Annexure C

Walker Chandiok & Co LLP

Strictly Private and Confidential

To,

Board of Directors
GlaxoSmithKline Consumer Healthcare Limited
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Date: 3 December 2018

Sub: Recommendation of Share Exchange Ratio for a proposed Scheme of Amalgamation between Hindustan Unilever Limited, GlaxoSmithKline Consumer Healthcare Limited and their respective shareholders and creditors

Dear Sir / Madam,

We refer to our Engagement Letter dated 01 December 2018 wherein Glaxosmithkline Consumer Healthcare Limited ("GSK CH" or the "Company") have requested Walker Chandiok & Co LLP ("WCC" or the "firm") for a valuation report recommending the Share Exchange Ratio as on 30 November 2018 (hereinafter referred to as the "Valuation Date") for the proposed amalgamation of GSK CH into Hindustan Unilever Limited ("HUL"), through a Scheme of Amalgamation by way of Merger by Absorption Under Sections 230 to 232 of the Companies Act, 2013 between Hindustan Unilever Limited, Glaxosmithkline Consumer Healthcare Limited and their respective shareholders and creditors ("Scheme") .

GSK CH and HUL are together referred to as the "Companies".

WCC has been hereafter referred to as 'Valuer' or 'we' in this Share Exchange Ratio Report ('Report').

In the following paragraphs, we have summarized our valuation analysis together with the description of the methodologies used and limitations on our scope of work.

CONTEXT AND PURPOSE

Hindustan Unilever Limited

HUL, founded in 1931 and based in Mumbai, is a consumer goods company, manufactures and sells home and personal care, food, and refreshment products in India and internationally. The company operates through five segments: Home Care, Personal Care, Foods, Refreshment, and Others. The company also engages in the beauty salons, job work, discharge trust, and real estate businesses. HUL operates as a subsidiary of Unilever PLC. HUL is listed on BSE Limited and the National Stock Exchange of India.

GlaxoSmithKline Consumer Healthcare Ltd.

WALKER CHANDIOK & CO. LLP * CHARTERED ACCOUNTANTS *

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

GlaxoSmithKline Consumer Healthcare Limited

Founded in 1958, GSK CH is the category leader in Indian health food drinks industry. It manufactures and sells cereal based nutritional beverages and protein rich foods under the brands "Horlicks", "Boost", "Viva", and "Maltova". It exports its products to Bangladesh, Sri Lanka, Middle East, Myanmar and Pakistan. GSK CH also markets and distributes a range of other GSK group products such as Eno, Crocin, Iodex and Sensodyne under consignment selling agreements. GSK Consumer Healthcare Ltd is an associate of GlaxoSmithKline Plc. of U.K. GSK CH is listed on BSE Limited and the National Stock Exchange of India.

Proposed Transaction

We understand from the management of GSK CH ("Management") that both the Companies are contemplating amalgamation of GSK CH into HUL ("Proposed Transaction") through a Scheme.

As a consideration for the Proposed Transaction, equity shareholders of GSK CH would be issued Equity shares of HUL. Share Exchange Ratio for this Report refers to the number of equity shares of face value of INR 1/- each of HUL, which would be issued to shareholders of GSK CH.

For the aforesaid purpose, the Management has requested WCC to submit an independent report recommending the Share Exchange Ratio in connection with the Proposed Transaction for the consideration of their Audit Committee / Board of Directors. This report will be placed before the Audit Committee and the Board of GSK CH and to the extent mandatorily required under applicable laws of India, maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Transaction.

The scope of our services is to conduct a relative (and not absolute) valuation of the equity shares of the Companies and report on the Share Exchange Ratio for the proposed amalgamation in accordance with generally accepted professional standards.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management/their representatives and/or gathered from public domain:

- With respect to GSK CH:
  - Annual report of GSK CH for the year ended 31 March 2018.
  - Financial results for the period ended 30 September 2018.
  - Quoted share prices and the traded volumes at NSE.

