

HINDUSTAN UNILEVER LIMITED

MINUTES OF THE 79TH ANNUAL GENERAL MEETING OF THE MEMBERS OF HINDUSTAN UNILEVER LIMITED HELD AT THE REGISTERED OFFICE OF THE COMPANY AT UNILEVER HOUSE, B. D. SAWANT MARG, CHAKALA, ANDHERI EAST, MUMBAI 400 099, ON MONDAY, 23RD JULY, 2012, AT 10.30 A.M.

Present:

<b>Mr. Harish Manwani</b>	<b>Non-Executive Chairman of the Board of Directors and as a Member of the Company</b> Also, as an Authorised Representative of Unilever PLC, Brooke Bond Group Limited, Brooke Bond Assam Estates Limited, Brooke Bond South India Estates Limited, Unilever Overseas Holdings AG., Unilever Overseas Holdings B.V. and Unilever UK & CN Holdings Limited and a proxy for 11 Members
<b>Mr. Nitin Paranjpe</b>	<b>Managing Director &amp; CEO and as a Member of the Company</b>
<b>Mr. Aditya Narayan</b>	<b>Independent Director</b> Also, as the Chairman of the Audit Committee of the Company
<b>Mr. S. Ramadorai</b>	<b>Independent Director and as a Member of the Company</b> Also, as the Chairman of the Remuneration Committee of the Company
<b>Dr. R. A. Mashelkar</b>	<b>Independent Director</b>
<b>Mr. O. P. Bhatt</b>	<b>Independent Director</b> Also, as the Chairman of the Shareholders'/ Investors' Grievance Committee of the Company
<b>Mr. Sridhar Ramamurthy</b>	<b>Executive Director - Finance &amp; IT and CFO and as a Member of the Company</b>
<b>Mr. Pradeep Banerjee</b>	<b>Executive Director - Supply Chain and as a member of the Company</b>
<b>Ms. Leena Nair</b>	<b>Executive Director - Human Resources and as a Member of the Company</b>
<b>Mr. Hemant Bakshi</b>	<b>Executive Director – Home &amp; Personal Care and as a Member of the Company</b>
<b>Ms. Geetu Verma</b>	<b>Executive Director - Foods</b>



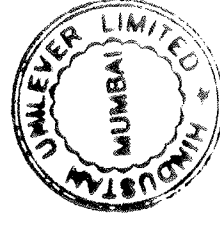
**Mr. Manish Tiwari**

**Executive Director - Customer Development  
and as a Member of the Company**

**Mr. Dev Bajpai**

**Executive Director - Legal and Company  
Secretary and as a Member of the Company**

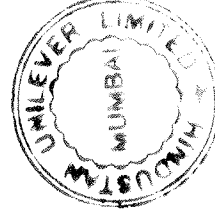
1. Mr. Marco Wadia, Partner of M/s. Crawford Bayley & Co., the Solicitors of the Company and Mr. Pradip Kanakia, Audit Partner of M/s. Lovelock & Lewes, Auditors of the Company were present by invitation.
2. In addition, 1382 Members were present in person and 389 Members were represented by their proxies.
3. In accordance with Article 82 of the Articles of Association, Mr. Harish Manwani, Chairman of the Board of Directors took the Chair.
4. The following documents and Registers were placed on the table:
  - (i) Directors' Report for the financial year ended 31st March, 2012.
  - (ii) The Audited Accounts and Auditors' Report thereon for financial year ended 31st March, 2012.
  - (iii) The Proxy Register with 407 valid proxies lodged with the Company in connection with the 79th Annual General Meeting (remained open for inspection during the meeting).
  - (iv) The Register of Directors' shareholdings (remained open for inspection during the meeting).
  - (v) Auditors' Certificate in respect of Employees' Stock Option Plan of the Company (remained open for inspection during the meeting).
5. Ms. Pradnya Sirdesai, Head of Administration Department made the Members aware about the safety arrangements inside the meeting hall, in case of any emergency.
6. At 10.30 P.M., the Chairman welcomed the Members to the 79th Annual General Meeting of the Company held at the new Registered Office of the Company, known as 'Campus'. The Chairman announced that the requisite quorum being present, the meeting was called to order.
7. The Chairman introduced the Members of the Board of Directors, Members of the Management Committee and other Invitees present on the dais. The Chairman welcomed Mr. O. P. Bhatt, who was proposed to be appointed as a Director on the Board with the consent of the Members present upon his appointment as Additional Director coming to an end at this meeting.
8. The Chairman stated that during the year, Mr. Deepak Parekh, Independent Director and the Chairman of the Audit Committee of the Company, had stepped down from the Board of the Company after a tenure lasting more than 14 years. The Chairman placed on record the deep appreciation for the significant contribution made by Mr. Deepak Parekh. The Chairman further placed on record the appreciation for the services rendered by Mr. Gopal Vittal who ceased to be a Wholetime Director of the Company during the year consequent to his resignation.



