- each	23,54,435 equity shares of Re 1/- each	6,69,206 equity shares of Re 1/- each	4,73,200 equity shares of Re 1/- each
f) Options lapsed (as at March 31, 2009)	8,65,900 equity shares of Re 1/- each	9,04,320 equity shares of Re 1/- each	6,18,345 equity shares of Re 1/- each	3,33,500 equity shares of Re 1/- each	2,58,500 equity shares of Re 1/- each
g) Variation of terms of options:	NA	NA	NA	NA	NA
h) Money realised by exercise of options	Rs 8.26 crores	Rs 10.61 crores	Rs 7.33 crores	Rs 5.66 crores	Rs 6.25 crores
i) Total number of options in force (as at March 31, 2009)	8,23,005 equity shares of Re 1/- each	11,92,733 equity shares of Re 1/- each	13,03,310 equity shares of Re 1/- each	6,27,744 equity shares of Re 1/- each	8,16,000 equity shares of Re 1/- each
j) Employee wise details of options granted to:					
i) Senior managerial personnel:	-	-	-	-	-
ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year;	NIL	NIL	NIL	NIL	NIL
iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NIL	NIL	NIL	NIL	NIL
k) 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'.	24,12,722 equity shares of Re 1/- each were issued pursuant to the exercise of stock options by employees as per the '2001 HLL Stock Option Plan'. The consequent dilution in Earnings Per Share of 2009 is less than 1 paise				



Hindustan Unilever Limited

# ANNEXURE

## to the Directors' Report

### DISCLOSURE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES, 1999

	Stock Option 2001 to Stock Option 2004	Stock Option 2005																		
l) i) Method of calculation of employee compensation cost	Stock Option 2001 to Stock Option 2004	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for Options issued under the '2001 HLL Stock Option Plan'. The Stock -Based as per the intrinsic value method for the year 2005 is Nil																		
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		Rs.6.73 Crores																		
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 2005 is presented below:																		
		<table border="1"> <thead> <tr> <th></th> <th>Rs.Crores</th> </tr> </thead> <tbody> <tr> <td><b>Net Income</b></td> <td></td> </tr> <tr> <td>As reported</td> <td>14,08.11</td> </tr> <tr> <td>Add: Intrinsic value Compensation Cost</td> <td>Nil</td> </tr> <tr> <td>Less: Fair Value Compensation Cost</td> <td>6.73</td> </tr> <tr> <td>Adjusted Net Income</td> <td>14,01.38</td> </tr> <tr> <td><b>Earnings Per Share (Basic and Diluted)</b></td> <td><b>(Rs.)</b></td> </tr> <tr> <td>- As reported</td> <td>6.40</td> </tr> <tr> <td>- As adjusted</td> <td>6.37</td> </tr> </tbody> </table>		Rs.Crores	<b>Net Income</b>		As reported	14,08.11	Add: Intrinsic value Compensation Cost	Nil	Less: Fair Value Compensation Cost	6.73	Adjusted Net Income	14,01.38	<b>Earnings Per Share (Basic and Diluted)</b>	<b>(Rs.)</b>	- As reported	6.40	- As adjusted	6.37
	Rs.Crores																			
<b>Net Income</b>																				
As reported	14,08.11																			
Add: Intrinsic value Compensation Cost	Nil																			
Less: Fair Value Compensation Cost	6.73																			
Adjusted Net Income	14,01.38																			
<b>Earnings Per Share (Basic and Diluted)</b>	<b>(Rs.)</b>																			
- As reported	6.40																			
- As adjusted	6.37																			
m) Weighted average exercise price and weighted average fair value	NA	NA																		
n) Fair value of Options based on Black Scholes methodology																				
<b>Assumptions</b>																				
Risk free rate	7.25%																			
Expected life of options	7 years																			
Expected Volatility (based on daily market closing price from 3 years -2003 to 2005)	30.04%																			
Expected Dividends	Rs 5.00 per share																			
Closing market price of share on date of option grant	Rs 138.20																			

Notes: (i) The '2001 HLL Stock Option Plan' has been discontinued by the Company from 2006.

(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, as expressed in Clause 11 of the '2001 HLL Stock Option Plan' in the line with Clause 6.2(h) of SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999.

#### Performance Share Plan :

In 2008-09 as per terms of the '2006 HLL Performance Share Scheme' employees were awarded conditional right to receive 2,06,250 equity shares of the Company at face value of Re.1/- each. These awards will vest only on achievement of the performance criteria measured over a 3 year period. The list of senior management who were awarded conditional rights under the plan is given below:

Name of the Manager	Performance Shares Awarded in 2008
Nitin Paranjpe	9,900
D. Sundaram	3,300
Dhaval Buch	3,300
Shrijeet Mishra	2,750
Gopal Vittal	4,400
Ashok Gupta	2,200
Leena Menon	2,750
Hemant Bakshi	2,200
Sanjiv Kakkar	5,500



## 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. We, at Hindustan Unilever, feel proud to belong to a Company whose visionary founders had laid the foundation stone for good governance long back and made it an integral principle of the business, 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. We, at Hindustan Unilever, 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 the applicable legal requirements. Our Code of Business Principles is an extension of our values and reflects our continued commitment to ethical business practices and regulatory compliance. We acknowledge our individual and collective responsibilities to manage our business activities with integrity.

To succeed, we believe, requires the 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 sustainable, profitable growth and creating long-term value for our shareholders, our people, and our

business partners. During last 75 years of the Company's existence, the above principles have been the guiding force for whatever we do and shall continue to be so in the coming years.

The Board of Directors of your Company are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a critical 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 active, informed, and independent Board. We keep our governance practices under continuous review and benchmark ourselves to the best governed companies across the globe.

### THE BOARD OF DIRECTORS

The Board of Directors (the Board) is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the 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 looks after management of the day-to-day affairs of the Company.

### Appointment and Tenure

The Directors of the Company are appointed by shareholders at General Meetings. All Directors, except for the Managing Director, step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election, in accordance with the Articles of Association of the Company.

The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company. As per the Company policy, the Independent Directors do not seek re-appointment on attaining the age of 70 years. The Company also follows the policy of having a ceiling of nine years on the term of office of Independent Directors after revised Clause 49 of Listing Agreement has come into effect in October 2004.

### Composition

The Board consists of 10 Directors comprising four Executive Directors, one Non-Executive Director and five Independent Directors. The Chairman of the Board is a Non-Executive Director. The Board represents an optimal mix of professionalism, knowledge and experience. The detailed profiles of the members of the Board of Directors are provided on page nos. 18 to 23 of the Annual Report.

**Composition and Directorships/Committee Membership as on 31st March, 2009**

Name	Date of Joining the Board	Directorships in other Companies <sup>#</sup>	Memberships of Committees of other Companies <sup>@</sup>	Chairmanship of Committees of other Companies <sup>@</sup>
<b>Non-Executive Chairman</b>				
Harish Manwani	29.04.2005	-	-	-
<b>Managing Director &amp; CEO</b>				
Nitin Paranjpe	01.06.2007	-	-	-
<b>Vice Chairman &amp; CFO</b>				
D. Sundaram	23.03.1999	6	2	2
<b>Executive Directors</b>				
Dhaval Buch	04.04.2008	1	-	-
Gopal Vittal	01.09.2008	1	-	-
<b>Independent Directors</b>				
D. S. Parekh	16.05.1997	12	6	4
C. K. Prahalad	01.05.2000	-	-	-
A. Narayan	29.06.2001	1	-	-
S. Ramadorai	20.05.2002	11	3	1
R. A. Mashelkar	04.04.2008	6	1	-

<sup>#</sup> Excluding Private Limited Companies, Foreign Companies, Section 25 Companies and Alternate Directorships.

<sup>@</sup> Includes only Audit Committee and Shareholders/Investors Grievance Committee.

None of the Directors is a member of the Board of more than fifteen Companies or a member of more than ten Board-level Committees or Chairman of more than five such Committees.

**Board Meetings**

The Board meets frequently to discuss and decide on Company/business policy, and strategy apart from other normal Board business. The Board/Committee meetings held each year are pre-scheduled. A tentative annual calendar of Board and Committee meetings is circulated to facilitate the Directors to plan their schedules for ensuring their meaningful participation in the meetings, well in advance. However, in case of a

special and urgent business need, the Board's approval is taken by circulating the resolution, which is ratified in the next Board Meeting.

The agenda for the Board/Committee meetings is generally accompanied by background notes and other material information which is circulated among the Directors in advance to facilitate discussion for taking an informed decision. The Independent Directors also meet separately with the Chairman before every Board Meeting to discuss on issues and their concerns, if any.

During the fifteen month period ended on 31st March, 2009 eight Board Meetings were held on 13th February, 2008,

4th April, 2008, 28th April, 2008, 25th July, 2008, 24th October, 2008, 19th December, 2008, 25th January, 2009 and 14th March, 2009. The maximum interval between any two meetings was well within the maximum allowed gap of four months.

### Attendance of Directors at Board Meetings

Name	Attendance
Harish Manwani	8 of 8
Nitin Paranjpe	8 of 8
Douglas Baillie <sup>s</sup>	2 of 2
D. Sundaram	8 of 8
D. S. Parekh	6 of 8
C. K. Prahalad	6 of 8
A. Narayan	8 of 8
S. Ramadorai	6 of 8
R. A. Mashelkar*	5 of 6
V. Narayanan <sup>s</sup>	2 of 2
Dhaval Buch*	6 of 6
Gopal Vittal**	3 of 4
Sanjiv Kakkar <sup>ss</sup>	4 of 4

<sup>s</sup> Ceased to be a Director w.e.f. 4th April, 2008

<sup>ss</sup> Ceased to be a Director w.e.f. 1st September, 2008

\* Appointed as Director w.e.f. 4th April, 2008

\*\* Appointed as Director w.e.f. 1st September, 2008

Attendance is expressed as number of meetings attended out of number eligible to attend.

The last Annual General Meeting of the Company held on 4th April, 2008 was attended by all the members of the Board of Directors as on that date.

#### Board Business

The normal business of the Board includes:

- \* strategies for shaping of portfolio and direction of the Company and priorities, in corporate resource allocation;
- \* corporate annual plan and operating framework;
- \* quarterly business performance reports;
- \* board remuneration policy and individual remuneration packages of Directors;
- \* convening a meeting of shareholders of the Company, setting the agenda thereof, and ensuring that a satisfactory dialogue with shareholders takes place;
- \* declaration / recommendation of dividend;

- \* review of functioning of the Board and its Committees;
- \* review of functioning of the subsidiary companies;
- \* annual review of accounts for adoption by shareholders;
- \* quarterly and annual results announcements;
- \* merger, acquisition, joint venture or disposal, if any;
- \* recruitment and remuneration of senior management;
- \* materially important show cause, demand, prosecution and penalty notices;
- \* fatal or serious accidents or dangerous occurrences;
- \* any materially significant effluent or pollution problems;
- \* details of any joint venture or collaboration agreement;
- \* significant labour problems and their proposed solutions;
- \* significant development in the human resources and industrial relations fronts;

- \* risk evaluation and control;
- \* quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement; and
- \* compliance with all relevant legislations and regulations.

#### Board Support

The Company Secretary of the Company attends all the Meetings of Board and advises/assures the Board on Compliance and Governance principles.

#### Board Induction and Training

Upon appointment, Directors receive a comprehensive Directors' Manual which includes the Company's historical background, business profiles, organisation structure, codes and policies of the Company, internal controls and risk management systems, and their roles and responsibilities as Directors of the Company. Strategy meetings are held, where business and functional heads share with the Board their short term and long term plans, major activities, likely risks and challenges with actions to mitigate them in their respective areas. The Board's suggestions and the comments are incorporated in the business plans.

#### Board Independence

Our definition of independence of directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges. Based on the confirmation/disclosures from the directors and on evaluation of relationships disclosed, all Non-Executive Directors other than the Chairman are independent in terms of Clause 49 of the Listing Agreement. Mr. Harish Manwani, who is a member of the Executive Committee of Unilever, the Parent Company, is not counted as an Independent Director.

## COMMITTEES OF THE BOARD

The Board committees play a crucial role in the governance structure of the Company and are being set out 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 the clearly defined role which is 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 the Committees are placed before the Board for review.

The Board has currently established the following statutory and non statutory committees.

### Audit Committee

The Audit Committee of the Company comprises of Non-Executive Independent Directors only. The Committee is headed by Mr. D. S. Parekh, and comprises of Mr. S. Ramadorai, Mr. Aditya Narayan, Prof. C. K. Prahalad, and Dr. R. A. Mashelkar as its Members. Dr. R. A. Mashelkar joined the Committee w.e.f. 1st September, 2008. All the current members of the Committee have the relevant experience in financial matters and the Chairman, Mr. D. S. Parekh is the financial expert for the Committee.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control 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;
- \* recommending the appointment

and removal of external auditors, fixation of audit fee and approval for payment of any other services;

- \* reviewing with management the annual financial statements before submission to the Board;
- \* reviewing with management the annual financial statements of the subsidiary companies;
- \* reviewing with the management and external and internal auditors, the adequacy of internal control systems;
- \* reviewing the adequacy of internal audit function;
- \* discussing with internal auditors any significant findings and follow up on such issues;
- \* reviewing the findings of any internal investigation by the internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and then reporting such matters to the Board;
- \* discussing with external 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 the Company's financial and risk management policies; and
- \* examining reasons for substantial default in the payment to shareholders (in case of non-payment of declared dividends) and creditors, if any.

In addition to the quarterly meeting for consideration of financial results, the Special Meetings of the Audit Committee are convened for review of various business/functions of the Company, business risk assessment, review of internal audit and control assurance reports of all the major divisions, controls

and security of Company's critical IT applications, and review of functioning and cases reported under the Code of Business Principles and Whistle Blower Policy of the Company.

### Internal Controls and Risk Management

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

The internal audit covers all the factories, sales offices, warehouses, and businesses and functions controlled centrally. The audit cover 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 past issues.

Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with Corporate Policies. The objective of risk assessment is to provide to the operating management, a proactive and value adding review process, which enables them to maintain a risk profile associated with transactional controls at an acceptable level. There is an ongoing process to track the evolution of the risks and delivery of mitigating action plans.

Financial and non-financial controls review procedures and guidelines are issued annually by the Corporate Risk Management department in line with Sarbanes-Oxley (s. 404) requirements. Unit heads are responsible for implementing these Operational Control Assurance procedures to confirm the effectiveness of the financial and non-financial controls in that unit, and to correct any instances of weaknesses identified. These procedures provide the

Management an assurance on the internal processes and systems.

The meetings of Audit Committee are also attended by Chief Financial Officer, Statutory Auditors and Internal Auditors as special invitees. The Company Secretary acts as the secretary to the Committee. Minutes of each Audit Committee meeting are placed before, and when considered appropriate, are discussed in the meeting of the Board. The Audit Committee also

meets the Internal and External Auditors separately in absence of any management employee.

The Audit Committee met seven times during the fifteen month period ended 31st March, 2009 on 13th February, 2008, 28th April, 2008, 5th July, 2008, 25th July, 2008, 24th October, 2008 19th December, 2008 and 25th January, 2009.

of the Executive Directors' total reward is linked to Company's performance. This creates alignment with the strategy and business priorities to enhance shareholder value. The total reward package for Executive Directors is intended to be market competitive with a strong linkage to performance in line with the Company's reward philosophy.

The Remuneration Committee reviews the total reward annually, taking into account external benchmarks within the context of group and individual performance. In addition, the Company's Share Plans seeks to reward Executive Directors by aligning their deliverables with shareholders' interests.

Independent Directors are eligible for sitting fees and commission not exceeding limits prescribed under the Companies Act, 1956. The remuneration payable to Non-Executive Directors is decided by the Board of Directors subject to the overall approval of shareholders of the Company.

The Independent Directors are paid sitting fees of Rs. 20,000/- for attending every meeting of the Board or Committee thereof and commission on profits calculated on the basis of 1% of the net profits or Rs. 5 lakhs for each year, whichever is lower, in terms of the approval of the shareholders sought at the Annual General Meeting of the Company held on 24th June, 2005, which is valid for a period of five years i.e. upto 31st December, 2010. The Non-Executive Directors, who continuously serve minimum three terms of three years each, are also entitled for a cash retirement commission of Rs.10 lakhs at the time of retirement.

Your Company benefits from the professional expertise of the Independent Directors in their individual capacity as competent professionals/business executives and through their invaluable

#### Attendance of Members at Audit Committee Meetings

Name	Attendance
D.S. Parekh ( Chairman)	5 of 7
C.K. Prahalad	4 of 7
A. Narayan	7 of 7
S. Ramadorai	5 of 7
R. A. Mashelkar	3 of 3

Attendance is expressed as number of meetings attended out of number eligible to attend.

#### Remuneration and Compensation Committee

The Remuneration Committee comprises of four Independent Directors; Mr. A. Narayan, Prof. C.K. Prahalad, Mr. S. Ramadorai and Dr. R. A. Mashelkar. Mr. A. Narayan took over from Mr. V. Narayanan as a Chairman of the Committee w.e.f. 28th April, 2008 and Dr. R. A. Mashelkar also joined the Committee as a member effective that date. Mr. Harish Manwani and Mr. Nitin Paranjpe are members of the Compensation Committee. The Compensation Committee administers Stock Option Plan of the Company and determines eligibility of employees for Stock Options.

The Remuneration Committee deals with all elements of the remuneration package of all Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc. including details of fixed component and performance linked incentives, along with the performance criteria.

#### Reward Policy

The reward philosophy of the Company is to pay a market competitive reward with a strong linkage to performance. The reward philosophy is set forth into practice by various policies governing different elements of 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. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results.

The appointment of the Executive Directors is by virtue of their employment with the Company as management employees and therefore their terms of employment viz. salary, variable pay, service contract, notice period and severance fee, if any, is governed by the policies applicable at the relevant time. The reward of the Executive Directors is determined by the Remuneration and Compensation Committee. A fair portion

experience in achieving corporate excellence. During the period, there were no pecuniary relationships or transactions between the Company and any of its

Non-Executive Directors. The Company has not granted any stock options to any of its Non-Executive Directors.

The Non-Executive Chairman of the Company does not receive any sitting fees or other reward from the Company.

#### Details of remuneration of Executive Directors for the 15 month period ended 31st March, 2009

Rs. lakhs

Name	Salary	Bonus/Commission <sup>@</sup>	Contribution to PF	Perquisites	Total
Nitin Paranjpe	1,81.12	1,25.26	16.26	4.05	3,26.69
Douglas Baillie*	63.92	88.92	-	1.33	1,54.17
D. Sundaram	1,49.69	1,82.25	14.03	1.30	3,47.27
Dhaval Buch**	1,07.98	64.88	7.09	0.78	1,80.73
Gopal Vittal <sup>#</sup>	60.52	79.88	4.97	4.26	1,49.63
Sanjiv Kakkar <sup>##</sup>	64.15	66.24	5.37	12.03	1,47.79

<sup>@</sup> Includes shares vested under Global Performance Share Plan (GPSP)

\* Upto 4th April, 2008

\*\* From 4th April, 2008

<sup>#</sup> From 1st September, 2008

<sup>##</sup> Upto 1st September, 2008

Pursuant to approval of the Members at the Annual General Meeting of the Company held on 29th May, 2006, the Company had adopted a revised Scheme '2006 HLL Performance Share Scheme' in place of the existing '2001 HLL Stock Option Plan'. The revised scheme provided for conditional grant of Performance Shares without charging premium to eligible management employees.

#### Details of the stock options and conditional grants made to Executive Directors

Name	Outstanding as at 31st December, 2007		Options exercised during the period	Grant under Performance Share Scheme during the period	Balance as at 31st March, 2009	
	Stock Options	Performance Shares			Stock Options	Performance Shares
Nitin Paranjpe	57,348	11,000	-	9,900	57,348	20,900
D. Sundaram	1,55,550	6,600	-	3,300	1,55,550	9,900
Dhaval Buch*	40,808	6,050	-	3,300	40,808	9,350
Gopal Vittal <sup>#</sup>	-	-	-	4,400	-	4,400
Sanjiv Kakkar <sup>@</sup>	93,415	6,050	-	5,500	93,415	11,550

\* From 4th April, 2008

<sup>#</sup> From 1st September, 2008

<sup>@</sup> Upto 1st September, 2008

#### Details of remuneration of Non-Executive Directors for the 15 month period ended 31st March, 2009

Rs. lakhs

Name	Sitting Fee	Commission <sup>#</sup>	Perquisites	Total
Harish Manwani	-	-	0.92	0.92
D. S. Parekh	2.20	5.00	-	7.20
C. K. Prahalad	2.60	5.00	-	7.60
A. Narayan	4.00	5.00	-	9.00
S. Ramadorai	2.60	5.00	-	7.60
R. A. Mashelkar	1.80	5.00	-	6.80
V. Narayanan*	0.80	10.00	-	10.80

<sup>#</sup> The Commission for the fifteen month period ended 31st March, 2009 will be paid to Independent Directors, subject to deduction of tax after adoption of accounts by shareholders at the Annual General Meeting to be held on 3rd July, 2009.

\* Mr. V. Narayanan was paid one time cash retirement commission of Rs.10 lakhs during the period.

The Remuneration Committee met three times during the period on 13th February, 2008, 4th April, 2008 and 24th October, 2008.

#### Attendance of Members at Remuneration Committee Meetings

Name	Attendance
A. Narayan (Chairman)	3 of 3
V. Narayanan	2 of 2
C. K. Prahalad	3 of 3
S. Ramadorai	2 of 3
R. A. Mashelkar	1 of 1

Attendance is expressed as number of meetings attended out of number eligible to attend.

#### Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee comprises of Mr. A. Narayan as Chairman with Mr. Nitin Paranjpe and Mr. D. Sundaram as Members of the Committee. The Committee is entrusted with the responsibility to address the shareholders' and investors' complaints with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc., and ensures an expeditious share transfer process in line with the proceedings of the Share Transfer Committee. The Committee also evaluates performance and service

standards of the Registrar and Share Transfer Agents of the Company and also provides continuous guidance to improve the service levels for investors.

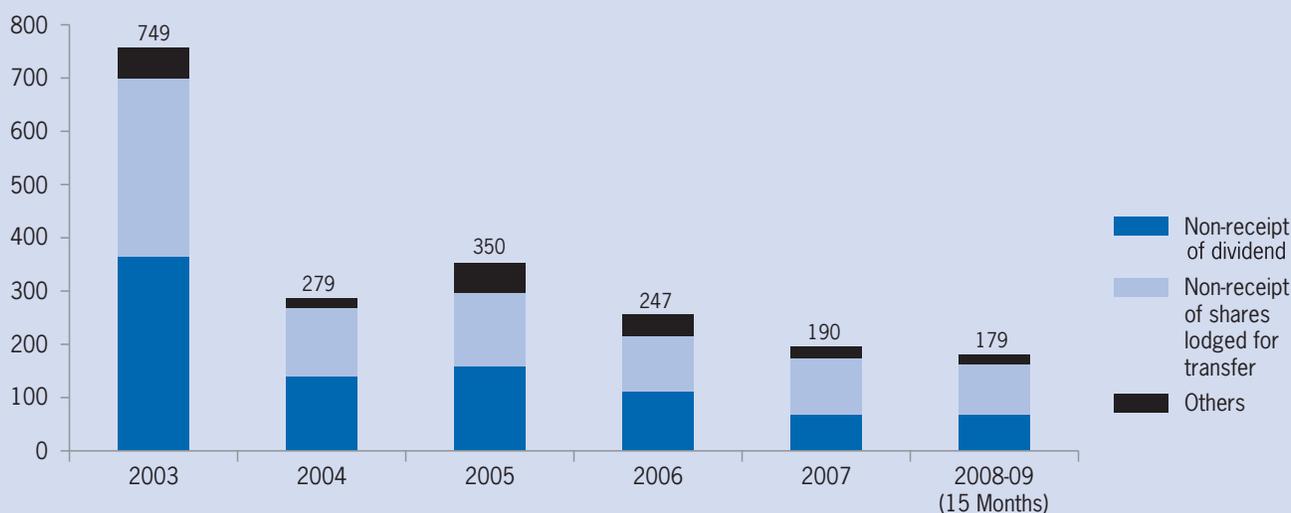
During the fifteen month period, 179 complaints were received from the shareholders, which includes 166

complaints received for the twelve month period ended 31st December, 2008. All the complaints have been redressed to the satisfaction of shareholders/investors and none of them were pending as on 31st March, 2009.

#### Details of Shareholders/Investors Complaints received and redressed

Nature of Complaint	Complaints Received	Complaints Redressed
Non-Receipt of Dividend	65	65
Non-Receipt of Shares lodged for Transfer	92	92
Other	22	22
<b>Total</b>	<b>179</b>	<b>179</b>

#### Trend of Complaints Received During Last Six Years



During the period, the Committee met two times on 25th July, 2008 and 25th January, 2009

#### Attendance of Members at Shareholders/Investors Grievance Committee Meetings

Name	Attendance
A. Narayan (Chairman)	2 of 2
D. Sundaram	2 of 2
Nitin Paranjpe	2 of 2

Attendance is expressed as number of meetings attended out of number eligible to attend.

#### Share Transfer/Transmission Committee

The Share Transfer/Transmission Committee is formed exclusively to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures.

The Committee comprises of three Directors of the Board and it considers applications for transfer of the Company's shares, for splitting up, consolidating share certificates and to comply with provisions in this regard. The Committee is authorised to order cancellation of any share certificate and to sign, seal or issue new share certificate either as a result of transfer, consolidation, splitting or in lieu of share certificates lost, defaced or destroyed.

The Committee meets atleast once a week to approve the share transfer 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 of the Company under the Stock Option Plan of the Company.

The ESOP Committee comprises of three Directors the Board. The Committee is specially constituted for approval, issue and allotment of shares under ESOPs, pursuant to and in terms of '2001 HLL Stock Option Plan'.

#### Committee for Approving Disposal of Surplus Residential Assets

The Committee for approving disposal of surplus residential assets comprises of three Directors of the Board. The Committee is 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 such sale and transfer of the ownership rights, interest and title in the said property, for and on behalf of the Company.

#### COMPANY POLICIES

##### Preventing Conflict of Interests

The Board of Directors is responsible for ensuring that rules are in place to avoid conflicts of interest by Board Members. The Board has adopted the Code of Conduct for the Members of the Board and Senior Management Team. The Code provides that members of the Board are required to avoid any interest in contracts entered into by the Company. If such an interest exists, the members are required to make a disclosure to the Board and abstain from discussion, voting or otherwise influencing decision on any matter in which the concerned Director has or may have such interest. The Code also restricts the Directors from accepting any gifts or incentives in their capacity as Director of the Company, except what is duly authorised under the Company's Gift Policy.

The members of the Board and the Senior Management Team annually confirm to the Board the compliance with Code of Conduct. This Code 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](http://www.hul.co.in). In addition, the members of the Board also submit, on an annual basis, the details of individuals to whom they are related and entities in which they hold interest and the same 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 an annual basis.

##### Code of Business Principles

The Code of Business Principles (CoBP) is the Company's statement of values and represents the standard of conduct which all the employees are expected to meet in their business endeavours. It forms the benchmark against which the world at large is invited to judge Company's activities. The Code reflects the Company's commitment to principles, integrity, transparency, and fairness. The copy of the Code of Business Principles can be accessed at the website of the Company [www.hul.co.in](http://www.hul.co.in).

The Code of Business Principles of the Company, also sets out the rules for dealing with conflict of interest situations and provides, inter alia, that the proposal for appointment of any Executives of the Company, to serve on outside Boards, whether of commercial ventures or of non-profit making bodies such as trade associations, as Directors, Supervisory Directors, Trustees etc., shall be subject to prior approval from the office of the Chairman or Chief Executive Officer or Executive Director of the Company.

The Chief Executive Officer through the Management Committee and Business Unit Heads is responsible for ensuring that the Code is understood and implemented throughout the Company. The Code is also applicable to everyone, with whom the Company is associated.

### UN Global Compact

The Company 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 the 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 our business operations.

### Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide appropriate avenues to employees to bring to the attention of the Management any issue which is perceived to be in violation or in conflict with the fundamental business principles of the Company. The Company has provided a dedicated email address [whistleblowing.hul@unilever.com](mailto:whistleblowing.hul@unilever.com) for reporting of such complaints. Alternatively, employees can also send written communications to the Company. The employees are encouraged to raise any of their concerns by way of whistle blowing and none of the employees have been denied access to the Audit Committee. The Company Secretary is the designated officer for effective implementation of the policy and 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 is subject to the review of the Audit Committee.

### Share Dealing Code

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has established systems and procedures to restrict insider trading activity and has framed Share Dealing Code. The Share Dealing Code of the Company is an important governance code to prevent any insider trading activity by dealing in shares of the Company. The Code restricts the Directors of the Company and other specified employees to deal 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 protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors and employees. A copy of the Share Dealing Code of the Company is made available to all the employees of the Company and the compliance of the same is ensured.

### AFFIRMATION AND DISCLOSURE

All the Members of Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2009 and a declaration to that effect signed by the Managing Director and CEO is attached and forms part of this Report.

There were no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors for the period ended 31st March, 2009 that may have a potential conflict with the interests 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 do they vote on such matters.

Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed elsewhere in this Annual Report and they are not in conflict with the interest of the Company at large.

### DISCLOSURE OF PENDING CASES/ INSTANCES OF NON-COMPLIANCE

There were no instances of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matters related to the capital market during the last three years.

The Company is involved 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 Company is in full compliance with all mandatory requirements of Clause 49 of the Listing Agreement. In addition, the Company has also adopted the non-mandatory requirements of constitution of the Remuneration Committee, tenure of office of Independent Directors and establishing of Whistle Blower mechanism.

## SHAREHOLDER INFORMATION

### General Body Meetings

#### Details of last three Annual General Meetings and the summaries of Special Resolutions passed therein

Financial Year Ended	Date and Time	Venue	Special Resolutions passed
31st December, 2005	29th May, 2006, 3.00 P.M.	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020.	<ul style="list-style-type: none"> <li>* Adoption of a revised '2006 HLL Performance Share Scheme', on terms and conditions stipulated under the revised Scheme.</li> <li>* Amendment by way of substitution of Article 169A of Articles of Association of the Company, thereby authorising the Board of Directors to buy-back shares in line with the amendments in Sections 77A, 77AA and 77B of the Companies Act, 1956.</li> <li>* Revision in the price of Stock Options granted by the Company on April 24, 2003 to the eligible management employees of the Company from Rs. 136.00 to Rs. 127.24 i.e., an adjustment of Rs.8.76 per share.</li> </ul>
31st December, 2006	18th May, 2007, 3.00 P.M.	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020.	<ul style="list-style-type: none"> <li>* Approval for Change of Name of the Company from 'Hindustan Lever Limited' to 'Hindustan Unilever Limited'</li> </ul>
31st December, 2007	4th April 2008, 3.00 P.M.	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020.	<ul style="list-style-type: none"> <li>* Approval of revision in remuneration structure for Managing Director/Wholtime Directors of the Company w.e.f. 1st April, 2008, in order to modify the maximum limit of remuneration and authorising the Board to fix remuneration for each Managing Director/Wholtime Directors within such limit.</li> </ul>

During the fifteen month period ended 31st March, 2009, no ordinary or special resolutions were passed through postal ballot.

### Annual General Meeting 2009

Date	Friday, 3rd July, 2009.
Venue	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020.
Time	2.30 P.M.
Book Closure Date for Final Dividend	Tuesday, 16th June, 2009 to Thursday, 2nd July, 2009 (both days inclusive).
Last Date of receipt of Proxy forms	Wednesday, 1st July, 2009 before 2.30 P.M. at the Registered Office of the Company.

### Calendar of financial period ended 31st March, 2009

In view of change in financial year, the Company will now pursue 1st April to 31st March as its financial year w.e.f. 1st April, 2009.

The Board Meetings for approval of quarterly financial results during the fifteen month period ended 31st March, 2009 were held on the following dates:

First Quarter Results	28th April, 2008
Second Quarter and Half Yearly Results	25th July, 2008
Third Quarter Results	24th October, 2008
Fourth Quarter Results	25th January, 2009
Fifth Quarter and 15 Month Results	10th May, 2009

**The tentative dates of Board Meetings for consideration of financial results for the year ending 31st March, 2010 are as follows:**

First Quarter Results	28th July, 2009
Second Quarter and Half yearly Results	27th October, 2009
Third Quarter Results	28th January, 2010
Fourth Quarter and Annual Results	25th May, 2010

**Dividend**

The Board of Directors at their meeting held on 10th May, 2009 recommended a final dividend of Rs.4/- per share on equity shares of face value of Re.1/- for the fifteen month period ended on 31st March, 2009, subject to the approval of the shareholders at the Annual General Meeting. Together with the interim dividend of Rs. 3.50 per share paid on 18th August, 2008, the total dividend for the period works out to Rs. 7.50 per share. Final dividend, approved by shareholders, will be paid on or after 6th July, 2009.

**Unclaimed Dividends**

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years, statutorily get transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government, and thereafter cannot be claimed by the investors. To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the concerned investors, before transfer of dividend to IEPF.

The unpaid/ unclaimed dividends upto final dividend 1995 (39F) had been

transferred to the General Revenue Account of the Central Government. The Members, who have not claimed their dividend for the said period till date, may claim the amount from the Registrar of Companies - Mumbai. Apart from above, the Company has transferred the unpaid dividends upto Interim Dividend 2001 - (46HBFL) to the IEPF. The Members of the Company who have not yet encashed their dividend warrant (s) for Final Dividend 2001 – (46F) and thereafter may write to the Company immediately.

