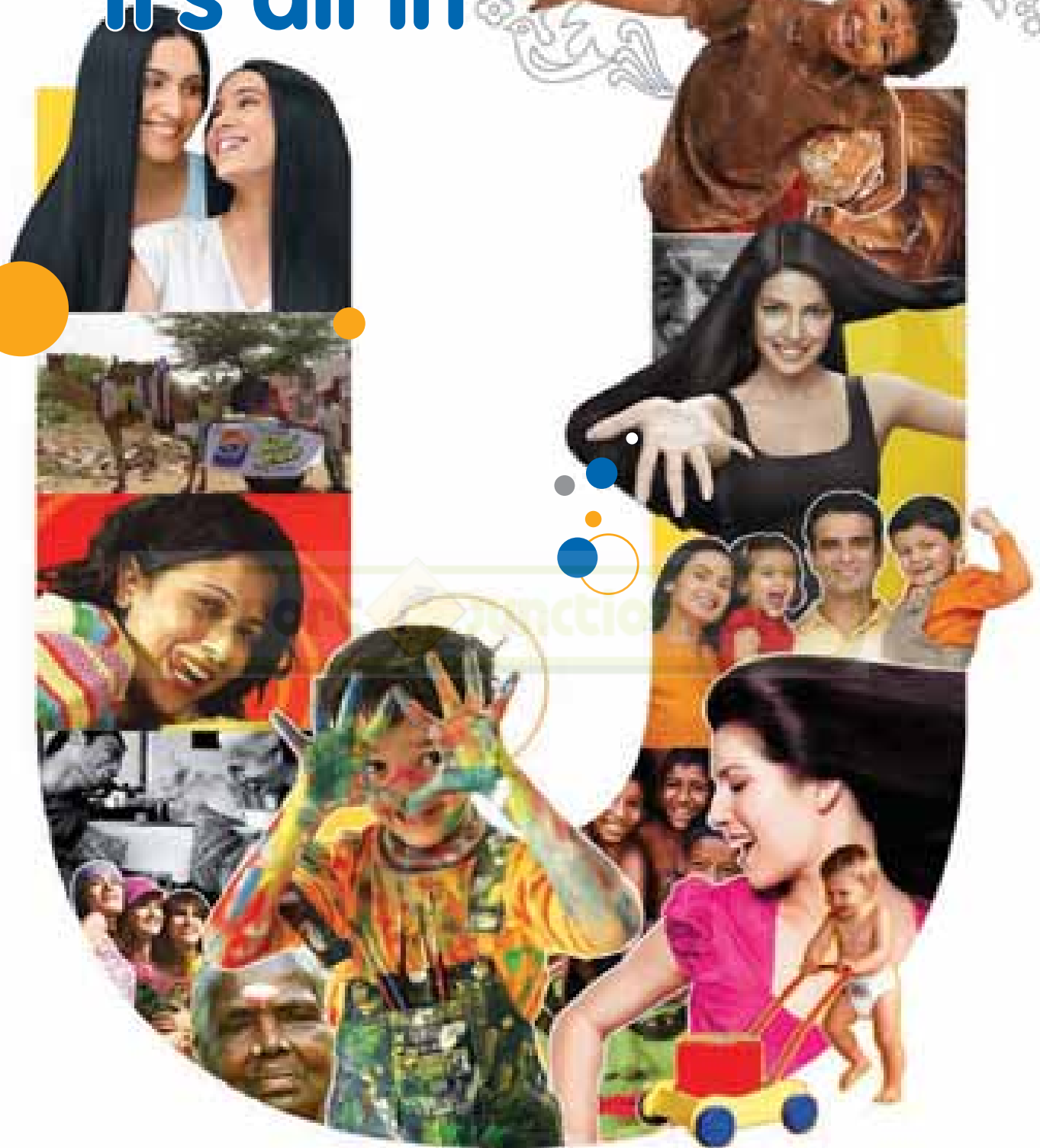


It's all in



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	
Economic Value Added	111	
Consolidated Financial Statements	112	
Statement Pursuant to Section 212	149	
Investor Safeguards	151	
Corporate Information	153	
Proxy		
		Standalone Financial Statements
		Significant Accounting Policies 64
		Profit and Loss Account 66
		Balance Sheet 67
		Cash Flow Statement 68
		Notes and Schedules 70
		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'.

Report Junction.com

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



Pepsodent



Pears

breeze

Liril

Hamam





LAKMÉ

avush

aviance

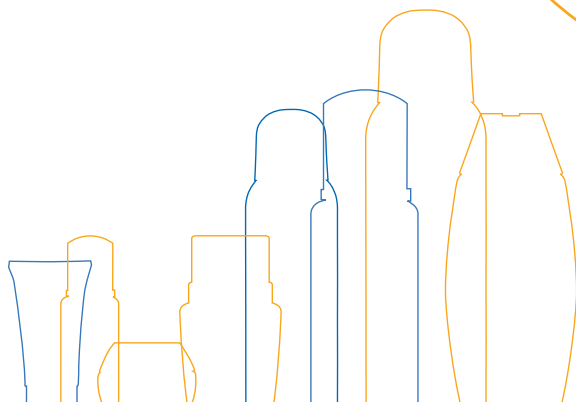
POND'S

Fair & Lovely

Rexona

AXE

Vaseline





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'.