

HINDUSTAN UNILEVER LIMITED

MINUTES OF THE 78<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF HINDUSTAN UNILEVER LIMITED HELD AT BIRLA MATUSHRI SABHAGAR, 19, MARINE LINES, MUMBAI 400 020, ON THURSDAY, 28<sup>TH</sup> JULY, 2011 AT 3.30 P.M.

Present:

Mr. Harish Manwani

Non-Executive Chairman of the Board of Directors and as a member of the Company

Also, as an Authorised Representative of Unilever PLC, Brooke Bond Group Ltd., Brooke Bond Assam Estates Ltd., Brooke Bond South India Estates Ltd., Unilever Overseas Holdings AG, Unilever Overseas Holdings B.V. and Unilever UK & CN Holdings Ltd. and as a proxy for 17 members

Mr. Nitin Paranjpe

Managing Director & CEO and as a member of the Company

Mr. Sridhar Ramamurthy

Executive Director – Finance & IT and CFO and as a member of the Company

Also, as a proxy for 1 member.

Mr. D. S. Parekh

Independent Director and as a member of the Company

Also, as a Chairman of the Audit Committee

Mr. A. Narayan

Independent Director

Also, as a Chairman of Shareholders/ Investors Grievance Committee and Remuneration Committee of the Company

Mr. S. Ramadorai

Independent Director and as a member of the Company

Dr. R. A. Mashelkar

Independent Director

Mr. Gopal Vittal

Executive Director - Home and Personal Care and as a member of the Company

Mr. Pradeep Banerjee

Executive Director - Supply Chain and as a member of the Company



<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 - Customer Development and as a member of the Company</b>
<b>Mr. Dev Bajpai</b>	<b>Executive Director - Legal and Company Secretary</b>

Mr. Sanjay Buch, Partner of M/s. Crawford Bayley & Co., the Solicitors of the Company and Ms. Sharmila Karve, Audit Partner of M/s. Lovelock & Lewes, Auditors of the Company were present by invitation.

In addition, 6164 members were present in person and 324 members were represented by their proxies.

In accordance with Article 82 of the Articles of Association, Mr. Harish Manwani, Chairman of the Board of Directors took the Chair.

The following documents and Registers were placed on the table:

1. Directors' Report for the financial year ended 31st March, 2011.
2. The Audited Accounts and Auditors' Report thereon for financial year ended 31st March, 2011.
3. The Proxy Register with 349 valid proxies lodged with the Company in connection with this Annual General Meeting (remained open for inspection during the meeting).
4. The Register of Directors' shareholdings (remained open for inspection during the meeting).
5. Auditors' Certificate in respect of Employees' Stock Option Plan of the Company (remained open for inspection during the meeting).

Ms. Shaweta Pandey, Head of Administration Department made the Members aware about the safety arrangements inside the meeting hall, in case of any emergency.

At 3.30 P.M., the Chairman welcomed the members and announced that the requisite quorum being present, called the meeting to order.

The Chairman then introduced the Directors, Members of the Management Committee and other Invitees present on the dais. The Chairman informed the members that in accordance with governance principles, Ms. Sharmila Karve will step down as an Audit Partner representing M/s. Lovelock & Lewes, the statutory auditors of the Company, and Mr. Pradip Kanakia will take over as Audit Partner of M/s. Lovelock & Lewes for the Company. The Chairman appreciated the contribution made by Ms. Sharmila Karve as Audit Partner of the Company.

Thereafter, with the consent of the members present, the Notice convening the meeting, the Directors' Report and the Accounts for the financial year ended 31st March, 2011 were taken as read.

The Chairman then announced that until 48 hours before the time of the meeting, 349 valid proxies covering 31,96,66,873 equity shares of Re.1/- each



and 8 representation under Section 187 of the Companies Act, 1956 from body corporates, including Unilever PLC and its Associates, covering 124,35,49,190 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, certificate from the auditors of the Company confirming the implementation of the Employees Stock Option Scheme in accordance with the SEBI guidelines and were open for inspection.

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, 2011. Mr. Dev Bajpai then read the Auditors' Report.

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 **"Leading Responsible Growth"** A copy of excerpts from the speech is attached as Annexure 1.

The Chairman then took up the official business of the meeting.

1. **ADOPTION OF ANNUAL REPORT AND ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

The Chairman took up the first agenda for the adoption of Reports and Accounts for the financial year ended 31st March, 2011.

With the consent of the members present, the resolution set at item no. 1 of the Notice pertaining to adoption of Annual Report and Accounts was taken as read.