**Due Dates for Transfer of Unclaimed Dividend to IEPF**

Year	Dividend	Dividend rate per share (Rs.)	Date of declaration	Number of Warrants			Dividend Amount (Rs. lakhs)			Due date
				Issued	Unclaimed as on 31st March 2009	%	Dividend	Unclaimed as on 31st March 2009	%	
2001	46-F	2.50	26-Jun-02	3,52,240	19,035	5.40	550,31.09	2,30.87	0.42	24-Jul-09
2002	47-I	2.50	22-Jul-02	3,70,239	18,599	5.02	550,31.09	2,08.15	0.38	19-Aug-09
2002	47-F	2.659	13-Jun-03	3,75,782	18,519	4.93	585,31.07	2,51.82	0.43	11-Jul-10
2003	47-S	1.765	13-Jun-03	3,76,369	23,530	6.25	388,51.95	2,18.04	0.56	11-Jul-10
2003	48-I	2.50	31-Jul-03	3,70,088	17,963	4.85	550,31.09	2,14.51	0.39	28-Aug-10
2003	48-F	3.00	29-Jun-04	3,58,576	17,000	4.74	660,37.31	2,38.86	0.36	28-Jul-11
2004	49-I	2.50	29-Jul-04	3,75,081	19,637	5.24	550,31.09	2,44.21	0.44	27-Aug-11
2004	49-F	2.50	24-Jun-05	3,50,630	19,594	5.59	550,31.22	2,53.79	0.46	22-Jul-12
2005	50-I	2.50	30-Jul-05	3,39,914	19,348	5.69	550,31.22	2,80.79	0.51	27-Aug-12
2005	50-I(VDL)	2.50	10-Apr-06	65,899	17,053	25.88	86.16	6.50	7.50	8-May-13
2005	50-F	2.50	29-May-06	3,76,477	33,896	9.00	551,21.36	3,07.00	0.56	26-Jun-13
2006	51-I	3.00	30-Jul-06	3,92,889	32,463	8.26	661,72.23	3,64.20	0.55	27-Aug-13
2006	51-F	3.00	18-May-07	4,14,086	36,989	8.93	662,04.96	4,03.46	0.61	15-Jun-14
2007	52-I	3.00	29-Jul-07	4,11,422	36,846	8.96	662,12.86	3,96.11	0.60	26-Aug-14
2007	52-S	3.00	31-Oct-07	3,85,973	35,275	9.14	660,57.83	4,12.96	0.62	28-Nov-14
2007	52-F	3.00	4-Apr-08	3,64,081	37,050	10.18	653,37.74	4,08.12	0.62	3-May-15
2008	53-I	3.50	25-Jul-08	3,55,307	33,443	9.41	762,42.09	4,46.44	0.59	23-Aug-15

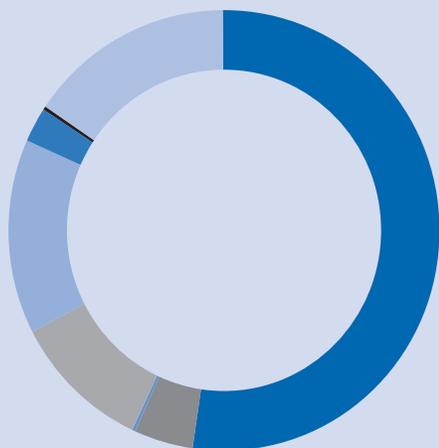
F - Final I - Interim S - Special

**Due Dates for Transfer of Unclaimed Bonus Debentures Interest/Redemption Amount to IEPF**

Year and nature of payment	Date of payment	Number of Warrants			Redemption/ Interest Amounts (Rs. lakhs)			Due date
		Issued	Unclaimed as on 31st March, 2009	%	Net amount	Unclaimed as on 31st March, 2009	%	
2004 Interest	1-Jul-04	3,49,823	21,599	6.17	106,92.44	59.93	0.56	30-Jun-11
2005 Interest	1-Jan-05	3,46,555	21,159	6.11	53,36.17	24.38	0.46	31-Dec-11
2005 Redemption	1-Jan-05	3,46,555	19,526	5.63	1320,74.63	5,76.21	0.44	31-Dec-11

**Distribution of Shareholding as on 31st March, 2009**

Holdings	Shareholders		Shares	
	Numbers	% of Total	Numbers	% of Total
1 - 500	2,43,890	71.03	2,83,65,897	1.30
501 - 1000	31,505	9.17	2,45,04,178	1.12
1001 - 5000	52,940	15.42	12,64,68,632	5.80
5001 - 10000	8,852	2.58	6,20,08,669	2.85
10001 - 20000	3,899	1.13	5,35,00,074	2.45
20001 - 30000	961	0.28	2,32,12,435	1.07
30001 - 40000	378	0.11	1,30,16,507	0.60
40001 - 50000	167	0.05	74,80,026	0.34
50001 - 100000	276	0.08	1,88,35,111	0.86
100001 and Above	513	0.15	182,24,84,548	83.61
<b>Total</b>	<b>3,43,381</b>	<b>100.00</b>	<b>217,98,76,077</b>	<b>100.00</b>

**Categories of Shareholders as on 31st March, 2009**

Unilever and its Associates	Mutual Funds & Unit Trust of India
Financial Institutions/Banks	Insurance Companies
Foreign Institutional Investors	Directors and their Relatives
Resident Individuals & Others	Bodies Corporate
NRIs/Foreign Bodies Corporate/Foreign Nationals	

Category	No. of Folios	Shares Held (Nos.)	% of Holdings
Unilever and its Associates	9	113,48,49,460	52.06
Mutual Funds & Unit Trust of India	238	9,97,78,027	4.58
Financial Institutions / Banks	153	28,50,569	0.13
Insurance Companies	22	22,67,79,821	10.40
Foreign Institutional Investors	587	31,27,69,326	14.35
Bodies Corporate	2,798	5,56,65,380	2.55
NRIs/Foreign Bodies Corporate/Foreign Nationals	3,364	66,32,250	0.30
Directors and their Relatives	18	1,23,465	0.01
Resident Individuals & Others	3,36,192	34,04,27,779	15.62
<b>Total</b>	<b>3,43,381</b>	<b>217,98,76,077</b>	<b>100.00</b>

**Top 10 Shareholders as on 31st March, 2009 (Other than promoters)**

Sr. No.	Name	Holding	%
1	Life Insurance Corporation of India	12,77,26,675	5.86
2	The New India Assurance Company Limited	2,82,48,640	1.30
3	LIC of India - Market Plus	1,90,42,662	0.87
4	National Insurance Company Limited	1,88,55,505	0.86
5	The Oriental Insurance Company Limited	1,82,39,896	0.84
6	General Insurance Corporation of India	1,77,36,853	0.81
7	Bajaj Allianz Life Insurance Company Limited	1,49,97,074	0.69
8	Government of Singapore	1,47,35,165	0.68
9	United India Insurance Company Limited	1,24,41,112	0.57
10	Aberdeen Asset Managers Limited	1,24,00,000	0.57
	<b>Total</b>	<b>28,44,23,582</b>	<b>13.05</b>

**Bifurcation of shares held in physical and demat form as on 31st March, 2009**

Particulars	No. of Shares	Percentage
<b>Physical Segment</b>		
Unilever and its Associates	113,48,49,460	52.06
Others	8,89,67,768	4.08
<b>Demat Segment</b>		
NSDL	93,20,36,254	42.76
CDSL	2,40,22,595	1.10
<b>Total</b>	<b>217,98,76,077</b>	<b>100.00</b>

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

**Listing Details**

<b>Name of Stock Exchange</b>	:	<b>Stock Code</b>
Bombay Stock Exchange Limited	:	500696
National Stock Exchange of India Limited	:	HINDUNILVR
ISIN	:	INE030A01027

The listing fee for the fifteen month period ended 31st March, 2009 has been paid to the above Stock Exchanges

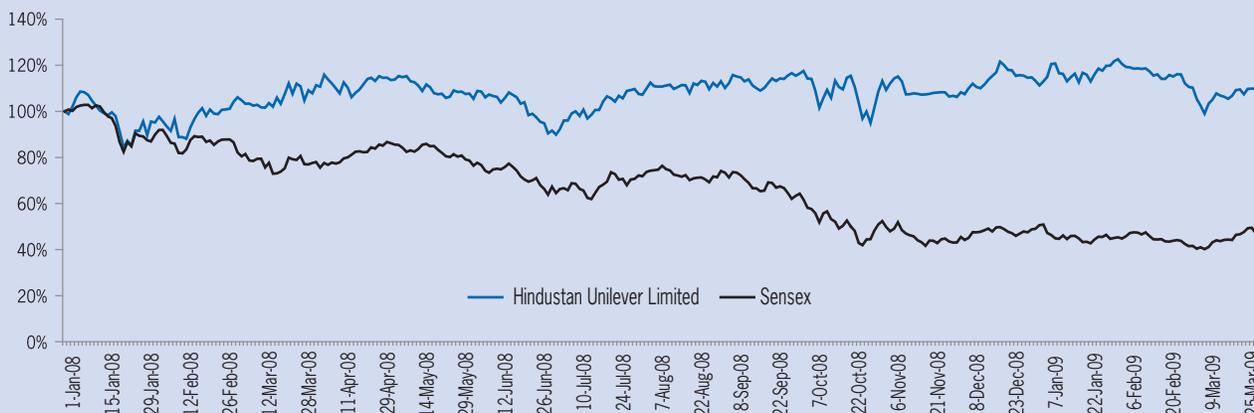
**Share Price Data**

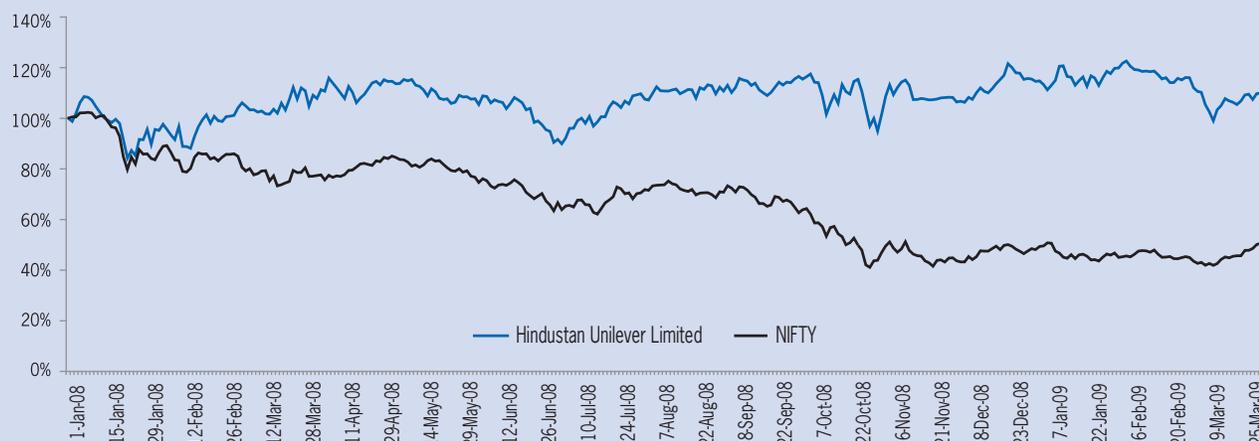
The monthly high and low prices and volumes of shares of the Company at Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the period ended 31st March, 2009 are as under:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Jan-08	244.10	170.00	94,87,662	244.10	169.00	5,31,40,865
Feb-08	229.00	190.00	99,69,103	229.25	190.00	4,96,55,047
Mar-08	247.55	215.00	1,63,82,782	247.95	215.00	7,76,89,621
Apr-08	256.00	229.50	74,95,549	256.00	228.50	4,81,45,754
May-08	254.25	225.50	87,19,097	254.70	225.50	5,41,03,520
Jun-08	239.25	199.00	66,32,785	240.00	198.65	4,71,71,031
Jul-08	241.00	191.00	1,31,99,556	242.00	190.65	7,91,18,223
Aug-08	251.20	230.75	94,75,539	251.20	230.10	5,61,38,801
Sep-08	265.00	228.00	1,07,14,804	265.50	221.15	8,44,88,331
Oct-08	259.80	185.00	1,89,45,965	259.80	185.00	15,09,30,805
Nov-08	253.60	223.60	1,28,09,454	255.95	223.60	9,03,32,917
Dec-08	267.00	228.50	1,10,48,943	267.80	228.50	7,23,39,743
Jan-09	267.00	239.10	72,00,535	270.00	238.50	6,32,26,936
Feb-09	271.00	245.75	60,04,493	271.90	245.70	5,54,59,363
Mar-09	252.00	210.70	1,18,03,363	253.10	210.70	9,20,36,818

Source: Bloomberg

**Note:** High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in shares of the Company on the respective Stock Exchange

**BSE Sensex vs. HUL share price (January 2008 - March 2009)**

**NSE Nifty vs. HUL Share price (January 2008 - March 2009)****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
January 3, 2000	239.12	4.9%	5375.00	84.3%	224.89	11.5%	1592.20	90.5%
January 1, 2001	200.00	25.4%	3955.00	150.4%	194.56	28.9%	1254.30	141.8%
January 1, 2002	220.50	13.7%	3246.00	205.1%	215.10	16.6%	1055.30	187.4%
January 1, 2003	181.65	38.0%	3390.00	192.1%	177.15	41.5%	1100.15	175.7%
January 1, 2004	212.60	17.9%	5915.00	67.4%	209.49	19.7%	1912.25	58.6%
January 3, 2005	144.35	73.7%	6679.00	48.3%	142.29	76.2%	2115.00	43.4%
January 2, 2006	195.20	28.5%	9390.00	5.5%	192.11	30.5%	2835.95	7.0%
January 2, 2007	216.45	15.8%	13942.00	-29.0%	213.08	17.7%	4007.40	-24.3%
January 1, 2008	218.10	15.0%	20300.00	-51.2%	218.45	14.8%	6144.35	-50.6%
January 1, 2009	250.75		9903.46		250.75		3033.45	

Source: Bloomberg

All comparisons are with respect to 1st January, 2009 (the reference date).

**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, and promotes management-shareholder relations. The Company regularly interacts with shareholders through multiple channels of communications such as the results announcement, annual report, media releases, Company's website and other 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 Hindu Business Line. These results are also made available on the website of the Company [www.hul.co.in](http://www.hul.co.in). The website also displays vital information relating to the Company and its performance, official press releases and presentation to analysts.

The investor's section 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 in the website.

In compliance with Clause 52 of the Listing Agreement, the Quarterly Results, Shareholding Pattern and all other corporate communication to stock exchanges have been filed under Corporate Filing and Dissemination System (CFDS) and are available at [www.corpfiling.co.in](http://www.corpfiling.co.in)

## Investor Services

### Web-based Query Redressal System

Members may utilise the new facility extended by the Registrar and Share Transfer Agents for redressal of their queries. Please visit <http://karisma.karvy.com> and click on 'investors' option for query registration through free identity registration.

Investors can submit their query in the 'QUERIES' option provided on the website, which would give the grievance registration number. For accessing the status/response to your query, the same number can be used at the option 'VIEW REPLY' after 24 hours. The investors can continue to put additional queries relating to the case till they get satisfied.

### Alternative Dispute Redressal

#### Consumers

In a significant step towards placing consumers and stakeholders at the heart of all our business operations, the Company has appointed a retired High Court Judge as the Ombudsman for consumer disputes redressal. This is the first time, an FMCG Company has adopted an independent and expert mediation procedure for the benefit of the consumers. This unique initiative is aimed at resolving issues in a transparent manner.

The Company had also set up a consumer care helpline 'Levercare' last year to help consumers reach the Company for their

grievances, suggestions, ideas and to help brands reach out to consumers.

The Ombudsman shall independently review the merits of the complaint and decide on the issue. The Ombudsman's decision shall be binding on the Company, though may not be binding on the consumer. We expect that such an independent dispute resolution mechanism will further reinforce our commitment & credibility with our consumers and also set new benchmarks for the industry.

#### Shareholders

The Company in the year 2004 had pioneered the mechanism of providing the alternate dispute redressal for shareholders to resolve the shares related disputes pending before the parties 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.

Such long pending litigations involve significant investment/monetary value of the disputed shares and at the same time accrued dividends/other benefits are locked up unutilised. Further, in terms of requirement 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.

The first of such meeting was held in Ahmedabad in the year 2005 wherein 14 cases were resolved by amicable settlement. Similar such meetings were held in the other cities like Mumbai and Kolkata wherein 31 more cases were resolved to the satisfaction of the parties to the dispute. The Company had engaged the services of retired Judges to preside over the meeting in order to give a fair view to each case.

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 investor 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 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 address mentioned below.

## Address for Correspondence

All Shareholders' correspondence should be forwarded to Karvy Computershare Pvt. Ltd, the Registrar and Share Transfer Agents of the Company or to the Investor Service Department at the Registered Office of the Company at addresses mentioned below.

The Company's exclusive e-mail address for Investors Complaints is [hllshare.cmpt@unilever.com](mailto:hllshare.cmpt@unilever.com).

### Karvy Computershare Private Limited

#### Unit : Hindustan Unilever Limited

Plot No. 17 to 24, Vittalrao Nagar,  
Madhapur, Hyderabad - 500 081.  
Phone : +91 - 40 23420818-828  
Fax : +91 - 40 23420814  
E-mail : [igkcpl@karvy.com](mailto:igkcpl@karvy.com)  
Website : [www.karvy.com](http://www.karvy.com)

### Hindustan Unilever Limited

#### Investor Service Department

166/166, Backbay Reclamation,  
Mumbai - 400 020  
Phone : +91 - 22-39832452, 32285  
Fax : +91 -22- 22026712  
Website : [www.hul.co.in](http://www.hul.co.in)

### Compliance Officer

#### Ashok Gupta

Executive Director Legal & Company Secretary  
E-mail : [hllshare.cmpt@unilever.com](mailto:hllshare.cmpt@unilever.com)  
Phone : +91 - 22- 39832567, 32358, 32557

## Mergers and Demergers

Name of the Company	Merger/Demerger	Appointed date	Effective date	Date of allotment	Share ratio	Value of fraction (Rs.)
Kothari General Foods Corporation Ltd.	Brooke Bond India Ltd.	1-Jan-92	1-Jan-92	30-Jun-92	21:1	7.00
Tea Estates India Ltd.	Brooke Bond India Ltd.	1-Jan-93	1-Jun-93	24-Aug-93	10:12	35.25
Doom Dooma India Ltd.	Brooke Bond India Ltd.	1-Jan-93	1-Jun-93	24-Aug-93	10:11	35.25
Kissan Products Ltd.	Brooke Bond India Ltd.	1-Apr-93	20-Jan-94	22-Jan-94	1:100	Not Applicable
Lipton India Ltd.	Brooke Bond India Ltd. [Name changed to Brooke Bond Lipton India Ltd.]	1-Jul-93	9-Mar-94	16-May-94	10:9	48.99
The Tata Oil Mills Company Ltd.	Hindustan Lever Limited#	1-Apr-93	28-Dec-94	5-Apr-95	15:2	38.86
Brooke Bond Lipton India Ltd.	Hindustan Lever Limited#	1-Jan-96	21-Mar-97	16-May-97	20:9	52.82
Pond's (India) Ltd.	Hindustan Lever Limited#	1-Jan-98	15-Oct-98	3-Mar-99	4:3	525.00
Industrial Perfumes Ltd.	Hindustan Lever Limited#	1-Jan-99	9-Feb-00	23-Feb-00	5:2	Not Applicable
International Bestfoods Ltd.	Hindustan Lever Limited#	1-Jun-01	26-Sep-01	20-Oct-01	3:2*	73.84
Aviance Limited	Hindustan Lever Limited#	1-Jul-01	25-Sep-01	Not Applicable	Not Applicable	Not Applicable
Tea Estates India Ltd. (Formerly known as 'Thiashola Tea Company Limited')	Demerger from Hindustan Lever Limited#	1-Apr-05	1-Dec-05	2-Dec-05	^	Not Applicable
Doom Dooma Tea Company Ltd (Formerly known as 'Daverashola Tea Company Limited')	Demerger from Hindustan Lever Limited#	1-Apr-05	1-Dec-05	2-Dec-05	^^	Not Applicable
Lever India Exports Limited	Hindustan Lever Limited#	1-Apr-05	30-Dec-05	Not Applicable	Not Applicable	Not Applicable
Lipton India Exports Limited	Hindustan Lever Limited#	1-Jan-05	30-Dec-05	Not Applicable	Not Applicable	Not Applicable
Merryweather Food Products Limited	Hindustan Lever Limited#	1-Jan-05	30-Dec-05	Not Applicable	Not Applicable	Not Applicable
TOC Disinfectants Limited	Hindustan Lever Limited#	1-Apr-05	30-Dec-05	26-Apr-06	500:1 **	Not Applicable
International Fisheries Limited	Hindustan Lever Limited#	1-Jan-05	30-Dec-05	26-Apr-06	1:1 ***	Not Applicable
Vashisti Detergents Limited	Hindustan Lever Limited#	1-Jul-05	28-Feb-06	10-Apr-06	10:1 ****	28.00
Modern Food Industries (India) Limited & Modern Food and Nutrition Industries Limited	Hindustan Lever Limited#	1-Oct-06	30-Mar-07	Not Applicable	Not Applicable	Not Applicable
Shamnagar Estates Private Limited, Jamnagar Properties Private Limited and Daverashola Estates Private Limited (Formerly known as Hindustan Kwaliti Walls Foods Private Limited)	Demerger from Hindustan Lever Limited#	1-Nov-06	29-Mar-07	Not Applicable	^^^	Not Applicable
Brooke Bond Real Estates Private Limited	Demerger from Hindustan Unilever Limited	1-Apr-08	1-Sep-08	Not Applicable	^^^^	Not Applicable

\* Swap based on Rs.10/- share of International Bestfoods Limited for Re.1/- share of Hindustan Lever Limited

\*\* Swap based on Rs.5/- share of TOC Disinfectants Limited for Re.1/- share of Hindustan Lever Limited

\*\*\* Swap based on Rs.100/- share of International Fisheries Limited for Re.1/- share of Hindustan Lever Limited

\*\*\*\* Swap based on Rs.10/- share of Vashisti Detergents Limited for Re.1/- share of Hindustan Lever Limited

^ 49,50,000 Equity Shares of Rs.10/- each and 10,00,000 Preference Shares of Rs.100/- each were allotted to Hindustan Lever Limited pursuant to the demerger by Tea Estates India Ltd.

^^ 4,88,000 Equity Shares of Rs.100/- each and 10,00,000 Preference Shares of Rs.100/- each were allotted to Hindustan Lever Limited pursuant to the demerger by Doom Dooma Tea Company Ltd.

^^^ 1,50,00,000 Equity shares of Rs. 10/- each were allotted to Hindustan Lever Limited pursuant to demerger, by Shamnagar Estates Private Limited

50,00,000 Equity shares of Rs. 10/- each were allotted to Hindustan Lever Limited pursuant to demerger, by Jamnagar Properties Private Limited

1,71,700 Equity shares of Rs. 10/- each were allotted to Hindustan Lever Limited pursuant to demerger, by Daverashola Estates Private Limited

^^^^ 1,29,36,000 Equity Shares of Rs. 10/- each were allotted to Hindustan Unilever Limited pursuant to demerger, by Brooke Bond Real Estates Private Limited

# Name changed to Hindustan Unilever Limited w.e.f. from 11th June, 2007

**PLANT LOCATIONS**

As mentioned at page nos. 153 & 154 of this Report.

**INFORMATION PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

Loans and Advances in the nature of loan to subsidiaries

Rs. lakhs

Name of the Company	Balance as at 31st March, 2009	Maximum outstanding during the year
Bon Limited (interest free)	42,10.00	42,10.00
Pond's Exports Limited	4,00.00	10,00.00
Hindustan Unilever Field Services Private Limited	-	80.00
Brooke Bond Real Estates Private Limited	15.00	15.00

**CHIEF EXECUTIVE OFFICER (CEO) AND 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 period 1st January, 2008 to 31st March, 2009 and based on our knowledge and belief, we state that :
- these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
  - 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.
- 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.
- (c) 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.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee :
- significant changes, if any, in the internal control over financial reporting during the year;
  - 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
  - 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.

**Nitin Paranjpe**

*Managing Director & CEO*

Mumbai,  
May 10, 2009

**D. Sundaram**

*Vice-Chairman & CFO*

**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE****Auditors' Certificate****To the members of Hindustan Unilever Limited,**

We have examined the compliance of the conditions of Corporate Governance by Hindustan Unilever Limited for the period ended March 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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 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.

**Sharmila A. Karve**

*Partner*

Membership No. 43229

For and on behalf of

**LOVELOCK & LEWES**

*Chartered Accountants*

*Mumbai*

*May 10, 2009*



Hindustan Unilever Limited

Standalone

## SIGNIFICANT ACCOUNTING POLICIES

### Basis for preparation of accounts

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

### Revenue Recognition

Sales are recognised when goods are supplied and are recorded net of trade discounts, rebates, sales taxes and excise duties (on goods manufactured and outsourced) but include, where applicable, export incentives such as duty drawbacks and premiums on sale of import licences. It does not include inter-divisional transfers.

Income from Property Development Activity is recognised in terms of arrangements with developers, where applicable.

Income from services rendered is booked based on agreements/arrangements with the concerned parties.

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

Dividend income on investments is accounted for when the right to receive the payment is established.

### Expenditure

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities. Advertising expenses are charged against the profit of the year to which the activities relate.

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets.

### Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided (except in the case of leasehold land which is being amortised over the period of the lease) on the straight line method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. However,

- certain employee perquisite-related assets are depreciated over four to six years, the period of the perquisite scheme.
- computers and related assets are depreciated over four years
- certain assets of the cold chain are depreciated over four / seven years and
- motor vehicles are depreciated over six years

Assets identified and evaluated technically as obsolete and held for disposal are stated at their estimated net realisable values.

### Goodwill and other Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortisation. Goodwill and other Intangible assets (except computer

software) are amortised over the assets' useful life not exceeding 10 years. Computer software is amortised over a period of 5 years on the straight line method.

### Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset'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.

### Investments

Investments are classified into current and long-term investments. Current investments are stated at the lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments.

### Inventories

Inventories are valued at the lower of cost, computed on a weighted average basis, and estimated net realisable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

### Sundry Debtors and Loans and Advances

Sundry debtors and Loans and Advances are stated after making adequate provisions for doubtful balances.

### Provisions

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end date and adjusted to reflect the best current estimate.

### Retirement / Post Retirement Benefits

Contributions to Defined Contribution schemes such as Provident Fund, etc. are charged to the Profit and Loss account as incurred. 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 remaining contributions are made to a government administered Provident Fund towards which the Company



Hindustan Unilever Limited

## SIGNIFICANT ACCOUNTING POLICIES

Standalone

has no further obligations beyond its monthly contributions. The Company also provides for retirement / post-retirement benefits in the form of gratuity, pensions, leave encashment and medical. Such benefits are provided for based on valuations, as at the balance sheet date, made by independent actuaries. Termination benefits are recognised as an expense as and when incurred.

### Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### 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 profit and loss account.

Forward exchange contracts outstanding as at the period end on account of firm commitment/highly probable forecast transaction are marked to market and the resultant gain/loss is dealt in the profit and loss account.

### Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the company with the following additional policies for segment reporting :

- a) Inter segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market led.
- 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 enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under 'Unallocated corporate expenses'.



Hindustan Unilever Limited

# PROFIT AND LOSS ACCOUNT

for the 15 months ended 31st March, 2009

Standalone

Figures in brackets represent deductions

Rs. lakhs

	Notes	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>INCOME</b>			
Sales	1	20239,33.05	13675,43.29
Other income	2	567,78.70	431,52.65
<b>Total</b>		<b>20807,11.75</b>	<b>14106,95.94</b>
<b>EXPENDITURE</b>			
Operating expenses	3 - 5	(17561,37.32)	(11796,77.44)
Depreciation		(195,30.42)	(138,35.90)
Interest	6	(25,32.29)	(25,49.66)
<b>Total</b>		<b>(17782,00.03)</b>	<b>(11960,63.00)</b>
<b>PROFIT BEFORE TAXATION AND EXCEPTIONAL / EXTRAORDINARY ITEMS</b>			
Taxation for the year		(535,85.36)	(325,95.09)
– current tax		(2.39)	(38,93.00)
– deferred tax		(37,06.10)	(40,00.00)
– fringe benefit tax		48,52.70	1,67.11
Taxation adjustments of previous years (net)	16		
<b>PROFIT AFTER TAXATION AND BEFORE EXCEPTIONAL / EXTRAORDINARY ITEMS</b>		<b>2500,70.57</b>	<b>1743,11.96</b>
Exceptional/Extraordinary items (net of tax)	11	(4,25.72)	182,35.02
<b>NET PROFIT</b>		<b>2496,44.85</b>	<b>1925,46.98</b>
Balance brought forward		197,50.34	803,65.39
<b>Available for distribution</b>		<b>2693,95.19</b>	<b>2729,12.37</b>
<b>Dividends :</b>			
On equity shares :			
Interim - Rs. 3.50 per share - declared on 25th July, 2008 (includes Rs 13.84 lakhs on Final Dividend for 2007)		(762,55.93)	(662,30.35)
Platinum Jubilee - Rs. 3.00 per share - declared on 31st October, 2007		–	(660,57.83)
Final - Rs. 4.00 per share - proposed		(871,95.04)	(653,23.90)
Tax on distributed profits (includes Rs. 2.35 lakhs on final dividend for 2007)		(277,78.50)	(355,49.95)
Transfer to General Reserve		(250,00.00)	(200,00.00)
<b>Balance carried forward</b>		<b>531,65.72</b>	<b>197,50.34</b>
<b>Earnings Per Share (Rs.) - Basic (Face value of Re.1 each)</b>	13	11.46	8.73
<b>- Diluted (Face value of Re.1 each)</b>		11.44	8.71

For notes, statements, additional information, segment information, related party disclosures and accounting policies See pages: 64, 65, 70 to 73, 93 to 97 and 99 to 107

Signatures to pages : 64 to 66, 70 to 73, 93 to 97 and 99 to 107

In terms of our report of even date

**Sharmila A. Karve**  
Partner  
Membership No. 43229  
For and on behalf of  
**LOVELOCK & LEWES**  
Chartered Accountants

Mumbai : 10th May 2009

**Nitin Paranjpe** Managing Director and CEO  
**D. Sundaram** Vice Chairman and CFO  
**Ashok Gupta** Executive Director - Legal and Company Secretary  
**Vivek Subramanian** Group Corporate Accountant  
**D. S. Parekh** Chairman, Audit Committee

Mumbai : 10th May 2009



Hindustan Unilever Limited

# BALANCE SHEET

as at 31st March, 2009

Standalone

Figures in brackets represent deductions

Rs. lakhs

	Schedule	As at 31st March, 2009		As at 31st December, 2007	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' funds</b>					
Capital	1	217,98.76		217,74.63	
Reserves and surplus	2	1843,51.96		1221,48.78	
			2061,50.72		1439,23.41
<b>Loan funds</b>					
Secured loans	3	144,64.93		25,51.86	
Unsecured loans	4	277,29.78		63,01.17	
			421,94.71		88,53.03
			<b>2483,45.43</b>		<b>1527,76.44</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed assets</b>					
Gross block		2881,73.21		2669,07.72	
Depreciation and impairment loss		(1274,95.46)		(1146,57.39)	
Net block	5	1606,77.75		1522,50.33	
Capital work-in-progress		472,07.29	2078,85.04	185,63.75	1708,14.08
	6		332,62.02		1440,80.74
<b>Investments</b>					
<b>Deferred Tax</b>					
Deferred Tax Assets	14	439,08.73		403,71.06	
Deferred Tax Liabilities	15	(184,25.61)	254,83.12	(191,32.31)	212,38.75
<b>Current assets, loans and advances</b>					
Inventories	7	2528,85.76		1953,59.86	
Sundry debtors	8	536,88.72		443,37.46	
Cash and bank balances	9	1777,34.93		200,86.21	
Other current assets	10	15,74.04		12,39.25	
Loans and advances	11	742,12.05		667,18.17	
		<b>5600,95.50</b>		<b>3277,40.95</b>	
<b>Current liabilities and provisions</b>					
Liabilities	12	(4255,82.43)		(3837,08.53)	
Provisions	13	(1527,97.82)		(1273,89.55)	
		<b>(5783,80.25)</b>		<b>(5110,98.08)</b>	
<b>Net current assets</b>			(182,84.75)		(1833,57.13)
			<b>2483,45.43</b>		<b>1527,76.44</b>

For schedules, contingent liabilities, additional information, segment information, related party disclosures and accounting policies See pages : 74 to 92 and 99 to 107

Signatures to pages : 67, 74 to 92 and 99 to 107

In terms of our report of even date

**Sharmila A. Karve**  
Partner  
Membership No. 43229  
For and on behalf of  
**LOVELOCK & LEWES**  
Chartered Accountants

Mumbai : 10th May 2009

**Nitin Paranjpe** Managing Director and CEO  
**D. Sundaram** Vice Chairman and CFO  
**Ashok Gupta** Executive Director - Legal and Company Secretary  
**Vivek Subramanian** Group Corporate Accountant  
**D. S. Parekh** Chairman, Audit Committee

Mumbai : 10th May 2009



Hindustan Unilever Limited

# CASH FLOW STATEMENT

for the 15 months ended 31st March, 2009

Standalone

	Rs. lakhs	
	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before taxation and exceptional / extra-ordinary items	3025,11.72	2146,32.94
<i>Adjustments for :</i>		
Depreciation	195,30.42	138,35.90
Surplus on disposal of investments (net)	(53,90.32)	(70,65.17)
Provision / (reversal of provision) for diminution in value of investments, net of cost over fair value of current investments (net)	(3,08.70)	1,49.76
Deficit / (Surplus) on disposal of fixed assets (net)	9,27.41	7,04.27
Interest income	(80,93.92)	(64,22.87)
Dividend income	(70,71.34)	(102,98.49)
Interest expenditure	25,32.29	25,49.66
	21,25.84	(65,46.94)
Operating Profit before Working Capital Changes	3046,37.56	2080,86.00
<i>Adjustments for :</i>		
Trade and Other Receivables	(151,87.99)	(39,83.77)
Inventories	(575,25.90)	(399,25.98)
Trade Payables and Other Liabilities	398,20.97	561,31.88
	(328,92.92)	122,22.13
Cash generated from operations	2717,44.64	2203,08.13
Taxes paid (including fringe benefit tax) (net of refunds)	(633,65.22)	(492,59.87)
<b>Cash flow before exceptional / extraordinary items</b>	<b>2083,79.42</b>	<b>1710,48.26</b>
<b>Exceptional :</b>		
Compensation paid under Voluntary Separation Schemes and amount paid for an industrial dispute relating to a closed factory	(35,99.30)	(15,79.96)
Transitional cost due to consolidation of offices / factories	(16,41.34)	(19,56.88)
Consideration received on sale of a business	-	5,00.00
Amounts paid for other restructuring activities	(4,23.77)	-
<b>Extraordinary :</b>		
Consideration received on disposal of a brand	1,50.48	-
<b>Net Cash from Operating Activities.....A</b>	<b>2028,65.49</b>	<b>1680,11.42</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(636,12.80)	(329,28.17)
Sale of fixed assets	6,64.29	40,28.33
Purchase of investments	(12482,28.47)	(14150,55.48)
Investment in subsidiary companies	(67.75)	(2.00)
Sale of investments	13649,74.79	15148,67.36
Interest received	77,59.13	70,25.89
Dividend received	70,71.34	102,98.49
<b>Cash flow before exceptional / extraordinary items</b>	<b>685,60.53</b>	<b>882,34.42</b>
<b>Exceptional :</b>		
Consideration received on disposal of unused land and building (including residential properties)	172,20.32	141,41.85
Consideration received on disposal of a long term investment	20,38.33	-
<b>Net Cash from Investing Activities.....B</b>	<b>878,19.18</b>	<b>1023,76.27</b>



Hindustan Unilever Limited

# CASH FLOW STATEMENT

for the 15 months ended 31st March, 2009 (Contd.)

Standalone

Rs. lakhs

	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Dividends paid	(1435,95.79)	(1954,47.12)
Tax on distributed profits	(240,61.50)	(337,47.40)
Interest paid	(25,32.29)	(25,53.96)
Bank overdrafts, etc (net)	(37,98.72)	15,31.65
Proceeds from borrowings	1280,86.44	651,28.80
Buyback of equity shares	–	(626,27.25)
Cost in relation to buyback of shares	–	(5,26.54)
Proceeds from share allotment under Employee Stock Option Scheme	38,11.94	12,36.30
Repayments of borrowings	(909,46.03)	(651,28.80)
<b>Net Cash used in Financing Activities.....C</b>	<b>(1330,35.95)</b>	<b>(2921,34.32)</b>
<b>Net Increase / (Decrease) in Cash and Cash equivalents..... (A+B+C)</b>	1576,48.72	(217,46.63)
<b>Cash and Cash equivalents as at 1st January (Opening Balance)</b>	200,86.21	416,94.30
<b>Cash and Cash equivalents as at 1st January, 2007 of Modern Food Industries (India) Limited</b>	–	1,10.42
<b>Cash and Cash equivalents as at 28th February, 2007 of Daverashola Estates Private Ltd. (on acquisition of Ice-Cream business)</b>	–	28.12
<b>Cash and Cash equivalents as at period end (Closing Balance)</b>	1777,34.93	200,86.21

For notes  
See page : 98

In terms of our report of even date

**Sharmila A. Karve**  
Partner  
Membership No. 43229  
For and on behalf of  
**LOVELOCK & LEWES**  
Chartered Accountants

Mumbai : 10th May 2009

Signatures to pages : 68, 69 and 98

**Nitin Paranjpe** Managing Director and CEO  
**D. Sundaram** Vice Chairman and CFO  
**Ashok Gupta** Executive Director - Legal and Company Secretary  
**Vivek Subramanian** Group Corporate Accountant  
**D. S. Parekh** Chairman, Audit Committee

Mumbai : 10th May 2009



Hindustan Unilever Limited

# NOTES

## to the Profit and Loss Account

Standalone

Rs. lakhs

	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>INCOME</b>		
<b>1 Sales</b>		
Less: Excise duty	21649,50.93 (1410,17.88)	14715,09.70 (1039,66.41)
	<b>20239,33.05</b>	<b>13675,43.29</b>
Sales include duty drawback and licence premium on exports	<b>34,20.16</b>	<b>16,91.31</b>
<b>2 Other income</b>		
Income from services rendered	277,71.74	180,45.78
Interest income - bank and other accounts (gross)	59,77.83	40,48.01
(Tax deducted at source Rs 11,74.76 lakhs; 2007 - Rs. 9,89.89 lakhs)		
Interest income - non trade (gross) (Note 7)	18,46.19	21,37.79
(Tax deducted at source Rs. Nil lakhs; 2007 - Rs. 20.85 lakhs )		
Interest income - Subsidiary - current (gross)	2,69.90	2,37.07
(Tax deducted at source Rs 62.68 lakhs; 2007 - Rs. 51.84 lakhs )		
Dividend income - trade - long term (gross)	11,73.28	9,98.28
Dividend income - non trade - current (gross)	44,03.32	80,35.43
Dividend income - Subsidiaries - long term (gross)	14,94.74	12,64.78
(Tax deducted at source Rs. 1,37.98 lakhs; 2007 - Rs. 1,26.47 lakhs )		
Surplus on disposal of current investments (net)	53,90.32	70,65.17
Miscellaneous income (Note 8.ii)	84,51.38	13,20.34
	<b>567,78.70</b>	<b>431,52.65</b>
<b>OPERATING EXPENSES</b>		
<b>3 Materials consumed and Purchase of goods</b>		
Raw materials consumed	6725,24.38	4134,70.96
Packing materials consumed	1689,16.64	1155,67.64
Purchase of goods	2845,07.47	2122,55.75
<b>4 General expenditure</b>		
Salaries, wages, bonus, etc.	1012,94.54	664,52.19
Contribution to provident and other funds	70,87.32	51,02.25
Workmen and staff welfare expenses	68,29.74	52,26.70
Processing charges	210,40.31	136,13.84
Consumption of stores and spare parts	120,56.02	87,51.60
Repairs and maintenance - Buildings	13,50.57	9,14.03
- Plant	86,93.76	67,96.27
- Others	10,35.18	11,83.37
Power, light, fuel and water	301,37.03	198,88.54
Rent	171,88.16	120,53.34
Rates and taxes	80,20.91	47,57.79
Insurance	4,90.64	7,19.81
Advertising and sales promotion	2130,91.55	1440,21.62
Carriage and freight	1136,68.26	731,41.26
Agents' commission and brokerage	10,14.29	6,06.72
Provision / (write back) for doubtful debts and advances (net)	15,99.71	(84.27)
Travelling and motor car expenses	203,30.55	150,34.60
Deficit on fixed assets sold, scrapped, etc. (net)	9,27.41	7,04.27



Hindustan Unilever Limited

## NOTES

### to the Profit and Loss Account (Contd.)

Standalone

Rs. lakhs

	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>4 General expenditure (contd.)</b>		
Miscellaneous expenses (Note 10)	1065,92.85	740,49.86
Expenses shared by subsidiary companies for use of common facilities	(1,03.34)	(1,10.58)
<b>5 Stocks</b>		
Opening stocks : - Work-in-progress	41,47.41	31,01.07
- Processed chemicals	11.72	84.62
- Finished goods	811,84.77	659,43.34
Adjustment to stocks :		
- As at 1st January, 2007 of Modern Food Industries (India) Limited	-	9.24
Closing stocks : - Work-in-progress	(186,55.81)	(41,47.41)
(Note 14) - Processed chemicals	(1,75.15)	(11.72)
- Finished goods	(1099,46.20)	(811,84.77)
Excise Duty on Increase/ (Decrease) of Finished goods	12,76.63	17,65.51
	<b>17561,37.32</b>	<b>11796,77.44</b>

- 6** Interest paid on bank and other accounts Rs. 25,32.29 lakhs (2007 - Rs. 25,49.66 lakhs), including on fixed period loan Rs. 1,00.68 lakhs (2007 - Rs. Nil)
- 7** Interest income - non trade (gross) comprises of Rs. 17,09.00 lakhs (2007 - Rs. 18,08.54 lakhs) and Rs. 1,37.19 lakhs (2007 - Rs. 3,29.25 lakhs) in respect of long term and current investments respectively.
- 8** i) The net difference in foreign exchange (i.e. the difference between the spot rates on the dates of the transactions, and the actual rates at which the transactions are settled / appropriate rates applicable at the year end) credited to the Profit and Loss Account is Rs.32,67.74 lakhs (2007 - Rs. 17,70.62 lakhs).
- ii) The above includes gain of Rs 61,22.97 lakhs (2007 - loss Rs. 8,77.02 lakhs) booked under miscellaneous income on account of mark to market valuation of open forward contracts and monetary items (viz. foreign currency receivables and payable) in line with AS - 11.