9. Thereafter, with the consent of the Members present, the Notice convening the meeting, the Directors' Report and the Annual Accounts for the financial year ended 31st March, 2012 were taken as read.
10. The Chairman then announced that until 48 hours before the time of the commencement of the Annual General Meeting, 407 valid proxies covering 32,14,28,160 (thirty two crores fourteen lakhs twenty eight thousand one hundred sixty) equity shares of Re.1/- each and 18 (eighteen) representation under Section 187 of the Companies Act, 1956 from body corporates, including Unilever PLC and its Associates, covering 122,41,59,207 (one hundred twenty two crores forty one lakhs fifty nine thousand two hundred seven) equity shares of Re.1/- each, had been received and the same were laid on the table along with the Register of Proxies, the Register of Directors' Shareholdings and Certificate from the Auditors, confirming the implementation of the Employees Stock Option Scheme in accordance with the SEBI guidelines, were open for inspection.
11. The Chairman then requested Mr. Dev Bajpai, Executive Director – Legal and Company Secretary to read the Auditors' Report on the Accounts for the financial year ended 31st March, 2012. Mr. Dev Bajpai then read the Auditors' Report. The annexure to the Auditors' Report was taken as read with the permission of the Members.
12. The Chairman then shared his views on a subject that was relevant in the current environment for the Company and read excerpts from his speech titled "**Rural India – An Emerging Powerhouse**". A copy of excerpts from the speech is attached as Annexure 1.
13. The Chairman then took up the official business of the meeting.

**ADOPTION OF ANNUAL REPORT AND ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2012**

14. The Chairman took up the first agenda item and requested Mr. Dev Bajpai to read the Ordinary Resolution for adoption of Reports and Accounts for the financial year ended 31st March, 2012. Mr. Bajpai read the Ordinary Resolution set at item no. 1 of the Notice as follows:
- "RESOLVED THAT the Audited Profit and Loss Account for the financial year ended 31st March, 2012, the Balance Sheet as on that date, the Auditor's Report and the Directors' Report as circulated to the shareholders and laid before the meeting, be and are hereby approved and adopted."
15. Mr.S. K. Jhaveri proposed and Mr. S. S. Jain seconded the resolution.
16. After the above resolution was moved and seconded, but before it was put to the vote, the Chairman invited Members (other than those present by proxy) to make comments, offer suggestions and seek clarifications. The following Members spoke on various items of the Notice and Annual Accounts for the year and sought clarifications.
- Mr. Tamal Majumdar, Mr. Seshan Krishnamurthy, Mrs. Ashalata Maheshwari, Mr. Bimal R. Bhatt, Mr. Jayprakash Desai, Mr. Suresh A. Khanolkar, Mr. Hariram Chaudhary, Mr. Bakul Joshi, Mr. Ramaswamy Damodaran, Mr. Narayan G. Bhagwat, Mr. Vinit Kumar Parikh, Mr. Manish Shah, Mr. K. L. Makhija, Mr. Kirti Shah, Mr. K. Ramasubbaiyer, Mrs. Homayun Pouredehi, Mr. N. V. Jhaveri, Mr. Kaushik Shahukar, Mr. Gunapala Shetty, Mr. Joseph B. Martins, Mr. Michael T.



Martins, Mr. S. K. Zaveri, Mrs. H. S. Patel, Mr. Dinesh Bhatia, Mr. Savani H. L., Mr. T. M. Davar, Mr. Hiren A. Vyas, Mr. Ronald Fernandes, Mr. Prabir Sharma, Dr. (Mrs.) K. Ramaswamy, Mr. Kedar Kamat, Mr. Ashish Chaturvedi.