The Resolution set at item no. 1 of the Notice reads as follows:

"Resolved that the Audited Profit and Loss Account for the financial year ended 31st March, 2011, 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."

Mr. B. V. Joshi proposed and Mr. Seshan Krishnamoorthy seconded the resolution.

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. Bhupendra C Gandhi, Mr. Vinitkumar Parikh, Mr. Bimal Bhatt, Mr. R. B. Khambatta, Dr. Ramaswamy, Mr. Seshan Krishnamoorthy, Mr. B. V. Joshi, Mr. Jayprakash Desai, Mr. Manish Shah, Mr. Kedar T. Kalvint, Mr. Suresh A. Khanolkar, Mr. Percy Irani, Mr. N. V. Jhaveri, Mr. K. L. Makhija, Mr. KRM Sundaram, Mr. Suresh Tambe, Mr. Dinesh Bhatia, Mrs. Ashalata Maheshwari, Mr. Harish Kotwani, Mr. S. N. Chaturvedi, Mr. Janak Mathuradas and Mr. Reynold D'Souza.

The Chairman responded to the queries after every ten speakers and acknowledged the compliments and thanked the members for their comments, suggestions and offered clarifications.

Before putting the resolution to vote, the Chairman reminded the meeting that proxies were not eligible to vote on show of hands.



The resolution for the adoption of the Reports and Accounts was put to the vote by show of hands and was carried by requisite majority.

**2. DECLARATION OF DIVIDEND:**

With the consent of the members present, the resolution set at item no. 2 of the Notice pertaining to the Declaration of Dividend was taken as read.

The Resolution set at item no. 2 of the Notice reads as follows:

“Resolved that the interim dividend of Rs. 3.00 for every Equity Share of face value of Re. 1/- each, paid to the shareholders for the financial year ended 31st March, 2011, as per the resolution passed by the Board of Directors at their meeting held on 25th October, 2010, be and is hereby noted and confirmed.

Resolved further that the final dividend of Rs. 3.50 for every Equity Share of face value of Re. 1/- each for the financial year ended 31st March, 2011 as recommended by the Board of Directors at their meeting held on 9th May, 2011 be and is hereby declared.”

The resolution was proposed by Mrs. Ashalata Maheshwari and seconded by Mr. D'Souza put to the vote on show of hands and was carried by requisite majority.

**3. RE-ELECTION OF DIRECTORS:**

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

The Chairman stated that the remaining Directors of the Company, i.e. Mr. D. S. Parekh, Mr. Aditya Narayan, Mr. S. Ramadorai, Dr. R. A. Mashelkar, Mr. R. Sridhar, Mr. Gopal Vittal and Mr. Pradeep Banerjee, including 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.

The Chairman proposed to have separate resolutions for the re-appointment of Directors who were retiring at the meeting and it was:

“Resolved that Mr. D. S. Parekh, be and is hereby re-appointed as Director of the Company.”

The resolution was proposed by Mr. R. B. Khambatta and seconded by Mr. K. L. Makhija, put to the vote on show of hands and was carried by the requisite majority.

“Resolved that Mr. Aditya Narayan, be and is hereby re-appointed as Director of the Company.”

The resolution was proposed by Mr. K. L. Makhija and seconded by Mr. Rajnikant Kothari, put to the vote on show of hands and was carried nem con.

“Resolved that Mr. S. Ramadorai, be and is hereby re-appointed as Director of the Company.”

The resolution was proposed by Mrs. Ashalata Maheshwari and seconded by Mr. K. L. Makhija, put to the vote on show of hands and was carried by the requisite majority.



"Resolved that Dr. R. A. Mashelkar, be and is hereby re-appointed as Director of the Company."

The resolution was proposed by Mr. Reynold D'souza and seconded by Mr. Suresh A. Khanolkar, put to the vote on show of hands and was carried by the requisite majority.

"Resolved that Mr. Sridhar Ramamurthy, be and is hereby re-appointed as Director of the Company."

The resolution was proposed by Mr. Suresh A. Khanolkar and seconded by Mr. Rajnikant Kothari put to the vote on show of hands and was carried by the requisite majority.

"Resolved that Mr. Gopal Vittal, be and is hereby re-appointed as Director of the Company."

The resolution was proposed by Mr. Dinesh Bhatia and seconded by Mrs. Ashalata Maheshwari, put to the vote on show of hands and was carried by the requisite majority.

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

The resolution was proposed by Mr. R. B. Khambatta and seconded by Mr. K. L. Makhija put to the vote on show of hands and was carried by the requisite majority.