Rs. lakhs

	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>9 Operating expenses include</b>		
<b>A) Auditors' remuneration and expenses</b>		
i) Audit fees	2,56.18	2,56.18
ii) Tax audit fees	1,25.78	1,06.74
iii) Fees for other services	2,11.42	1,72.18
iv) Reimbursement of out-of-pocket expenses	14.70	14.61
<b>B) Payments to Cost auditors</b>		
i) Cost audit fees	6.97	6.97
ii) Reimbursement of out-of-pocket expenses	0.05	0.55
<b>C) Research and Development expenses</b>	<b>74,46.61</b>	<b>49,38.63</b>

#### 10. Miscellaneous expenses

- i) is net of credit for write back of charge in respect of excess of cost over fair value of current investments Rs. 3,08.70 lakhs [2007 - charge Rs. 1,49.76 lakhs (net)]



Hindustan Unilever Limited

# NOTES

## to the Profit and Loss Account (Contd.)

Standalone

Rs. lakhs

	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>11 Exceptional / Extraordinary Items</b>		
<b>A) Exceptional Items</b>		
i) Profit arising from disposal of unused land and building (including residential properties)	167,63.01	139,05.00
ii) Profit arising on disposal of a long term investment	18,86.13	–
iii) Reduction in liability for retirement benefits arising from impact of revised interest rates and lower annuity costs	–	62,98.06
iv) Reversal of provision for impairment of sea food export business assets	–	5,71.83
<b>Total exceptional income</b>	<b>186,49.14</b>	<b>207,74.89</b>
v) Provision against advance given to a fully owned subsidiary	(9,29.99)	(3,00.00)
vi) Provision for remediation of a site	(25,00.00)	–
vii) Incremental provision for retirement benefits arising out of change in actuarial assumptions, largely due to lower interest rates	(60,48.98)	–
viii) Restructuring costs across businesses comprising:		
a) Compensation under Voluntary Separation Schemes and amount payable in an industrial dispute relating to a closed factory	(67,14.17)	(18,11.90)
b) Transitional cost due to consolidation of offices / factories	(19,05.11)	(25,23.88)
c) Write-down of fixed assets for closed units	(15,68.68)	–
d) Other Costs	(6,12.46)	–
<b>Total exceptional expenditure</b>	<b>(202,79.39)</b>	<b>(46,35.78)</b>
<b>Net</b>	<b>(16,30.25)</b>	<b>161,39.11</b>
Taxation on the above - Credit / (Charge) on current tax	(21,61.55)	(27,25.15)
- Credit / (Charge) on deferred tax	42,46.76	(16,51.78)
<b>Total tax credit / (charge) - net</b>	<b>20,85.21</b>	<b>(43,76.93)</b>
<b>Exceptional items (net of tax)</b>	<b>4,54.96</b>	<b>117,62.18</b>
<b>B) Extraordinary Items</b>		
i) Profit arising on disposal of a brand	1,50.48	–
ii) Profit on disposal of assets of a business	–	4,00.00
iii) Profit arising from the transfer of two factory units and land to three separate subsidiaries	–	22,54.45
<b>Total extraordinary income</b>	<b>1,50.48</b>	<b>26,54.45</b>
iv) Cost in relation to buyback of shares	–	(6,00.00)
v) Provision for diminution in the value of investment in a fully owned subsidiary	(9,80.01)	–
vi) Loss on acquisition of business from a subsidiary	–	(46.44)
<b>Total extraordinary expenditure</b>	<b>(9,80.01)</b>	<b>(6,46.44)</b>
<b>Net</b>	<b>(8,29.53)</b>	<b>20,08.01</b>
Taxation on the above - Credit / (Charge) on current tax	(51.15)	(1,12.20)
vii) One time reduction in tax liability arising from amalgamation of Modern Food Industries (India) Limited (a wholly owned subsidiary) with the Company	–	45,77.03
<b>Total tax credit / (charge) - net</b>	<b>(51.15)</b>	<b>44,64.83</b>
<b>Extraordinary items (net of tax)</b>	<b>(8,80.68)</b>	<b>64,72.84</b>
<b>Total of Exceptional / Extraordinary Items (A+B)</b>	<b>(4,25.72)</b>	<b>182,35.02</b>

12. i) Pursuant to the Scheme of arrangement for demerger of the Brookefields property of the Company to its subsidiary, Brooke Bond Real Estates Private limited with effect from 1st September 2008, as approved by the shareholders in the Court-convened meeting held on 29th April, 2008 and subsequently sanctioned by the Honourable High Court of Bombay on 25th July 2008, the Brookefield property along with other assets has been transferred at cost (book value) to the Subsidiary Company for a consideration in the form of 1,29,36,000 equity shares of face value of Rs.10 each.



Hindustan Unilever Limited

## NOTES

### to the Profit and Loss Account (Contd.)

Standalone

- ii) The Company has changed its accounting year from January - December to April - March with effect from the current year. Accordingly, the current year's financial statements are for fifteen months from 1st January 2008 to 31st March 2009. The previous year's figures relate to 12 months ended 31st December 2007.
- iii) In view of the above, the current year's figures are accordingly, not comparable to those of the previous year.

	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>13 Earnings Per Share has been computed as under:</b>		
Net Profit (Rs. lakhs)	2496,44.85	1925,46.98
Weighted average number of Equity shares outstanding	2,17,86,39,191	2,20,45,77,163
Earnings Per Share (Rs.) - Basic (Face value of Re. 1 per share)	11.46	8.73
Weighted average number of Equity shares (including dilutive) outstanding	2,18,31,40,719	2,21,00,31,876
Earnings Per Share (Rs.) - Diluted (Face value of Re. 1 per share)	11.44	8.71

- 14** Closing Stock - Consequent to implementation of SAP transaction system, there has been a standardisation in definition of inventory items leading to their reclassification. The comparable numbers of the previous period are not determinable, hence not regrouped.
- 15** 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 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 profit and loss account (refer Note 4).
- 16** Taxation adjustments of previous years include interest, etc.
- 17** For information on Joint Ventures refer Schedule 22 to the Balance Sheet.
- 18** Previous year's figures have been regrouped/restated wherever necessary to conform to this year's classification.



Hindustan Unilever Limited

# SCHEDULES

## to the Balance Sheet

Standalone

Rs. lakhs

	As at 31st March, 2009	As at 31st December, 2007
<b>1 CAPITAL</b>		
<b>Authorised</b>		
2,25,00,00,000 equity shares of Re. 1 each	<b>225,00.00</b>	<b>225,00.00</b>
<b>Issued and subscribed</b>		
2,17,98,76,077 (2007: 2,17,74,63,355) equity shares of Re. 1 each fully called and paid up	217,98.76	217,74.63
Of the above shares		
i) 1,13,48,49,460 Shares of Re. 1 each are held by Unilever PLC., the holding company, and its subsidiaries including 79,48,06,750 shares of Re. 1 each held by Unilever PLC.		
ii) 79,53,79,675 Shares of Re. 1 each are allotted as fully paid up pursuant to a contract for a consideration other than cash.		
iii) 1,31,68,54,620 Shares of Re. 1 each are allotted as fully paid up bonus shares by way of capitalisation of share premium and accumulated profits.		
	<b>217,98.76</b>	<b>217,74.63</b>

**Note:**

- The Company has granted share options under the Company's Employees' Stock Option Scheme and share options outstanding as at 31st March, 2009 are 47,62,792 (2007 - 73,06,750). Of these 8,23,005 (2007 - 12,47,400) options have vested in 2004, 11,92,733 (2007 - 17,59,635) have vested in 2005, 13,03,310 (2007 - 19,06,515) have vested in 2006, 6,27,744 have vested in 2007 (2007 - 10,67,700) and 8,16,000 have vested in 2008 (2007 - 13,25,500). During the year 24,12,722 (2007 - 9,23,030) options were exercised.
- During the year, Nil (2007 - 3,02,35,772) equity shares have been bought back pursuant to the buy back programme.

Rs. lakhs

	As at 31st December, 2007	Adjustments on Amalga- mation	Additions	Deductions	As at 31st March, 2009
<b>2 RESERVES AND SURPLUS</b>					
<b>Capital Reserves</b>					
Capital Reserve	4,22.23				4,22.23
Capital Subsidy	5,03.99				5,03.99
Capital Redemption Reserve	4,17.36				4,17.36
Share Premium Account			(d) 39,19.08		39,19.08
Revaluation Reserve	66.59				66.59
Other Reserves (c)	2,51.05				2,51.05
Employee Stock Options (e)	5,36.66			(1,31.28)	4,05.38
<b>Total Capital Reserves</b>	<b>21,97.88</b>	<b>-</b>	<b>39,19.08</b>	<b>(1,31.28)</b>	<b>59,85.68</b>
<b>Revenue Reserves</b>					
Export Profit Reserve	12,21.95				12,21.95
Development Allowance Reserve	26.72				26.72
General Reserve	989,51.89		250,00.00		1239,51.89
<b>Total Revenue Reserves</b>	<b>1002,00.56</b>	<b>-</b>	<b>250,00.00</b>	<b>-</b>	<b>1252,00.56</b>
<b>PROFIT AND LOSS ACCOUNT BALANCE</b>	197,50.34		(a) 531,65.72	(b) (197,50.34)	<b>531,65.72</b>
<b>TOTAL RESERVES - 31st March, 2009</b>	<b>1221,48.78</b>	<b>-</b>	<b>820,84.80</b>	<b>(198,81.62)</b>	<b>1843,51.96</b>
<b>TOTAL RESERVES - 31st December, 2007</b>	<b>2502,80.51</b>	<b>(180,12.09)</b>	<b>413,40.62</b>	<b>(1514,60.26)</b>	<b>1221,48.78</b>



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Standalone

## 2 RESERVES AND SURPLUS (Contd. )

- a) Transfer from profit and loss account  
 b) Transfer to profit and loss account  
 c) Not available for capitalisation / declaration of dividend / share valuation.  
 d) Comprises Rs 37,87.80 lakhs received on allotment of shares under the Employees Stock Option and transfer of Rs. 1,31.28 lakhs from Employee Stock Option Reserve on account of options exercised.  
 e) Employee Stock Options

Rs. lakhs

	As at 31st December, 2007	Additions	Deductions	As at 31st March, 2009
Employee Stock Options Outstanding	7,51.82	–	–	<b>7,51.82</b>
Less:- Transfer to share premium	(2,15.16)	–	(1,31.28)	<b>(3,46.44)</b>
<b>Employee Stock Options</b>	<b>5,36.66</b>	<b>–</b>	<b>(1,31.28)</b>	<b>4,05.38</b>

Rs. lakhs

	As at 31st March, 2009	As at 31st December, 2007
<b>3 SECURED LOANS</b>		
<b>Loans and Advances from banks:</b>		
– Bank overdrafts Secured by hypothecation of stocks, book debts, etc.	25,64.93	25,51.86
– Export Packing Credit Secured by a pari passu charge on stocks and book debts	119,00.00	–
	<b>144,64.93</b>	<b>25,51.86</b>
<b>4 UNSECURED LOANS</b>		
<b>Short - term loans and advances:</b>		
From Banks		
– Working capital loan	250,00.00	–
– Overdrawn book balance on current account	23,72.37	61,84.14
– Export Packing Credit	3,23.24	–
Other loans and advances		
– Other than from banks [repayable within one year Rs 24.34 lakhs (2007 - Rs 82.86 lakhs)]	34.17	1,17.03
	<b>277,29.78</b>	<b>63,01.17</b>



Hindustan Unilever Limited

# SCHEDULES

## to the Balance Sheet (Contd.)

Standalone

Rs. lakhs

	GROSS BLOCK				DEPRECIATION					NET BLOCK		
	Cost/ Valuation as at 31st December, 2007	Cost taken over conse- quent to amalgama- tion	Additions	Deductions/ Transfers (d)	Cost/ Valuation as at 31st March, 2009	As at 31st December, 2007	Depreciation taken over conse- quent to amalga- mation	Additions	Deductions/ Transfers (d)	As at 31st March, 2009	As at 31st March, 2009	As at 31st December, 2007
<b>5 FIXED ASSETS</b>												
Land – Freehold	56,63.85	–	–	(1,80.74)	54,83.11	–	–	–	–	–	54,83.11	56,63.85
– Lease Hold	33,00.93	–	–	(7.58)	32,93.35	3,21.52	–	49.60	(3.97)	3,67.15	29,26.20	29,79.41
Buildings (a)	631,14.70	–	51,52.36	(21,47.23)	661,19.83	137,08.60	–	20,49.33	(77.46)	156,80.47	504,39.36	494,06.10
Plant & machinery	1574,81.90	–	213,06.73	(67,11.58)	1720,77.05	737,12.61	–	142,60.60	(50,20.99)	829,52.22	891,24.83	837,69.29
Railway sidings	0.59	–	–	–	0.59	0.59	–	–	–	0.59	–	–
Furniture & Fixtures & Office Equipments	160,42.05	–	9,72.10	(19,15.38)	150,98.77	98,43.98	–	11,07.59	(15,33.98)	94,17.59	56,81.18	61,98.07
Trade Marks	144,85.03	–	–	–	144,85.03	144,85.03	–	–	–	144,85.03	–	–
Goodwill	11,82.29	–	–	–	11,82.29	11,82.29	–	–	–	11,82.29	–	–
Software	52,59.09	–	48,61.43	–	101,20.52	10,90.55	–	20,33.88	–	31,24.43	69,96.09	41,68.54
Motor vehicles	3,77.29	–	1.57	(66.19)	3,12.67	3,12.22	–	29.42	(55.95)	2,85.69	26.98	65.07
<b>Total - 31st March,2009</b>	<b>2669,07.72</b>	<b>–</b>	<b>322,94.19</b>	<b>(110,28.70)</b>	<b>2881,73.21</b>	<b>1146,57.39</b>	<b>–</b>	<b>195,30.42</b>	<b>(66,92.35)</b>	<b>1274,95.46</b>	<b>1606,77.75</b>	<b>1522,50.33</b>
<b>31st December,2007</b>	<b>2462,68.85</b>	<b>30,18.47</b>	<b>296,90.51</b>	<b>(120,70.11)</b>	<b>2669,07.72</b>	<b>1061,93.99</b>	<b>18,85.50</b>	<b>138,35.90</b>	<b>(72,58.00)</b>	<b>1146,57.39</b>	<b>1522,50.33</b>	

**Notes:**

- Buildings include Rs. 2.21 lakhs (2007 - Rs. 2.29 lakhs ) being the value of shares in co-operative housing societies.
- The title deeds of immovable properties aggregating Rs. 46,21.79 lakhs (2007 - 55,78.10 lakhs), acquired on transfer of business/ undertakings are in the process of being transferred in the name of the Company.
- Capital expenditure commitments - Rs.132,29.80 lakhs (2007 - 149,80.51 lakhs).
- Includes transfers, pursuant to the scheme of arrangement for demerger of Brookfields property into Brooke Bond Real Estates Private Limited.

Rs. lakhs

		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS</b>			
(Long term, Unquoted, unless otherwise stated)			
<b>A</b>	<b>INVESTMENTS IN GOVERNMENT SECURITIES</b>		
	7 Year National Savings Certificates - II Issue	1.05	1.05
	Government of India Stock (2007 - Rs.12,00.00 lakhs) ( Rs.10,00.00 lakhs purchased during the period) (Rs.22,00.00 lakhs sold during the period) (Current Investments) (Quoted)	–	12,14.60
	<b>TOTAL - A</b>	<b>1.05</b>	<b>12,15.65</b>



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Standalone

Rs. lakhs

			As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd. )</b> (Long term, Unquoted, unless otherwise stated)				
<b>B INVESTMENTS IN SUBSIDIARY COMPANIES AT COST SHARES</b>				
Unilever India Exports Limited	2,510,000	Equity shares of Rs.10 each fully paid	2,51.00	2,51.00
Levers Associated Trust Limited	50,000	Ordinary shares of Rs.10 each fully paid	5.00	5.00
Levindra Trust Limited	50,000	Ordinary shares of Rs.10 each fully paid	5.00	5.00
Hindlever Trust Limited	50,000	Ordinary shares of Rs.10 each fully paid	5.00	5.00
Unilever Nepal Limited	736,560	Equity shares of Nepalese Rs.100 each fully paid	4,60.00	4,60.00
Bon Limited	10,000,000	Equity shares of Rs.10 each fully paid	10,00.00	10,00.00
Pond's Exports Limited	9,800,147	Equity shares of Rs.10 each fully paid	9,80.01	9,80.01
Lakme Lever Private Limited	50,000	Equity shares of Rs.10 each fully paid (50,000 shares purchased during the period)	5.00	-
Daverashola Estates Private Limited	221,700	Equity shares of Rs.10 each fully paid	4,51.42	4,51.42
Shamnagar Estates Private Limited	15,000,000	Equity shares of Rs.10 each fully paid	15,00.00	15,00.00
Jamnagar Properties Private Limited	5,000,000	Equity shares of Rs.10 each fully paid	5,00.00	5,00.00
Brooke Bond Real Estates Private Limited	12,946,000	Equity shares of Rs.10 each fully paid (2008-12,936,000 shares allotted pursuant to scheme of arrangement- Refer Note 12 (i) Of Profit & Loss Account)	12,94.60	1.00
Hindustan Unilever Field Services Private Limited	637,500	Equity shares of Rs.10 each fully paid (2008-627,500 shares purchased during the period)	63.75	1.00
<b>TOTAL - B</b>			<b>65,20.78</b>	<b>51,59.43</b>
<b>C TRADE INVESTMENTS AT COST SHARES</b>				
Tata Chemicals Limited	5,032,000	(2007-5,532,000)Equity shares of Rs.10 each fully paid (Quoted) (5,00,000 shares sold during the period)	15,30.70	16,82.80
Capgemini Business Services (India) Limited	2,450	Ordinary shares of Rs.100 each fully paid	2.16	2.16
Dugdha Sahakari Kraya-Vikraya Samiti Limited	50	Shares of Rs.100 each fully paid	0.05	0.05
Hi Tech Surfactants Limited	58,400	Equity shares of Rs.10 each fully paid	5.87	5.87
Aquagel Chemicals Private Limited	284,040	Equity shares of Rs.100 each fully paid	2,65.56	2,65.56
	913,000	7% Cumulative Redeemable Preference Shares of Rs.100 each fully paid	9,13.00	9,13.00
Super Bazar Co-op. Stores Limited	1,000	Equity shares of Rs.10 each fully paid	0.10	0.10
Kimberly Clark Lever Private Limited	36,250,000	Equity shares of Rs.10 each fully paid	36,25.00	36,25.00
Coffee Futures India Exchange Limited	1	Equity share of Rs.10,000 each fully paid	0.10	0.10
Goldfield Fragrances Private Limited	7,164	Equity shares of Rs.100 each fully paid	2.40	2.40
<b>TOTAL - C</b>			<b>63,44.94</b>	<b>64,97.04</b>



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Standalone

			Rs. lakhs	
			As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd. )</b>				
(Long term, Unquoted, unless otherwise stated)				
<b>D NON-TRADE INVESTMENTS AT COST SHARES, DEBENTURES &amp; BONDS</b>				
Comfund Financial Services India Limited	240,000	Equity shares of Rs.10 each fully paid	24.00	24.00
Assam Bengal Cereals Limited	8,284	Equity shares of Rs.10 each fully paid	0.83	0.83
The Bengal Chamber of Commerce & Industry	14	6 1/2% Non-redeemable Registered Debentures (Face value Rs.0.14 lakhs)	0.17	0.17
Woodlands Hospital and Medical Research Centre Limited	1	5% Non-redeemable Registered Debenture stock (Face value Rs.0.27 lakhs)	0.27	0.27
	44	1/2% Debentures of Rs.100 each (Face value Rs.0.05 lakhs : Cost Rs.100)	-	-
Shillong Club Limited	56	5% Debentures of Rs. 100 each(Cost Rs. Nil)	-	-
The Nilgiri Co-operative Enterprises Limited	200	Shares of Rs.100 each fully paid	0.20	0.20
Biotech Consortium India Limited	100,000	Equity shares of Rs.10 each fully paid	10.00	10.00
Scooters India Limited	10,000	Equity shares of Rs.10 each fully paid (Quoted)	1.00	1.00
Annamallais Ropeway Company Limited	1,150	Ordinary shares of Rs.100 each fully paid(Cost Rs. Nil)	-	-
Saraswat Co-operative Bank Limited	2,005	Equity shares of Rs.10 each fully paid	0.20	0.20
National Bank for Agriculture and Rural Development	-	(2007-9,250) 5.50% Capital Gains Bonds of Rs.10,000 each (9,250 bonds Redeemed during the period)	-	9,25.00
	-	(2007-870) 5.20% Capital Gains Bonds of Rs.10,000 each (870 bonds Redeemed during the period)	-	87.00
	-	(2007-72,000) 5.40% Capital Gains Bonds of Rs.10,000 each (72,000 bonds Redeemed during the period)	-	72,00.00
	-	(2007-13,500) 5.20% Capital Gains Bonds of Rs.10,000 each (13,500 bonds Redeemed during the period)	-	13,50.00
	-	(2007-2,000) 5.42% Capital Gains Bonds of Rs.10,000 each (2,000 bonds Redeemed during the period)	-	2,00.00
	-	(2007-17,484) 5.25% Capital Gains Bonds of Rs.10,000 each (17,484 bonds Redeemed during the period)	-	17,48.39
National Housing Bank	-	(2007-15,500) 5.50% Capital Gains Bonds of Rs.10,000 each (15,500 bonds Redeemed during the period)	-	15,50.00
Rural Electrification Board	213,000	5.50% Capital Gains Bonds of Rs.10,000 each	213,00.00	213,00.00
	500	5.50% Capital Gains Bonds of Rs.10,000 each	50.00	50.00
<b>OTHERS</b>				
Unit Trust of India	-	Units of Rs.100 each under the 6.75% Tax Free US 64 Bonds (2008-4,877,837 bonds sold during period) (Current Investments) (Quoted)	-	47,43.70
Certificate of Deposit - State Bank of Bikaner & Jaipur	-	Certificate of Deposit of the face value of Rs.1000.00 lakhs (Rs.1000.00lakhs purchased during the period)	9,90.74	-



Hindustan Unilever Limited

# SCHEDULES

## to the Balance Sheet (Contd.)

Standalone

Rs. lakhs

		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd. )</b> (Long term, Unquoted, unless otherwise stated)			
Fortis Mutual Fund (Formerly known as ABN Amro Mutual Fund)	- (2007-10,000,000 ) Units Fortis Fixed Term Plan - Series 5 - 13 Months - Institutional Plan - Growth (10,000,000 Units sold during the period) (Current Investments)	-	10,00.00
	- Units Fortis Interval Fund - Monthly Plan A - Dividend-Red (15,000,000 Units Purchased, 162,097 Units cumulated, 15,162,097 Units sold during the period) (Current Investments)	-	-
	- Units Fortis Interval Fund - Quarterly Plan H - Dividend-Red( 10,000,000 Units Purchased, 179,880 Units cumulated, 10,179,880 Units sold during the period) (Current Investments)	-	-
	- Units Fortis Interval Fund - Series 2 - Quarterly Plan M - Interval Dividend-Red( 39,990,604 Units Purchased, 402,799 Units cumulated, 40,393,403 Units sold during the period) (Current Investments)	-	-
Birla Mutual Fund	- Units Birla Sun Life Cash Plus - Institutional Premium Plan - Daily Dividend( 2,283,233,179 Units Purchased, 3,279,250 Units cumulated, 2,286,512,429 Units sold during the period) (Current Investments)	-	-
	- Units Birla Sun Life Cash Plus - Institutional Premium Plan - Weekly Dividend( 31,906,196 Units Purchased, 254,742 Units cumulated, 32,160,938 Units sold during the period) (Current Investments)	-	-
	- Units Birla Sun Life Fixed Term Plan - Series AQ - Institutional Plan - Growth( 10,000,000 Units Purchased, 10,000,000 Units sold during the period) (Current Investments)	-	-
	- Units Birla Sun Life Fixed Term Plan - Series AR - Institutional Plan - Growth( 5,000,000 Units Purchased, 5,000,000 Units sold during the period) (Current Investments)	-	-
	- (2007-10,000,000 ) Units Birla Sun Life Fixed Term Plan - Series S - Institutional Plan - Growth (10,000,000 Units sold during the period) (Current Investments)	-	10,00.00
	- (2007-20,000,000 ) Units Birla Sun Life Fixed Term Plan - Series T - Institutional Plan - Growth (20,000,000 Units sold during the period) (Current Investments)	-	20,00.00
	- Units Birla Sun Life Interval Income Fund Monthly Plan - Series II - Institutional Plan - Dividend ( 40,000,000 Units Purchased, 291,368 Units cumulated, 40,291,368 Units sold during the period) (Current Investments)	-	-



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Standalone

		Rs. lakhs	
		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd. )</b>			
(Long term, Unquoted, unless otherwise stated)			
Birla Mutual Fund	–	–	–
	Units Birla Sun Life Interval Income Fund Quarterly Plan - Series III - Institutional Plan - Dividend( 25,000,000 Units Purchased, 139,089 Units cumulated, 25,139,089 Units sold during the period) (Current Investments)		
	–	–	–
	Units Birla Sun Life Liquid Plus - Institutional Plan - Daily Dividend( 280,322,206 Units Purchased, 2,065,169 Units cumulated, 282,387,375 Units sold during the period) (Current Investments)		
	–	–	106,86.99
	(2007-106,753,740 ) Units Birla Sun Life Liquid Plus - Institutional Plan - Weekly Dividend ( 132,057,084 Units Purchased, 3,147,323 Units cumulated, 241,958,147 Units sold during the period) (Current Investments)		
DSP Blackrock Mutual Fund (Formerly known as DSP Merrill Lynch Fund)	–	–	–
	Units DSP BlackRock Cash Plus Fund - Institutional Plan - Daily Dividend( 299,970 Units Purchased, 269 Units cumulated, 300,239 Units sold during the period) (Current Investments)		
	–	–	–
	Units DSP BlackRock Fixed Maturity Plan - 12.5 Months - Series 1 - Institutional Plan - Growth ( 35,000,000 Units Purchased, 35,000,000 Units sold during the period) (Current Investments)		
	–	–	–
	Units DSP BlackRock Fixed Maturity Plan - 3 Months - Series 10 - Reg - Dividend( 20,000,000 Units Purchased, 359,597 Units cumulated, 20,359,597 Units sold during the period) (Current Investments)		
	–	–	–
	Units DSP BlackRock Fixed Maturity Plan - 3 Months - Series 13 - Institutional Plan - Dividend ( 15,000,000 Units Purchased, 15,000,000 Units sold during the period) (Current Investments)		
Deutsche Mutual Fund	–	–	–
	Units DWS Quarterly Interval Fund - Series 1 - Dividend (30,000,000 Units Purchased, 564,036 Units cumulated, 30,564,036 Units sold during the period) (Current Investments)		
Franklin Templeton Fund	–	–	70,00.00
	(2007-70,000,000 ) Units Templeton Fixed Horizon Fund - Series 1 - 13 Months - Institutional Plan - Growth (70,000,000 Units sold during the period) (Current Investments)		
	–	–	30,00.00
	(2007-30,000,000 ) Units Templeton Fixed Horizon Fund - Series 1 - 15 Months - Institutional Plan - Growth (30,000,000 Units sold during the period) (Current Investments)		
	–	–	–
	Units Templeton Floating Rate Interest Fund - Liquid Optionng Term - Super Institutional Plan - Daily Dividend (41,348,009 Units Purchased, 797,423 Units cumulated, 42,145,432 Units sold during the period) (Current Investments)		



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Standalone

Rs. lakhs

		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd. )</b> (Long term, Unquoted, unless otherwise stated)			
Franklin Templeton Fund	- (2007-220,032 ) Units Templeton India Treasury Management Account - Super Institutional Plan - Daily Dividend( 12,472,078 Units Purchased, 15,904 Units cumulated, 12,708,014 Units sold during the period) (Current Investments)	-	22,00.87
	- (2007-20,000,000)Units Templeton Fixed Term fund-Series VII(370Days Yearly Series)-Growth (20,000,000 Units sold during the period) (Current Investments)	-	20,00.00
	- Units Templeton India Treasury Management Account - Super Institutional Plan - Weekly Dividend ( 236,127 Units Purchased, 1,966 Units cumulated, 238,093 Units sold during the period) (Current Investments)	-	-
	- Units Templeton India Ultra Short Bond Fund - Super Institutional Plan - Dividend( 49,906,176 Units Purchased, 434,396 Units cumulated, 50,340,572 Units sold during the period) (Current Investments)	-	-
	- Units Templeton Quarterly Interval Fund - Plan C - Institutional Plan - Dividend( 14,982,171 Units Purchased, 311,829 Units cumulated, 15,294,000 Units sold during the period) (Current Investments)	-	-
HDFC Mutual Fund	- Units HDFC Cash Management Fund - Savings Plan - Daily Dividend( 868,095,751 Units Purchased, 1,225,922 Units cumulated, 869,321,673 Units sold during the period) (Current Investments)	-	-
	- (2007-4,497,777 ) Units HDFC Cash Management Fund - Savings Plus - Wholesale - Daily Dividend (97,978,456 Units Purchased, 1,682,725 Units cumulated, 104,158,957 Units sold during the period) (Current Investments)	-	4,51.19
	- (2007-9,973,810 ) Units HDFC Floating Rate Interest Fund - Short Term Fund - WP - Daily Dividend( 42,662,373 Units Purchased, 197,048 Units cumulated, 52,833,231 Units sold during the period) (Current Investments)	-	10,05.45
	- (2007-25,000,000 ) Units HDFC Fixed Maturity Plan -14M - March 2007 (3) - Institutional Plan - Growth (25,000,000 Units sold during the period) (Current Investments)	-	25,00.00
	- (2007-18,000,000 ) Units HDFC Fixed Maturity Plan - 16M - December 2006 (2) - Institutional Plan - Growth (18,000,000 Units sold during the period) (Current Investments)	-	18,00.00



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Standalone

		Rs. lakhs	
		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd. )</b>			
	(Long term, Unquoted, unless otherwise stated)		
HDFC Mutual Fund	- (2007-35,000,000 ) Units HDFC Fixed Maturity Plan - 16M - January 2007 (3) - Institutional Plan - Growth ( 35,000,000 Units sold during the period) (Current Investments)	-	35,00.00
	- Units HDFC Fixed Maturity Plan - 90D - June 2008 (8) - 3 - WP - Dividend( 20,000,000 Units Purchased, 398,000 Units cumulated, 20,398,000 Units sold during the period) (Current Investments)	-	-
	- Units HDFC Fixed Maturity Plan - 90D - Sep 2008 (9) - 3 - WP - Dividend( 40,000,000 Units Purchased, 40,000,000 Units sold during the period) (Current Investments)	-	-
HSBC Mutual Fund	- (2007-35,190,144 ) Units HSBC Cash Fund - Institutional Plus - Daily Dividend( 374,855,063 Units Purchased, 470,253 Units cumulated, 410,515,460 Units sold during the period) (Current Investments)	-	35,20.99
	- Units HSBC Cash Fund - Institutional Plus - Weekly Dividend( 14,949,173 Units Purchased, 53,672 Units cumulated, 15,002,845 Units sold during the period) (Current Investments)	-	-
	- (2007-12,000,000 ) Units HSBC Fixed Term Series 21 -Institutional Plan - Growth( 12,000,000 Units sold during the period) (Current Investments)	-	12,00.00
	- (2007-20,000,000 ) Units HSBC Fixed Term Series 22 - Institutional Plan - Growth( 20,000,000 Units sold during the period) (Current Investments)	-	20,00.00
	- (2007-20,000,000 ) Units HSBC Fixed Term Series 25 - Institutional Plan - Growth( 20,000,000 Units sold during the period) (Current Investments)	-	20,00.00
	- Units HSBC Interval Fund - Plan II - Institutional - Dividend( 9,999,900 Units Purchased, 9,999,900 Units sold during the period) (Current Investments)	-	-
	- (2007-16,059,751 ) Units HSBC Liquid Plus Fund - Institutional Plan Plus - Daily Dividend( 122,968,909 Units Purchased, 1,102,332 Units cumulated, 140,130,992 Units sold during the period) (Current Investments)	-	16,08.00
ICICI Prudential Mutual Fund	- (2007-41,608,345 ) Units ICICI Prudential Flexible Income Plan - Daily Dividend( 809,410,429 Units Purchased 3,278,883 Units cumulated 854,297,657 Units sold during the period) (Current Investments)	-	43,99.46
	- (2007-101,482,721 ) Units ICICI Prudential Flexible Income Plan - Weekly Dividend( 390,308,378 Units Purchased 8,715,586 Units cumulated 503,506,685 Units sold during the period) (Current Investments)	-	107,00.46