- (i) The following were some of the comments from the Members:
- Complimented the management of the Company for good performance.
  - Appreciated the Annual Report of the Company.
  - Appreciated the HUL Campus (AGM venue) and arrangement made for AGM.
  - Appreciated the rate of Dividend.
  - Appreciated Company's governance practices.
  - Appreciated investor services of the Company.
  - Stated that revenue and profit had increased substantially in Soaps and Detergent segment.
  - Appreciated the sustainability initiatives of the Company and that the Company has reduced its water consumption and carbon emission
  - Stated that the proposed increase in the maximum limit of salary payable to Managing Directors was adequate.
  - Appreciated the Campus Visit organized for shareholders.
  - Mentioned that the Company could consider paying higher dividends like in the year 2007.
  - Shared thoughts on how Company can contribute towards Rural India's empowerment
  - Stated that R&D expenditure had increased at a higher rate.
- (ii) Some of the Members gave following feedback/ suggestions:
- Gave feedback on packaging, quality and availability of Company's products.
  - Suggested to increase remuneration for Independent Directors
  - Suggested management to consider right issue or bonus issue.
  - Suggested inclusion of details of products manufactured at plant locations mentioned in the Annual Report.
  - Suggested management to consider giving Abridged Annual Report
  - Suggested considering backward integration for raw material used in Soaps and Detergents.

- (iii) Some of the queries from Members were as follows:
- Enquired about profitability of Tea, Packaged Foods and Water Business.
  - Total expenses incurred by the management on CSR activities
  - Query about the amount of royalty paid to Unilever PLC.
  - Enquired on company's total expenditure on advertising and advertising policy of the Company.
  - Query on Constitution of the Audit Committee and a view that there was no accounting expert in the Audit Committee.
  - Query on a confirmation in the Annexure to the Auditors Report that the Company had not defaulted on payment of any dues to financial institutions.
  - Enquired on the Sustainability Report as per GRI 3 guidelines.
  - Enquired whether the Company harnesses solar energy in HUL Campus.



- Query on Company's practice in area of rainwater harvesting.
- Query on total loss, if any, incurred on account of obsolesce, damage or shortage of inventories.
- Enquired on the maximum and minimum number of shares that could be opted for by an employee under the new scheme.
- Enquired on the yield from investments held by the Company.
- Enquired why Mr. Deepak Parekh stepped down from the Board.
- Enquired about the surplus assets of the Company.
- Enquired on company's plan with respect to cash generated and suggested Company to open management colleges

17. The Chairman thanked the Members for the kind words and appreciation and stated that the suggestions and feedback would be evaluated carefully. The Chairman responded as follows to the queries raised by Members present at the Meeting.

18. The Chairman informed the Members that the sale of domestic tea had gone up by 10% and that the numbers of the previous year were not comparable with currently year, as it included the FMCG Exports which was transferred to a wholly owned subsidiary of the Company. The Chairman further mentioned that the Packaged Foods was a very nascent category where the Company was investing for future growth. With regard to Water Business, the Chairman stated that the progress had been very good and the business was on target in terms of internal benchmarks.

19. The Chairman briefly talked about Company's policy on CSR and stated that the Unilever Sustainable Living Plan (USLP) set out the commitments that the Company had made and report containing the progress there against was available.

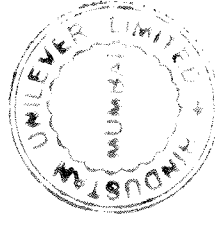
20. The Chairman stated that the royalty paid to Unilever PLC was Rs. 290 Crores.

21. As regards advertisement expenditure, the Chairman stated that advertising was an important investment for the business and the Company monitored the effectiveness of the advertisement very closely.

22. The Chairman informed Members that the constitution of the Audit Committee was very strong and that the Members of the Audit Committee were very well experienced past and present CEOs of different companies and understand finance and accounts very well.

23. The Chairman clarified that during the year, the Company had obtained credit facilities from financial institutions during the normal course of business and same were repaid during the year and therefore the note in the Annexure to the Auditors' Report was correct. The Chairman also informed the Members that the Auditors were present and a clarification on this could even be sought from the Auditors.

24. As regards GRI 3 compliant reporting for Sustainability, the Chairman stated that the GRI Guidelines had been a basis for Unilever Sustainability Reporting since many years. It was further stated that, Unilever had obtained limited assurance on 10 key performance indicators from auditors and that in the current year also appointed auditors to provide assurance on the progress made on the Unilever Sustainable Living Plan. The Chairman also informed Members that the Company had issued its first progress report on the Unilever Sustainable Living Plan, which was available for the Shareholders.