Being an interested person for the purpose of next resolution, Mr. Harish Manwani step down as Chairman and requested Mr. Deepak Parekh to be the Chairman for the next resolution and thereafter it was:

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

The resolution was proposed by Mr. R. B. Khambatta and seconded by Mr. Manish Shah, put to the vote on show of hands and was carried by the requisite majority.

Mr. Deepak Parekh then requested Mr. Harish Manwani, to resume as the Chairman for the remaining business of the meeting.

#### **4. APPOINTMENT OF AUDITORS AND TO FIX THEIR REMUNERATION**

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.

The Chairman informed the members that there was no increase proposed in the remuneration of the auditors for the next financial year 2011-12 and therefore the remuneration of the auditors is maintained at Rs. 250 Lakhs, which is in line with what was paid for the financial year 2010-11.

With the consent of the members present, the Resolution set at item no. 4 of the Notice pertaining to the appointment of Auditors their remuneration was taken as read.

The Resolution set at item no. 4 of the Notice reads 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, 2012 be fixed at Rs. 250 Lakhs (Rupees Two Hundred Fifty Lakhs Only) plus applicable taxes, payable in quarterly / half yearly installments and reimbursement of traveling and out of pocket expenses incurred in connection with the audit.”

The resolution was proposed by Mrs. Ashalata Maheshwari and seconded by Mr. Manish Shah, put to the vote on show of hands and was carried nem con.

The meeting concluded at 7.00 p.m. with a vote of thanks to the Chair from the floor.

Place: Mumbai

Dated this 26th day of August, 2011

Sd/-  
(Harish Manwani)  
**CHAIRMAN**



**LEADING RESPONSIBLE GROWTH****A NEW INDIA. A NEW WORLD**

India has changed dramatically in the last decade. More than 200 million Indians have been pulled out of poverty. Across cities and villages, Indians have better services, better connectivity and better standards of living. Per capita income in current prices has grown by more than 12% per annum and so has the personal disposable income. In the last 10 years, the number of middle and high income level households combined has increased by more than 50%, and the high income class earning more than Rs.1.8 lakh per annum has grown by a phenomenal threefold. Clearly, we are in the midst of a consumption boom that is revolutionising the lives of millions of Indians.

**BUT GROWTH HAS A PRICE**

This growth brings with it new opportunities – but it will not be without challenges. On the one hand, people at the bottom of the pyramid will have access to healthier lifestyles and improved livelihoods. On the other, increased wealth and consumption will have a dramatic impact on the world's environment. Governments clearly have a huge role to play in addressing the social and environmental agenda – but governments can no longer do it on their own. Therefore, business too, must share this responsibility.

**A RIGHT TO CONSUME**

We cannot wish away consumption. We cannot deny people the opportunity to improve the quality of their lives. However, the vision has to be to create a future in which people improve the quality of their lives without increasing their environmental impact. Rising consumption must be met with responsible growth. Responsible growth means growth that respects the social and economic benefits and also recognises the environmental constraints we face today.

**UNILEVER'S COMMITMENT TO RESPONSIBLE GROWTH**

Unilever's commitment to sustainable development is not new. In fact, we have been recognised as leaders in our industry by the Dow Jones Sustainability Index for 12 years running – and we intend to stay there. We have set a new vision for Unilever. We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact. Our ambition is to decouple our growth from our environmental impacts across the lifecycle of our products. Last year we launched the Unilever Sustainable Living Plan, setting out a more sustainable way of doing business. The Unilever Sustainable Living Plan has three big goals: To halve the environmental footprint of our products across the value chain, to source 100% of our agricultural raw materials sustainably and to help more than a billion people take action to improve their health and well-being. Together, these three goals commit us to growing our business in a way which helps improve people's health and well-being, reduces environmental impact and enhances livelihoods. This plan is unique, it recognises the importance of growth and at the same time it commits the business to a broad social, economic and environmental sustainability agenda.

**LEADING WITH END-TO-END SOLUTIONS**

Companies must take responsibility for their extended value chains, which go beyond their own direct impact of factories, offices and transport. Our research shows that 68% of the environmental impact of our products is generated during consumer use. So we embarked on an end-to-end programme committed to minimising our environmental impact across the value chain from the sourcing of raw materials all the way through to the energy and water needed by people to cook, clean and wash with our brands. Unilever currently sources 10% of the agricultural raw materials from sustainable sources. Unilever Sustainable Living Plan commits us to source 100% of these raw materials sustainably by 2020 – a tenfold increase. But the challenge is not just to source, manufacture and distribute our products sustainably, it is as important, if not more, to motivate consumers around the world to be a part of this agenda.