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Standalone

Rs. lakhs

		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd. )</b>			
(Long term, Unquoted, unless otherwise stated)			
ICICI Prudential Mutual Fund	-		30,00.00
(2007-30,000,000 ) Units ICICI Prudential Fixed Maturity Plan - S 35 - 13 Months - Plan B - Institutional Plan - Growth ( 30,000,000 Units sold during the period) (Current Investments)	-		35,00.00
(2007-35,000,000 ) Units ICICI Prudential Fixed Maturity Plan - Series 34 - 16 Month Plan - Institutional Plan - Growth( 35,000,000 Units sold during the period) (Current Investments)	-		25,00.00
(2007-25,000,000 ) Units ICICI Prudential Fixed Maturity Plan - Series 37 - 14 Months Plan - Institutional Plan - Growth( 25,000,000 Units sold during the period) (Current Investments)	-		-
Units ICICI Prudential Fixed Maturity Plan - Series 43 - 13M - Plan D - Ret - Growth( 13,000,000 Units Purchased, 13,000,000 Units sold during the period) (Current Investments)	-		-
Units ICICI Prudential Fixed Maturity Plan - Series 44 - 3M - Plan A - Ret - Dividend( 20,000,000 Units Purchased, 344,000 Units cumulated, 20,344,000 Units sold during the period) (Current Investments)	-		-
Units ICICI Prudential Fixed Maturity Plan - Series 44 - 3M - Plan D - Ret - Dividend( 20,000,000 Units Purchased, 386,200 Units cumulated, 20,386,200 Units sold during the period) (Current Investments)	-		25,00.00
(2007-24,822,026 ) Units ICICI Prudential Interval Fund - Monthly Interval II - Dividend(305,781 Units cumulated, 25,127,807 Units sold during the period) (Current Investments)	-		-
Units ICICI Prudential Interval Fund - Quarterly Interval I - Dividend( 29,997,300 Units Purchased, 541,403 Units cumulated, 30,538,703 Units sold during the period) (Current Investments)	-		-
Units ICICI Prudential Interval Fund II - Quarterly Interval - Plan C - Dividend( 40,000,000 Units Purchased, 721,543 Units cumulated, 40,721,543 Units sold during the period) (Current Investments)	-		-
Units ICICI Prudential Interval Fund IV - Quarterly Interval - Plan B - Institutional Plan - Dividend ( 20,000,000 Units Purchased, 20,000,000 Units sold during the period) (Current Investments)	-		21,00.00
(2007-12,511,745 ) Units ICICI Prudential Liquid - Institutional Plus - Growth( 12,511,745 Units sold during the period) (Current Investments)	-		38,03.40
(2007-38,032,109 ) Units ICICI Prudential Liquid - Super Institutional Plan - Daily Dividend (3,636,839,370 Units Purchased 3,671,551 Units cumulated 3,678,543,030 Units sold during the period) (Current Investments)	-		



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Standalone

		Rs. lakhs	
		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd. )</b>			
(Long term, Unquoted, unless otherwise stated)			
Principal Mutual Fund	-	-	-
	Units Principal Cash Management Fund Liquid Option-Institutional Premium Plan - Daily Dividend ( 594,079,877 Units Purchased, 602,131 Units cumulated, 594,682,008 Units sold during the period) (Current Investments)		
	-	-	-
	Units Principal Floating Rate Fund - Fixed Maturity Plan - Institutional Plan - Daily Dividend ( 203,384,641 Units Purchased, 2,403,467 Units cumulated, 205,788,108 Units sold during the period) (Current Investments)		
	-	-	-
	Units Principal Floating Rate Fund - Fixed Maturity Plan -Institutional Plan - Weekly Dividend ( 24,998,231 Units Purchased, 162,757 Units cumulated, 25,160,988 Units sold during the period) (Current Investments)		
	-	-	-
	Units Principal PNB Fixed Maturity Plan 91 Days Yearly Series - Series XVII - Institutional Plan - Dividend (25,000,000 Units Purchased, 25,000,000 Units sold during the period) (Current Investments)		
Reliance Mutual Fund	-	-	10,00.00
	(2007-10,000,000 ) Units Reliance Fixed Horizon Fund 2 - AP - Series 6 - Institutional Plan - Growth ( 10,000,000 Units sold during the period) (Current Investments)		
	-	-	-
	Units Reliance Fixed Horizon Fund 8 - Series 7 - Institutional Plan - Dividend( 50,000,000 Units Purchased, 50,000,000 Units sold during the period) (Current Investments)		
	-	-	20,00.00
	(2007-19,983,813 ) Units Reliance Interval Fund - Monthly Series I - Institutional Plan - Dividend( 353,412 Units cumulated, 20,337,225 Units sold during the period) (Current Investments)		
	-	-	50,30.89
	(2007-50,281,895 ) Units Reliance Interval Fund - Monthly Series II - Institutional Plan - Dividend ( 49,977,510 Units Purchased, 344,240 Units cumulated, 100,603,645 Units sold during the period) (Current Investments)		
	-	-	-
	Units Reliance Liquidity Fund - Daily Dividend( 100,316,316 Units Purchased, 8,195 Units cumulated, 100,324,511 Units sold during the period) (Current Investments)		
SBI Mutual Fund	-	-	15,00.00
	(2007-15,000,000 ) Units SBI Magnum Debt Fund Series - 90 Days Yearly Series - 16 - Oct 07 - Dividend(245,265 Units cumulated, 15,245,265 Units sold during the period) (Current Investments)		
	-	-	-
	Units SBI Magnum Debt Fund Series - 90 Days Yearly Series - 28 - Aug 08 - Ret - Dividend ( 40,000,000 Units Purchased, 40,000,000 Units sold during the period) (Current Investments)		



Hindustan Unilever Limited

# SCHEDULES

## to the Balance Sheet (Contd.)

Standalone

Rs. lakhs

		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd. )</b> (Long term, Unquoted, unless otherwise stated)			
SBI Mutual Fund	- Units SBI Magnum Debt Fund Series - 90 Days Yearly Series - 29 - Sep 08 - Ret - Dividend ( 40,000,000 Units Purchased, 40,000,000 Units sold during the period) (Current Investments)	-	-
	- Units SBI Premier Liquid Fund - Super Institutional Plan - Daily Dividend( 39,870,421 Units Purchased, 167,243 Units cumulated, 40,037,664 Units sold during the period) (Current Investments)	-	-
IDFC Mutual Fund (Formerly Known as Standard Chartered Mutual Fund)	- Units IDFC Liquid Fund - Daily Dividend( 111,157 Units Purchased, 68 Units cumulated, 111,225 Units sold during the period) (Current Investments)	-	-
	- Units IDFC-Fixed Maturity Plan - Yearly Series 20 - Plan B - Growth( 20,000,000 Units Purchased, 20,000,000 Units sold during the period) (Current Investments)	-	-
	- (2007-10,000,000 ) Units IDFC-Fixed Maturity Plan - Yearly Series 3 - Growth( 10,000,000 Units sold during the year) (Current Investments)	-	10,00.00
Sundaram Mutual fund	- Units Sundaram BNP Paribas Interval Fund - Quarterly Series - Plan B - Institutional Plan - Dividend ( 15,000,000 Units Purchased, 15,000,000 Units sold during the period) (Current Investments)	-	-
	- (2007-5,056,289 ) Units Sundaram BNP Paribas Liquid Plus - Super Institutional Plan - Weekly Dividend ( 168,226 Units cumulated, 5,224,515 Units sold during the period) (Current Investments)	-	5,12.31
Tata Mutual fund	- (2007-5,000,000 ) Units Tata Fixed Horizon Fund - Series 7 - Plan D - Institutional Plan - Growth ( 5,000,000 Units sold during the period) (Current Investments)	-	5,00.00
UTI Mutual Fund	- Units UTI - F M P - June 08 - Yearly Series - Institutional Plan - Dividend( 25,000,000 Units Purchased, 460,215 Units cumulated, 25,460,215 Units sold during the period) (Current Investments)	-	-
	- (2007-5,000,000 ) Units UTI Fixed Income Interval Fund - Monthly Plan II - Institutional Plan - Dividend (95,044 Units cumulated, 5,095,044 Units sold during the period) (Current Investments)	-	5,00.00
	- Units UTI Fixed Income Interval Fund - Quarterly Plan I - Institutional Plan - Dividend( 15,000,000 Units Purchased, 15,000,000 Units sold during the period) (Current Investments)	-	-



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Standalone

		Rs. lakhs	
		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd. )</b>			
	(Long term, Unquoted, unless otherwise stated)		
UTI Mutual Fund	- Units UTI Liquid Fund - Cash Plan - Institutional Plan - Daily Dividend( 494,158 Units Purchased, 87 Units cumulated, 494,245 Units sold during the period) (Current Investments)	-	-
	- Units UTI Short Term - Fixed Maturity Plan - Series 9 - Institutional Plan - Dividend( 30,000,000 Units Purchased, 30,000,000 Units sold during the period) (Current Investments)	-	-
	<b>TOTAL-D</b>	<b>223,77.41</b>	<b>1322,10.77</b>
	<b>TOTAL A+B+C+D</b>	<b>352,44.18</b>	<b>1450,82.89</b>
	Provision for diminution in value of long term investments	(19,82.16)	<b>(10,02.15)</b>
	<b>TOTAL</b>	<b>332,62.02</b>	<b>1440,80.74</b>
Aggregate book value of investments	Unquoted	317,30.32	1364,38.64
	Quoted - Market Value Rs.71,08.70 lakhs (2007 - Rs.287,83.32 lakhs)	15,31.70	76,42.10
	<b>TOTAL</b>	<b>332,62.02</b>	<b>1440,80.74</b>

		Rs. lakhs	
		As at 31st March, 2009	As at 31st December, 2007
<b>7 INVENTORIES</b>			
	(at lower of cost and net realisable value) (refer Note 14)		
Stores and spare parts, etc.		38,96.59	30,22.27
Raw materials		1080,02.14	967,05.92
Packing materials		121,61.10	102,39.00
Work-in-progress		186,55.81	41,47.41
Processed chemicals		1,75.15	11.72
Finished goods		1099,46.20	811,84.77
Property Development Activity - Work-in-progress		48.77	48.77
		<b>2528,85.76</b>	<b>1953,59.86</b>



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Standalone

Rs. lakhs

	As at 31st March, 2009		As at 31st December, 2007
<b>8 SUNDRY DEBTORS (unsecured)</b>			
Considered good			
Over 6 months old	26,46.79		23,85.27
Others	510,41.93		419,52.19
		536,88.72	443,37.46
Considered doubtful			
Over 6 months old	68,75.92		62,12.20
Others	-		-
		68,75.92	62,12.20
		605,64.64	505,49.66
Less: Provision for doubtful debts		(68,75.92)	(62,12.20)
		<b>536,88.72</b>	<b>443,37.46</b>
<b>9 CASH AND BANK BALANCES</b>			
Cash on hand		87.53	1,08.81
With Scheduled banks - on current accounts		189,71.91	199,02.57
- on deposit accounts		1586,75.49	74.83
		<b>1777,34.93</b>	<b>200,86.21</b>
<b>10 OTHER CURRENT ASSETS</b>			
Income accrued on investments and deposits		15,74.04	12,39.25
		<b>15,74.04</b>	<b>12,39.25</b>
<b>11 LOANS AND ADVANCES</b> (Unsecured, considered good unless otherwise stated)			
Advances and loans to subsidiaries			
Considered good	24,47.31		36,14.80
Considered doubtful	48,80.00		39,50.00
	73,27.31		75,64.80
Less: Provision for doubtful advances	(48,80.00)		(39,50.00)
		24,47.31	36,14.80
Advances recoverable in cash or in kind or for value to be received including :- Rs. 133,83.18 lakhs (2007 - Rs. 136,06.42 lakhs) not due within one year	561,14.91		468,14.96
Considered doubtful	39,97.96		30,61.98
	601,12.87		498,76.94
Less: Provision for doubtful advances	(39,97.96)		(30,61.98)
		561,14.91	468,14.96
Deposits with Customs, Port Trust, Excise, etc.		138,94.82	162,88.41
Current taxation (payments in excess of provision, including tax on distributed profits)		12,68.66	-
Fringe Benefit Taxation (payments in excess of provision)		4,86.35	-
		<b>742,12.05</b>	<b>667,18.17</b>



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Standalone

		Rs. lakhs	
		As at 31st March, 2009	As at 31st December, 2007
<b>12</b>	<b>LIABILITIES</b>		
	Acceptances	883,60.18	880,25.03
	Sundry creditors (Schedule 21)	3305,00.34	2878,46.23
	Security advances	18,36.06	9,35.46
	Dividends declared pending payment / encashment	48,85.85	69,01.81
		<b>4255,82.43 *</b>	<b>3837,08.53 *</b>
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund			
<b>13</b>	<b>PROVISIONS</b>		
	Provision for retirement/post retirement benefits and other employee benefits	598,54.80	548,50.41
	Proposed dividend	871,95.04	653,23.90
	Current taxation (provisions in excess of payments) including tax on distributed profits	–	18,31.42
	Fringe Benefit Taxation	–	15,45.03
	Miscellaneous provisions (Schedule 19)	57,47.98	38,38.79
		<b>1527,97.82</b>	<b>1273,89.55</b>
<b>14</b>	<b>DEFERRED TAX ASSETS</b>		
	On employee separation and retirement	216,46.13	209,22.60
	On other timing differences	146,18.76	136,35.94
	Other items	76,43.84	58,12.52
		<b>439,08.73</b>	<b>403,71.06</b>
<b>15</b>	<b>DEFERRED TAX LIABILITIES</b>		
	On fiscal allowances	184,25.61	191,32.31
		<b>184,25.61</b>	<b>191,32.31</b>

**16** Certain demands for increased wages, etc. received from workmen have been referred to adjudication. In the opinion of the Company's management, the ultimate liability to the Company, if any, with respect to such demands would not have a material effect on the accounts.



Hindustan Unilever Limited

# SCHEDULES

## to the Balance Sheet (Contd.)

Standalone

Rs. lakhs

	Gratuity		Management Pension		Officers Pension		Post Retirement Medical Benefits	
	2009	2007	2009	2007	2009	2007	2009	2007
<b>17 DEFINED BENEFIT PLANS</b>								
<b>As per Actuarial Valuation as on 31st March, 2009 and recognised in the financial statements in respect of Employee Benefit Schemes :</b>								
<b>I Components of Employer Expense</b>								
(a) Current Service Cost	5,89.50	4,50.80	15,31.25	15,28.99	1,42.50	1,49.90	3,30.63	19.20
(b) Interest Cost	8,84.69	6,87.79	49,37.01	40,72.70	2,57.29	2,37.59	13,78.04	81.60
(c) Expected Return on Plan Assets	(7,92.11)	(6,26.90)	(9,80.55)	(7,46.79)	(5,50.58)	(4,23.34)	-	-
(d) Curtailment Cost/(Credit)	-	-	-	-	-	-	-	-
(e) Settlement Cost/(Credit)	-	-	(3,22.32)	-	-	-	-	-
(f) Past Service Cost	-	-	-	-	-	-	-	-
(g) Actuarial (Gain)/Loss	14,55.54	-	53,53.33	(74,62.04)	(43.04)	-	(4,77.25)	11,63.98
<b>(h) Total expense/(gain) recognised in the Profit &amp; Loss Account</b>	<b>21,37.62</b>	<b>5,11.69</b>	<b>105,18.72</b>	<b>(26,07.14)</b>	<b>* (1,93.83)</b>	<b>* (35.85)</b>	<b>12,31.42</b>	<b>12,64.78</b>
Note: * (Gain not recognised in Profit and loss account as the funds are lying in an Income Tax approved irrevocable trust fund)								
<b>II Net Asset/(Liability) recognised in Balance Sheet as at 31st March, 2009</b>								
(a) Present Value of Obligation as at 31st March, 2009	101,78.20	99,20.60	545,88.47	519,85.10	27,98.20	26,89.20	148,51.70	141,45.30
(b) Fair Value of Plan Assets as at 31st March, 2009	(101,78.20)	(100,62.64)	(114,99.84)	(129,53.60)	(67,42.43)	(64,39.60)	-	-
(c) (Asset)/Liability recognised in the Balance Sheet (Refer note)	-	* -	430,88.63	390,31.50	* -	* -	148,51.70	141,45.30
Note: * The excess of assets over liabilities in respect of Gratuity and Officer's Pension have not been recognised as they are lying in an Income Tax approved irrevocable trust fund.								
<b>III Change in Defined Benefit Obligations (DBO) during the year ended as on 31st March, 2009</b>								
(a) Present Value of Obligation as at 31st December, 2007	99,20.60	103,01.83	519,85.10	569,00.82	26,89.20	33,80.44	141,45.30	11,60.93
(b) Current Service Cost	5,89.50	4,50.80	15,31.25	15,28.99	1,42.50	1,49.90	3,30.63	19.20
(c) Interest Cost	8,84.69	6,87.79	49,37.01	40,72.70	2,57.29	2,37.59	13,78.04	81.60
(d) Curtailment Cost/(Credit)	-	-	-	-	-	-	-	-
(e) Settlement Cost/(Credit)	-	-	(51,06.63)	-	-	-	-	-
(f) Plan Amendments	-	-	-	-	-	-	-	-
(g) Acquisitions	-	-	-	-	-	-	-	-
(h) Actuarial (Gain)/Loss	16,31.74	(3,58.84)	63,83.43	(57,11.71)	1,67.07	(6,37.63)	(4,77.25)	11,63.98
(i) Benefits Paid	(28,48.33)	(11,60.98)	(51,41.69)	(48,05.70)	(4,57.86)	(4,41.10)	(5,25.00)	(10,16.01)
<b>(j) Present Value of Obligation as at 31st March, 2009</b>	<b>101,78.20</b>	<b>99,20.60</b>	<b>545,88.47</b>	<b>519,85.10</b>	<b>27,98.20</b>	<b>26,89.20</b>	<b>148,51.73</b>	<b>141,45.30</b>
Note: The Present Value of Obligation as at 31st December, 2007 for Post Retirement Medical Benefits Include Rs.127,35.60 lakhs adjusted to General Reserve on adoption of AS 15 ( Revised)								
<b>IV Changes in the Fair value of Plan Assets</b>								
(a) Present Value of Plan Assets as at 31st December, 2007	100,62.64	103,02.70	129,53.60	121,72.98	64,39.60	63,01.03	-	-
(b) Acquisition Adjustment	-	-	-	-	-	-	-	-
(c) Expected Return on Plan Assets	7,92.11	6,26.90	9,80.55	7,46.79	5,50.58	4,23.34	-	-
(d) Actuarial Gain/(Loss)	1,76.20	2,94.02	10,30.11	17,50.33	2,10.11	1,56.33	-	-
(e) Assets distributed on settlements	-	-	(47,84.31)	-	-	-	-	-
(f) Actual Company Contribution	19,95.58	-	64,61.58	30,89.20	-	-	5,25.00	10,16.01
(g) Benefits Paid	(28,48.33)	(11,60.98)	(51,41.69)	(48,05.70)	(4,57.86)	(4,41.10)	(5,25.00)	(10,16.01)
<b>(h) Fair Value of Plan Assets as at 31st March 2009</b>	<b>101,78.20</b>	<b>100,62.64</b>	<b>114,99.84</b>	<b>129,53.60</b>	<b>67,42.43</b>	<b>64,39.60</b>	<b>-</b>	<b>-</b>



Hindustan Unilever Limited

# SCHEDULES

## to the Balance Sheet (Contd.)

Standalone

Rs. lakhs

	Gratuity		Management Pension		Officers Pension		Post Retirement Medical Benefits	
	2009	2007	2009	2007	2009	2007	2009	2007
<b>17 DEFINED BENEFIT PLANS (Contd. )</b>								
<b>V Actuarial Assumptions</b>								
(a) Discount Rate (per annum)	6.50%	7.75%	6.50%	7.75%	6.50%	7.75%	6.50%	7.75%
(b) Expected Rate of Return on Assets (per annum)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	N.A.	N.A.
(c) Annual Increase in Healthcare Costs (per annum)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	12.00%	12.00%
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.								
<b>VI Effect of Increase or Decrease in Healthcare costs</b>								
Effect of 1% increase in Healthcare Costs on								
- the aggregate of service cost and interest cost							89.71	1,01.97
- Defined Benefit Obligation							13,36.65	12,73.10
Effect of 1% decrease in Healthcare Costs on								
- the aggregate of service cost and interest cost							(96.42)	(1,32.82)
- Defined Benefit Obligation							(12,26.29)	(11,68.00)
<b>VII Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at 31st March, 2009</b>								
(a) Government of India Securities	20.00%	22.00%	-	-	-	-	-	-
(b) Corporate Bonds	22.00%	15.00%	-	-	-	-	-	-
(c) Bank Deposits (Special Deposit Scheme, 1975)	-	58.00%	-	-	-	-	-	-
(d) Administered by Life Insurance Corporation of India	58.00%	-	100.00%	100.00%	100.00%	100.00%	-	-
(e) Others	-	5.00%	-	-	-	-	-	-
<b>VIII Experience Adjustments</b>								
Defined Benefit Obligation	101,78.20	99,20.60	545,88.47	519,85.10	27,98.20	26,89.20	148,51.70	141,45.30
Plan Assets	101,78.20	100,62.64	114,99.84	129,53.60	67,42.43	64,39.60	-	-
Deficit/ (Surplus)	-	(1,42.04)	430,88.63	390,31.50	(39,44.23)	(37,50.40)	148,51.70	141,45.30
Experience adjustments on plan liabilities	3,62.04	74.46	11,84.43	8,35.09	(44.73)	(3,89.53)	8,09.33	-
Experience adjustments on plan assets	1,76.20	2,94.02	10,30.11	17,50.33	2,10.11	1,56.33	-	-

**18 DERIVATIVE INSTRUMENTS**

The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and 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, 2009 are as under :

Currency exchange	GBP/INR	THB/INR	USD/INR	THB/USD	AUD/USD	EUR/USD	GBP/USD	JPY/USD	CAD/USD	SGD/USD	SEK/USD
a Number of 'buy' contracts	-	-	1,05	1	3	15	1	-	5	1	-
	-	(1)	(1,06)	-	(2)	(2)	-	(1)	-	-	(1)
b Aggregate currency amount (lakhs)	-	-	13,68.53	84.58	31.84	49.63	0.60	-	10.29	0.95	-
	-	(1,50.06)	(24,02.40)	-	(1,37.71)	(27.96)	-	(15,34.23)	-	-	(18.85)
c Number of 'sell' contracts	2	-	38	-	-	19	4	2	-	-	-
	(1)	-	(79)	-	(1)	(2)	(1)	(2)	-	-	-
d Aggregate currency amount (lakhs)	90.69	-	5,84.05	-	-	47.67	2.96	6,22.62	-	-	-
	(69.44)	-	(16,09.46)	-	(1.50)	(52.40)	(5.00)	(27,77.12)	-	-	-



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Standalone

Currency exchange	GBP	USD	THB	AUD	EUR	CHF	JPY	CAD	SGD	SEK
<b>18 DERIVATIVE INSTRUMENTS (Contd.)</b> The foreign currency exposures not hedged as at the year end are as under:										
Net Unhedged Exposure in currency (Lakhs)	0.40 (0.20)	0.06 (0.20)	-	0.03 (0.10)	0.25 (0.20)	0.00 (0.10)	4.70 (16.00)	-	0.55	- (1.10)

(figures in bracket pertain to 2007)

Rs. lakhs

	As at 1st January, 2008	Provision made during the year	Amounts utilised / reversed during the year	As at 31st March, 2009
<b>19 PROVISIONS</b>				
Miscellaneous provisions	38,38.79	25,00.00	(5,90.81)	57,47.98

Future cash outflow in respect of the above is determinable only on occurrence of uncertain future events.

Rs. lakhs

	As at 31st March, 2009	As at 31st December, 2007
<b>20 CONTINGENT LIABILITIES</b>		
<b>a) Claims made against the Company not acknowledged as debts</b>		
Income - tax matters	274,46.49	258,86.03
Sales tax matters - gross Rs.202,91.46 lakhs (2007 - Rs. 271,56.16 lakhs) net of tax	133,94.39	179,25.78
Excise and Customs duty matters-gross Rs.86,32.85 lakhs (2007 - Rs. 72,78.03 lakhs) net of tax	56,98.54	48,04.23
Other matters - gross Rs. 12,60.98 lakhs (2007 - Rs. 11,62.93 lakhs) net of tax	8,32.37	7,67.65
<b>b) Guarantees given to Banks etc. in respect of third parties</b>	52.52	52.52

Note: Future cash outflows in respect of (a) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

**21 MICRO AND SMALL SCALE BUSINESS ENTITIES**

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

**22 INTERESTS IN JOINT VENTURES**

The Company's interests, as a venturer, in jointly controlled entities (Incorporated Joint Ventures) are :

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2009	Percentage of ownership interest as at 31st December, 2007
Kimberly - Clark Lever Private Limited	India	50%	50%



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Standalone

## 22 INTERESTS IN JOINT VENTURES : (Contd. )

The Company's interests in these Joint Ventures are reported as Long Term Investments (Schedule 6) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of, the effect of transactions between the Company and the joint venture) related to its interests in these joint ventures, based on audited financial statements are :

	Rs. lakhs	
	As at 31st March, 2009	As at 31st December, 2007
<b>I ASSETS</b>		
1. Fixed Assets	18,53.97	12,33.13
2. Investments	-	-
3. Current Assets, Loans and Advances		
a) Inventories	21,66.02	11,14.43
b) Sundry Debtors	4,51.05	2,96.96
c) Cash and Bank Balances	26,77.40	44,80.82
d) Other Current Assets	22.07	2,61.20
e) Loans and Advances	21,12.46	19,29.78
<b>II LIABILITIES</b>		
1. Secured Loans	-	-
2. Deferred Tax Net	(1,38.16)	(1,60.97)
3. Current Liabilities and Provisions		
a) Liabilities	(28,44.52)	(26,30.69)
b) Provisions	(16,57.99)	(16,19.88)

	Rs. lakhs	
	For the fifteen month period ended on 31st March, 2009	For the year ended 31st December, 2007
<b>III INCOME</b>		
1. Sales (net of excise duty)	101,89.25	70,37.82
2. Other Income	5,77.04	3,73.34
<b>IV EXPENSES</b>		
1. Operating Expenses	(101,30.55)	(63,27.68)
2. Depreciation	(1,83.22)	(1,31.51)
3. Interest	-	-
4. Provision for Taxation (including deferred taxation)	(15.27)	(3,51.07)
5. Exceptional Items	-	-
<b>V OTHER MATTERS</b>		
Contingent Liabilities	-	-

23 Previous year's figures have been regrouped wherever necessary to conform to this year's classification.



Hindustan Unilever Limited

# STATEMENTS

forming part of the Profit and Loss Account

Standalone

	Licensed / IEM Capacity		Installed Capacity	
	As at 31st March, 2009	As at 31st December, 2007	As at 31st March, 2009	As at 31st December, 2007
	Tonnes	Tonnes	Tonnes	Tonnes
<b>1 LICENSED/INSTALLED ANNUAL CAPACITIES ON SINGLE SHIFT BASIS (UNLESS OTHERWISE STATED)</b>				
Soaps	3,83,471	3,83,471	1,69,744	2,29,834
Synthetic detergents (f)	11,70,853	10,64,186	2,94,013	3,08,669
Personal products	3,36,529	3,33,195	1,08,624	76,325
Glycerine	13,953	13,953	5,000	2,833
Fabric softener	2,833	2,833	-	4,281
Fatty acids	90,000	90,000	65,000	60,000
Perfumery and cosmetic products (units) *	29,90,00,000	29,90,00,000	5,50,00,000	3,37,50,000
Perfumery and cosmetic products *	3,022	3,022	-	3,136
Packet Tea below 1kg.and tea bags *	5,000	5,000	-	-
Instant Tea / Coffee	9,833	1,500	4,553	1,920
Frozen Surimi, Fresh and Frozen fish, Mollusees etc.	16,500	16,500	16,500	16,500
Ice-cream/Frozen desserts (Million Litres) * (g)	61	61	17	17
Packed Tea *	N.A.	N.A.	1,57,000	1,62,138
Packed Coffee *	N.A.	N.A.	22,060	10,500
Scourers	N.A.	N.A.	43,569	33,467
Surface Cleaners (Litres) *	N.A.	N.A.	1,00,00,000	1,00,00,000

- a) N.A. - Signifies the Non Scheduled activities for which Industrial License / IEMs are not required.
- b) Licensed capacities include registered capacities of industrial activities existing prior to the Industries (Development and Regulation) Act, 1951 and capacities as shown in the Industrial Entrepreneurs Memorandum (IEM) filed with the Government pursuant to Notification no. 477(E) dt.27.07.1991 under the said Act.
- c) The installed capacities are as per certificate given by a Director on which the auditors have relied.
- d) The capacity mentioned is annual capacity based on maximum utilisation of plant and machinery.
- e) Licensed and installed capacities for the year indicated above include capacities of entities post merger and closed units.
- f) Synthetic detergents includes Laundry Soap Capacities.
- g) Ice-creams and Frozen Desserts are alternate capacities.
- h) Figures of Licensed / IEM Capacities have been corrected based on the available Licenses / IEMs.
- i) \* Represent capacities on 3 shift basis.

	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
	Tonnes	Tonnes
<b>2 PRODUCTION</b>		
Processed triglycerides	- **	3,671 **
Soaps (Million nos.)	4,364 **	3,356 **
Synthetic detergents	11,06,915 **	9,04,081 **
Personal Products ('000 nos.)	65,48,242	42,23,573
Glycerine : Refined	4,166 **	3,677 **
Packed Tea	80,140 **	64,830 **
Instant Tea	1,508	1,226
Packed Coffee	20,126 **	21,407 **
Processed Foods	28,624	21,880
Canned and Processed Fruits and Vegetables	44,567 **	34,533 **
Frozen Desserts & Ice cream (Million Litres.)	16	12

\*\* Includes:

- a) Third party processing :  
Soaps - 382 Million Nos (2007 - 133 Million Nos), Synthetic detergents - 5,27,686 tonnes (2007 - 3,94,373 tonnes), Glycerine: Refined - 2,325 tonnes (2007 - 2,008 tonnes), Packed Tea - 4,917 tonnes (2007 - 12,833 tonnes), Packed Coffee - 12,119 tonnes (2007 - 13,649 tonnes), Canned and Processed Fruits and Vegetables - 25,879 tonnes (2007 - 16,557 tonnes).
- b) Processing in leased units: Processed triglycerides - Nil tonnes (2007 - 3,671 tonnes).



Hindustan Unilever Limited

# STATEMENTS

Standalone

forming part of the Profit and Loss Account (Contd.)

	15 Months Ended 31st March, 2009		12 Months Ended 31st December, 2007	
	Tonnes	Rs. lakhs	Tonnes	Rs. lakhs
<b>3 SALES (INCLUDING EXPORTS)</b>				
Soaps (Million nos.)	4,535	4301,90.21	3,792	3040,80.37
	13 *		11 *	
Synthetic detergents	15,28,391	4908,46.39	11,95,644	2955,16.14
	2,225 *		1,472 *	
Personal Products ('000 nos.)	1,67,59,728	5616,13.03	1,24,30,657	3860,79.53
	1,81,624 *		1,68,997 *	
Tea	1,27,878	2156,72.09	93,917	1551,21.38
Coffee	26,173	645,14.26	24,851	478,63.06
Frozen Desserts & Ice Creams (Million Litres.)	22	229,44.55	17	158,49.46
Processed triglycerides/hydrogenated oils/vanaspati	2,380	18,48.39	15,912	77,97.86
	- *		2,799 *	
Canned and Processed Fruits and Vegetables	47,175	483,05.80	33,337	292,91.93
Branded Staple Foods (a)	2,65,996	385,36.83	2,51,120	277,28.46
Speciality Chemicals (b)	8,514	54,19.83	7,234	31,77.09
	1,486 *		1,847 *	
Others (c)		1440,41.67		950,38.01
		<b>20239,33.05</b>		<b>13675,43.29</b>

Notes :

- a) Branded staple foods includes breads, wheat flour, iodised salt and rice in consumer packs.  
b) Speciality Chemicals comprises Glycerine and Fine Chemicals.  
c) Others includes Scourers, Marine products, Agri commodities, Water, Ayush services etc.  
\* Figures denote quantities used for captive consumption/reprocessing/sales promotion.

	As at 31st March, 2009		As at 31st December, 2007		As at 31st December, 2006	
	Tonnes	Rs. lakhs	Tonnes	Rs. lakhs	Tonnes	Rs. lakhs
<b>4 CLOSING STOCKS (INCLUDING PROCESSED CHEMICALS)</b>						
Processed triglycerides	-	-	282	1,17.39	998	3,61.19
Soaps (Million nos.)	400	270,29.83	275	202,11.94	330	192,00.65
Synthetic detergents	65,302	180,97.18	51,937	153,47.47	47,062	126,76.68
Personal Products ('000 nos.)	16,77,502	378,65.51	15,62,692	303,72.06	11,99,500	199,29.46
Tea	8,471	109,03.26	6,337	60,01.81	7,213	62,85.72
Coffee	1,594	25,89.22	1,239	20,25.89	1,299	14,67.25
Others		136,36.35		71,19.93		61,07.01
		<b>1101,21.35</b>		<b>811,96.49</b>		<b>660,27.96</b>

	15 Months Ended 31st March, 2009		12 Months Ended 31st December, 2007	
	Tonnes	Rs. lakhs	Tonnes	Rs. lakhs
<b>5 RAW MATERIALS CONSUMED @</b>				
Oils, fats and rosins		3,39,192		1440,86.33
Chemicals and perfumes		14,11,011		3292,48.59
Tea		1,17,606		1059,66.47
Coffee		27,247		268,43.63
Others				663,79.36
		<b>6725,24.38</b>		<b>4134,70.96</b>

@ Relates to the Company's main products and principal raw materials.



Hindustan Unilever Limited

# STATEMENTS

forming part of the Profit and Loss Account (Contd.)

Standalone

6 VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED	15 Months Ended 31st March, 2009		12 Months Ended 31st December, 2007	
	%	Rs. lakhs	%	Rs. lakhs
Raw materials -				
- Imported	22	1456,19.39	17	689,44.84
- Indigenous	78	5269,04.99	83	3445,26.12
Spare parts and components (including stores) -				
- Imported	8	10,03.44	28	24,56.77
- Indigenous	92	110,52.58	72	62,94.83

Rs. lakhs

7 VALUE OF IMPORTS ON CIF BASIS (excluding purchases from canalising agencies and imported items purchased locally)	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
Raw and packing materials	1442,12.46	725,15.84
Spare parts and components	46,03.16	22,63.17
Capital goods	30,62.11	11,45.09
	<b>1518,77.73</b>	<b>759,24.10</b>

8 PURCHASE OF GOODS	15 Months Ended 31st March, 2009		12 Months Ended 31st December, 2007	
	Tonnes	Rs. lakhs	Tonnes	Rs. lakhs
Processed triglycerides	2,098	14,53.71	14,325	61,50.12
Soaps (Million nos.)	309	371,59.22	391	264,40.68
Synthetic detergents	4,37,065	1065,13.04	2,97,910	583,93.45
Personal Products ('000 nos.)	1,05,07,919	889,84.37	87,39,272	802,57.10
Frozen Desserts & Ice-creams (Million Ltrs.)	7	23,42.09	5	23,90.39
Others (agri commodities, scourers, edible oils and fats, etc.)		848,19.96		607,73.45
Total		3212,72.39		2344,05.19
Less : Excise duty on purchases		(367,64.92)		(221,49.44)
		<b>2845,07.47</b>		<b>2122,55.75</b>

Rs. lakhs

9 EARNINGS IN FOREIGN EXCHANGE	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
Exports at FOB (including exports to Nepal and Bhutan)	1554,48.96	1264,65.45
Others (income from services, freight, insurance, claims, etc)	387,40.41	219,05.27
	<b>1941,89.37</b>	<b>1483,70.72</b>

10 EXPENDITURE IN FOREIGN CURRENCY (on payment basis) (subject to deduction of tax where applicable)	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
Consultancy	24,27.58	9,04.20
Royalty	130,92.68	55,06.28
Other matters:		
a) Imports of goods for resale	175,13.42	49,25.18
b) Others	145,14.87	81,98.55
	<b>475,48.55</b>	<b>195,34.21</b>



Hindustan Unilever Limited

# STATEMENTS

Standalone

forming part of the Profit and Loss Account (Contd.)

		Rs. lakhs	
		15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
<b>11</b>	<b>NET DIVIDEND REMITTED IN FOREIGN CURRENCY</b>		
	2006 Final to 7 shareholders on 1,13,48,49,460 shares of Re.1 each		340,45.48
	2007 Interim to 7 shareholders on 1,13,48,49,460 shares of Re. 1 each		340,45.48
	2007 Platinum Jubilee Dividend to 7 shareholders on 1,13,48,49,460 shares of Re. 1 each		340,45.48
	2007 Final to 7 shareholders on 1,13,48,49,460 shares of Re. 1 each	340,45.48	
	2008 Interim to shareholders on 1,13,48,49,460 shares of Re. 1 each	397,19.73	
		<b>737,65.21</b>	<b>1021,36.44</b>

**12** Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

		Rs. lakhs	
		15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
<b>13</b>	<b>DIRECTORS' REMUNERATION</b>		
	Salaries	6,27.38	4,26.86
	Performance Linked Bonus / Commission to Wholetime Directors	6,07.43	4,51.83
	Commission to Non-Wholetime Directors	35.00	25.00
	Contribution to provident fund	47.72	43.00
	Other perquisites	24.69	32.40
		<b>13,42.22</b>	<b>9,79.09</b>

### Notes :

- Provisions for contribution to employee retirement / post retirement and other employee benefits which are based on actuarial valuations done on an overall company basis are excluded above.
- Remuneration of two directors Mr Dhaval Buch and Mr Gopal Vittal is subject to approval of shareholders in the forthcoming Annual General Meeting.
- Performance bonus is for the year 2008, paid subsequent to period end.