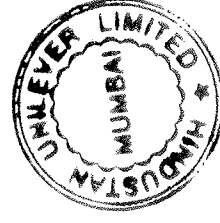


25. The Chairman stated that the Campus had won a Green Award and had also achieved Leed's Gold Rating as a Green building and that the Company was using solar water heating for Training Centre and one of the Labs.
26. The Chairman informed the Members that one of the biggest commitments in USLP was to reduce water usage not just in operations but also when consumers use Company's products and that the Company was also committed to progress in the area of water purification and water conservation. The Chairman stated that the Company had good examples of products which supported this commitment. The Chairman further informed that the Company's factories were becoming zero effluence factories and that traditionally the Company has also been carrying out rainwater harvesting.
27. As regards loss incurred due to obsolescence and shortage of products the Chairman stated that the Company monitored it very closely and that in most cases it was less than 0.2%.
28. In response to the query pertaining to the ESOP Scheme, the Chairman clarified that the scheme provided for conditional grant of shares and vesting depended upon pre-determined performance criteria and that the Board was authorised to approve the limit of maximum and minimum shares.
29. The Chairman stated that the Company was managing its investments very prudently and as a practice it did not invest in high risk investments. Hence, in that context the yield from investments was very good.
30. The Chairman further stated that Mr. Deepak Parekh had been on the Board of the Company for more than 14 years and had chosen to step down from the Board of the Company as he had many commitments.
31. The Chairman informed the Members that the Company monitored the surplus assets on an ongoing basis and the disposals were handled with a very strong governance process.
32. As regards surplus cash, the Chairman informed the Members that the Company utilized cash very prudently and did not intend to enter into a non-core business.
33. After all the queries of shareholders were answered and before putting the resolution to vote, the Chairman reminded the meeting that proxies were not eligible to vote on show of hands.
34. The resolution for the adoption of the Reports and Accounts was put to the vote by show of hands and was carried nem con.

**DECLARATION OF DIVIDEND**

35. With the consent of the Members present, the Ordinary Resolution set at item no. 2 of the Notice pertaining to the Declaration of Dividend was taken as read.
36. The Resolution set at item no. 2 of the Notice was as follows:

"RESOLVED THAT the interim dividend of Rs. 3.50 for every Equity Share of face value of Re. 1/- each, paid to the shareholders for the financial year ended 31st



March, 2012, as per the resolution passed by the Board of Directors at their meeting held on 31st October, 2011, be and is hereby noted and confirmed.

RESOLVED FURTHER THAT the final dividend of Rs. 4.00 for every Equity Share of face value of Re. 1/- each for the financial year ended 31st March, 2012 as recommended by the Board of Directors at their meeting held on 1st May, 2012 be and is hereby declared.”

37. The resolution was proposed by Mr. Bakul Joshi and seconded by Mr. Kirti Shah. The resolution was put to the vote by show of hands and was carried nem con.

#### RE-ELECTION OF DIRECTORS

38. The Chairman stated that as per the Articles of Association of the Company, all the Directors other than the Managing Director would retire at this Annual General Meeting.

39. The Chairman stated that accordingly, Mr. Aditya Narayan, Mr. S. Ramadorai, Dr. R. A. Mashekar, Mr. Sridhar Ramamurthy, Mr. Pradeep Banerjee and himself would retire in accordance with Article 124 of the Articles of Association of the Company and being eligible, they offered themselves for re-election.

40. The Chairman proposed to have separate resolutions for the re-appointment of Directors, who were retiring at the meeting, subject to the consent of the Members present at the meeting.

41. At this point of time, some of the Members proposed to pass a single resolution for re-election of all the six directors, instead of six separate resolutions being moved, seconded and voted upon individually. The Members present also agreed to elect all the retiring directors by a single resolution.

42. Being an interested person for the purpose of next resolution, Mr. Harish Manwani stepped down as Chairman and requested Mr. Nitin Paranjpe to be the Chairman for the next agenda item. Mr. Nitin Paranjpe then requested Mr. Dev Bajpai to read the resolution for re-appointment of all the six retiring Directors by a single resolution. Mr. Bajpai read the resolution as follows:

“RESOLVED THAT the re-election of all the Directors by a single resolution be and is hereby approved”.