**WE MUST MOTIVATE CONSUMERS TO TAKE PART**

On any given day, two billion people use Unilever products across the world. Two-thirds of all Indians use Unilever products every day. We will only succeed if we motivate these billions of consumers to take the small achievable actions that add up to collectively make a big difference and enable us all to live more sustainably. This means we have to design products which allow consumers to get the results they want with less energy and water. For example, in water scarce countries nearly 40% of the domestic water footprint comes from washing clothes. Across South East Asia we have launched Comfort One Rinse fabric conditioner which needs only one bucket of water for rinsing instead of three. This saves 30



litres of water per wash for the average household. If we could convert all our laundry product users in Asia and South Africa to Comfort One Rinse, we would save more than 500 billion litres of water a year: small action – big difference.

### **MAKING A DIFFERENCE IN INDIA**

Hindustan Unilever has operated in India for 78 years. We provide millions of Indians with a wide variety of affordable, quality products which help improve their health and well-being and enhance livelihoods.

#### **Health and Well-being – Hygiene**

Lifebuoy leads our handwashing campaign in India. This campaign is the single largest private rural health and hygiene campaign undertaken in India to educate people about basic hygiene habits. Since 2002, the project has reached over 135 million people in India. By 2015, our Lifebuoy brand aims to change the hygiene behaviour of one billion consumers across Asia, Africa and Latin America by promoting the benefits of handwashing with soap.

#### **Health and Well-being – Nutrition**

Through our products and partnerships in India, we aim to make a difference to the quality of people's diets. One recent example of this is the launch of Brooke Bond Sehatmand, a tea with vitamins, to address the nutrition needs of low-income consumers.

#### **Reducing Environmental Impact – Water**

In our commitments to reducing our environmental impact, we have pledged to halve the water associated with the use of our products by 2020. Hindustan Unilever has been working for more than a decade in the area of water conservation in partnership with NGOs and local communities across the country as well as initiating projects in several states that will help conserve more than 50 billion litres of water by 2015. Our unique in-home water purifier, Pureit, provides water as 'safe as boiled' by removing harmful viruses, bacteria, parasites and pesticide impurities. The fact that it delivers all this without the need for electricity and running water and at an affordable price has already helped provide over 20 million people across India access to safe drinking water. Pureit is now being introduced to other markets globally where consumers have difficulty in accessing safe drinking water. By 2020, Unilever is committed to bring safe drinking water to 500 million people across the world.

#### **Sustainable Sourcing**

We depend on agriculture and forestry for a large part of our raw materials and sustainable sourcing is vital to our business in the long-term. By 2020, 100% of Unilever's tea across the world will be sustainably sourced. This includes tea estates in India as well. So far nine tea estates in the Nilgiris and 35 tea estates in Assam have been certified and certification is being sought for a further 33 tea estates in Assam and Darjeeling. Hindustan Unilever also sources over 40,000 tonnes a year of fresh tomatoes in India. Working with smallholder farmers in Karnataka and Punjab, we guarantee the purchase of produce and the facility to pick up the produce directly from farms. By 2015, we intend to source 100% of our tomatoes from sustainable sources.

#### **Enhancing Livelihoods – Better Livelihoods**

From sourcing to distribution – we engage with a diverse set of business partners and our business creates economic benefits across the value chain. Project Shakti is a shining example of this. Through Project Shakti, we have enhanced the livelihoods of 45,000 women entrepreneurs who cover three million households in 100,000 villages in 15 states across India. Just last year we started the Shaktimaan initiative under which men of the Shakti families were given bicycles to cover surrounding villages to increase distribution and sales. We now have over 23,000 Shaktimaans. These were just some examples of how we are activating the Unilever Sustainable Living Plan in India.

### **IN CONCLUSION**

What I have presented here is a plan that opens a world of opportunity for Unilever globally and for Hindustan Unilever in India. What some might call the problem of increasing consumption becomes an opportunity for a new way of growth. The Unilever Sustainable Living Plan therefore establishes Unilever as a leader passionate about the brands and services we offer, concerned about the people we serve and working to build our business within the context of the overall good of society. The Plan excites everyone at Unilever, because we all believe it is the right thing to do for our business and for the planet. We recognise the huge business opportunity, but also understand our responsibilities. Our commitment to sustainable and responsible growth is yet another milestone in our belief that what is good for India is good for Hindustan Unilever.