Hindustan Unilever Limited

# STATEMENTS

forming part of the Profit and Loss Account (Contd.)

Standalone

## 13 DIRECTORS' REMUNERATION (Contd. )

Computation of net profits in accordance with Section 198 of the Companies Act, 1956 and the commission payable to directors

Rs. lakhs

	15 Months Ended 31st March, 2009		12 Months Ended 31st December, 2007	
Net Profit after taxation		2496,44.85		1925,46.98
Add :				
Depreciation (as per accounts)	195,30.42		138,35.90	
Directors' remuneration	13,42.22		9,79.09	
Directors' fees	14.00		10.80	
Provision / (write back) for doubtful debts and advances (net)	25,29.70		(2,15.73)	
Book deficit / (surplus) on fixed assets sold, scrapped, etc. (net)	9,27.41		(31,15.46)	
Loss / (Surplus) on disposal of investments (net)	(53,90.32)		(70,65.17)	
Provision for diminution in value of investment/advances in subsidiaries	9,80.01		–	
Provision / (write back) for diminution in value of investments and excess of cost over fair value of current investments (net), included in miscellaneous expenses	(3,08.70)		1,49.76	
Profit arising on disposal of a long-term investment	(18,86.13)		–	
Profit arising on disposal of brands	(1,50.48)		–	
Profit arising on disposal of land and building	(167,63.01)		(100,85.27)	
Diminution of Goodwill arising on acquisition of business from a subsidiary	–		46.44	
Write-down of fixed assets for closed units	15,68.68		–	
Profit arising on demerger of subsidiaries	–		(22,54.45)	
Reversal of provision for impairment of sea food exports business assets	–		(5,71.83)	
Profit on disposal of assets of business	–		(4,00.00)	
Cost in relation to buyback of shares	–		6,00.00	
Taxation for the year (after considering exceptional items)	504,07.09		402,33.08	
		528,00.89		321,47.16
		<b>3024,45.74</b>		<b>2246,94.14</b>
Less :				
Depreciation under Section 350	201,88.94		144,77.93	
Deficit / (Surplus) on disposal of fixed assets (net) under Section 349	16,57.31		39,62.67	
		218,46.25		184,40.60
Net profit for Section 198 of the Companies Act, 1956		<b>2805,99.49</b>		<b>2062,53.54</b>
Commission to Non-Wholetime Directors at 1 %		28,05.99		20,62.54
Commission to wholetime directors		140,29.97		103,12.68
Commission payable for the year		6,42.43		4,76.83



Hindustan Unilever Limited

## NOTES to the Cash Flow Statement

Standalone

### NOTES TO THE CASH FLOW STATEMENT FOR THE FIFTEEN MONTHS ENDED 31ST MARCH, 2009

- 1) The cash flow statement has been prepared in accordance with the requirements of Accounting Standard - 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- 2) During the year, the company demerged its Brookefields property to its subsidiary for a consideration of Rs. 12,93.60 lakhs received in the form of fully paid equity shares.
- 3) In view of note 2 above and note 12 to the profit & loss account, the current years figures are not comparable with that of the previous years figure.
- 4) Figures in brackets indicate Cash Outgo.
- 5) The previous year's figures have been regrouped / restated wherever necessary to conform to this period's classification.



Hindustan Unilever Limited

# SEGMENT INFORMATION

for the 15 Months Ended 31st March, 2009

Standalone

## SEGMENT INFORMATION FOR THE 15 MONTHS ENDED 31ST MARCH, 2009 INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

Rs. lakhs

	15 Months Ended 31st March, 2009			12 Months Ended 31st December, 2007		
	External	Intersegment	Total	External	Intersegment	Total
<b>REVENUE</b>						
Soaps and Detergents	9880,55.65		9880,55.65	6399,93.28		6399,93.28
Personal Products	5367,43.98		5367,43.98	3686,59.61		3686,59.61
Beverages	2294,46.24		2294,46.24	1540,63.09		1540,63.09
Foods	810,70.26		810,70.26	540,10.57		540,10.57
Ice Creams	235,14.33		235,14.33	161,49.78		161,49.78
Exports	1575,70.01		1575,70.01	1348,96.51		1348,96.51
Other Operations	353,04.32	7,92.50	360,96.82	178,16.23	6,82.41	184,98.64
<b>Total Segment</b>	<b>20517,04.79</b>	<b>7,92.50</b>	<b>20524,97.29</b>	<b>13855,89.07</b>	<b>6,82.41</b>	<b>13862,71.48</b>
Eliminations			(7,92.50)			(6,82.41)
<b>Total Revenue (see note 3 to Segment Information)</b>			<b>20517,04.79</b>			<b>13855,89.07</b>
<b>RESULT</b>						
Soaps and Detergents			1481,72.83			978,69.50
Personal Products			1428,96.33			1020,37.01
Beverages			308,14.76			230,02.05
Foods			1,45.32			15,19.47
Ice Creams			8,61.77			12,84.05
Exports			108,19.63			46,85.43
Other Operations			(134,46.89)			(87,04.00)
<b>Total Segment</b>			<b>3202,63.75</b>			<b>2216,93.51</b>
<b>Total Consolidated</b>			<b>3202,63.75</b>			<b>2216,93.51</b>
Un-allocated expenditure net of un-allocated income			(360,84.02)			(281,47.68)
<b>Operating Profit</b>			<b>2841,79.73</b>			<b>1935,45.83</b>
Interest expenses			(25,32.29)			(25,49.66)
Interest / dividend income and surplus on disposal of investments (net of provision / write back for diminution in long term investments and mark down of current investment)			208,64.27			236,36.77
Taxation for the year (including adjustments of previous years)			(524,41.15)			(403,20.98)
<b>Profit after taxation and before exceptional / extra-ordinary items</b>			<b>2500,70.57</b>			<b>1743,11.94</b>
Exceptional items - income and expenditure (Segment)						
Soaps and Detergents		(84,76.79)			6,55.96	
Personal Products		(29,30.63)			8,77.86	
Beverages		(32,63.11)			5,83.69	
Foods		(3,57.81)			1,87.86	
Ice Creams		(1,05.02)			90.09	
Exports		(15,55.04)			5,24.69	
Other Operations		(1,60.67)			3,64.07	
Exceptional items - income and expenditure (Unallocated/Corporate)			(168,49.08)			32,84.22
Extra-ordinary item - income and expenditure (Segment)			152,18.82			128,54.89
Foods			1,50.48			(46.44)
Ice Creams						
Extra-ordinary item - income and expenditure (Unallocated/Corporate)			(9,80.01)			20,54.45
Tax charge (net)			20,34.06			(44,89.13)
One time reduction in tax liability arising from amalgamation of Modern Food Industries (India) Limited (a wholly owned subsidiary) with the company			-			45,77.03
<b>Net Profit</b>			<b>2496,44.85</b>			<b>1925,46.96</b>



Hindustan Unilever Limited

## SEGMENT INFORMATION

Standalone

for the 15 Months Ended 31st March, 2009 (Contd.)

### SEGMENT INFORMATION FOR THE 15 MONTHS ENDED 31ST MARCH, 2009 INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

Rs. lakhs

#### OTHER INFORMATION

	Segment Assets		Segment Liabilities	
	As at 31st March, 2009	As at 31st December, 2007	As at 31st March, 2009	As at 31st December, 2007
Soaps and Detergents	2535,80.18	1877,93.29	(1942,31.46)	(1751,69.40)
Personal Products	1051,20.29	898,13.16	(1028,26.00)	(751,75.79)
Beverages	808,88.79	593,70.22	(482,27.94)	(540,21.88)
Foods	230,05.28	159,91.31	(186,02.73)	(158,45.83)
Ice Creams	135,59.87	115,38.19	(89,49.66)	(77,73.80)
Exports	519,22.27	565,76.63	(198,23.00)	(258,12.00)
Other Operations	59,46.07	52,75.20	(110,09.22)	(77,28.36)
<b>Total</b>	<b>5340,22.75</b>	<b>4263,58.00</b>	<b>(4036,70.01)</b>	<b>(3615,27.06)</b>
Unallocated Corporate Assets / (Liabilities)	<b>3111,28.54</b>	<b>2566,48.83</b>	<b>(2353,30.56)</b>	<b>(1775,56.36)</b>
<b>Total Assets / (Liabilities)</b>	<b>8451,51.29</b>	<b>6830,06.83</b>	<b>(6390,00.57)</b>	<b>(5390,83.42)</b>

Rs. lakhs

	Capital Expenditure		Depreciation		Non - Cash Expenses other than Depreciation	
	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
Soaps and Detergents	168,46.99	66,84.60	96,97.06	66,97.02	9,97.93	14,05.83
Personal Products	82,66.48	78,94.31	25,39.87	28,98.04	4,50.96	7,86.56
Beverages	29,12.06	13,73.57	8,66.18	8,79.79	2,57.59	3,93.86
Foods	35,78.72	5,61.68	5,53.72	3,50.21	84.73	1,15.61
Ice Creams	16,61.78	12,93.36	6,90.72	7,53.64	19.99	39.30
Exports	27,68.74	27,02.31	19,81.47	11,70.59	2,17.03	1,15.22
Other Operations	14.35	8.90	54.33	69.72	17.94	1,55.76
Unallocated Corporate Assets / (Liabilities)	248,88.61	167,09.50	31,47.08	10,16.89	—	—



Hindustan Unilever Limited

# SEGMENT INFORMATION

for the 15 Months Ended 31st March, 2009 (Contd.)

Standalone

## SEGMENT INFORMATION FOR THE 15 MONTHS ENDED 31ST MARCH, 2009 INFORMATION ABOUT SECONDARY BUSINESS SEGMENTS

Rs. lakhs

	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
<b>Revenue by Geographical Market</b>		
India	18947,23.44	12352,88.53
Outside India	1569,81.35	1503,00.54
<b>Total</b>	<b>20517,04.79</b>	<b>13855,89.07</b>
<b>Additions to Fixed Assets and Intangible Assets</b>		
India	360,49.12	205,18.73
Outside India	–	–
<b>Total</b>	<b>360,49.12</b>	<b>205,18.73</b>
<b>Carrying Amount of Segment Assets</b>		
India	5332,85.49	4239,43.49
Outside India	7,37.26	24,14.51
<b>Total</b>	<b>5340,22.75</b>	<b>4263,58.00</b>

### Notes :

#### 1. Business Segments

The Company has considered business segment as the primary segment for disclosure. 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.
- Foods include Branded Staples (Atta, Salt, Bread, etc.), Culinary Products (tomato based products, fruit based products, soups, etc.).
- Ice Creams include Ice Creams and Frozen Desserts.
- Others include Chemicals, Water business, etc.

Segment Revenue relating to each of the above domestic business segments includes Income from Services provided, where applicable. In addition, the Company's Exports business segment includes sales of Marine Products etc. as well as sales of Soaps and Detergents, Personal Products, Beverages and Foods, etc. by the Exports Division.

The above business segments have been identified considering :

- a) the nature of products and services
- b) the differing risks and returns
- c) the organisation structure, and
- d) the internal financial reporting systems

The Company has changed its accounting year from January - December to April - March with effect from the current year. Accordingly, the current year's financial statements are for fifteen months from 1st January 2008 to 31st March 2009. The previous year's figures relate to 12 months ended 31st December 2007. Hence the above figures are non comparable.

#### 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.

#### 3. Revenue comprises

Rs. lakhs

	2009	2007
Sales	20239,33.05	13675,43.29
Income from services rendered (included in Other Income)	277,71.74	180,45.78
<b>Total</b>	<b>20517,04.79</b>	<b>13855,89.07</b>

4. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.



Hindustan Unilever Limited

## RELATED PARTY DISCLOSURES

Standalone

for the 15 Months Ended 31st March, 2009

### RELATED PARTY DISCLOSURES

#### A. Enterprises where control exists

- i) **Holding Company** : Unilever PLC
- ii) **Subsidiaries** : Unilever India Exports Limited  
Bon Limited  
Unilever Nepal Limited  
Pond's Exports Limited  
Daverashola Estates Private Limited  
Jamnagar Properties Private Limited  
Shamnagar Estates Private Limited  
Hindustan Unilever Field Services Private Limited  
Brooke Bond Real Estates Private Limited  
Lakme Lever Private Limited (with effect from 19th December, 2008)  
Levers Associated Trust Limited  
Levindra Trust Limited  
Hindlever Trust Limited

#### B. Other Related Parties with whom the company had transactions, etc.

- i) **Fellow Subsidiaries** : Brooke Bond Assam Estates Limited  
Brooke Bond Group Limited  
Brooke Bond South India Estates Limited  
Lever Faberge UK  
Unilever U.K. Central Resources Limited  
Unilever Overseas Holdings Limited  
Unilever Australia Limited  
Lever Brothers Bangladesh Limited  
Unilever Canada  
Unilever Cote d'Ivoire  
Unilever Ghana Limited  
Unilever Kenya Limited  
Unilever New Zealand Limited  
Lever Brothers Pakistan Limited  
Unilever Singapore Pte Limited  
Unilever Foods Espana, S.A  
Division Frigo  
Unilever South Africa (Pty.) Limited  
Unilever Ceylon Limited  
Unilever Overseas Holdings AG  
Lever Brothers West Indies Limited  
Unilever Research Laboratory, Port Sunlight

- i) **Fellow Subsidiaries (contd.)** : Unilever Research Laboratory, Colworth House  
BB Kenya Group  
Unilever N.V.  
Unilever Overseas Holdings B.V.  
Unilever Brasil Limited  
Lever Chile S.A.  
Unilex Cameroon S.A.  
Unilever France S.A.  
Unilever International Paris  
Unilever Deutschland GmbH  
Lever Faberge Deutschland GmbH  
Unilever Hong Kong Limited  
BBL Japan K.K.  
Nippon Lever K.K.  
Sagit SPA, Italy  
Unilever Ethiopia  
Unilever Philippines (Prc), Inc.  
PT Unilever Indonesia TBK  
Unilever Thai Trading Limited  
Unilever Thai Holding Limited  
Unilever Sanayi ve Ticaret Turk A.S  
Unilever Home & Personal Care USA  
Lever Egypt SAE  
Lipton Division, Canada  
Lever Arabia Limited  
Lever Brothers Nigeria Limited  
Lipton Soft Drinks (Ireland)  
Lever Israel  
Elida P/S, Vietnam  
Unilever Polska  
Lever International Marine Supplies (LIMS) BV  
Unilever Gulf Free Zone Establishment, Arabia  
Unilever (China) Limited  
Unilever South Central Europe  
Unilever Baltic LLC  
Unilever Levant, Lebanon  
Unilever Tuketim Urunleri Sat Pazarlama Ticaret A.S.  
Unilever Best Foods, Vietnam  
Unilever SNG, Russia  
Unilever Taiwan Limited  
Unilever Ukraine  
Unilever Tuketim Mersin Serbest Bolge Subesi, Turkey  
Towells Lever LLC, Arabia  
Binzagr Lever Limited, Arabia  
Unilever Industries Private Limited  
Digital Securities Private Limited  
Lever Faberge France



Hindustan Unilever Limited

## RELATED PARTY DISCLOSURES

for the 15 Months Ended 31st March, 2009 (Contd.)

Standalone

<p><b>i) Fellow Subsidiaries (contd.)</b> : Unilever Tanzania Limited Unilever Cambodia Limited Lever Faberge Belgium Unilever Maghreb Export SA, Tunisia Unilever UK &amp; CN Holdings, UK Lipton Limited UK Unilever (Malaysia) Holdings Sdn Berhad Lever Ponds Division, Canada Europalma International Insurance services B.V. Lipton US Group Lever Faberge Italia SPA Unilever United States Inc. Hefei Lever Detergents Co. Limited, China Unilever Korea Unilever Vietnam Unilever Canada Foods Unilever Nigeria Lipton Limited (Head Office) / Lipton Tea Supply Limited Unilever Market Development SA Bahrain Technical &amp; Trading Co. W.L.L. Unilever Bestfoods Benelux B.V. Netherlands Bestfoods Germany Bestfoods Nordic AS (Denmark) Unilever Bestfoods Ireland Frozen Fish International GmbH, Germany Unilever Uganda Limited Unilever Finland OY Unilever Sverige AB Unilever UK Food Manchester Unilever Iran P.J.S.C Unilever Magyarorszang KFT Commercial United for Import Unilever Germany GmbH - HPC Unilever Mozambique LDA Unilever Schweiz GmbH Unilever Trading LLC Elida Faberge Limited Unilever Market Limited Unilever Port Sunlight Fine Tea Egypt Unilever Japan</p>	<p><b>i) Fellow Subsidiaries (contd.)</b> : Unilever Pakistan Unilever Supply Chain Company Unilever Algeria Unilever Czech Republic Unilever De Argetina SA Unilever De Mexico De RL Unilever Espana SA Unilever Mashreq Int Unilever Australia Export Pty. Limited Unilever Asia Pte. Limited Unilever South Korea Mashreq For Manufacturing Tea Limited, Egypt Unilever Hellas Elida Nepal Limited Lipton Tea Supply, Kenya Severn Gulf FZE</p> <p><b>ii) Joint Ventures</b> : Kimberly Clark Lever Private Limited</p> <p><b>iii) Associate</b> : Cap Gemini Business Services (India) Limited</p> <p><b>iv) Key Management Personnel</b> : Harish Manwani Douglas Baillie (upto 4th April 2008) D.Sundaram Leena Nair (from June 2007) Hemant Bakshi (from September 2008) Dhaval Buch Nitinand Paranjpe Ashok Gupta (from June 2007) Shrijeet Mishra (from June 2007) Ramamurthy Sridhar (from February 2009) Gopal Vittal (from July 2008) Sanjiv Kakkar (upto August 2008) S.Ravindranath (upto April 2007) S.Dube (upto June 2007) M.K.Sharma (upto May 2007)</p> <p><b>v) Employees' Benefit Plans where there is significant influence</b> : Hind Lever Gratuity Fund The Union Provident Fund The Hind Lever Provident Fund The Hind Lever Pension Fund</p>
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Hindustan Unilever Limited

## RELATED PARTY DISCLOSURES

for the 15 Months Ended 31st March, 2009 (Contd.)

Standalone

### Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2009

Rs. lakhs

		15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
<b>i) Holding Company</b>	: Dividend paid	516,62.44	715,32.61
	: Royalty paid	116,17.17	75,62.87
	: Income from services rendered	267,72.77	164,41.35
	: Outstanding balances : Receivables at the period end	42,75.70	34,07.07
<b>ii) Subsidiaries</b>	: Sale of finished goods / raw materials etc.	33,76.47	16,61.89
	: Sale of fixed assets	13,38.96	24,46.42
	: Expenses shared by subsidiary companies	1,03.34	1,10.58
	: Expenses for services received	63,47.22	-
	: Dividend received	14,94.74	12,64.78
	: Interest received	2,69.90	2,37.07
	: Rent received	54.00	54.00
	: Purchase of goods	1,26.82	2,10.58
	: Purchase of DEPB License	1,40.71	-
	: Rent paid	15.00	12.00
	: Investment in equity shares	13,61.35	24,48.42
	: Employee Loans transferred	16.16	-
	: Deposits - Outstanding receivable at the period end	16,57.00	16,57.00
	: Advances and loans :		
Outstanding at the period end	56,70.31	59,07.80	
Inter corporate deposits :			
Advanced during the period	14,55.00	15,50.00	
Repayments during the period	10,30.00	16,89.99	
<b>iii) Fellow Subsidiaries</b>	: Sale of finished goods / raw materials etc.	983,25.30	778,03.19
	: Sale of fixed assets	-	18.64
	: Rent Received	1,37.50	1,10.00
	: Income from services rendered	8,61.46	8,48.22
	: Expenses shared by a fellow subsidiary	7.50	6.00
	: Purchase of goods	257,44.56	119,14.37
	: Dividend paid	221,02.78	306,03.83
	: Royalty paid	2,20.01	1,56.59
	: Revenue expenses in relation to purchase of Intangible Asset	4,46.01	-
	: Purchase of Fixed Assets	1.16	-
	: Purchase of Intangible Asset	38,72.66	-
	: Advances and loans :		
	Receivables	110,15.62	197,27.99
Payables	61,54.39	7,84.27	
<b>iv) Joint Ventures</b>	: Purchase of goods	225,34.21	136,81.90
	: Other income	2,91.88	2,04.50
	: Dividend received	5,98.13	4,35.00
	: Advances and loans :		
Receivables	5,26.86	14.90	
<b>v) Associate</b>	: Expenses for services received	49,26.79	33,57.62
	: Outstanding receivable at the period end	2,98.99	39.20
<b>vi) Key Management Personnel</b>	: Remuneration	20,42.26	15,56.47
	: Rent paid	25.50	9.55
	: Dividend paid	11.62	11.96
<b>vii) Employees' Benefit Plans where there is significant influence</b>	: Contributions during the period	75,06.22	40,75.42
	: Outstanding payables at the period end	-	5,19.67
	: Outstanding receivables at the period end	7,52.10	9,33.04



Hindustan Unilever Limited

## RELATED PARTY DISCLOSURES

for the 15 Months Ended 31st March, 2009 (Contd.)

Standalone

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the period.

Rs. lakhs

	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
<b>Sale of finished goods / raw materials etc.</b>		
Unilever Gulf Free Zone Establishment, Arabia	252,52.45	251,20.89
<b>Sale of fixed assets</b>		
Brooke Bond Real Estates Private Limited	12,93.60	–
Jamnagar Properties Private Limited	–	5,00.00
Shamnagar Estates Private Limited	–	15,00.00
Daverashola Estates Private Limited	–	4,46.42
<b>Expenses shared by subsidiary companies / fellow subsidiary companies</b>		
Pond's Exports Limited	1,03.34	84.08
Unilever India Exports Limited	–	26.50
<b>Dividend received</b>		
Unilever Nepal Limited	14,94.74	12,64.78
Kimberly Clark Lever Private Limited	5,98.13	4,35.00
<b>Interest received</b>		
Pond's Exports Limited	1,84.21	1,55.26
Unilever India Exports Limited	82.52	81.81
<b>Rent received</b>		
Unilever Industries Private Limited	1,37.50	1,10.00
Unilever India Exports Limited	54.00	54.00
<b>Purchase of fixed assets</b>		
Unilever Home & Personal Care USA	1.16	–
<b>Purchase of goods</b>		
Kimberly Clark Lever Private Limited	225,34.21	136,81.90
Unilever Supply Chain Company	62,34.98	–
Unilever Australia Limited	62,32.70	–
Unilever Thai Holdings Limited	–	41,33.38
<b>Rent paid</b>		
Unilever India Exports Limited	15.00	12.00
D.Sundaram	7.50	4.22
S.Ravindranath	–	2.83
M.K.Sharma	–	2.50
Ashok Gupta	18.00	–
<b>Investment in equity shares</b>		
Brooke Bond Real Estates Private Limited	12,93.60	–
Jamnagar Properties Private Limited	–	5,00.00
Shamnagar Estates Private Limited	–	15,00.00
Daverashola Estates Private Limited	–	4,46.42
<b>Deposits outstanding receivable at the period end</b>		
Unilever India Exports Limited	16,57.00	16,57.00
<b>Inter corporate deposits advanced during the period</b>		
Bon Limited	11,00.00	2,00.00
Pond's Exports Limited	2,60.00	12,00.00
<b>Inter corporate deposits repayments during the period</b>		
Pond's Exports Limited	9,50.00	16,89.99



Hindustan Unilever Limited

## RELATED PARTY DISCLOSURES

for the 15 Months Ended 31st March, 2009 (Contd.)

Standalone

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the period.

	Rs. lakhs	
	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
<b>Other income</b>		
Kimberly Clark Lever Private Limited	2,91.88	2,04.50
<b>Dividend paid</b>		
Unilever PLC	516,62.44	715,32.61
<b>Royalty paid</b>		
Unilever PLC	116,17.17	75,62.87
<b>Outstanding balances payables at the period end</b>		
Unilever N.V.	24,88.78	1,46.15
Unilever Supply Chain Company	15,92.41	-
Lipton Limited UK	9,38.84	-
Unilever Singapore Pte Limited	9,11.84	-
The Union Provident Fund	-	5,19.67
Lipton Limited (Head Office) / Lipton Tea Supply Limited	-	4,63.46
<b>Outstanding balances receivables at the period end</b>		
Bon Limited	46,43.70	41,39.74
Unilever PLC	42,75.70	34,07.07
Unilever Gulf Free Zone Establishment, Arabia	-	55,37.91
<b>Income from services rendered</b>		
Unilever PLC	267,72.77	164,41.35
<b>Expenses for services received</b>		
Cap Gemini Business Services(India) Limited	49,26.79	33,57.62
Hindustan Unilever Field Services Private Limited	63,47.22	-
<b>Remuneration</b>		
D.Sundaram	3,47.28	1,78.22
Douglas Baillie	-	4,91.34
Sanjiv Kakkar	-	2,15.61
Nitin Paranjpe	3,26.69	2,28.27
Dhaval Buch	2,26.44	-
Gopal Vittal	2,31.81	-
<b>Purchase of DEPB License</b>		
Pond's Exports Limited	1,40.71	-
<b>Revenue expenses in relation to purchase of Intangible Asset</b>		
Unilever N.V.	4,46.01	-
<b>Purchase of Intangible Asset</b>		
Unilever Singapore Pte Limited	27,87.21	-
Unilever N.V.	10,85.44	-
<b>Employee Loans transferred</b>		
Hindustan Unilever Field Services Private Limited	16.16	-
<b>Contributions during the period</b>		
The Union Provident Fund	29,22.67	17,29.22
The Hind Lever Pension Fund	25,87.97	19,56.74
Hind Lever Gratuity Fund	19,95.58	-
The Hind Lever Provident Fund	-	3,89.46



Hindustan Unilever Limited

# STATEMENT PURSUANT TO PART IV

of the Companies Act, 1956

Standalone

## Statement Pursuant to Part IV of the Companies Act, 1956

### Balance Sheet Abstract and Company's General Business Profile

#### I Registration Details

Registration No.   -

State Code

Balance Sheet Date

Date Month Year

#### II Capital raised during the year (Amount in Rs. thousands)

Public Issue        Rights Issue

Bonus Issue        Private Placement

#### III Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities          Total Assets

##### Sources of Funds

Paid - up Capital         Reserves and Surplus

Secured Loans         Unsecured Loans

##### Application of Funds

Net Fixed Assets          Investments

Net Current Assets          Deferred Tax

Miscellaneous Expenditure        Accumulated Losses

#### IV Performance of Company (Amount in Rs. thousands)

Turnover (Total Income)          Total Expenditure

Profit/(Loss) Before Tax and Exceptional Items         Profit/(Loss) After Tax and Exceptional Items

Earning per Share (in Rs.)     .   Dividend Rate (%)

#### V Generic Names of three Principal Products / Services of the Company (As per Monetary Terms)

Item Code No. (ITC Code)     .   Product Description

Item Code No. (ITC Code)     .   Product Description

Item Code No. (ITC Code)     .   Product Description



Hindustan Unilever Limited

# AUDITORS' REPORT

## to the Members of Hindustan Unilever Limited

Standalone

1. We have audited the attached Balance Sheet of Hindustan Unilever Limited as at 31st March, 2009 and the related Profit and Loss Account and Cash Flow Statement for the period from 1st January, 2008 to 31st March, 2009 annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together 'the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have 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 appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - e) On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
    - ii) in the case of the Profit and Loss Account, of the profit for the period ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

**Sharmila A. Karve**

*Partner*

Membership No: 43229

For and on behalf of

**Lovelock & Lewes**

*Chartered Accountants*

Mumbai, 10th May, 2009



Hindustan Unilever Limited

# AUDITORS' REPORT

## ANNEXURE

Standalone

### ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Hindustan Unilever Limited on the financial statements for the period ended 31st March, 2009]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets are physically verified by the management according to a phased programme designed to cover all the locations once in two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, fixed assets at certain locations were physically verified by the management during the period and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the period.
2. (a) Inventory (excluding stocks with third parties) has been physically verified by the management during the period. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding Rs. five lakhs in respect of any party during the period, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, no fixed deposits were outstanding or accepted during the period to which the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 apply.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax and cess which have not been deposited on account of any dispute. The particulars of excise duty, sales tax, customs duty, income-tax and service tax as at 31st March, 2009 which have not been deposited on account of a dispute are as follows:



Hindustan Unilever Limited

# AUDITORS' REPORT

ANNEXURE (Contd.)

Standalone

Name of the statute	Nature of dues	Amount under dispute not yet deposited Rs. Lakhs	Periods to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise duty including interest and penalty, as applicable	56,51.40	1982,1987 1991 to 1995 1997 to 2006	Appellate Authority – upto Commissioner's level
		44,59.71	1983 to 1986 1989 to 1991 1994 to 2006	Tribunal
		25.53	1979 to 1983	Supreme Court
Central Sales Tax Act and Local Sales Tax Acts (including works contract)	Sales tax including interest and penalty, as applicable	93,34.02	1976, 1977 1983 to 2008	Appellate Authority – upto Commissioner's level
		15,16.98	1984 to 2004	Tribunal
		95,21.62	1983 to 2001	High Courts
Customs Act, 1962	Customs duty including interest and penalty, as applicable	56.27	1995	Appellate Authority – upto Commissioner's level
Income-tax Act, 1961	Income tax including interest and penalty, as applicable	4,38.79	1979-80 1995-96	Appellate Authority – upto Commissioner's level
		1,07.60	1985-86 1991-92	Tribunal
		31.55	1988-89	High Courts
Service Tax	Service tax including interest and penalty, as applicable	84.45	2004 to 2006	Appellate Authority – upto Commissioner's level

10. The Company has no accumulated losses as at 31st March, 2009 and has not incurred any cash losses in the period ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained. The unutilised monies are lying with bank for further utilisation.
17. On the basis of an overall examination of the balance sheet of the

Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the period.
19. The Company has not issued any debentures during the period.
20. The Company has not raised any money by public issue during the period.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period, nor have we been informed of such case by the management.

**Sharmila A. Karve**

Partner

Membership No: 43229

For and on behalf of

**Lovelock & Lewes**

Chartered Accountants

Mumbai, 10th May, 2009



Hindustan Unilever Limited

## 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 now established that it is not earnings *per se*, but VALUE that is important. A new 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 with an appropriate mix of short, medium and long term debt, net of taxes. We have considered a pre tax rate of 5.92% for 2008-09 (9.45% for 2007) after taking into account the trends over the years and market situations.

\* 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 7.62% for 2008-09)  
(+)

Market risk premium (taken at 11%) (x) Beta variant for the Company, (taken at 0.623) 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 = 7.62% + 11% (x) 0.623 = 14.47%

#### 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 is 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 Ltd.

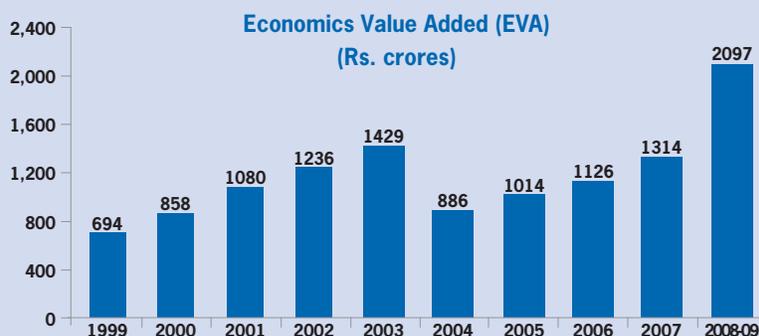
In Hindustan Unilever, the goal of sustainable long term value creation for our shareholders is well understood by all the business groups. Measures to evaluate business performance and to set targets take into account this concept of value creation.

#### EVA TRENDS: 1999-2009 (UNAUDITED)

Rs. crores

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008-09
<b>Cost of Capital Employed (COCE)</b>										
1 Average Debt	162	93	50	45	881	1588	360	163	382	342
2 Average Equity	1908	2296	2766	3351	2899	2116	2200	2515	2402	1928
3 Average Capital Employed : (1) + (2)	2070	2389	2816	3396	3780	3704	2560	2678	2784	2270
4 Cost of Debt, post-tax %	8.61	8.46	7.72	6.45	4.88	5.19	3.38	5.90	6.24	3.91
5 Cost of Equity %	19.70	19.70	16.70	14.40	12.95	14.77	15.50	16.38	17.59	14.47
6 Weighted Average Cost of Capital % (WACC)	18.83	19.27	16.54	14.30	11.07	10.66	13.80	15.74	16.03	12.88
7 COCE : (3) x (6)	390	460	466	486	418	395	353	421	446	*365
<b>Economic Value Added (EVA)</b>										
8 Profit after tax, before exceptional items	1070	1310	1541	1716	1804	1199	1355	1540	1,743	2444
9 Add : Interest, after taxes	14	8	5	6	43	82	12	7	17	17
10 Net Operating Profits After Taxes (NOPAT)	1084	1318	1546	1722	1847	1281	1367	1547	1760	2461
11 COCE, as per (7) above	390	460	466	486	418	395	353	421	446	365
12 EVA : (10) - (11)	694	858	1080	1236	1429	886	1014	1126	1314	2097

\* COCE is computed for 15 months





Hindustan Unilever Limited

Consolidated

## SIGNIFICANT ACCOUNTING POLICIES

### Basis for preparation of accounts

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India and the Applicable Accounting Standards notified u/s 211 (3C) of the Companies Act, 1956.

### Revenue Recognition

Sales are recognised when goods are supplied and are recorded net of trade discounts, rebates, sales taxes and excise duties (on goods manufactured and outsourced) but include, where applicable, export incentives such as duty drawbacks and premiums on sale of import licences. It does not include inter-divisional transfers.

Income from Property Development Activity is recognised in terms of arrangements with developers, where applicable.

Incomes from services rendered are booked based on agreements/arrangements with the concerned parties.

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

Dividend incomes on investments are accounted for when the right to receive the payment is established.

### Expenditure

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities. Advertising expenses are charged against the profit of the year to which the activities relate.

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets.

### Goodwill and other Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortisation. Goodwill and other intangible assets (except computer software) are amortised over the assets useful life not exceeding 10 years. Computer software is amortised over a period of 5 years on the straight line method. Goodwill arising on consolidation in accordance with AS-21 is amortised over 4 years at quarterly rests commencing from the quarter of recognition of goodwill.

### Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset'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.

### Fixed Assets

Fixed assets are stated at cost less depreciation.

Depreciation is provided (except in the case of leasehold land which

is being amortised over the period of the lease) on the Straight Line Method (SLM) and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. However,

- certain employee perquisite-related assets are depreciated over four to six years, the period of the perquisite scheme
- computers and related assets are depreciated over four years
- certain assets of the cold chain are depreciated over four / seven years
- motor vehicles are depreciated over six years and
- assets of certain subsidiaries are depreciated on the Written Down Value Method (WDV). The difference between the SLM basis and WDV basis is not significant.

Assets identified and evaluated technically as obsolete and held for disposal are stated at their estimated net realisable values.

### Investments

Investments are classified into current and long-term investments. Current investments are stated at the lower of cost and fair value. Long-term investments, other than in Associates, are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments. Investments in Associates are accounted for using the equity method.

### Interests in Joint Ventures

Interests in Jointly controlled entities (Incorporated Joint Ventures) are accounted for using proportionate consolidation method.

### Inventories

Inventories are valued at the lower of cost, computed on a weighted average basis, and estimated net realisable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

### Sundry Debtors and Loans and Advances

Sundry debtors and Loans and Advances are stated after making adequate provisions for doubtful balances.

### Provisions

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end date and adjusted to reflect the best current estimate.



Hindustan Unilever Limited

## SIGNIFICANT ACCOUNTING POLICIES

Consolidated

### Retirement / Post Retirement Benefits

Contributions to Defined Contribution schemes such as Provident Fund, etc. are charged to the Profit and Loss account as incurred. 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 remaining contributions are made to a government administered Provident Fund towards which the Company has no further obligations beyond its monthly contributions. The Company also provides for retirement / post-retirement benefits in the form of gratuity, pensions, leave encashment and medical. Such benefits are provided for based on valuations, as at the balance sheet date, made by independent actuaries. Termination benefits are recognised as an expense as and when incurred.

### Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### Foreign Currency Translations

Foreign currency transactions are accounted 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 profit and loss account.

Forward exchange contracts outstanding as at the period end on account of firm commitment/highly probable forecast transactions are marked to market and the resultant gain/loss is dealt in the profit and loss account.

### Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies adopted in consolidated financial statements with the following additional policies being considered for segment reporting:

- a) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market led.
- 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 enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under 'Unallocated corporate expenses'.



Hindustan Unilever Limited

# PROFIT AND LOSS ACCOUNT

for the 15 months ended 31st March, 2009

Consolidated

Figures in brackets represent deductions

Rs. lakhs

	Notes	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>INCOME</b>			
Sales	1	20501,10.25	13871,08.20
Other income	2	558,12.47	422,26.41
<b>Total</b>		<b>21059,22.72</b>	<b>14293,34.61</b>
<b>EXPENDITURE</b>			
Operating expenses	3 - 5	(17798,19.66)	(11974,17.11)
Depreciation		(199,97.50)	(141,90.59)
Interest	6	(26,44.79)	(26,48.58)
<b>Total</b>		<b>(18024,61.95)</b>	<b>(12142,56.28)</b>
<b>PROFIT BEFORE TAXATION &amp; EXCEPTIONAL / EXTRAORDINARY ITEMS</b>			
Taxation for the year			
- current tax		(544,63.51)	(334,21.70)
- deferred tax		(4,73.88)	(39,65.18)
- fringe benefit tax		(38,18.37)	(40,22.93)
Taxation adjustment of previous years (net)	18	48,35.25	5,04.94
<b>PROFIT AFTER TAXATION, BEFORE EXCEPTIONAL / EXTRAORDINARY ITEMS</b>		<b>2495,40.26</b>	<b>1741,73.46</b>
Exceptional/Extraordinary items (net of tax)	11	14,52.99	177,13.70
<b>PROFIT BEFORE MINORITY INTERESTS</b>		<b>2509,93.25</b>	<b>1918,87.16</b>
<b>Minority Interests</b>			
		(5,42.74)	(3,98.19)
<b>NET PROFIT</b>		<b>2504,50.51</b>	<b>1914,88.97</b>
Balance brought forward		176,92.44	640,27.44
Loss of an erstwhile subsidiary transferred to General Reserve on amalgamation		-	153,99.05
<b>Available for distribution</b>		<b>2681,42.95</b>	<b>2709,15.46</b>
<b>Dividends :</b>			
On equity shares:			
Interim - Rs. 3.50 per share - declared on 25th July, 2008 (includes Rs. 13.84 lakhs on Final Dividend for 2007)		(762,55.93)	(662,30.35)
Platinum Jubilee - Rs. 3.00 per share - declared on 31st October, 2007		-	(660,57.83)
Final - Rs. 4.00 per share - proposed		(871,95.04)	(653,23.90)
Tax on distributed profits (includes Rs. 2.35 lakhs on final dividend for 2007)		(278,80.15)	(356,10.94)
Transfer to General Reserve		(250,00.00)	(200,00.00)
<b>Balance carried forward</b>		<b>518,11.83</b>	<b>176,92.44</b>
<b>Earnings Per Share (Rs. ) - Basic (Face value of Re.1 each)</b>	15	11.50	8.69
- Dilutive (Face value of Re.1 each)		11.47	8.66

For notes, statements, additional information, segment information, related party disclosures and accounting policies See pages: 112, 113, 118 to 121 and 141 to 147

Signatures to pages : 112 to 114, 118 to 121 and 141 to 147

In terms of our report of even date

**Sharmila A. Karve**  
Partner  
Membership No. 43229  
For and on behalf of  
**LOVELOCK & LEWES**  
Chartered Accountants

**Nitin Paranjpe**  
**D. Sundaram**  
**Ashok Gupta**  
  
**Vivek Subramanian**  
**D. S. Parekh**

Managing Director and CEO  
Vice Chairman and CFO  
Executive Director - Legal  
and Company Secretary  
Group Corporate Accountant  
Chairman, Audit Committee

Mumbai : 10th May 2009

Mumbai : 10th May 2009



Hindustan Unilever Limited

# BALANCE SHEET

as at 31st March, 2009

Consolidated

Figures in brackets represent deductions

Rs. lakhs

	Schedule	As at 31st March, 2009		As at 31st December, 2007	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' funds</b>					
Capital	1	217,98.76		217,74.63	
Reserves and surplus	2	1919,48.45		1290,41.26	
			2137,47.21		1508,15.89
			7,78.24		5,49.68
<b>Minority Interests</b>					
<b>Loan funds</b>					
Secured loans	3	156,28.72		38,86.28	
Unsecured loans	4	277,84.66		63,28.69	
			434,13.38		102,14.97
			<b>2579,38.83</b>		<b>1615,80.54</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed assets</b>					
Gross block		2959,13.81		2727,26.06	
Depreciation and impairment loss		(1301,15.21)		(1168,36.06)	
Net block	5	1657,98.60		1558,90.00	
Capital work-in-progress		477,87.04	2135,85.64	188,82.11	1747,72.11
			287,64.45		1429,18.84
<b>Investments</b>					
<b>Deferred Tax</b>					
Deferred Tax Assets	7	443,69.09		409,60.61	
Deferred Tax Liabilities	8	(190,64.83)	253,04.26	(195,25.25)	214,35.36
<b>Current assets, loans and advances</b>					
Inventories	9	2580,52.60		2003,77.42	
Sundry debtors	10	560,56.07		464,93.06	
Cash and bank balances	11	1864,11.67		262,42.19	
Other current assets	12	19,70.41		18,52.47	
Loans and advances	13	761,87.32		669,92.65	
		<b>5786,78.07</b>		<b>3419,57.79</b>	
<b>Current liabilities and provisions</b>					
Liabilities	14	(4332,45.51)		(3897,67.27)	
Provisions	15	(1551,48.08)		(1297,36.29)	
		<b>(5883,93.59)</b>		<b>(5195,03.56)</b>	
<b>Net current assets</b>					
			(97,15.52)		(1775,45.77)
			<b>2579,38.83</b>		<b>1615,80.54</b>

For schedules, contingent liabilities, additional information, segment information, related party disclosures and accounting policies  
See pages : 122 to 139 and 141 to 147

Signatures to pages : 115, 122 to 139 and 141 to 147

In terms of our report of even date

**Sharmila A. Karve**  
Partner  
Membership No. 43229  
For and on behalf of  
**LOVELOCK & LEWES**  
Chartered Accountants

**Nitin Paranjpe**  
**D. Sundaram**  
**Ashok Gupta**

Managing Director and CEO  
Vice Chairman and CFO  
Executive Director - Legal  
and Company Secretary  
Group Corporate Accountant  
Chairman, Audit Committee

**Vivek Subramanian**  
**D. S. Parekh**

Mumbai : 10th May 2009

Mumbai : 10th May 2009



Hindustan Unilever Limited

# CASH FLOW STATEMENT

for the 15 months ended 31st March, 2009

Consolidated

	Rs. lakhs	
	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before taxation and exceptional items	3034,60.77	2150,78.33
Adjustments for :		
Depreciation	199,97.50	141,90.59
Surplus on disposal of investments (net)	(53,91.14)	(70,67.05)
Provision / (reversal of provision) for diminution in value of investments and excess of cost over fair value of current investments (net)	(3,08.70)	1,49.68
Deficit / (surplus) on disposal of fixed assets (net)	9,27.83	7,32.11
Interest income	(84,32.01)	(65,99.66)
Dividend income	(51,42.99)	(87,35.42)
Interest expenditure	26,44.79	26,48.58
	42,95.28	(46,81.17)
Operating Profit before Working Capital Changes	3077,56.05	2103,97.16
Adjustments for :		
Trade and Other Receivables	(164,85.86)	(27,62.00)
Inventories	(576,75.18)	(399,40.49)
Trade Payables and Other Liabilities	425,49.45	577,92.44
	(316,11.59)	150,89.95
Cash generated from operations	2761,44.46	2254,87.11
Taxes paid (including fringe benefit tax) (net of refunds)	(648,47.68)	(500,41.73)
<b>Cash flow before exceptional / extraordinary items</b>	2112,96.78	1754,45.38
<b>Exceptional :</b>		
Compensation paid under Voluntary Separation Schemes and amount paid for an industrial dispute relating to a closed factory.	(39,75.95)	(15,79.96)
Transitional cost due to consolidation of offices / factories	(16,41.34)	(19,56.88)
Consideration received on sale of a business	-	13,00.00
Amounts paid for other restructuring activities	(4,23.77)	-
<b>Extraordinary :</b>		
Consideration received on disposal of a brand	1,50.48	-
<b>Net Cash from Operating Activities.....A</b>	<b>2054,06.20</b>	<b>1732,08.54</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(645,84.04)	(334,56.13)
Sale of fixed assets	6,24.05	47,14.13
Purchase of investments	(12488,62.97)	(14255,55.16)
Sale of investments	13682,45.54	15247,86.56
Interest received	83,14.07	59,22.72
Dividend received	51,42.99	87,35.42
<b>Cash flow before exceptional items / extraordinary items</b>	<b>688,79.64</b>	<b>851,47.54</b>



Hindustan Unilever Limited

# CASH FLOW STATEMENT

for the 15 months ended 31st March, 2009 (Contd.)

Consolidated

Rs. lakhs

	15 months ended 31st March, 2009		12 months ended 31st December, 2007
<b>Exceptional :</b>			
Consideration received on disposal of unused land and building (including residential properties)		176,18.50	149,48.53
Consideration received on disposal of long term investment		20,38.33	–
<b>Net Cash from Investing Activities.....B</b>		<b>885,36.47</b>	<b>1000,96.07</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>			
Dividends paid	(1439,75.60)		(1957,57.17)
Tax on distributed profits	(241,63.15)		(337,99.73)
Interest paid	(26,44.79)		(26,44.28)
Buyback of equity shares	–		(626,27.25)
Cost in relation to buyback of equity shares	–		(5,26.54)
Bank overdrafts (net)	(37,71.36)		9,60.44
Proceeds from borrowings	1281,44.76		665,02.52
Proceeds from share allotment under Employee Stock option scheme	38,11.94		12,36.30
Repayments of borrowings	(911,74.99)		(664,96.74)
<b>Net Cash used in Financing Activities.....C</b>		<b>(1337,73.19)</b>	<b>(2931,52.45)</b>
<b>Net Increase / (Decrease) in Cash and Cash equivalents.....(A+B+C)</b>		1601,69.48	(198,47.84)
<b>Cash and Cash equivalents as at 1st January (Opening Balance)</b>		262,42.19	460,90.03
<b>Cash and Cash equivalents as at Period end (Closing Balance)</b>		1864,11.67	262,42.19

For Notes  
See page : 140

In terms of our report of even date

**Sharmila A. Karve**  
Partner  
Membership No. 43229  
For and on behalf of  
**LOVELOCK & LEWES**  
Chartered Accountants

Mumbai : 10th May 2009

Signatures to pages : 116, 117 and 140

**Nitin Paranjpe**  
**D. Sundaram**  
**Ashok Gupta**

Managing Director and CEO  
Vice Chairman and CFO  
Executive Director - Legal  
and Company Secretary  
Group Corporate Accountant  
Chairman, Audit Committee

**Vivek Subramanian**  
**D. S. Parekh**

Mumbai : 10th May 2009



Hindustan Unilever Limited

# NOTES

## to the Profit and Loss Account

Consolidated

	Rs. lakhs	
	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>INCOME</b>		
<b>1 Sales</b>		
Less: Excise duty	21810,12.95 (1410,91.95)	14841,67.87 (1040,97.49)
	<b>20399,21.00</b>	<b>13800,70.38</b>
Share of Joint Ventures - Schedule 20 (b)	101,89.25	70,37.82
	<b>20501,10.25</b>	<b>13871,08.20</b>
Sales include duty drawback and licence premium on exports	<b>43,14.70</b>	<b>24,25.71</b>
<b>2 Other income</b>		
Income from services rendered	281,64.06	184,11.05
Interest income - bank and other accounts (gross)	61,59.17	40,93.98
Interest income - non trade (gross) (Note 7)	18,47.95	21,39.19
Dividend income - trade - long term (gross)	5,75.15	5,65.32
Dividend income - non trade - long term (gross)	1,64.52	1,36.71
Dividend income - non trade - current (gross)	44,03.32	80,33.39
Surplus on disposal of current investments (net)	53,91.14	70,67.05
Miscellaneous income (Note 8 ii)	85,30.12	14,06.38
	<b>552,35.43</b>	<b>418,53.07</b>
Share of Joint Ventures - schedule 20 (b)	5,77.04	3,73.34
	<b>558,12.47</b>	<b>422,26.41</b>
<b>OPERATING EXPENSES</b>		
<b>3 Materials consumed and Purchase of goods</b>		
Raw materials consumed	6884,43.18	4224,92.61
Packing materials consumed	1715,31.08	1171,10.10
Purchase of goods	2714,82.24	2055,98.51
<b>4 General expenditure</b>		
Salaries, wages, bonus, etc.	1043,44.26	676,42.48
Contribution to provident and other funds	73,99.11	51,76.51
Workmen and staff welfare expenses	71,54.18	53,29.41
Processing charges	228,29.30	150,39.47
Consumption of stores and spare parts	121,14.76	88,34.55
Repairs and maintenance - Buildings	13,74.81	9,35.49
- Plant	88,10.08	68,74.92
- Others	10,46.62	12,07.44
Power, light, fuel and water	304,47.15	201,45.85
Rent	175,39.06	122,43.24
Rates and taxes	81,05.47	48,03.34
Insurance	5,17.98	7,39.56
Advertising and sales promotion	2153,81.99	1454,28.56
Carriage and freight	1145,11.52	736,92.29
Agents' commission and brokerage	11,27.29	7,06.99
Provision / (write back) for doubtful debts and advances (net)	16,05.20	(90.60)
Travelling and motor car expenses	209,97.34	152,60.75
Deficit on fixed assets sold, scrapped, etc. (net)	9,27.83	7,32.11
Miscellaneous expenses (Note 10)	1042,02.46	748,95.90



Hindustan Unilever Limited

## NOTES

### to the Profit and Loss Account (Contd.)

Consolidated

Rs. lakhs

	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>5 Stocks</b>		
Opening stocks : - Work-in-progress	43,05.59	36,31.76
- Processed chemicals	11.72	84.62
- Finished goods	818,23.71	669,57.87
Closing stocks : - Work-in-progress	(189,49.63)	(43,05.59)
(Note 14) - Processed chemicals	(1,75.15)	(11.72)
- Finished goods	(1105,10.72)	(818,23.71)
Excise Duty on Increase/ (Decrease) of Finished goods	12,90.68	17,56.74
	<b>17696,89.11</b>	<b>11910,89.45</b>
Share of Joint Ventures - schedule 20 (b)	101,30.55	63,27.66
	<b>17798,19.66</b>	<b>11974,17.11</b>

- 6** Interest paid on bank and other accounts Rs. 26,44.79 lakhs (2007 - Rs. 26,48.58 lakhs), including on fixed period loan Rs. 1,00.68 lakhs (2007 - Rs. Nil).
- 7** Interest received - non trade (gross) comprises of Rs. 17,10.76 lakhs (2007 - Rs. 18,09.94 lakhs) and Rs. 1,37.19 lakhs (2007 - Rs. 3,29.25 lakhs) in respect of long term and current investments respectively.
- 8** i) The net difference in foreign exchange (i.e. the difference between the spot rates on the dates of the transactions and the actual rates at which the transactions are settled/appropriate rates applicable at the year end) credited to the Profit and Loss Account is Rs. 32,30.70 lakhs (2007 - credit of Rs. 18,83.47 lakhs).
- ii) The above includes gain of Rs. 60,00.18 lakhs (2007 - loss of Rs. 8,77.02 lakhs) booked under Miscellaneous income on account of mark to market valuation of open forward contracts and monetary items (viz. foreign currency receivables and payables) in line with AS - 11.
- 9** Operating expenses include research and development expenses of Rs. 74,46.61 lakhs (2007 Rs. 49,38.63 lakhs).
- 10 Miscellaneous expenses**
- i) include credit in respect of excess of cost over fair value of current investments (net) Rs. 3,08.70 lakhs (2007 - Charge Rs. 1,49.76 lakhs (net)).

Rs. lakhs

	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>11 Exceptional Items/Extraordinary items</b>		
<b>A) Exceptional Items</b>		
i) Reduction in liability for retirement arising from impact of revised interest rates and lower annuity costs	-	62,98.06
ii) Profit arising from disposal of unused land and building (including residential properties)	170,66.70	146,44.60
iii) Reversal of Provision for impairment of sea food export business assets	-	5,71.83
iv) Reversal of Provision on account of settlement of Legal cases	3,22.65	-
v) Profit arising out of disposal of a long term investment	15,66.67	-
<b>Total exceptional income</b>	<b>189,56.02</b>	<b>215,14.49</b>
vi) Restructuring costs across businesses comprising		
a) Compensation under Voluntary Separation Schemes and amount payable in an industrial dispute relating to a closed factory	(70,90.83)	(18,11.90)
b) Transitional cost due to consolidation of offices / factories	(19,05.11)	(25,23.88)
c) Write-down of fixed assets for closed units	(15,68.67)	-
d) Other Costs	(6,12.47)	-



Hindustan Unilever Limited

# NOTES

## to the Profit and Loss Account (Contd.)

Consolidated

	Rs. lakhs	
	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>11 Exceptional Items/Extraordinary items (contd.)</b>		
<b>A) Exceptional Items</b>		
vii) Provision for remediation of a site	(25,00.00)	-
viii) Incremental provision for retirement benefits arising out of change in actuarial assumptions, largely due to lower interest rates	(60,51.51)	-
<b>Total exceptional expenditure</b>	<b>(197,28.59)</b>	<b>(43,35.78)</b>
<b>Net</b>	<b>(7,72.57)</b>	<b>171,78.71</b>
Taxation on the above - (Charge) on current tax	(22,16.55)	(28,55.15)
- Credit/ (Charge) on deferred tax	43,42.78	(16,51.78)
<b>Total tax credit / (Charge) (net)</b>	<b>21,26.23</b>	<b>(45,06.93)</b>
<b>Exceptional items (net of tax)</b>	<b>13,53.66</b>	<b>126,71.78</b>
<b>B) Extraordinary Items</b>		
i) Profit arising on disposal of a brand	1,50.48	-
ii) Profit on disposal of a business	-	11,77.09
<b>Total extraordinary income</b>	<b>1,50.48</b>	11,77.09
iii) Cost in relation to buyback of shares	-	(6,00.00)
<b>Total extraordinary expenditure</b>	<b>-</b>	<b>(6,00.00)</b>
<b>Net</b>	<b>1,50.48</b>	<b>5,77.09</b>
Taxation on the above - (Charge) on current tax	(51.15)	(1,12.20)
One time reduction in tax liability arising from amalgamation of Modern Food Industries (India) Limited (a wholly owned subsidiary) with Hindustan Unilever Limited	-	45,77.03
<b>Total tax credit / (charge) - net</b>	<b>(51.15)</b>	<b>44,64.83</b>
<b>Extraordinary items (net of tax)</b>	<b>99.33</b>	<b>50,41.92</b>
<b>C) Share of Joint Venture - schedule 20 (b)</b>	<b>-</b>	<b>-</b>
<b>Total of Exceptional / Extraordinary Items (A+B+C)</b>	<b>14,52.99</b>	<b>177,13.70</b>

**12** Consequent to the change in the accounting year of Hindustan Unilever Limited from January - December to April - March with effect from the current year, the current year's financial statements are for 15 months from 1st January, 2008 to 31st March, 2009. The previous year figures relate to the 12 months ended 31st December, 2007. In view of the above, the current year's figures are accordingly, not comparable to those of previous year.

**13** Capgemini Business Services (India) Limited in which Group holds 49% of shares, has not been consolidated as an associate for the 15 months period ended 31st March, 2009, as the group does not participate in the management of the Company.

**14** Closing Stock - Consequent to implementation of SAP transaction system, there has been a standardisation in definition of inventory items leading to their reclassification. The comparable numbers of the previous period are not determinable, hence not regrouped.



Hindustan Unilever Limited

## NOTES

### to the Profit and Loss Account (Contd.)

Consolidated

	15 months ended 31st March, 2009	12 months ended 31st December, 2007
<b>15 Earnings Per Share has been computed as under:</b>		
Net Profit (Rs. lakhs)	2504,50.51	1914,88.97
Weighted average number of Equity shares outstanding	2,17,86,39,191	2,20,45,77,163
Earnings Per Share (Rs. ) - Basic ( Face value of Re.1 per share)	11.50	8.69
Weighted average number of Equity shares (including dilutive) outstanding	2,18,31,40,719	2,21,00,31,876
Earnings Per Share (Rs. ) - Diluted (Face value of Re. 1 per share)	11.47	8.66

- 16** The significant leasing arrangements of the Companies in the Group are in respect of operating leases for premises (residential, office, stores, godown etc.) and computers. These leasing arrangements which are not non-cancellable 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 in the Rent in the profit and loss account (Note 4).
- 17** The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" and Accounting Standard 27 (AS 27) - "Financial Reporting of Interest in Joint Ventures", notified u/s 211 (3C) of the Companies Act, 1956. Refer Schedule 20 to the Balance sheet.
- 18** Taxation adjustments of previous years include interest, etc.
- 19** The previous year's figures have been regrouped / restated wherever necessary to conform to this year's classification.



Hindustan Unilever Limited

# SCHEDULES

## to the Balance Sheet

Consolidated

		Rs. lakhs	
		As at 31st March, 2009	As at 31st December, 2007
<b>1</b>	<b>CAPITAL</b>		
	<b>Authorised</b>		
	2,25,00,00,000 equity shares of Re. 1 each	<b>225,00.00</b>	<b>225,00.00</b>
	<b>Issued and subscribed</b>		
	2,17,98,76,077 (2007: 2,17,74,63,355) equity shares of Re. 1 each fully called and paid up	217,98.76	217,74.63
	Of the above shares		
	i) 1,13,48,49,460 Shares of Re. 1 each are held by Unilever PLC., the holding company, and its subsidiaries including 79,48,06,750 shares of Re. 1 each held by Unilever PLC.		
	ii) 79,53,79,675 Shares of Re. 1 each are allotted as fully paid up pursuant to a contract for a consideration other than cash.		
	iii) 1,31,68,54,620 Shares of Re. 1 each are allotted as fully paid up bonus shares by way of capitalisation of share premium and accumulated profits.		
		<b>217,98.76</b>	<b>217,74.63</b>

**Note :**

- Hindustan Unilever Limited has granted share options under the Company's Employees' Stock Option Scheme and share options outstanding as at 31st March, 2009 are 47,62,792 (2007 - 73,06,750). Of these 8,23,005 (2007 - 12,47,400) options have vested in 2004, 11,92,733 (2007 - 17,59,635) have vested in 2005, 13,03,310 (2007 - 19,06,515) have vested in 2006, 6,27,744 have vested in 2007 (2007 - 10,67,700) and 8,16,000 have vested in 2008 (2007 - 13,25,500). During the year 24,12,722 (2007 - 9,23,030) options were exercised.
- During the year, Nil (2007 - 3,02,35,772) equity shares have been bought back pursuant to the buy back programme.

		Rs. lakhs			
		As at 31st December, 2007	Additions	Deductions	As at 31st March, 2009
<b>2</b>	<b>RESERVES AND SURPLUS</b>				
	<b>Capital Reserves</b>				
	Capital Reserve	4,22.23	-	-	4,22.23
	Capital Subsidy	5,05.22	-	-	5,05.22
	Capital Redemption Reserve	4,17.36	-	-	4,17.36
	Share Premium Account	-	(d) 39,19.08	-	39,19.08
	Revaluation Reserve	66.59	-	-	66.59
	Other Reserves (c)	2,51.05	-	-	2,51.05
	Employee Stock Options (d)	5,36.66	-	(d) (1,31.28)	4,05.38
	<b>Total Capital Reserves</b>	<b>21,99.11</b>	<b>39,19.08</b>	<b>(1,31.28)</b>	<b>59,86.91</b>
	<b>Revenue Reserves</b>				
	Export Profit Reserve	12,26.40	-	-	12,26.40
	Development Allowance Reserve	26.72	-	-	26.72
	General Reserve	1078,96.59	250,00.00	-	1328,96.59
	<b>Total Revenue Reserves</b>	<b>1091,49.71</b>	<b>250,00.00</b>	-	<b>1341,49.71</b>
	<b>PROFIT AND LOSS ACCOUNT BALANCE</b>	176,92.44	(a) 518,11.83	(b) (176,92.44)	<b>518,11.83</b>
	<b>TOTAL RESERVES - 31st March, 2009</b>	<b>1290,41.26</b>	<b>807,30.91</b>	<b>(178,23.72)</b>	<b>(e) 1919,48.45</b>
	<b>TOTAL RESERVES - 31st December, 2007</b>	<b>2402,79.90</b>	<b>238,83.67</b>	<b>(1351,22.31)</b>	<b>(e) 1290,41.26</b>



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Consolidated

## 2 RESERVES AND SURPLUS (Contd. )

- (a) Transfer from profit and loss account  
 (b) Transfer to profit and loss account  
 (c) Not available for capitalisation / declaration of dividend / share valuation.  
 (d) Comprises Rs. 37,87.80 lakhs received on allotment of shares under the Hindustan Unilever Limited's Employees Stock Option Scheme and balance transfer of Rs. 1,31.28 lakhs from Employee Stock Option Reserve on account of options exercised.

Rs. lakhs

	As at 31st December, 2007	Additions	Deductions	As at 31st March, 2009
<b>Employee Stock Options</b>				
Employee Stock Options Outstanding	7,51.82	-	-	<b>7,51.82</b>
Less:- Transfer to share premium	(2,15.16)	-	(1,31.28)	<b>(3,46.44)</b>
Employee Stock Options	<b>5,36.66</b>	-	<b>(1,31.28)</b>	<b>4,05.38</b>

- (e) Including share of Joint Venture Rs. 39,62.25 lakhs (2007 - Rs. 35,25 lakhs)

Rs. lakhs

	As at 31st March, 2009	As at 31st December, 2007
<b>3 SECURED LOANS</b>		
<b>Loans and Advances from banks:</b>		
- Bank overdrafts	25,64.91	25,51.86
Secured by hypothecation of stocks and book debts		
- Export Packing Credit	130,63.81	13,34.42
Secured by a pari passu charge on stocks and book debts		
	<b>156,28.72</b>	<b>38,86.28</b>
Share of Joint Venture - schedule 20 (b)	-	-
	<b>156,28.72</b>	<b>38,86.28</b>



Hindustan Unilever Limited

# SCHEDULES

## to the Balance Sheet (Contd.)

Consolidated

		Rs. lakhs	
		As at 31st March, 2009	As at 31st December, 2007
<b>4</b>	<b>UNSECURED LOANS</b>		
	<b>Short- term loans &amp; advances:</b>		
	From Banks		
	– Working Capital loan	250,00.00	–
	– Overdrawn book balance on current account	24,27.25	62,11.66
	– Export Packing Credit	3,23.24	–
	Other loans and advances		
	– Other than from Banks [repayable within one year Rs. 24.34 lakhs (2007 - Rs. 82.86 lakhs)]	34.17	1,17.03
		<b>277,84.66</b>	<b>63,28.69</b>
	Share of Joint Venture - schedule 20 (b)	–	–
		<b>277,84.66</b>	<b>63,28.69</b>

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost/ Valuation as at 31st December 2007	Additions	Deductions/ Transfers	Cost/ Valuation as at 31st March 2009	As at 31st December, 2007	Additions	Deductions/ Transfers	As at 31st March 2009	As at 31st March 2009	As at 31st December, 2007
<b>5</b>	<b>FIXED ASSETS</b>										
	Land - Freehold	57,69.48	–	(6.82)	57,62.66	–	–	–	–	57,62.66	57,69.48
	- Lease hold	33,78.41	–	(7.58)	33,70.83	3,53.89	38.41	(3.97)	3,88.33	29,82.50	30,24.52
	Buildings	658,20.01	51,52.35	(17,50.30)	692,22.06	143,00.32	21,40.74	(92.97)	163,48.09	528,73.97	515,19.69
	Plant & machinery	1586,84.19	215,33.94	(64,39.67)	1737,78.46	747,34.27	143,89.70	(50,21.18)	841,02.79	896,75.67	839,49.92
	Railway sidings	0.59	–	–	0.59	0.59	–	–	0.59	–	–
	Furniture, fittings & office equipments	162,95.81	10,43.76	(15,40.98)	157,98.59	100,05.85	11,80.46	(15,36.38)	96,49.93	61,48.66	62,89.96
	Trade Marks	144,85.03	–	–	144,85.03	144,85.03	–	–	144,85.03	–	–
	Goodwill	6,34.15	–	–	6,34.15	6,34.15	–	–	6,34.15	–	–
	Software	52,59.09	48,61.43	–	101,20.52	10,90.57	20,33.89	–	31,24.46	69,96.06	41,68.52
	Motor vehicles	4,02.07	1.57	(65.89)	3,37.75	3,28.99	31.08	(60.32)	2,99.75	38.00	73.08
	<b>Total</b>	<b>2707,28.83</b>	<b>325,93.05</b>	<b>(98,11.24)</b>	<b>2935,10.64</b>	<b>1159,33.66</b>	<b>198,14.28</b>	<b>(67,14.82)</b>	<b>1290,33.12</b>	<b>1644,77.52</b>	<b>1547,95.17</b>
	Share of Joint Venture - Schedule - 20(b)	19,97.23	4,10.42	(4.48)	24,03.17	9,02.40	1,83.22	(3.53)	10,82.09	13,21.08	10,94.83
	<b>Total - 2009</b>	<b>2727,26.06</b>	<b>330,03.47</b>	<b>(98,15.72)</b>	<b>2959,13.81</b>	<b>1168,36.06</b>	<b>199,97.50</b>	<b>(67,18.35)</b>	<b>1301,15.21</b>	<b>1657,98.60</b>	<b>1558,90.00</b>
	- 2007	<b>2697,48.25</b>	<b>283,99.41</b>	<b>(254,21.60)</b>	<b>2727,26.06</b>	<b>1228,41.80</b>	<b>141,90.59</b>	<b>(201,96.33)</b>	<b>1168,36.06</b>	<b>1558,90.00</b>	

- Capital expenditure commitments - Rs. 132,29.80 lakhs (2007 - 149,92.01 lakhs)
- The title deeds of immovable properties aggregating Rs. 57,49.04 lakhs (2007 - 55,78.10 lakhs), acquired on transfer of business/undertakings are in the process of being transferred in the name of the Company.
- 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 Company's interest.



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Consolidated

Rs. lakhs

			As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS</b>				
(Long term, Unquoted, unless otherwise stated)				
<b>A INVESTMENTS IN GOVERNMENT SECURITIES</b>				
		7 Year National Savings Certificates - II Issue	1.05	1.05
		Government of India Stock	-	12,14.60
		(2007 - Rs. 12,00.00 lakhs) (Rs. 10,00.00 lakhs purchased during the period) (Rs. 22,00.00 lakhs sold during the period) (Current Investments) (Quoted)		
<b>TOTAL - A</b>			<b>1.05</b>	<b>12,15.65</b>
<b>B TRADE INVESTMENTS AT COST SHARES</b>				
Tata Chemicals Limited	5,032,000	(2007-5,532,000) Equity shares of Rs. 10 each fully paid (Quoted) (5,00,000 shares sold during the period)	47,45.71	52,17.26
Capgemini Business Services (India) Limited	2,450	Ordinary shares of Rs. 100 each fully paid	4,54.85	4,54.85
Dugdha Sahakari Kraya-Vikraya Samiti Limited	50	Shares of Rs. 100 each fully paid	0.05	0.05
Hi Tech Surfactants Limited	58,400	Equity shares of Rs. 10 each fully paid	5.87	5.87
Aquagel Chemicals Private Limited	284,040	Equity shares of Rs. 100 each fully paid	2,65.56	2,65.56
	913,000	7% Cumulative Redeemable Preference Shares of Rs. 100 each fully paid	9,13.00	9,13.00
Super Bazar Co-op. Stores Limited	1,000	Equity shares of Rs. 10 each fully paid	0.10	0.10
Coffee Futures India Exchange Limited	1	Equity share of Rs. 10,000 each fully paid	0.10	0.10
Goldfield Fragrances Private Limited	7,164	Equity shares of Rs. 100 each fully paid	2.40	2.40
Share of Joint Venture			-	-
<b>TOTAL - B</b>			<b>63,87.64</b>	<b>68,59.19</b>
<b>C NON-TRADE INVESTMENTS AT COST SHARES, DEBENTURES &amp; BONDS</b>				
Comfund Financial Services India Limited	240,000	Equity shares of Rs. 10 each fully paid	24.00	24.00
Assam Bengal Cereals Limited	8,284	Equity shares of Rs. 10 each fully paid	0.83	0.83
The Bengal Chamber of Commerce & Industry	14	6 1/2% Non-redeemable Registered Debentures (Face value Rs. 0.14 lakhs)	0.17	0.17
Woodlands Hospital and Medical Research Centre Limited	1	5% Non-redeemable Registered Debenture stock (Face value Rs. 0.27 lakhs)	0.27	0.27
	44	1/2% Debentures of Rs. 100 each (Face value Rs. 0.05 lakhs : Cost Rs. 100)	-	-
Shillong Club Limited	56	5% Debentures of Rs. 100 each (Cost Rs. Nil)	-	-
The Nilgiri Co-operative Enterprises Limited	200	Shares of Rs. 100 each fully paid	0.20	0.20
Biotech Consortium India Limited	100,000	Equity shares of Rs. 10 each fully paid	10.00	10.00
Scooters India Limited	10,000	Equity shares of Rs. 10 each fully paid (Quoted)	1.00	1.00



Hindustan Unilever Limited

# SCHEDULES

## to the Balance Sheet (Contd.)

Consolidated

			Rs. lakhs	
			As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd.)</b>				
(Long term, Unquoted, unless otherwise stated)				
S.C. Johnson Products Private Limited	1,104,000	(2007 - 1,104,000) equity shares of Rs. 5 each fully paid	7.02	7.02
Annamallais Ropeway company Limited	1,150	Ordinary shares of Rs. 100 each fully paid (Cost Rs. Nil)	-	-
Saraswat Co-operative Bank Limited	2,005	Equity shares of Rs. 10 each fully paid	0.20	0.20
National Bank for Agriculture and Rural Development	-	(2007-9,250) 5.50% Capital Gains Bonds of Rs. 10,000 each (9,250 bonds Redeemed during the period)	-	9,25.00
	-	(2007-870 ) 5.20% Capital Gains Bonds of Rs. 10,000 each (870 bonds Redeemed during the period)	-	87.00
	-	(2007-72,000) 5.40% Capital Gains Bonds of Rs. 10,000 each (72,000 bonds Redeemed during the period)	-	72,00.00
	-	(2007-13,500) 5.20% Capital Gains Bonds of Rs. 10,000 each (13,500 bonds Redeemed during the period)	-	13,50.00
	-	(2007-2,000) 5.42% Capital Gains Bonds of Rs. 10,000 each (2,000 bonds Redeemed during the period)	-	2,00.00
	-	(2007-17,484) 5.25% Capital Gains Bonds of Rs. 10,000 each (17,484 bonds Redeemed during the period)	-	17,48.39
National Housing Bank	-	(2007-15,500) 5.50% Capital Gains Bonds of Rs. 10,000 each (15,500 bonds Redeemed during the period)	-	15,50.00
Rural Electrification Board	213,000	5.50% Capital Gains Bonds of Rs. 10,000 each	213,00.00	213,00.00
	500	5.50% Capital Gains Bonds of Rs. 10,000 each	50.00	50.00
<b>OTHERS</b>				
Unit Trust of India	-	Units of Rs. 100 each under the 6.75% Tax Free US 64 Bonds (2008-4,877,837 bonds sold during period) (Current Investments) (Quoted)	-	47,43.70
	5,000	Master gain 92 of Rs. 10 each	0.50	0.50
Certificate of Deposits - State Bank of Bikaner and Jaipur	-	Certificate of Deposit of the face value of Rs. 1000.00 lakhs (Rs. 1000.00lakhs purchased during the period)	9,-90.74	-
Fortis Mutual Fund (Formerly known as ABN Amro Mutual Fund)	-	(2007-10,000,000 ) Units Fortis Fixed Term Plan - Series 5 - 13 Months sold during the period) (Current Investments)	-	10,00.00
	-	Units Fortis Interval Fund - Monthly Plan A - Dividend-Red (15,000,000 Units Purchased, 162,097 Units cumulated, 15,162,097 Units sold during the period) (Current Investments)	-	-
	-	Units Fortis Interval Fund - Quarterly Plan H - Dividend-Red( 10,000,000 Units Purchased, 179,880 Units cumulated, 10,179,880 Units sold during the period) (Current Investments)	-	-



Hindustan Unilever Limited

# SCHEDULES

## to the Balance Sheet (Contd.)

Consolidated

Rs. lakhs

As at 31st March, 2009	As at 31st December, 2007
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### 6 INVESTMENTS (Contd.)