43. The resolution was proposed by Mr. Ronald Fernandes and seconded by Mr. Bakul Joshi, put to the vote on show of hands and was carried nem con.

44. Mr. Dev Bajpai then read the Ordinary Resolution, set at item no. 3 of the Notice pertaining to re-election of Directors, as follows:

45. “RESOLVED THAT Mr. Harish Manwani, Mr. Aditya Narayan, Mr. S. Ramadorai, Dr. R. A. Mashekar, Mr. Sridhar Ramamurthy and Mr. Pradeep Banerjee be and are hereby re-elected as Directors of the Company.”

46. The Resolution was proposed by Mr. Ronald Fernandes and seconded by S.M. Bhandari and on show of hands was carried nem con.



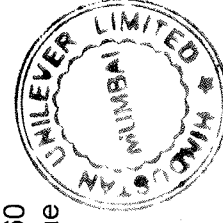
47. Mr. Nitin Paranjpe then requested Mr. Harish Manwani, to resume as the Chairman for the remaining business of the meeting.

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

48. The Chairman then took up item no. 4 relating to the appointment of M/s. Lovelock & Lewes, Chartered Accountants, Mumbai as the Statutory Auditors for the period commencing from this Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.
49. The Chairman informed the Members that there was no increase proposed in the remuneration of the auditors for the next financial year 2012-13 and therefore the remuneration of the auditors would be maintained at Rs. 250 Lakhs, which is in line with what was paid for the financial year 2011-12.
50. With the consent of the Members present, the Ordinary Resolution set at item no. 4 of the Notice pertaining to the appointment of Auditors their remuneration was taken as read.
51. The Resolution set at item no. 4 of the Notice was as follows:
- “RESOLVED THAT M/s. Lovelock & Lewes, Chartered Accountants, Mumbai, having firm registration number 301056E, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that their remuneration as Statutory Auditors of the Company for the year ending 31st March, 2013 be fixed at Rs. 250 Lakhs (Rupees Two Hundred Fifty Lakhs Only) plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred in connection with the audit, payable in a manner as decided by management.”
52. The resolution was proposed by Mr. Hiren Vyas and seconded by Mr. Bakul Joshi. The resolution was put to the vote by show of hands and was carried nem con.

**APPOINTMENT OF MR. O. P. BHATT AS DIRECTOR OF THE COMPANY**

53. The Chairman then took up item no. 5 relating to the appointment of Mr. O. P. Bhatt as a Director of the Company, liable to retire by rotation, in terms of provisions of the Articles of Association of the Company.
54. The Chairman informed the Members that Mr. O. P. Bhatt was appointed as an Additional Director of the Company, pursuant to the provisions of Section 260 of the Companies Act, 1956 on 20th December, 2011.
55. With the consent of the Members present, the Ordinary Resolution as at item no. 5 of the Notice for the Appointment of Mr. O. P. Bhatt as Director of the Company was taken as read.
56. The Resolution set at item no. 5 of the Notice was as follows:
57. “RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. O. P. Bhatt, 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 a Director of the





Company, liable to retire by rotation, in terms of the provisions of the Articles of Association of the Company.”

58. The resolution was proposed by Mr. Kirti Shah and seconded by Mr. Deepak Bhatt. The resolution was put to the vote by show of hands and was carried nem con.

**RE-APPOINTMENT OF MR. NITIN PARANJPE AS MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (CEO) OF THE COMPANY**

59. The Chairman then took up item no. 6 relating to the appointment Mr. Nitin Paranjpe as Managing Director and CEO of the Company, for a period of five years, commencing from 4th April, 2013.”

60. The Chairman stated that Members of the Company in the Extraordinary General Meeting held on 4th April, 2008 had appointed Mr. Paranjpe as Managing Director and CEO of the Company for a period of 5 years. The current term of Mr. Paranjpe is due to expire on 3rd April, 2013. Further, the Board of Directors at its meeting held on 1st May, 2012 approved the proposal for reappointment of Mr. Nitin Paranjpe as a Managing Director and CEO of the Company for the period of five year commencing from 4th April, 2013.

