

Walker Chandio & Co LLP

To
The Board of Directors
Hindustan Unilever Limited
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Independent Auditor's Certificate on non-applicability of paragraph (A)(10)(b) of Part I of SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023 (the "SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI")

1. This certificate is issued in accordance with the terms of our engagement letter dated 17 January 2025 with **Hindustan Unilever Limited** (the "Company" or "Demerged Company").
2. The Management of the Company has prepared the accompanying undertaking stating the reasons for non-applicability of requirements prescribed under paragraph (A)(10)(b) of Part I of the SEBI Circular (the "Undertaking") pursuant to the requirements of paragraph 10(c) of the SEBI Circular in connection with the Scheme of Arrangement between the Company and Kwaliti Wall's (India) Limited (the "Resulting Company"), and their respective shareholders in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 (the "Act") and other relevant provisions and rules made thereunder (the "Draft Scheme") and it has been approved by the Board of Directors of the Company at its meeting held on 22 January 2025. We have attached the Undertaking for identification purposes only.

Management's Responsibility for the Undertaking

3. The preparation of the Undertaking is the responsibility of the Management of the Company including preparation and maintenance of all accounting and other relevant supporting records and documents in relation to the Draft Scheme. This responsibility includes design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the Undertaking and applying appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Management of the Company is also responsible for ensuring that the Company complies with all the requirements of SEBI Circular and the Act in relation to the Draft Scheme and for providing all relevant information to the SEBI, the BSE Limited and the National Stock Exchange of India Limited (collectively, the "Stock Exchanges").

Auditor's Responsibility

5. Pursuant to the requirements of the SEBI Circular, it is our responsibility to express a reasonable assurance, in the form of an opinion, based on our examination of the Draft Scheme as to whether the requirements of paragraph (A)(10)(b) of Part I of the SEBI Circular, as set out in the accompanying Undertaking, are applicable to the Draft Scheme.



Hindustan Unilever Limited
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6. We conducted our examination of the Undertaking in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by ICAI.

Opinion

8. Based on our examination of the Draft Scheme and according to the information and explanations provided to us, along with the representations provided to us by the Management of the Company, in our opinion, the requirements of paragraph (A)(10)(b) of Part I of the SEBI Circular are not applicable to the Draft Scheme for the reasons stated in the accompanying Undertaking.

Restriction on distribution or use

9. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of the SEBI Circular. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
10. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling them to comply with the requirements of the SEBI Circular which require them to submit the certificate by the statutory auditors along with the accompanying Undertaking, duly approved by the Board of Directors of the Company, for onward submission to the SEBI, the Stock Exchanges, National Company Law Tribunal and other regulatory authorities as may be required in connection with the Draft Scheme and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013



Aasheesh Arjun Singh
Partner
Membership No:210122

UDIN:25210122BMONAJ1423

Place: Mumbai
Date: 22 January 2025

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Annexure 13

UNDERTAKING IN RELATION TO NON-APPLICABILITY OF PARAGRAPH A.10(b) READ WITH PARAGRAPH A.10(a) OF PART I OF SEBI MASTER CIRCULAR NO. SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED JUNE 20, 2023, AMENDED FROM TIME TO TIME (“SEBI SCHEME CIRCULAR”), PERTAINING TO OBTAINING APPROVAL OF THE MAJORITY OF PUBLIC SHAREHOLDERS

1. Background

- 1.1. This is with reference to the proposed Scheme of Arrangement amongst Hindustan Unilever Limited (“**Demerged Company**” or “**HUL**”) and Kwaliti Wall’s (India) Limited (“**Resulting Company**” or “**KWIL**”) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Scheme**”) which has been approved by the board of directors of HUL at its meeting held on January 22, 2025.
- 1.2. Pursuant to the Scheme, it is proposed to demerge, transfer and vest the Ice Cream Business Undertaking (*as defined in the Scheme*) into KWIL, which is a wholly-owned subsidiary of the Company, on a going concern basis, and the consequent issuance of equity shares of KWIL to all the shareholders of HUL in accordance with the Share Entitlement Ratio (*as defined in the Scheme*) and the reduction and cancellation of the entire pre-Scheme share capital of KWIL.