(Long term, Unquoted, unless otherwise stated)

		As at 31st March, 2009	As at 31st December, 2007
Fortis Mutual Fund (Formerly known as ABN Amro Mutual Fund)	– Units Fortis Interval Fund - Series 2 - Quarterly Plan M - Interval Dividend-Red( 39,990,604 Units Purchased, 402,799 Units cumulated, 40,393,403 Units sold during the period) (Current Investments)	–	–
Birla Mutual Fund	– Units Birla Sun Life Cash Plus - Institutional Premium Plan - Daily Dividend( 2,286,476,854 Units Purchased, 3,311,429.44 Units cumulated, 2,289,788,283 Units sold during the period) (Current Investments)	–	–
	– Units Birla Sun Life Cash Plus - Institutional Premium Plan - Weekly Dividend( 31,906,196 Units Purchased, 254,742 Units cumulated, 32,160,938 Units sold during the period) (Current Investments)	–	–
	– Birla Sun Life Cash Plus - Institutional Weekly Dividend Units Purchased and sold during the year 474,0756 ) (Previous Year Nil)	–	–
	– Units Birla Sun Life Fixed Term Plan - Series AQ - Institutional Plan - Growth( 10,000,000 Units Purchased, 10,000,000 Units sold during the period) (Current Investments)	–	–
	– Units Birla Sun Life Fixed Term Plan - Series AR - Institutional Plan - Growth( 5,000,000 Units Purchased, 5,000,000 Units sold during the period) (Current Investments)	–	10,00.00
	– (2007-10,000,000 ) Units Birla Sun Life Fixed Term Plan - Series S - Institutional Plan - Growth( 10,000,000 Units sold during the period) (Current Investments)	–	–
	– (2007-20,000,000 ) Units Birla Sun Life Fixed Term Plan - Series T - Institutional Plan - Growth( 20,000,000 Units sold during the period) (Current Investments)	–	20,00.00
	– Units Birla Sun Life Interval Income Fund Monthly Plan - Series II - Institutional Plan - Dividend ( 40,000,000 Units Purchased, 291,368 Units cumulated, 40,291,368 Units sold during the period) (Current Investments)	–	–
	– Units Birla Sun Life Interval Income Fund Quarterly Plan - Series III - Institutional Plan - Dividend( 25,000,000 Units Purchased, 139,089 Units cumulated, 25,139,089 Units sold during the period) (Current Investments)	–	–
	– Units Birla Sun Life Liquid Plus - Institutional Plan - Daily Dividend( 280,322,206 Units Purchased, 2,065,169 Units cumulated, 282,387,375 Units sold during the period) (Current Investments)	–	–
	– (2007-106,753,740 ) Units Birla Sun Life Liquid Plus - Institutional Plan - Weekly Dividend( 132,057,084 Units Purchased, 3,147,323 Units cumulated, 241,958,147 Units sold during the period) (Current Investments)	–	106,86.99



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Consolidated

		Rs. lakhs	
		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd.)</b> (Long term, Unquoted, unless otherwise stated)			
DSP Blackrock Mutual Fund (Formerly known as DSP Merrill Lynch Fund)	- Units DSP BlackRock Cash Plus Fund - Institutional Plan - Daily Dividend( 299,970 Units Purchased, 269 Units cumulated, 300,239 Units sold during the period) (Current Investments)	-	-
	- Units DSP BlackRock Fixed Maturity Plan - 12.5 Months - Series 1 - Institutional Plan - Growth (35,000,000 Units Purchased, 35,000,000 Units sold during the period) (Current Investments)	-	-
	- Units DSP BlackRock Fixed Maturity Plan - 3 Months - Series 10 - Reg - Dividend( 20,000,000 Units Purchased, 359,597 Units cumulated, 20,359,597 Units sold during the period) (Current Investments)	-	-
	- Units DSP BlackRock Fixed Maturity Plan - 3 Months - Series 13 - Institutional Plan - Dividend (15,000,000 Units Purchased, 15,000,000 Units sold during the period) (Current Investments)	-	-
Deutsche Mutual Fund	- Units DWS Quarterly Interval Fund - Series 1 - Dividend( 30,000,000 Units Purchased, 564,036 Units cumulated, 30,564,036 Units sold during the period) (Current Investments)	-	-
Franklin Templeton Fund	- (2007-70,000,000 ) Units Templeton Fixed Horizon Fund - Series 1 - 13 Months - Institutional Plan - Growth( 70,000,000 Units sold during the period) (Current Investments)	-	70,00.00
	- (2007-30,000,000 ) Units Templeton Fixed Horizon Fund - Series 1 - 15 Months - Institutional Plan - Growth( 30,000,000 Units sold during the period) (Current Investments)	-	30,00.00
	- Units Templeton Floating Rate Interest Fund - Liquid Optioning Term - Super Institutional Plan - Daily Dividend( 41,348,009 Units Purchased, 797,423 Units cumulated, 42,145,432 Units sold during the period) (Current Investments)	-	-
	- (2007-220,032 ) Units Templeton India Treasury Management Account - Super Institutional Plan - Daily Dividend( 12,472,078 Units Purchased, 15,904 Units cumulated, 12,708,014 Units sold during the period) (Current Investments)	-	22,00.87
	- (2007-20,000,000)Units Templeton Fixed Term fund-Series VII(370Days Yearly Series)-Growth (20,000,000 Units sold during the period) (Current Investments)	-	20,00.00
	- Units Templeton India Treasury Management Account - Super Institutional Plan - Weekly Dividend( 236,127 Units Purchased, 1,966 Units cumulated, 238,093 Units sold during the period) (Current Investments)	-	-



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Consolidated

Rs. lakhs

As at 31st March, 2009	As at 31st December, 2007
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## 6 INVESTMENTS (Contd.)

(Long term, Unquoted, unless otherwise stated)

		As at 31st March, 2009	As at 31st December, 2007
Franklin Templeton Fund	- Units Templeton India Ultra Short Bond Fund - Super Institutional Plan - Dividend( 49,906,176 Units Purchased, 434,396 Units cumulated, 50,340,572 Units sold during the period) (Current Investments)	-	-
	- Units Templeton Quarterly Interval Fund - Plan C - Institutional Plan - Dividend( 14,982,171 Units Purchased, 311,829 Units cumulated, 15,294,000 Units sold during the period) (Current Investments)	-	-
HDFC Mutual Fund	- Units HDFC Cash Management Fund - Savings Plan - Daily Dividend( 868,095,751 Units Purchased, 1,225,922 Units cumulated, 869,321,673 Units sold during the period) (Current Investments)	-	-
	- (2007-4,497,777 ) Units HDFC Cash Management Fund - Savings Plus - Wholesale - Daily Dividend (97,978,456 Units Purchased, 1,682,725 Units cumulated, 104,158,957 Units sold during the period) (Current Investments)	-	4,51.19
	- (2007-9,973,810 ) Units HDFC Floating Rate Interest Fund - Short Term Fund - WP - Daily Dividend ( 42,662,373 Units Purchased, 197,048 Units cumulated, 52,833,231 Units sold during the period) (Current Investments)	-	10,05.45
	- (2007-25,000,000 ) Units HDFC Fixed Maturity Plan - 14M - March 2007 (3) - Institutional Plan - Growth( 25,000,000 Units sold during the period) (Current Investments)	-	25,00.00
	- (2007-18,000,000 ) Units HDFC Fixed Maturity Plan - 16M - December 2006 (2) - Institutional Plan - Growth( 18,000,000 Units sold during the period) (Current Investments)	-	18,00.00
	- (2007-35,000,000 ) Units HDFC Fixed Maturity Plan - 16M - January 2007 (3) - Institutional Plan - Growth( 35,000,000 Units sold during the period) (Current Investments)	-	35,00.00
	- Units HDFC Fixed Maturity Plan - 90D - June 2008 (8) - 3 - WP - Dividend( 20,000,000 Units Purchased, 398,000 Units cumulated, 20,398,000 Units sold during the period) (Current Investments)	-	-
	- Units HDFC Fixed Maturity Plan - 90D - Sep 2008 (9) - 3 - WP - Dividend (40,000,000 Units Purchased, 40,000,000 Units sold during the period) (Current Investments)	-	-
HSBC Mutual Fund	- (2007-35,190,144) Units HSBC Cash Fund - Institutional Plus - Daily Dividend( 374,855,063 Units Purchased, 470,253 Units cumulated, 410,515,460 Units sold during the period) (Current Investments)	-	35,20.99



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Consolidated

		Rs. lakhs	
		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd.)</b>			
(Long term, Unquoted, unless otherwise stated)			
HSBC Mutual Fund	- Units HSBC Cash Fund - Institutional Plus - Weekly Dividend( 14,949,173 Units Purchased, 53,672 Units cumulated, 15,002,845 Units sold during the period) (Current Investments)	-	-
	- (2007-12,000,000 ) Units HSBC Fixed Term Series 21 - Institutional Plan - Growth( 12,000,000 Units sold during the period) (Current Investments)	-	12,00.00
	- (2007-20,000,000 ) Units HSBC Fixed Term Series 22 - Institutional Plan - Growth( 20,000,000 Units sold during the period) (Current Investments)	-	20,00.00
	- (2007-20,000,000 ) Units HSBC Fixed Term Series 25 - Institutional Plan - Growth( 20,000,000 Units sold during the period) (Current Investments)	-	20,00.00
	- Units HSBC Interval Fund - Plan II - Institutional - Dividend( 9,999,900 Units Purchased, 9,999,900 Units sold during the period) (Current Investments)	-	-
	- (2007-16,059,751 ) Units HSBC Liquid Plus Fund - Institutional Plan Plus - Daily Dividend( 122,968,909 Units Purchased, 1,102,332 Units cumulated, 140,130,992 Units sold during the period) (Current Investments)	-	16,08.00
ICICI Prudential Mutual Fund	- (2007-41,608,345 ) Units ICICI Prudential Flexible Income Plan - Daily Dividend( 809,410,429 Units Purchased 3,278,883 Units cumulated 854,297,657 Units sold during the period) (Current Investments)	-	43,99.46
	- (2007-103,861,276 ) Units ICICI Prudential Flexible Income Plan - Weekly Dividend( 390,308,378 Units Purchased 8,851,759.92 Units cumulated 506,021,414 Units sold during the period) (Current Investments)	-	109,51.26
	- (2007-30,000,000 ) Units ICICI Prudential Fixed Maturity Plan - S 35 - 13 Months - Plan B - Institutional Plan - Growth(30,000,000 Units sold during the period) (Current Investments)	-	30,00.00
	- Nil (2007 -5,234,337.17) units of ICICI Prudential Interval Fund - Quarterly Interval Plan I - Retail Dividend (235,288.80 units cumulated, 5,469,625.97 sold during the year) (Current Investments)	-	5,23.42
	- Nil (2007-10,177,901.89) units of ICICI Prudential Interval Fund - Quarterly Interval Plan II - Retail Dividend (189,003.64 units cumulated, 10,366,905.53 sold during the year) (Current Investments)	-	10,17.79



Hindustan Unilever Limited

# SCHEDULES

## to the Balance Sheet (Contd.)

Consolidated

Rs. lakhs

As at 31st March, 2009	As at 31st December, 2007
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### 6 INVESTMENTS (Contd.)

(Long term, Unquoted, unless otherwise stated)

	As at 31st March, 2009	As at 31st December, 2007
ICICI Prudential Mutual Fund		
- Nil (2007-6,000,000) units of ICICI Prudential Interval Fund II - Quarterly Interval - Plan F - Retail Dividend (112,680 units cumulated, 6,112,680 sold during the year) (Current Investments)	-	6,00.00
- Nil (2007-2,030,011.34) units of ICICI Prudential Liquid - Super IP - Weekly Dividend (5,035.40 units cumulated, 2,035,046.74 units sold during the year) (Current Investments)	-	2,03.17
- (2007-35,000,000 ) Units ICICI Prudential Fixed Maturity Plan - Series 34 - 16 Month Plan - Institutional Plan - Growth(35,000,000 Units sold during the period) (Current Investments)	-	35,00.00
- (2007-25,000,000 ) Units ICICI Prudential Fixed Maturity Plan - Series 37 - 14 Months Plan - Institutional Plan - Growth(25,000,000 Units sold during the period) (Current Investments)	-	25,00.00
- Units ICICI Prudential Fixed Maturity Plan - Series 43 - 13M - Plan D - Ret - Growth( 13,000,000 Units Purchased, 13,000,000 Units sold during the period) (Current Investments)	-	-
- Units ICICI Prudential Fixed Maturity Plan - Series 44 - 3M - Plan A - Ret - Dividend( 20,000,000 Units Purchased, 344,000 Units cumulated, 20,344,000 Units sold during the period) (Current Investments)	-	-
- Units ICICI Prudential Fixed Maturity Plan - Series 44 - 3M - Plan D - Ret - Dividend( 20,000,000 Units Purchased, 386,200 Units cumulated, 20,386,200 Units sold during the period) (Current Investments)	-	-
- (2007-24,822,026 ) Units ICICI Prudential Interval Fund - Monthly Interval II - Dividend(305,781 Units cumulated, 25,127,807 Units sold during the period) (Current Investments)	-	25,00.00
- Units ICICI Prudential Interval Fund - Quarterly Interval I - Dividend( 29,997,300 Units Purchased, 541,403 Units cumulated, 30,538,703 Units sold during the period) (Current Investments)	-	-
- Units ICICI Prudential Interval Fund II - Quarterly Interval - Plan C - Dividend( 40,000,000 Units Purchased, 721,543 Units cumulated, 40,721,543 Units sold during the period) (Current Investments)	-	-
- Units ICICI Prudential Interval Fund IV - Quarterly Interval - Plan B - Institutional Plan - Dividend( 20,000,000 Units Purchased, 20,000,000 Units sold during the period) (Current Investments)	-	-
- (2007-12,511,745 ) Units ICICI Prudential Liquid - Institutional Plus - Growth( 12,511,745 Units sold during the period) (Current Investments)	-	21,00.00



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Consolidated

		Rs. lakhs	
		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd.)</b> (Long term, Unquoted, unless otherwise stated)			
ICICI Prudential Mutual Fund	- (2007-38,429,007 ) Units ICICI Prudential Liquid - Super Institutional Plan - Daily Dividend (3,679,807,926 Units Purchased 3,844,308.77 Units cumulated 3,722,081,243 Units sold during the period) (Current Investments)	-	38,43.09
Principal Mutual Fund	- Units Principal Cash Management Fund Liquid Option-Institutional Premium Plan - Daily Dividend( 594,079,877 Units Purchased, 602,131 Units cumulated, 594,682,008 Units sold during the period) (Current Investments)	-	-
	- Units Principal Floating Rate Fund - Fixed Maturity Plan - Institutional Plan - Daily Dividend( 203,384,641 Units Purchased, 2,403,467 Units cumulated, 205,788,108 Units sold during the period) (Current Investments)	-	-
	- Units Principal Floating Rate Fund - Fixed Maturity Plan - Institutional Plan - Weekly Dividend( 24,998,231 Units Purchased, 162,757 Units cumulated, 25,160,988 Units sold during the period) (Current Investments)	-	-
	- Units Principal PNB Fixed Maturity Plan 91 Days Yearly Series - Series XVII - Institutional Plan - Dividend( 25,000,000 Units Purchased, 25,000,000 Units sold during the period) (Current Investments)	-	-
Reliance Mutual Fund	- (2007-10,000,000 ) Units Reliance Fixed Horizon Fund 2 - AP - Series 6 - Institutional Plan - Growth( 10,000,000 Units sold during the period) (Current Investments)	-	10,00.00
	- Units Reliance Fixed Horizon Fund 8 - Series 7 - Institutional Plan - Dividend( 50,000,000 Units Purchased, 50,000,000 Units sold during the period) (Current Investments)	-	-
	- (2007-19,983,813 ) Units Reliance Interval Fund - Monthly Series I - Institutional Plan - Dividend( 353,412 Units cumulated, 20,337,225 Units sold during the period) (Current Investments)	-	20,00.00
	- (2007-50,281,895) Units Reliance Interval Fund - Monthly Series II - Institutional Plan - Dividend (49,977,510 Units Purchased, 344,240 Units cumulated, 100,603,645 Units sold during the period) (Current Investments)	-	50,30.89
	- Units Reliance Liquidity Fund - Daily Dividend( 100,316,316 Units Purchased, 8,195 Units cumulated, 100,324,511 Units sold during the period) (Current Investments)	-	-
SBI Mutual Fund	- (2007-15,000,000 ) Units SBI Magnum Debt Fund Series - 90 Days Yearly Series - 16 - Oct 07 - Dividend(245,265 Units cumulated, 15,245,265 Units sold during the period) (Current Investments)	-	15,00.00



Hindustan Unilever Limited

# SCHEDULES

## to the Balance Sheet (Contd.)

Consolidated

Rs. lakhs

		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd.)</b> (Long term, Unquoted, unless otherwise stated)			
SBI Mutual Fund	– Units SBI Magnum Debt Fund Series - 90 Days Yearly Series - 28 - Aug 08 - Ret - Dividend( 40,000,000 Units Purchased, 40,000,000 Units sold during the period) (Current Investments)	–	–
	– Units SBI Magnum Debt Fund Series - 90 Days Yearly Series - 29 - Sep 08 - Ret - Dividend( 40,000,000 Units Purchased, 40,000,000 Units sold during the period) (Current Investments)	–	–
	– Units SBI Premier Liquid Fund - Super Institutional Plan - Daily Dividend( 39,870,421 Units Purchased, 167,243 Units cumulated, 40,037,664 Units sold during the period) (Current Investments)	–	–
IDFC Mutual Fund (Formerly Known as Standard Chartered Mutual Fund)	– Units IDFC Liquid Fund - Daily Dividend( 136,152 Units Purchased, 68 Units cumulated, 136,220 Units sold during the period) (Current Investments)	–	–
	– Units IDFC-Fixed Maturity Plan - Yearly Series 20 - Plan B - Growth( 20,000,000 Units Purchased, 20,000,000 Units sold during the period) (Current Investments)	–	–
	– (2007-10,000,000 ) Units IDFC-Fixed Maturity Plan - Yearly Series 3 - Growth( 10,000,000 Units sold during the year) (Current Investments)	–	10,00.00
	– Grindlay's Cash Fund IP - Weekly Dividend ( Units Purchased and sold during the year - Nil ) (Previous Year 976,382 Units)	–	–
	– Grindlay's Cash Fund IP - Daily Dividend Units Purchased and sold during the year - Nil) (Previous Year 8,043,968 units)	–	–
	– Grindlay's Cash Fund - Weekly Dividend Units Purchased and sold during the year -Nil ) (Previous Year 15,025 Units)	–	–
Sundaram Mutual fund	– Units Sundaram BNP Paribas Interval Fund - Quarterly Series - Plan B - Institutional Plan - Dividend( 15,000,000 Units Purchased, 15,000,000 Units sold during the period) (Current Investments)	–	–
	– (2007-5,056,289 ) Units Sundaram BNP Paribas Liquid Plus - Super Institutional Plan - Weekly Dividend( 168,226 Units cumulated, 5,224,515 Units sold during the period) (Current Investments)	–	5,12.32
<b>Others</b>			
Tata Mutual fund	– (2007-5,000,000 ) Units Tata Fixed Horizon Fund - Series 7 - Plan D - Institutional Plan - Growth( 5,000,000 Units sold during the period) (Current Investments)	–	5,00.00



Hindustan Unilever Limited

# SCHEDULES

## to the Balance Sheet (Contd.)

Consolidated

		Rs. lakhs	
		As at 31st March, 2009	As at 31st December, 2007
<b>6 INVESTMENTS (Contd.)</b> (Long term, Unquoted, unless otherwise stated)			
UTI Mutual Fund	– Units UTI - F M P - June 08 - Yearly Series - Institutional Plan - Dividend( 25,000,000 Units Purchased, 460,215 Units cumulated, 25,460,215 Units sold during the period) (Current Investments)	–	–
	– (2007-5,000,000 ) Units UTI Fixed Income Interval Fund - Monthly Plan II - Institutional Plan - Dividend(95,044 Units cumulated, 5,095,044 Units sold during the period) (Current Investments)	–	5,00.00
	– Units UTI Fixed Income Interval Fund - Quarterly Plan I - Institutional Plan - Dividend( 15,000,000 Units Purchased, 15,000,000 Units sold during the period) (Current Investments)	–	–
	– Units UTI Liquid Fund - Cash Plan - Institutional Plan - Daily Dividend( 494,158 Units Purchased, 87 Units cumulated, 494,245 Units sold during the period) (Current Investments)	–	–
	– Units UTI Short Term - Fixed Maturity Plan - Series 9 - Institutional Plan - Dividend (30,000,000 Units Purchased, 30,000,000 Units sold during the period) (Current Investments)	–	–
	<b>TOTAL-C</b>	<b>223,84.93</b>	<b>1348,53.17</b>
	<b>TOTAL A+B+C</b>	<b>287,73.62</b>	<b>1429,28.01</b>
Provision for diminution in value of long term investments		(9.17)	(9.17)
	<b>TOTAL</b>	<b>287,64.45</b>	<b>1429,18.84</b>
Aggregate book value of investments	Unquoted	240,17.74	1317,42.28
	Quoted - Market Value Rs. 71,08.70 lakhs (2007 - Rs. 287,83.32 lakhs)	47,46.71	111,76.56
	<b>TOTAL</b>	<b>287,64.45</b>	<b>1429,18.84</b>





Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Consolidated

Rs. lakhs

	As at 31st March, 2009		As at 31st December, 2007	
<b>12 OTHER CURRENT ASSETS</b>				
Income accrued on investments and deposits		15,96.38		12,39.32
Fixed assets held for sale (at net book value or estimated net realisable value, whichever is lower)		3,51.96		3,51.95
		19,48.34		15,91.27
Share of Joint Ventures - schedule 20 (b)		22.07		2,61.20
		<b>19,70.41</b>		<b>18,52.47</b>
<b>13 LOANS AND ADVANCES</b> (Unsecured, considered good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received including :	579,38.41		486,66.69	
(i) Rs. 133,83.18 lakhs (2007 - Rs. 136,06.42 lakhs) not due within one year				
Considered doubtful	40,01.41		30,77.85	
	619,39.82		517,44.54	
Less: Provision for doubtful advances	(40,01.41)		(30,77.85)	
	579,38.41		486,66.69	
Deposits with Customs, Port Trust, Excise, etc.	139,01.72		163,96.18	
Current taxation (payments in excess of provisions)	17,52.92		-	
Fringe Benefit Taxation (payments in excess of provision)	4,81.81		-	
	<b>740,74.86</b>		<b>650,62.87</b>	
Share of Joint Venture - schedule 20 (b)	21,12.46		19,29.78	
	<b>761,87.32</b>		<b>669,92.65</b>	
<b>14 LIABILITIES</b>				
Acceptances		883,60.18		880,25.03
Sundry creditors (Schedule 19)		3352,34.94		2912,04.73
Security advances		18,63.06		9,43.66
Dividends declared pending payment / encashment		49,42.81		69,63.16
		<b>4304,00.99</b>		<b>3871,36.58</b>
Share of Joint Venture - schedule 20 (b)		28,44.52		26,30.69
		<b>4332,45.51 *</b>		<b>3897,67.27 *</b>
*There is no amount due and outstanding to be credited to Investor Education and Protection Fund				



Hindustan Unilever Limited

## SCHEDULES

### to the Balance Sheet (Contd.)

Consolidated

Rs. lakhs

	As at 31st March, 2009	As at 31st December, 2007
<b>15 PROVISIONS</b>		
Current taxation (provisions in excess of payments) including tax on distributed profits	–	17,36.81
Fringe Benefit Taxation	–	15,45.03
Provision for retirement/post retirement benefits and other employee benefits	603,33.56	553,54.92
Proposed dividend	871,95.04	653,23.90
Miscellaneous provisions (Schedule 18)	59,61.49	41,55.75
	<b>1534,90.09</b>	<b>1281,16.41</b>
Share of Joint Venture - schedule 20 (b)	16,57.99	16,19.88
	<b>1551,48.08</b>	<b>1297,36.29</b>

- 16** Certain demands for increased wages, etc. received from workmen have been referred to adjudication. In the opinion of Hindustan Unilever Limited's management, the ultimate liability to the Company, if any, with respect to such demands would not have a material effect on the accounts.

Rs. lakhs

	As at 31st March, 2009	As at 31st December, 2007
<b>17 CONTINGENT LIABILITIES</b>		
(a) Claims made against Companies not acknowledged as debts and other matters		
Income-tax matters	278,89.75	261,00.83
Sales tax matters-gross Rs. 211,67.84 lakhs (2007 - Rs. 279,77.04 lakhs) net of tax	139,72.89	184,67.66
Excise and Custom Duty Matters- gross Rs. 86,37.86 lakhs (2007 - Rs. 72,83.04 lakhs) net of tax	57,03.55	48,07.54
Other Matters-gross Rs. 12,60.98 lakhs (2007 - Rs. 11,62.93 lakhs) net of tax	8,32.37	7,67.65
(b) Guarantees given to banks, etc. in respect of third parties	52.52	15,52.52
Share of Joint Venture - schedule 20 (b)	–	–

Note: Future cash outflows in respect of (a) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

Rs. lakhs

	As at 1st January, 2008	Provision made during the year	Amounts utilised / reversed during the year	As at 31st March, 2009
<b>18 PROVISIONS</b>				
Miscellaneous Provisions	41,55.75	25,00.00	(6,94.26)	59,61.49

Future cash outflow in respect of the above is determinable only on occurrence of uncertain future events.

### 19 MICRO AND SMALL SCALE BUSINESS ENTITIES

There are no Micro and Small Enterprises, to whom the Companies owes dues, which are outstanding for more than 45 days as at 31st March, 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Companies.



Hindustan Unilever Limited

## SCHEDULES

### to the Balance Sheet (Contd.)

Consolidated

**20** The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" and Accounting Standard 27 (AS 27) - "Financial Reporting of Interest in Joint Ventures", notified u/s 211 (3C) of the Companies Act, 1956.

(a) The subsidiaries (which along with Hindustan Unilever Limited, the parent, constitute the Group) considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	% voting power held as at 31st March, 2009	% voting power held as at 31st December, 2007
Unilever India Exports Limited	India	100	100
Bon Limited	India	100	100
Unilever Nepal Lever Limited	Nepal	80	80
Davershola Estates Private Limited	India	100	100
Ponds 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
Shamnagar Estates Private Limited	India	100	100
Brooke Bond Real Estates Private Limited	India	100	100
Lakme Lever Private Limited	India	100	-
Hindustan Unilever Field Services Private Limited	India	51	100

**(b) Interest in Joint Venture**

The Group's interest, in jointly controlled entity (incorporated Joint Venture) are :

Name of the Company	Country of Incorporation	% of ownership interest at 31st March, 2009	% of ownership interest at 31st December, 2007
Kimberly - Clark Lever Private Limited	India	50%	50%

The Financial Statements of the Joint Venture as audited by other auditors are drawn upto 31st March, 2009

Rs. lakhs

	As at 31st March, 2009	As at 31st December, 2007
<b>I ASSETS</b>		
1 Fixed Assets (including capital work in progress)	18,53.97	12,33.13
2 Current Assets, Loans and Advances		
a) Inventories	21,66.02	11,14.43
b) Sundry Debtors	4,51.05	2,96.96
c) Cash and Bank Balances	26,77.40	44,80.82
d) Other Current Assets	22.07	2,61.20
e) Loans and Advances	21,12.46	19,29.78
<b>II LIABILITIES</b>		
1 Shareholders Funds - Reserves and Surplus	(46,42.30)	(49,04.77)
2 Deferred Tax - Net	(1,38.16)	(1,60.97)
3 Current Liabilities and Provisions		
a) Liabilities	(28,44.52)	(26,30.69)
b) Provisions	(16,57.99)	(16,19.88)



Hindustan Unilever Limited

# SCHEDULES

to the Balance Sheet (Contd.)

Consolidated

Rs. lakhs

	For the year ended at 31st March, 2009	For the year ended at 31st December, 2007
<b>III INCOME</b>		
1 Sales (net of excise duty)	101,89.25	70,37.82
2 Other Income	5,77.04	3,73.34
<b>IV EXPENSES</b>		
1 Operating expenses	(101,30.55)	(63,27.66)
2 Depreciation	(1,83.22)	(1,31.51)
3 Profit before Taxation	4,52.52	9,51.99
4 Provision for Taxation (including deferred taxation & fringe benefit tax)	(15.27)	(3,51.07)
5 Net Profit	4,37.25	6,00.92
<b>V OTHER MATTERS</b>		
1 Contingent Liabilities	–	–
2 Capital Commitments	–	–
The movement of the aggregate reserves of the joint ventures are as under:		
Reserves as at 1st January	35,25.00	29,24.08
Add: Group share of Profits for the year	4,37.25	6,00.92
Reserves as at 31st March, 2009	39,62.25	35,25.00

**21** Previous year's figures have been regrouped wherever necessary to conform to this year's classification.



Hindustan Unilever Limited

**NOTES**

## to the Cash Flow Statement

Consolidated

**NOTES TO THE CASH FLOW STATEMENT FOR THE FIFTEEN MONTHS ENDED 31ST MARCH, 2009**

1. The cash flow statement has been prepared in accordance with the requirements of Accounting Standard 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
2. In view of note 12 to the profit and loss account, the current year's figures are not comparable with that of the previous year's figure.
3. Figures in brackets indicate cash outgo.
4. The previous year's figures have been regrouped / restated wherever necessary to conform to this year's classification.



Hindustan Unilever Limited

# SEGMENT INFORMATION

for the 15 Months Ended 31st March, 2009

Consolidated

## SEGMENT INFORMATION FOR THE 15 MONTHS ENDED 31ST MARCH, 2009 INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

Rs. lakhs

	15 Months ended 31st March, 2009			12 Months Ended 31st December, 2007		
	External	Intersegment	Total	External	Intersegment	Total
<b>REVENUE</b>						
Soaps and Detergents	9880,55.65		9880,55.65	6399,93.28		6399,93.28
Personal Products	5370,73.72		5370,73.72	3688,56.48		3688,56.48
Beverages	2294,46.24		2294,46.24	1540,63.09		1540,63.09
Foods	810,70.76		810,70.76	540,10.57		540,10.57
Ice Creams	235,14.33		235,14.33	161,49.78		161,49.78
Exports	1646,78.33	33,64.46	1680,42.79	1420,06.05	16,41.51	1436,47.56
Other Operations	544,35.28	7,92.63	552,27.91	304,40.00	6,82.41	311,22.41
<b>Total Segment</b>	<b>20782,74.31</b>	<b>41,57.09</b>	<b>20824,31.40</b>	<b>14055,19.25</b>	<b>23,23.92</b>	<b>14078,43.17</b>
Eliminations			(41,57.09)			(23,23.92)
<b>Total (see note 3 to Segment Information)</b>			<b>20782,74.31</b>			<b>14055,19.25</b>
<b>RESULT</b>						
Soaps and Detergents			1482,31.74			978,69.41
Personal Products			1429,61.46			1026,22.50
Beverages			308,29.99			230,02.07
Foods			1,49.87			15,20.04
Ice Creams			8,63.35			12,41.43
Exports			104,66.27			46,92.30
Other Operations			(101,51.09)			(69,18.90)
<b>Total Segment</b>			<b>3233,51.59</b>			<b>2240,28.85</b>
<b>Total</b>			<b>3233,51.59</b>			<b>2240,28.85</b>
Un-allocated expenditure net of un-allocated income			(365,20.07)			(285,61.22)
<b>Operating Profit</b>			<b>2868,31.52</b>			<b>1954,67.63</b>
Interest expenses			(26,44.79)			(26,48.58)
Interest / dividend income and surplus on disposal of investments (net) (net of provision / write back for diminution in long term investments and mark down of current investments)			192,74.04			222,59.28
Taxation for the year (including adjustments of previous years)			(539,20.51)			(409,04.87)
<b>Profit after taxation, before exceptional / extraordinary items and share of Associates Profit</b>			<b>2495,40.26</b>			<b>1741,73.46</b>
Exceptional items - income and expenditure (Segment)						
Detergents		(84,76.79)			6,55.96	
Personal Products		(29,30.63)			8,77.86	
Foods		(3,57.81)			5,83.69	
Beverages		(32,63.11)			1,87.86	
Ice-Creams		(1,05.02)			43.65	
Exports		(19,34.23)			5,24.69	
Other Operations		(1,60.67)			3,64.07	
			(172,28.26)			32,37.78
Exceptional items - income and expenditure (Unallocated/ Corporate)			164,55.69			139,40.93
Extra-ordinary item - income and expenditure (Segment)						
Foods			1,50.48			-
Extra-ordinary item - income and expenditure (Unallocated/ Corporate)			-			5,77.09
Taxation on the above			20,75.08			(46,19.13)
One time reduction in tax liability arising from amalgamation of Modern Food Industries (India) Limited (a wholly owned subsidiary) with Hindustan Unilever Limited			-			45,77.03
<b>Profit after exceptional /extraordinary items before share of Associates Profits</b>			<b>2509,93.25</b>			<b>1918,87.16</b>
Share of Associates net profit			-			-
<b>Profit before Minority Interests</b>			<b>2509,93.25</b>			<b>1918,87.16</b>



Hindustan Unilever Limited

# SEGMENT INFORMATION

Consolidated

for the 15 Months Ended 31st March, 2009 (Contd.)

## SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2009

### INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

Rs. lakhs

OTHER INFORMATION	Segment Assets		Segment Liabilities	
	As at 31st March, 2009	As at 31st December, 2007	As at 31st March, 2009	As at 31st December, 2007
Soaps and Detergents	2539,56.53	1883,67.41	(1947,69.36)	(1758,45.40)
Personal Products	1117,03.79	943,87.46	(1054,07.09)	(778,06.47)
Beverages	808,88.79	593,70.22	(482,27.94)	(540,21.88)
Foods	230,05.28	159,91.31	(186,02.73)	(158,45.83)
Ice Creams	135,59.87	115,38.19	(89,49.66)	(77,73.80)
Exports	548,32.31	607,32.29	(210,73.84)	(269,52.56)
Other Operations	102,24.54	92,12.72	(131,41.23)	(95,36.77)
<b>Total</b>	<b>5481,71.11</b>	<b>4395,99.60</b>	<b>(4101,71.85)</b>	<b>(3677,82.71)</b>
Unallocated Corporate Assets / (Liabilities)	<b>3172,26.14</b>	<b>2609,98.53</b>	<b>(2406,99.95)</b>	<b>(1814,49.85)</b>
<b>Total Assets / (Liabilities)</b>	<b>8653,97.25</b>	<b>7005,98.13</b>	<b>(6508,71.80)</b>	<b>(5492,32.56)</b>

Rs. lakhs

	Capital expenditure		Depreciation/Amortisation		Non - Cash expenses other than depreciation/amortisation	
	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
Soaps and Detergents	168,46.99	66,93.37	96,97.06	66,97.02	9,97.93	14,05.83
Personal Products	90,31.64	80,66.28	27,23.09	30,29.55	4,50.96	7,86.56
Beverages	29,12.06	13,73.57	8,66.18	8,79.79	2,57.59	3,93.86
Foods	35,78.72	5,61.68	5,53.72	3,50.21	84.73	1,15.61
Ice Creams	16,61.78	12,93.36	6,90.72	7,53.64	19.99	39.30
Exports	27,92.21	27,47.27	20,19.32	12,00.21	2,22.52	1,22.07
Other Operations	2,02.23	2,25.23	2,16.52	1,82.77	17.94	1,55.76
Unallocated Corporate Assets / (Liabilities)	248,82.77	147,09.42	32,30.89	10,97.40	-	-



Hindustan Unilever Limited

# SEGMENT INFORMATION

Consolidated

for the 15 Months Ended 31st March, 2009 (Contd.)

## SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2009 INFORMATION ABOUT SECONDARY BUSINESS SEGMENTS

Rs. lakhs

	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
<b>Revenue by Geographical Market</b>		
India	18950,70.26	12372,53.98
Outside India	1832,04.05	1682,65.27
<b>Total</b>	<b>20782,74.32</b>	<b>14055,19.25</b>
<b>Additions to Fixed Assets and Intangible Assets</b>		
India	369,21.07	207,44.43
Outside India	1,04.56	2,16.33
<b>Total</b>	<b>370,25.62</b>	<b>209,60.76</b>
<b>Carrying Amount of Segment Assets</b>		
India	5431,55.39	4332,47.59
Outside India	50,15.72	63,52.01
<b>Total</b>	<b>5481,71.11</b>	<b>4395,99.60</b>

**Notes :****1. Business Segments**

The business segment has been considered as the primary segment for disclosure. 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.
- Foods include Branded Staples (Atta, Salt, etc.), Culinary products (tomato based products, fruit based products, soups, etc.), Wheat based products (Bread, Supplementary Nutritional products, etc.).
- Ice Creams include Ice Creams and Frozen Desserts.
- Others include Chemicals, Agri seeds, Property Development, Water business etc. and the operations of Nepal Lever Limited, Nepal.

Segment Revenue relating to each of the above domestic business segments includes Income from Services provided, where applicable.

In addition, the Exports business segment includes sales of Marine products, Leather products etc. as well as sales of Soaps and Detergents, Personal products, Beverages and Foods, etc. by the Exports Division.

The above business segments have been identified considering :

- a) the nature of products and services
- b) the differing risks and returns
- c) the organisation structure, and
- d) the internal financial reporting systems.

The Company has changed its accounting year from January - December to April - March with effect from the current year. Accordingly, the current year's financial statements are for fifteen months from 1st January 2008 to 31st March 2009. The previous year's figures relate to 12 months ended 31st December 2007. Hence the above figures are non comparable.

**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.

**3. Revenue Comprises**

Rs. lakhs

	15 Months Ended 31st March, 2009	12 Months Ended 31st December, 2007
Sales	20501,10.25	13871,08.20
Income from services rendered (included in Other Income)	281,64.06	184,11.05
<b>Total</b>	<b>20782,74.31</b>	<b>14055,19.25</b>

**4. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.**



Hindustan Unilever Limited

Consolidated

## RELATED PARTY DISCLOSURES

for the 15 Months Ended 31st March, 2009

### RELATED PARTY DISCLOSURES

#### A. Enterprises where control exists

##### (i) Holding Company :

Unilever PLC

#### B. Other Related Parties with whom the company had transactions, etc.

##### (i) Fellow Subsidiaries :

Brooke Bond Assam Estates Limited  
 Brooke Bond Group Limited  
 Brooke Bond South India Estates Limited  
 Lever Faberge UK  
 Unilever U.K. Central Resources Limited  
 Unilever Overseas Holdings Limited  
 Unilever Australia Limited  
 Lever Brothers Bangladesh Limited  
 Unilever Canada  
 Unilever Cote d'Ivoire  
 Unilever Ghana Limited  
 Unilever Kenya Limited  
 Unilever New Zealand Limited  
 Lever Brothers Pakistan Limited  
 Unilever Singapore Pte Limited  
 Unilever Foods Espana, S.A Division Frigo  
 Unilever South Africa (Pty.) Limited  
 Unilever Ceylon Limited  
 Unilever Overseas Holdings AG  
 Lever Brothers West Indies Limited  
 Unilever Research Laboratory, Port Sunlight  
 Unilever Research Laboratory, Colworth House  
 BB Kenya Group  
 Unilever N.V.  
 Unilever Overseas Holdings B.V.  
 Unilever Brasil Limited  
 Lever Chile S.A.  
 Unilex Cameroon S.A.  
 Unilever France S.A.  
 Unilever International Paris  
 Unilever Deutschland GmbH  
 Lever Faberge Deutschland GmbH  
 Unilever Hong Kong Limited  
 BBL Japan K.K.  
 Nippon Lever K.K.  
 Sagit SPA, Italy

##### (i) Fellow Subsidiaries (Contd.):

Unilever Ethiopia  
 Unilever Philippines (Prc), Inc.  
 PT Unilever Indonesia TBK  
 Unilever Thai Trading Limited  
 Unilever Thai Holding Limited  
 Unilever Sanayi ve Ticaret Turk A.S  
 Unilever Home & Personal Care USA  
 Lever Egypt SAE  
 Lipton Division, Canada  
 Lever Arabia Limited  
 Lever Brothers Nigeria Limited  
 Lipton Soft Drinks (Ireland)  
 Lever Israel  
 Elida P/S, Vietnam  
 Unilever Polska  
 Lever International Marine Supplies (LIMS) BV  
 Unilever Gulf Free Zone Establishment, Arabia  
 Unilever (China) Limited  
 Unilever South Central Europe  
 Unilever Baltic LLC  
 Unilever Levant, Lebanon  
 Unilever Tuketim Urunleri Sat Pazarlama Ticaret A.S.  
 Unilever Best Foods, Vietnam  
 Unilever SNG, Russia  
 Unilever Taiwan Limited  
 Unilever Ukraine  
 Unilever Tuketim Mersin Serbest Bolge Subesi, Turkey  
 Towells Lever LLC, Arabia  
 Binzagr Lever Limited, Arabia  
 Unilever Industries Private Limited  
 Digital Securities Private Limited  
 Lever Faberge France  
 Unilever Tanzania Limited  
 Unilever Cambodia Limited  
 Lever Faberge Belgium  
 Unilever Maghreb Export SA, Tunisia  
 Unilever UK & CN Holdings, UK  
 Lipton Limited UK  
 Unilever (Malaysia) Holdings Sdn Berhad  
 Lever Ponds Division, Canada  
 Europalma International Insurance services B.V.  
 Lipton US Group



Hindustan Unilever Limited

## RELATED PARTY DISCLOSURES

Consolidated

for the 15 Months Ended 31st March, 2009 (Contd.)

**(i) Fellow Subsidiaries (Contd.):**

Lever Faberge Italia SPA  
 Unilever United States Inc.  
 Hefei Lever Detergents Co. Limited, China  
 Unilever Korea  
 Unilever Vietnam  
 Unilever Canada Foods  
 Unilever Nigeria  
 Lipton Limited (Head Office) / Lipton Tea Supply Limited  
 Unilever Market Development SA  
 Bahrain Technical & Trading Co. W.L.L  
 Unilever Bestfoods Benelux B.V. Netherlands  
 Bestfoods Germany  
 Bestfoods Nordic AS (Denmark)  
 Unilever Bestfoods Ireland  
 Frozen Fish International GmbH, Germany  
 Unilever Uganda Limited  
 Unilever Finland OY  
 Unilever Sverige AB  
 Unilever UK Food Manchester  
 Unilever Iran P.J.S.C  
 Unilever Magyarorszang KFT  
 Commercial United for Import  
 Unilever Germany GmbH - HPC  
 Unilever Mozambique LDA  
 Unilever Schweiz GmbH  
 Unilever Trading LLC  
 Elida Faberge Limited  
 Unilever Market Limited  
 Unilever Port Sunlight  
 Fine Tea Egypt  
 Unilever Japan  
 Unilever Pakistan  
 Unilever Supply Chain Company  
 Unilever Algerie  
 Unilever Czech Republic  
 Unilever De Argetina SA  
 Unilever De Mexico De RL  
 Unilever Espana SA  
 Unilever Mashreq Int  
 Unilever Australia Export Pty. Limited  
 Unilever Asia Pte. Limited  
 Unilever South Korea

**(i) Fellow Subsidiaries (Contd.):**

Mashreq For Manufacturing Tea Limited, Egypt  
 Unilever Hellas  
 Elida Nepal Limited  
 Lipton Tea Supply, Kenya  
 Severn Gulf FZE

**(ii) Joint Ventures :**

Kimberly Clark Lever Private Limited

**(iii) Associate :**

Cap Gemini Business Services (India) Limited

**(iv) Key Management Personnel :**

Harish Manwani  
 Douglas Baillie (upto 4th April 2008)  
 D.Sundaram  
 Leena Nair (from June 2007)  
 Hemant Bakshi (from September 2008)  
 Dhaval Buch  
 Nitin Paranjpe  
 Ashok Gupta (from June 2007)  
 Shrijeet Mishra (from June 2007)  
 Ramamurthy Sridhar (from February 2009)  
 Gopal Vittal (from July 2008)  
 Sanjiv Kakkar (upto August 2008)  
 S.Ravindranath (upto April 2007)  
 S.Dube (upto June 2007)  
 M.K.Sharma (upto May 2007)

**(v) Employees' Benefit Plans where there is significant influence :**

Hind Lever Gratuity Fund  
 The Union Provident Fund  
 The Hind Lever Provident Fund  
 The Hind Lever Pension Fund



Hindustan Unilever Limited

## RELATED PARTY DISCLOSURES

Consolidated

for the 15 Months Ended 31st March, 2009 (Contd.)

### Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2009

		Rs. lakhs	
		15 Months ended 31st March, 2009	12 Months Ended 31st December, 2007
<b>i) Holding Company</b>	:		
		516,62.44	715,32.61
		116,17.17	75,62.87
		267,72.77	164,41.35
	Outstanding balances :		
	Receivables at the period end	42,75.70	34,07.07
<b>ii) Fellow Subsidiaries</b>	:		
	Sale of finished goods / raw materials etc.	983,25.30	778,03.19
	Sale of fixed assets	-	18.64
	Rent Received	1,37.50	1,10.00
	Income from services rendered	8,61.46	8,48.22
	Expenses shared by a fellow subsidiary	7.50	6.00
	Purchase of goods	257,44.56	119,14.37
	Dividend paid	221,02.78	306,03.83
	Royalty paid	2,20.01	1,56.59
	Revenue expenses in relation to purchase of Intangible Asset	4,46.01	-
	Purchase of Fixed Assets	1.16	-
	Purchase of Intangible Asset	38,72.66	-
	Advances and loans :		
	Receivables	110,15.62	197,27.99
	Payables	61,54.39	7,84.27
<b>iii) Joint Ventures</b>	:		
	Purchase of goods	225,34.21	136,81.90
	Other income	2,91.88	2,04.50
	Dividend received	5,98.13	4,35.00
	Advances and loans :		
	Receivables	5,26.86	14.90
<b>iv) Associate</b>	:		
	Expenses for services received	49,26.79	33,57.62
	Outstanding receivable at the period end	2,98.99	39.20
<b>v) Key Management Personnel</b>	:		
	Remuneration	20,42.26	15,56.47
	Rent paid	25.50	9.55
	Dividend paid	11.62	11.96
<b>vi) Employees' Benefit Plans where there is significant influence</b>	:		
	Contributions during the period	75,06.22	40,75.42
	Outstanding receivables at the period end	7,52.10	9,33.04
	Outstanding payables at the period end	-	5,19.67



Hindustan Unilever Limited

## RELATED PARTY DISCLOSURES

Consolidated

for the 15 Months Ended 31st March, 2009 (Contd.)

**Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the period.**

Rs. lakhs

	15 Months ended 31st March, 2009	12 Months Ended 31st December, 2007
<b>Sale of finished goods / raw materials etc.</b> Unilever Gulf Free Zone Establishment, Arabia	252,52.45	251,20.89
<b>Sale of fixed assets</b> Unilever Gulf Free Zone Establishment, Arabia	–	18.64
<b>Expenses shared by subsidiary companies / fellow subsidiary companies</b> Digital Securities Private Limited	7.50	6.00
<b>Dividend received</b> Kimberly Clark Lever Private Limited	5,98.13	4,35.00
<b>Rent received</b> Unilever Industries Private Limited	1,37.50	1,10.00
<b>Purchase of fixed assets</b> Unilever Home & Personal Care USA	1.16	–
<b>Purchase of goods</b> Kimberly Clark Lever Private Limited	225,34.21	136,81.90
Unilever Supply Chain Company	62,34.98	–
Unilever Australia Limited	62,32.70	25,64.14
Unilever Thai Holdings Limited	–	41,33.38
<b>Rent paid</b> D.Sundaram	7.50	4.22
S.Ravindranath	–	2.83
M.K.Sharma	–	2.50
Ashok Gupta	18.00	–
<b>Other income</b> Kimberly Clark Lever Private Limited	2,91.88	2,04.50
<b>Dividend paid</b> Unilever PLC	516,62.44	715,32.61
<b>Royalty paid</b> Unilever PLC	116,17.17	75,62.87
<b>Outstanding balances payables at the period end</b> Unilever N.V.	24,88.78	1,46.15
Unilever Supply Chain Company	15,92.41	–
Lipton Limited UK	9,38.84	–
Unilever Singapore Pte Limited	9,11.84	–
The Union Provident Fund	–	5,19.67
Lipton Limited (Head Office) / Lipton Tea Supply Limited	–	4,63.46
<b>Outstanding balances receivables at the period end</b> Unilever PLC	42,75.70	34,07.07
Unilever Philippines (Prc), Inc.	19,02.38	–
Unilever Gulf Free Zone Establishment, Arabia	–	55,37.91
<b>Income from services rendered</b> Unilever PLC	267,72.77	164,41.35
<b>Expenses for services received</b> Cap Gemini Business Services(India) Limited	49,26.79	33,57.62
<b>Remuneration</b> D.Sundaram	3,47.28	1,78.22
Douglas Baillie	–	4,91.34
Sanjiv Kakkar	–	2,15.61
Nitin Paranjpe	3,26.69	2,28.27
Dhaval Buch	2,26.44	–
Gopal Vittal	2,31.81	–
<b>Revenue expenses in relation to purchase of Intangible Asset</b> Unilever N.V.	4,46.01	–
<b>Purchase of Intangible Asset</b> Unilever Singapore Pte Limited	27,87.21	–
Unilever N.V.	10,85.44	–
<b>Contributions during the period</b> The Union Provident Fund	29,22.67	17,29.22
The Hind Lever Pension Fund	25,87.97	19,56.74
Hind Lever Gratuity Fund	19,95.58	–
The Hind Lever Provident Fund	–	3,89.46



Hindustan Unilever Limited

# AUDITORS' REPORT

Consolidated

## to the Board of Directors of Hindustan Unilever Limited

1. We have audited the attached consolidated Balance Sheet of Hindustan Unilever Limited, its subsidiaries and a joint venture (the Group) as at 31st March, 2009 and the related consolidated Profit and Loss Account and consolidated Cash Flow Statement for the period from 1st January, 2008 to 31st March, 2009 annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of a subsidiary and a joint venture whose financial statements reflect the Group's share of total assets of Rs. 156,05.28 lakhs as at 31st March 2009 and the Group's share of total revenues of Rs. 299,92.53 lakhs and net cash outflows amounting to Rs. 13,92.05 lakhs for the period ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this subsidiary and the joint venture, is based solely on the reports of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 – Consolidated Financial Statements and Accounting Standard 27 – Financial Reporting of Interest in Joint Ventures, notified under sub-section (3C) of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009;
  - (ii) in the case of the consolidated Profit and Loss Account, of the profit for the period ended on that date; and
  - (iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the period ended on that date.

**Sharmila A. Karve**

*Partner*

Membership No: 43229

For and on behalf of

**Lovelock & Lewes**

*Chartered Accountants*

Mumbai : 10th May 2009



Hindustan Unilever Limited

# STATEMENT PURSUANT TO SECTION 212

## of the Companies Act, 1956

Rs. Lakhs

Name of the subsidiary Company (1)	Financial year ending of the subsidiary (2)	Number of equity shares held (3)	Extent of holding (4)	For financial year of the subsidiary		For the previous financial years since it became a subsidiary	
				Profits/(Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col. 6) (5)	Profits/(Losses) so far it concerns the members of the holding company and dealt with in the books of account of the holding company (6)	Profits/(Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col. 8) (7)	Profits/(Losses) so far it concerns the members of the holding company and dealt with in the books of account of the holding company (8)
Unilever India Exports Limited	31-3-09	25,10,000	100%	3,40.74	-	84,07.97	60,86.75
Pond's Exports Limited	31-3-09	98,00,147	100%	(10,36.84)	-	(3,60.09)	-
Hindustan Unilever Field Services Private Limited	31-3-09	6,37,500	51%	12.89	-	-	-
Bon Limited	31-3-09	1,00,00,000	100%	(2,84.09)	-	(52,71.11)	-
Brooke Bond Real Estates Private Limited	31-3-09	1,29,46,000	100%	(3,00.69)	-	-	-
Jamnagar Properties Private Limited	31-3-09	50,00,000	100%	(14.31)	-	(14.29)	-
Shamnagar Estates Private Limited	31-3-09	1,50,00,000	100%	(20.88)	-	(20.88)	-
Daverashola Estates Private Limited	31-3-09	2,21,700	100%	(1.69)	-	(32.03)	-
Unilever Nepal Limited							
- Nepalese Rs.	15-07-08 (Ashaad 31, 2065)	7,36,560	80%	26,80.97	23,93.82	108,63.75	97,22.00
- Indian Rs. [Refer Note (ii)]	-	-	-	16,75.61	14,96.14	67,89.85	60,75.70
Lakme Lever Private Limited	31-3-09	50,000	100%	-	-	-	-

Changes in Company's interest in Unilever Nepal Limited between 16th July, 2008 and 31st March, 2009 : Nil

Material changes between 16th July, 2008 and 31st March, 2009 in respect of fixed assets of, investments of, moneys lent and moneys borrowed (other than meeting current liabilities) by Unilever Nepal Limited : NIL

Note : i) Hindustan Unilever Limited held the whole of the paid-up capital of Levers Associated Trust Limited, Levindra Trust Limited and Hindlever Trust Limited which were non-profit making organisations

ii) Converted into Indian Rupees at the Exchange rate INR 1 = 1.6 Nepalese Rupees

**Nitin Paranjpe**  
**D. Sundaram**  
**Ashok Gupta**

**Vivek Subramanian**  
**D. S. Parekh**

*Managing Director and CEO*  
*Vice Chairman and CFO*  
*Executive Director - Legal*  
*and Company Secretary*  
*Group Corporate Accountant*  
*Chairman, Audit Committee*

Mumbai : 10th May 2009



Hindustan Unilever Limited

# SUBSIDIARY

## Companies' Particulars

Particulars regarding subsidiary companies, pursuant to letter No.47/306/2009-CL-III dated 29th April, 2009 from Ministry of Company Affairs

Rs. Lakhs

Name of the Subsidiary Company	Issued and subscribed share capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed Dividend
Unilever India Exports Limited	2,51.00	25,31.19	51,06.00	(23,23.81)	-	-	36.82	(2,67.42)	(2,30.60)	-
Pond's Exports Limited	9,80.01	(13,85.53)	33,51.93	(37,57.45)	0.50	104,72.79	(6,43.15)	(1,10.52)	(7,53.67)	-
Hindustan Unilever Field Services Private Limited	1,25.00	1.91	17,66.04	(16,39.13)	-	56,55.93	1,67.33	(1,42.05)	25.28	19.98
Bon Limited	10,00.00	(55,32.91)	6,50.29	(51,83.20)	-	-	(2,82.79)	(1.30)	(2,84.09)	-
Brooke Bond Real Estates Private Limited	12,94.60	(3,00.69)	12,65.86	(2,71.95)	-	-	(53.42)	(2,47.27)	(3,00.69)	-
Jamnagar Properties Private Limited	5,00.00	(28.60)	4,71.40	-	-	-	(14.31)	-	(14.31)	-
Shamnagar Estates Private Limited	15,00.00	(41.75)	14,58.25	-	-	-	(20.88)	-	(20.88)	-
Daverashola Estates Private Limited	22.17	3,95.53	4,46.92	(29.22)	-	-	(0.54)	(1.15)	(1.69)	-
Unilever Nepal Limited										
- Nepalese Rs.	9,20.70	17,86.11	108,52.54	(81,45.73)	18,36.50	214,45.89	43,31.22	(9,80.00)	33,51.22	(29,92.28)
- Indian Rs. [Refer Note (i)]	5,75.44	11,16.32	67,82.84	(50,91.08)	11,47.81	134,03.68	27,07.01	(6,12.50)	20,94.51	(18,70.17)
Levers Associated Trust Limited	5.00	-	5.00	-	-	-	-	-	-	-
Levindra Trust Limited	5.00	-	5.00	-	-	-	-	-	-	-
Hindlever Trust Limited	5.00	-	5.00	-	-	-	-	-	-	-
Lakme Lever Private Limited	5.00	-	5.00	-	-	-	-	-	-	-

- Note : i) Converted into Indian Rupees at the Exchange rate INR 1 = 1.6 Nepalese Rupees  
ii) The aforesaid data in respect of the subsidiaries are as on 31st March, 2009 other than Unilever Nepal Limited where it is as on 15th July, 2008

**Nitin Paranjpe**  
**D. Sundaram**  
**Ashok Gupta**

*Managing Director and CEO*  
*Vice Chairman and CFO*  
*Executive Director - Legal*  
*and Company Secretary*  
*Group Corporate Accountant*  
*Chairman, Audit Committee*

**Vivek Subramanian**  
**D. S. Parekh**

Mumbai : 10th May 2009



Hindustan Unilever Limited

## INVESTOR SAFEGUARDS

In order to serve you better and avoid risks while dealing in securities, you are requested to follow the general safeguards as detailed hereunder:

### Update your Address

To receive all communications promptly, please update your address with the Company or Depository Participants, as the case may be.

### Prevention of Frauds

Certain instances of fraudulent transactions relating to dormant folios have been observed in the cases where the shareholder has either expired or has gone abroad. Hence we urge you to exercise due diligence and notify us of any change in address, stay abroad or demise of any shareholder as soon as possible. Do not leave your demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

### Confidentiality of Security Details

Do not disclose your Folio Nos./DP ID/Client ID to unknown persons. Do not hand over signed blank transfer deeds, delivery instruction slips to any unknown persons.

### Dealing of Securities with Registered Intermediaries

Members must ensure that they deal with only SEBI registered intermediaries and must obtain a valid contract note/confirmation memo from the broker/sub-broker, within 24 hours of execution of the trade and it should be ensured that the Contract Note/Confirmation Memo contains order no., trade no., trade time, quantity, price and brokerage.

### PAN Requirement for Transfer of Shares in Physical Form

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for securities market transactions and off market/private transactions involving transfer of shares in physical form of listed companies. Therefore, it shall be mandatory for the transferee(s) to furnish a copy of the PAN card to the Company/Registrar and Share Transfer Agents for registration of such transfers. Members/Investors are therefore requested to make note of the same and submit their PAN card copy to the Company/ Registrar and Share Transfer Agents.

### Consolidate your Multiple Folios

Members are requested to consolidate their share holdings held under multiple folios to save them from the burden of receiving multiple communications and corporate benefits.

### 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. Members who are still holding the share certificates of the face value of Rs 10/- each are requested to forward their old share certificates (which are no longer tradable in market and will not be accepted by the DPs for demat) to Karvy Computershare Private Limited, along with a request letter signed by all the holders for exchange of shares. The exchanged share certificate(s) of Re. 1/- will help you demat your shares expeditiously.

### Register your ECS Mandate and Nomination

During the month of January 2009, the Company had dispatched a circular along with a Business Reply Envelope (BRE) to all the relevant shareholders, requesting them to register their ECS Mandates and Nominations. The Company had also offered to help demat the physical shares. It appears from the Company's records that there are quite a few Members who have not responded to the circular which was essentially sent for investor's protection. Those Members who have not registered their ECS Mandate or Nomination are requested to send their response using BRE envelope dispatched by the Company.

If your bank particulars have changed either due to your banker having migrated their operation to core banking solutions and/or merged with another bank, please arrange to register the ECS Mandate with the revised bank particulars.

### Unclaimed Dividend

To ensure maximum disbursement of unclaimed dividends, the Company sends two reminders to the relevant investors, before transfer of dividends to IEPF. Your Company is exploring the possibility of remitting the past dividends, as per the latest ECS mandates registered with the Company.

### Payment of Dividend

Your Company has made continuous efforts to increase the credit of dividend disbursement through electronic media. To enhance the service levels further, your Company will now explore the possibility of using National-ECS (n-ECS) for dividend remittance. The number of ECS locations has now been increased from 55 to 69.



Hindustan Unilever Limited

## INVESTOR SAFEGUARDS

### List of ECS Locations

Sr. No.	Location	Sr. No.	Location	Sr. No.	Location
1	: AGRA	24	: HALDIA	47	: NEW DELHI
2	: AHMEDABAD	25	: HUBLI	48	: NELLORE
3	: ALLAHABAD	26	: HYDERABAD	49	: PANJIM
4	: AMRITSAR	27	: INDORE	50	: PATNA
5	: AURANGABAD	28	: JABALPUR	51	: PONDICHERY
6	: BANGALORE	29	: JAIPUR	52	: PUNE
7	: BARODA	30	: JALANDHAR	53	: RAIPUR
8	: BELGUM	31	: JAMMU	54	: RAJKOT
9	: BHILWARA	32	: JAMNAGAR	55	: RANCHI
10	: BHOPAL	33	: JAMSHEDPUR	56	: SALEM
11	: BHUBANESWAR	34	: JODHPUR	57	: SHIMLA
12	: BURDHWAN	35	: KAKINADA	58	: SHOLAPUR
13	: CALICUT	36	: KANPUR	59	: SILIGURI
14	: CHANDIGARH	37	: KOLHAPUR	60	: SURAT
15	: CHENNAI	38	: KOLKATA	61	: THIRUVANANTHAPURAM
16	: COCHIN	39	: LUCKNOW	62	: TIRUPATI
17	: COIMBATORE	40	: LUDHIANA	63	: TRICHUR
18	: DEHRADUN	41	: MADURAI	64	: TRICHY
19	: DHANBAD	42	: MANGALORE	65	: UDAIPUR
20	: ERODE	43	: MUMBAI	66	: UDUPI
21	: GORAKHPUR	44	: MYSORE	67	: VARANASI
22	: GUWAHATI	45	: NAGPUR	68	: VIJAYAWADA
23	: GWALIOR	46	: NASIK	69	: VISHKHAPATNAM

For locations other than the above, the Company will continue to explore the possibility of remitting the dividend electronically using ECS details.

1. If you are located at any of the above ECS centres and have not registered your ECS, please arrange to forward your ECS Mandate to your DP if the shares are held in demat mode, or to the Company/its Registrars, if the shares are held in physical form, immediately.
2. Even if you are not located at the above ECS centers, please register your ECS (as stated in point 1 above), as the Company and its bankers will make best endeavors to remit dividend electronically by other electronic modes.
3. If your bank particulars have changed for any reason, please arrange to register the ECS with the revised bank particulars.

The Company will continue to use the ECS Mandate for remittance of dividend either through ECS or other electronic modes failing which the bank details will be printed on dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time. Members having shares in physical form may either access the Company's website [www.hul.co.in](http://www.hul.co.in) for downloading the ECS Registration form or obtain it from the Company/its Registrar.



Hindustan Unilever Limited

## CORPORATE INFORMATION

**REGISTERED OFFICE** : 165/166, Backbay Reclamation, Mumbai - 400 020.

**SOLICITORS** : Crawford Bayley & Co.

**AUDITORS** : Lovelock & Lewes

**BANKERS** : ABN AMRO Bank  
Bank of America  
Bank of Baroda  
Citibank N. A.  
Corporation Bank  
Deutsche Bank  
HDFC Bank  
Hongkong & Shanghai Banking Corporation  
ICICI Bank  
Indian Bank  
Punjab National Bank  
Standard Chartered Bank  
State Bank of Hyderabad  
State Bank of India  
Union Bank of India

### PLANT LOCATIONS

#### Northern Region

Location	Address
BAROTIWALA	<ul style="list-style-type: none"> <li>Khasra No. 94-96, 355-409, Village Balyana, Barotiwala IA, Tehsil Kasauli, District Solan, Himachal Pradesh - 174 103</li> </ul>
KHALILABAD	<ul style="list-style-type: none"> <li>Plot No. D34-D38, UPSIDC Industrial Area, District Sant Kabir Nagar, Khalilabad -271 175, Uttar Pradesh</li> </ul>
ETAH – BEVERAGES	<ul style="list-style-type: none"> <li>G. T. Road, Etah – 207 001, Uttar Pradesh</li> </ul>
ETAH - INSTANT TEA EXPORTS	<ul style="list-style-type: none"> <li>Kasganj Road, Etah - 207 001, Uttar Pradesh</li> </ul>
HARIDWAR	<ul style="list-style-type: none"> <li>Plot No. 1, Sector 1A, Integrated Industrial Estate, Ranipur, Haridwar - 249 403, Uttaranchal</li> </ul>
NALAGARH	<ul style="list-style-type: none"> <li>Hudbust No. 143, Khasra No. 182, 183, 187/1, Village - Kirpalpur, Tehsil-Nalagarh, District Solan, Himachal Pradesh - 174 101</li> <li>Khasra No. 1350 – 1318, Bhatoli Kalan, Hill Top Industrial Area, Jharmajri, Tehsil Nalagarh, District Solan - 173 295</li> </ul>
ORAI	<ul style="list-style-type: none"> <li>A-1, Industrial Area, UPSIDC, Orai, Jalanun, Uttar Pradesh</li> </ul>
RAJPURA	<ul style="list-style-type: none"> <li>A-5, Phase II-B, Focal Point, Rajpura - 140 401, Punjab</li> </ul>
SUMERPUR	<ul style="list-style-type: none"> <li>A-1, UPSIDC Industrial Area, Bharua, Sumerpur, Hamirpur - 210 502, Uttar Pradesh</li> </ul>

#### Southern Region

Location	Address
COCHIN	<ul style="list-style-type: none"> <li>Tatapuram PO, Cochin – 682 014, Kerala</li> <li>Edapally, Cochin – 682 024, Kerala</li> </ul>
DHARWAD	<ul style="list-style-type: none"> <li>Plot No.125/126, KIADB Industrial Area, Dharwad, Belur - 580 011, Karnataka</li> </ul>
HOSUR	<ul style="list-style-type: none"> <li>Plot No.50 &amp; 51, SIPCOT Industrial Complex, Hosur - 635 109, Tamilnadu</li> </ul>
MANGALORE	<ul style="list-style-type: none"> <li>Sultan Batter Road, Bloor, Mangalore – 575 003, Karnataka</li> </ul>
MYSORE	<ul style="list-style-type: none"> <li>Plot No. 424, Hebbal Industrial Area, Mysore – 570 016, Karnataka</li> </ul>
PONDICHERRY	<ul style="list-style-type: none"> <li>Off NH 45-A, Vadamangalam, Pondicherry - 605 102</li> <li>No. 3, Cuddalore Road, Kirumambakkam, Pondicherry – 607 402</li> </ul>



Hindustan Unilever Limited

## CORPORATE INFORMATION

### Eastern Region

Location	Address
TINSUKIA	<ul style="list-style-type: none"> <li>Dag No. 21 of 122 FS Grants, Mouza-Tingrai, Off NH No. 37, Doom Dooma Industrial Estate, Tinsukia - 786 151, Assam</li> </ul>
HALDIA	<ul style="list-style-type: none"> <li>PO Durgachak, Haldia - 721 602, West Bengal</li> </ul>
KOLKATA	<ul style="list-style-type: none"> <li>1, Transport Depot Road, Kolkata - 700 088, West Bengal</li> <li>63, Garden Reach, Kolkata - 700 024, West Bengal</li> <li>P10 Taratola Road, Kolkata - 700 088, West Bengal</li> </ul>

### Western Region

Location	Address
KHAMGAON	<ul style="list-style-type: none"> <li>C-9, MIDC, Khamgaon - 444 303, District Buldhana, Maharashtra</li> </ul>
CHHINDWARA	<ul style="list-style-type: none"> <li>5/6 KM stone, Narsinghpur Road, Lehgadua, Chhindwara - 480 002, Madhya Pradesh</li> </ul>
CHIPLUN	<ul style="list-style-type: none"> <li>Plot No. B-7, Lote Parshuram MIDC, Khed Taluka, District Ratnagiri, Chiplun – 415 722, Maharashtra</li> </ul>
GOA	<ul style="list-style-type: none"> <li>Plot No. 132-139, Kundaim Industrial Estate, Kundaim, Goa – 403 115</li> </ul>
KALWA	<ul style="list-style-type: none"> <li>Plot No. 7 &amp; 7A, MIDC Industrial Area, Thane - Belapur Road, Post Airoli, Maharashtra</li> </ul>
KANDLA	<ul style="list-style-type: none"> <li>Shed Nos. 177 &amp; 178, Sector -I, Plot Nos. 253-257, Sector IV Kandla Special Economic Zone, Gandhidham - 370 230, Gujarat</li> <li>Shed Nos. 42/47, Sector - II, Kandla Free Trade Zone, Kandla, Gandhidham - 370 230, Gujarat</li> </ul>
MUMBAI	<ul style="list-style-type: none"> <li>Aarey Milk Colony, Goregaon, Mumbai – 400 065, Maharashtra</li> </ul>
NASIK	<ul style="list-style-type: none"> <li>Plot No. A 8/9, MIDC, Malegaon, Sinnar - 422 103, Maharashtra</li> </ul>
PUNE	<ul style="list-style-type: none"> <li>Nutan Warehousing Complex, Pune Saswad Road, Fursungi, Pune - 412 308, Maharashtra</li> </ul>
SILVASSA	<ul style="list-style-type: none"> <li>Survey No. 151/1/1, Village Dapada, Khanvel Road, Silvassa - 396 230</li> <li>Survey No. 907, Kilwali Road, Amla Village, Near Gandhidham Bus Stop, Silvassa - 396 230</li> <li>Orient Press Complex, Survey No. 297/1/2, Dungrapada, Village Saily, Silvassa - 396 230</li> <li>Survey No. 46/11, Plot No 16, Naroli Road, Village Athal, Silvassa - 396 230</li> </ul>



Hindustan Unilever Limited

Registered Office : 165/166, Backbay Reclamation, Mumbai - 400 020.

## PROXY FORM

I/We.....  
of.....being  
a Member/Members of the above named Company, hereby appoint Mr./Ms.....  
of .....or failing him/her  
Mr./Ms.....of.....  
.....as my/our Proxy to attend and vote for me/us on my/our behalf at the 76th Annual General Meeting of the Company, to be held on Friday, 3rd July, 2009 at 2.30 P.M. and at any adjournment thereof.

I wish my above Proxy to vote in the manner as indicated in the box below\*:

Reso. No.	Description	For	Against
1.	Adoption of Annual Accounts and Reports thereon for the period ended 31st March, 2009		
2.	Declaration of Dividend		
3.	Re-election of the following persons as Director : a) Mr. H. Manwani b) Mr. D. S. Parekh c) Prof. C. K. Prahalad d) Mr. A. Narayan e) Mr. S. Ramadorai f) Dr. R. A. Mashelkar		
4.	Appointment of M/s. Lovelock & Lewes as Auditors of the Company and to fix their remuneration for the year ending 31st March, 2010.		
5.	Appointment of Mr. Dhaval Buch as a Director of the Company		
6.	Appointment of Mr. Gopal Vittal as a Director of the Company		
7.	Appointment of Mr. Sridhar Ramamurthy as a Director of the Company		
8.	To appoint Mr. Dhaval Buch as a Wholetime Director of the Company and to fix his remuneration.		
9.	To appoint Mr. Gopal Vittal as a Wholetime Director of the Company and to fix his remuneration.		
10.	To appoint Mr. Sridhar Ramamurthy as a Wholetime Director of the Company and to fix his remuneration.		

Signed this.....day of.....2009.

Reference Folio No./DP ID & Client ID

No. of shares.....

Signature

Affix  
Revenue  
Stamp

### Notes :

- The Proxy, to be effective, should be deposited at the Registered Office of the Company at 165/166, Backbay Reclamation, Mumbai 400 020 not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.
- A Proxy need not be a Member of the Company.
- \* This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. 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. Should you so desire, you may also appoint the Chairman or the Company Secretary of the Company as your Proxy, who shall carry out your mandate as indicated above in the event of a poll being demanded at the Meeting.







## Our Corporate Purpose

Our mission is to add Vitality to life. We meet everyday needs for nutrition, hygiene and personal care with brands that help people feel good, look good and get more out of life.

Our deep roots in local cultures and markets around the world give us our strong relationship with consumers and are the foundation for our future growth. We will bring our wealth of knowledge and international expertise to the service of local consumers - a truly multi-local multinational.

Our long-term success requires a total commitment to exceptional standards of performance and productivity, to working together effectively, and to a willingness to embrace new ideas and learn continuously.

To succeed also requires, we believe, the 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 sustainable, profitable growth, creating long-term value for our shareholders, our people, and our business partners.



**Registered Office**  
165/166, Backbay Reclamation,  
Mumbai - 400 020.  
[www.hul.co.in](http://www.hul.co.in)