61. With the consent of the Members present, the Special Resolution as at item no. 6 of the Notice for the re-appointment of Mr. Nitin Paranjpe as Managing Director and Chief Executive Officer (CEO) of the Company was taken as read:

62. The Special Resolution set at item no. 6 of the Notice was as follows:

“RESOLVED THAT pursuant to the provisions of Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such consents and permissions as may be required, approval be and is hereby accorded to the re-appointment of Mr. Nitin Paranjpe as Managing Director and Chief Executive Officer (CEO) of the Company for a period of five years commencing from 4th April, 2013.

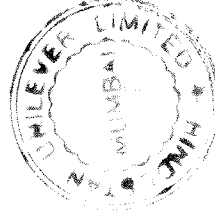
RESOLVED FURTHER THAT subject to the provisions of Sections 198 and 309 of the Companies Act, 1956, Mr. Nitin Paranjpe, as Managing Director and CEO of the Company, be paid such remuneration comprising salary, performance linked bonus, commission on profits and perquisites / benefits, as may be determined by the Board or duly constituted Committee thereof, from time to time, within the maximum limits approved by the Members of the Company.”

63. The resolution was proposed by Mr. Ramaswamy Sundaram and seconded by Mr. Manish Shah. The resolution was put to the vote by show of hands and was carried nem con.

**INCREASE THE MAXIMUM LIMIT OF SALARY PAYABLE TO THE MANAGING DIRECTOR(S) OF THE COMPANY**

64. The Chairman then took up item no. 7 relating to the increase the maximum limit of salary payable to the Managing Director(s) of the Company.

65. The Chairman informed the shareholders that the Members of the Company at the Annual General Meeting of the Company on 4th April, 2008 had approved the



overall limits of remuneration for the Managing and Wholetime Director(s). In view of the proposed reappointment of Mr. Nitin Paranjpe as a Managing Director and CEO of the Company for a further period of five years, it is proposed to modify the maximum limits of remuneration for Managing Director(s) from the existing Rs. 180 Lakh per annum to Rs. 290 Lakh per annum with effect from 1st April, 2013.

66. With the consent of the Members present, the Special Resolution as at item no. 7 of the Notice for the Increase in the maximum limit of salary payable to the Managing Director(s) of the Company was taken as read.

67. The Special Resolution set at item no. 7 of the Notice was as follows:

"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 of the said Act (including any statutory modification(s) or reenactment thereof for the time being in force) and subject to such approval of the Central Government or any statutory authorities, as may be required and in partial modification of the Special Resolution passed at the Annual General Meeting held on 4th April, 2008, consent be and is hereby accorded to increase the maximum limit of salary payable to the Managing Director(s) of the Company from the existing Rs. 180 lakhs per annum to Rs. 290 lakhs per annum effective 1st April, 2013 and the Board and / or a duly constituted Committee thereof are hereby authorised to pay remuneration to Managing Director(s), from time to time, within the above mentioned limits.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

68. The resolution was proposed by Mr. S. A. Khanolkar and seconded by Mr. Dinesh Bhatia. The resolution was put to the vote by show of hands and was carried nem con.

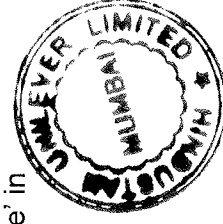
#### **ADOPTION OF REVISED '2012 HUL PERFORMANCE SHARE SCHEME'**

69. The Chairman then took up item no. 8 relating to the adoption of revised '2012 HUL Performance Share Scheme' in partial modification of the '2006 HLL Performance Share Scheme'."

70. The Chairman informed the Members that the Company was granting stock options to the eligible employees under the '2006 HLL Performance Share Scheme' approved by the Members of the Company at the Annual General Meeting held on 29th May, 2006. The '2006 HLL Performance Share Scheme' was introduced as a measure to reward and motivate employees as also to attract talent and retain key employees. It was proposed to revise the said scheme by adoption of '2012 HUL Performance Share Scheme'. Under the revised scheme the eligible managers would be granted shares equivalent to the value approved by the Compensation Committee, based on the share price on the date of grant."

71. It was also proposed to revise the maximum aggregate number of shares that can be granted to the management employees of the Company from existing 1.5 Crores Shares to 2 Crore Shares, in order to enable grant of stock options under the revised scheme.

72. With the consent of the Members present, the Special Resolution as at item no. 8 of the Notice for the adoption of revised '2012 HUL Performance Share Scheme' in



partial modification of the '2006 HLL Performance Share Scheme' of the Company was taken as read.