2. Requirements under the SEBI Scheme Circular

- 2.1. The SEBI Scheme Circular mandates all the listed companies to ensure that the scheme submitted with the jurisdictional National Company Law Tribunal for sanction, shall be acted upon in certain cases as specified in Paragraph A. 10(b) of Part I of the SEBI Scheme Circular, only if the votes cast by public the shareholders in favour of the Scheme are more than the votes cast by the public shareholders against the Scheme.
- 2.2. The SEBI Scheme Circular further provides that in cases where the Scheme does not fall within the cases mentioned in Paragraph A. 10(b) of Part I of the SEBI Scheme Circular, the listed entity shall furnish an undertaking certified by the auditor and duly approved by the board of directors of the listed company, clearly stating the reasons for non-applicability of Paragraph A. 10(a) of Part I of the SEBI Scheme Circular read with the conditions prescribed in Paragraph 10(A)(b) of Part I of the SEBI Scheme Circular.
- 2.3. Accordingly, HUL hereby undertakes that the requirements stated at Paragraph A. 10(a) of Part I read with the conditions prescribed in Paragraph 10(A)(b) of Part I of the SEBI Scheme Circular pertaining to obtaining approval of the majority of public shareholders of the listed entity to the Scheme are not applicable to HUL for the reasons mentioned in Paragraph 3 below.

3. Reasons for non-applicability

The detailed reasons for non-applicability of obtaining approval of the majority of public



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shareholders to the Scheme are as follows:

3.1. **Paragraph A. 10(b)(i):**

“where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s)) of Promoter / Promoter Group of the listed entity,”

Reason for non – applicability: In terms of the Scheme, all the shareholders of the Demerged Company will be allotted equity shares of the Resulting Company in proportion of their respective shareholding in the Demerged Company, in proportion of their existing shareholding in the Demerged Company, as per the Share Entitlement Ratio. Accordingly, the provisions of Paragraph 10(A)(b)(i) of Part I of the SEBI Scheme Circular would not be applicable to the Scheme.

3.2. **Paragraph A. 10(b)(ii):**

“where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter/Promoter Group, Subsidiary(s) of Promoter/Promoter Group.”

Reasons for non-applicability: The proposed Scheme is between the Demerged Company and the Resulting Company, which is a wholly owned subsidiary of the Demerged Company. Hence, the Scheme does not involve any other entity involving Promoter/Promoter Group, Associates of Promoters/ Promoter Group, Subsidiary/(s) of the Promoter or Promoter Group of the Demerged Company. Accordingly, the provisions of Paragraph 10(A)(b)(ii) of Part I of the SEBI Scheme Circular would not be applicable to the Scheme.

3.3. **Paragraph A. 10(b)(iii):**

“where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter/Promoter Group, Subsidiary(s) of Promoter/Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme.”

Reasons for non-applicability: This paragraph of the SEBI Scheme Circular deals with the merger of a subsidiary with the parent listed entity. The present Scheme provides for the demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company and consequent issue of equity shares by the Resulting Company to shareholders of the Demerged Company, in same proportion of their respective shareholding in the Company. Further, the Resulting Company was incorporated as a wholly owned subsidiary of the Demerged Company and therefore, the shares of the Resulting Company were not acquired by the Demerged Company from its Promoter/Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group. Accordingly, the provisions of Paragraph 10(A)(b)(iii) of Part I of the SEBI Scheme Circular would not be applicable to the Scheme.



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3.4. **Paragraph A. 10(b)(iv):**

"where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity;"

Reasons for non-applicability: The present Scheme provides for the demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company and consequent issue of equity shares by the Resulting Company to shareholders of the Demerged Company, in same proportion of their respective shareholding in the Company. Accordingly, the provisions of Paragraph 10(A)(b)(iv) of Part I of the SEBI Scheme Circular would not be applicable to the Scheme.

3.5. **Paragraph A. 10(b)(v):**

"where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares;"

Reasons for non-applicability: The Scheme envisages a demerger of the Ice Cream Business Undertaking of the Demerged Company into its wholly-owned subsidiary, i.e. the Resulting Company. As per the audited consolidated financials of the Demerged Company for the financial year ended March 31, 2024, the Ice Cream Business Undertaking contributes c.3% to HUL's turnover and consequently, its value is less than 20% of the consolidated net worth and consolidated total income during the previous financial year as required in terms of Section 180(1)(a)(ii) of the Companies Act, 2013. Therefore, the Ice Cream Business Undertaking does not constitute whole or substantially the whole of the undertaking of the Demerged Company. Further, the consideration for the demerger is in the form of equity shares of the Resulting Company, which are proposed to be listed on the stock exchanges. Accordingly, the provisions of Paragraph 10(A)(b)(v) of Part I of the SEBI Scheme Circular would not be applicable to the Scheme.

In view of the aforesaid, the requirement of obtaining consent of majority of public shareholders voting, as stated at Paragraph A.10(b) of Part I read with Paragraph A.10(a) of Part I of the SEBI Scheme Circular is not applicable to the proposed Scheme.

This undertaking is being issued pursuant to the requirement under Paragraph A.10(c) of Part I of the SEBI Scheme Circular.

For Hindustan Unilever Limited

Radhika Shah
Company Secretary & Compliance Officer

Membership No: A19308

Date: 22nd January, 2025