73. The Special Resolution set at item no. 8 of the Notice was as follows:

"RESOLVED THAT in terms of the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in partial modification of the resolutions adopted by the Members at the Annual General Meetings held on 22nd June, 2001 and 29th May, 2006, approving the '2001 HLL Stock Option Plan' and '2006 HLL Performance Share Scheme', respectively, the approval be and is hereby granted for adoption of the revised '2012 HUL Performance Share Scheme' (the 'Scheme') tabled at the meeting and initiated by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT '2012 HUL Performance Share Scheme' be operated by the Board and / or the Compensation Committee such that the total number of shares to be issued pursuant to '2001 HLL Stock Option Plan', '2006 HLL Performance Share Scheme' and '2012 HUL Performance Share Scheme' in the aggregate shall not exceed 2,00,00,000 (Two Crores) shares of face value of Re. 1/- each.

RESOLVED FURTHER THAT the said securities may be allotted in accordance with the Scheme directly to such employees by the Company or through a Trust, which may be set up in any permissible manner, to enable the employees/ trust to acquire, purchase or subscribe to the securities of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board and the Compensation Committee be and are hereby authorised to do all such acts, deeds, matters and things and to execute all such documents, instruments and writings as it may, in its absolute discretion, deem necessary or desirable.

RESOLVED FURTHER THAT the Board and / or the Compensation Committee be and are hereby authorised to settle all the questions, difficulties or doubts that may arise in relation to the implementation of the Scheme (including to amend or modify any of the terms thereof) and shares issued therein, without being required to seek any further consent or approval of the Members or otherwise, to the end and intent that the Members shall be deemed to have given their approval thereto expressly by authority of this resolution.

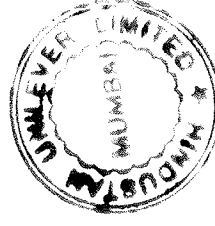
RESOLVED FURTHER THAT the provision of this resolution shall operate in addition to and not in derogation of the Special Resolution dated 4th April, 2008 and any amendment thereof dealing with managerial remuneration."

74. The resolution was proposed by Mr. Bakul Joshi and seconded by Mr. Ramaswamy Sundaram. The resolution was put to the vote by show of hands and was carried nem con.

**NOTICE UNDER SECTION 257 RECEIVED FROM MR. SHYAMSUNDER JAIPURIA**

75. The Chairman informed that Members that the Company had received a Notice under Section 257 from Mr. Shyamsunder Jaipuria, proposing himself for being appointed as a Director on the Board of the Company."

76. The Chairman checked whether Mr. Jaipuria was present and attending the meeting. It was noted that Mr. Jaipuria was not present in the meeting. The



Chairman informed the Members that even though Mr. Jaipuria was not personally present, keeping in view the legal requirements and considering the fact that due procedure had been followed; the motion will be put to vote.

77. The Chairman informed the Members that the Board consisted of 8 Directors including 4 Independent Directors. All the Independent Directors were well experienced in their respective fields and were known names of the Industry. The Company had immensely benefited by the experience of the Independent Directors and that the current composition of the Board was appropriate to take care of the short and long term interest of the company and shareholders at large."

78. It was also informed that the Board did not endorse the reasons and explanation given by Mr. Jaipuria while proposing his candidature as a Director of the Company and therefore did not recommend this resolution.

79. The Chairman requested Mr. Dev Bajpai to read the Ordinary Resolution for appointment of Mr. Shyamsunder Jaipuria as a Director on the Board of the Company. Mr. Bajpai read the Ordinary Resolution as follows:

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Shyamsunder Jaipuria be and is hereby appointed as a Director, liable to retire by rotation in terms of the provisions of the Articles of Association of the Company."

80. The Chairman requested for a proposer and seconder for the motion. Since there was no proposer and seconder for the proposed resolution, the motion failed and resolution was not carried out.

81. The meeting concluded at 3.40 p.m. with a vote of thanks to the Chair from the floor.

Place: Mumbai

Dated this 21st day of August, 2012



Sd/-  
(Harish Manwani)  
CHAIRMAN

## Rural India – An Emerging Powerhouse

### Introduction

It is often said that there are two Indias – Bharat which exists in the villages and India which thrives in the urban areas. If our country has to have real progress and make its mark on the global stage, then these two Indias must converge. We have made good progress in the last two decades. There is new hope and a new sense of energy that is driving rural India.

But we must do more. Millions of people in rural India still live below the poverty line. Agricultural growth is critical and needs to pick up. And yet we must go beyond agriculture if we have to make a real impact on the millions who live in rural India.

### The Challenges of Transforming Rural India

We have made considerable progress but significant challenges still remain.

#### a) **Agriculture**

While agricultural production has gone up, our agricultural productivity levels are amongst the lowest in the world.

#### b) **Rural Employment and Employability**

Additionally inadequate opportunities for employment beyond agriculture and lack of employability have resulted in over-dependence on agriculture which is not able to support the rising aspirations of the vast majority living in rural India.

### Enablers of Rural Transformation

If rural India is to achieve consistent and sustainable growth, we need to harness the power of agriculture.

The New Vision for Agriculture (NVA) articulated by the World Economic Forum is a very good example of how we can do this. India needs its own new vision for agriculture which is inclusive and sustainable.

But we also have to go beyond agriculture to realise this incredible opportunity. There are some key enablers which will over time help build an ecosystem that can harness the real power of rural India, going much beyond agriculture.

#### 1. **Access to Urban India**

Rural India is being segmented into two parts. There are geographical clusters which are located within 50km distance from a large city. There are 19 such clusters in the country and almost 150 million rural people live in the proximity of these clusters. These could be called R-Urban (Rural-Urban) clusters where levels of prosperity, health and education are much better.

Creating another 50 R-Urban hubs where every village is within one hour of travel time to an urban centre would be transformational.

#### 2. **Technology Adoption**

Digitisation is what could drive the biggest transformation in rural India. Mobile networks have already made access to the Internet possible across the length and breadth of rural India. Leveraging this for relevant and dynamic content like best



practices, live market prices for farm produce or job postings would be transformational.

### **3. Financial Inclusion**

Lack of access to capital is one of the most serious deterrents to development in rural India. Access to formal banking would not only eliminate unbearable debt for the poor but also bring capital investments into rural.

### **4. Education & Health**

Our Human Development Index is lower than that of many developing countries. If we have to reap the demographic dividend, we need to ensure that the people in rural India are literate, provided with health services and have access to basic amenities.

The vision over the next 20 years should be to achieve universal health insurance coverage in rural India and the right to higher secondary school education for all. There is some good work being done by various stakeholders but we need to leverage best practices on a national scale.

### **5. Skill Building**

Appropriate skill building is a crucial need for the rural economy. Preparing young people for roles in the flourishing retail, BPO, hospitality and other service related industries will be very important.

Together with a new vision for agriculture for India, these key enablers can create a virtuous cycle which will bring prosperity to rural India.

### **HUL's association with rural India**

Hindustan Unilever has a strong association with rural India. More than 40% of our products are consumed in the fast growing markets of rural India.

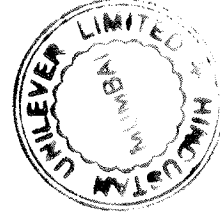
In November 2010, Unilever globally announced its Sustainable Living Plan. Here in India, we are bringing alive the spirit of the Sustainable Living Plan to holistically contribute to the social, economic and environmental agenda with a significant impact on rural India.

### **Sustainable Sourcing**

We are working with small holder tomato farmers in Karnataka, Punjab and Maharashtra to help them adopt sustainable agricultural practices.

### **Enhancing Livelihoods**

Project Shakti, a unique win-win initiative has created income generating opportunities for 45,000 rural impoverished women (Shakti Ammas) and has also helped to increase the rural distribution of the Company.



## **Health & Well Being**

The launch of Pureit sachet will help in a big way to make safe drinking water accessible & affordable to millions of consumers in India.

Lifebuoy has been at the forefront of a sustained direct-contact health education programme aiming to raise hygiene standards in Indian rural communities.

## **Conclusion**

Rural India is a powerhouse waiting to emerge. The exciting vision has to be the convergence of rural Bharat with Urban India.

In order to realise this vision, we need inclusive growth. A new vision for agriculture will uplift millions of small farmers. At the same time, we need to go beyond agriculture.

All stakeholders have a role to play in enabling this rural transformation.

Hindustan Unilever is excited with the opportunity to continue to serve the 800 million consumers in rural India and be a part of this great journey into the future.