- With respect to HUL:
  - Annual report of HUL for the year ended 31 March 2018.
  - Financial results for the period ended 30 September 2018.
  - Details pertaining to outstanding ESOPs and their strike price.
  - Quoted share prices and the traded volumes at NSE.

GlaxoSmithKline Consumer Healthcare Ltd.

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- Others:
  - Draft Scheme of Amalgamation.

It may be noted that no future business plans for the Companies have been provided to us.

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. The Management has been provided with the opportunity to review the draft Report (excluding the recommended Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.

APPROACH TO VALUATION ENGAGEMENT AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Discussions with the Company to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.

- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation
  - Analysis of key trends and valuation multiples of comparable companies using:
    - Valuer's internal transactions database
    - Proprietary databases subscribed by the Valuer
  - Other publically available information.

- Analysis of information.
- Selection of appropriate internationally accepted valuation methodology/(ies) after deliberations
- Determination of relative value of the Companies
- Arriving at Share Exchange Ratio

Further, at the request of the Management, we have had discussions with fairness opinion providers appointed by the Company on the valuation approach adopted and assumptions made by us.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than date of the Report.

This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular, and the information made available to us as of the Valuation Date. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

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The recommendation rendered in this Report only represents our recommendation based upon information till date, available in the public domain, furnished by the Management (or its representatives) and other sources and the said recommendation shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of a Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Exchange Ratio. While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Exchange Ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including information as detailed in the section - Sources of Information. We have not audited, reviewed or otherwise investigated the financial information provided to us by the Companies. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand from the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Also, we assume no responsibility for technical information furnished by the Companies. However nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The Management has informed that the business activities have been carried out in the normal and ordinary course between 30 September 2018 and the Valuation Date for the Companies and that no material adverse change has occurred in their respective operations and financial position between the respective aforementioned dates.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.

This Report does not look into the business/ commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transaction as compared with any other alterative business transaction or other alternatives or whether or not such alternatives could be achieved or are available. In addition, this Report does not in any manner address the prices at which equity shares of GSK CH and HUL will trade following announcement of the Proposed Transaction and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Transaction.

No investigation / inspection of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of the Company that have appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Share Exchange Ratio. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India. The Report should be used in connection with the Scheme.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the Proposed Transaction, without our prior written consent except for disclosures to be made to relevant regulatory authorities including stock Exchanges, SEBI and National Company Law Tribunal or as required under applicable law.

SHARE HOLDING PATTERN OF COMPANIES

HUL

The issued and subscribed equity share capital of HUL as on 30 September 2018 was INR 2,164.6 million consisting of 2,164,648,943 equity shares of face value of INR 1 each. The shareholding pattern was as follows:

Sr. No.	Shareholder	No. of shares	Percentage
1.	Promoter and Promoter Group	1,454,412,858	67.2%
2.	Public	710,236,085	32.8%
	Total	**2,164,648,943**	**100.0%**

Source: BSE filing

Further, 333,272 Employee Stock Options (ESOP) are outstanding as on the Valuation Date. The diluted number of equity shares, as on the date of this Report, after considering the exercise of all the outstanding ESOP would be 2,164,982,215 equity shares.

GSK CH

The issued and subscribed equity share capital of GSK CH as on 30 September 2018 was INR 420.6 million consisting of 42,055,538 equity shares of face value of INR 10 each. The shareholding pattern was as follows:

Sr. No.	Shareholder	No. of shares	Percentage
1	Promoter and Promoter Group	30,471,992	72.5%
2	Public	11,583,546	27.5%
	Total	**42,055,538**	**100.0%**

Source: BSE filing

VALUATION APPROACH & METHODOLOGY

Valuation Base: Valuation base means the indication of the type of value being used in an engagement. Different Valuation bases may lead to different conclusions of value. In transaction of the nature of merger or amalgamation of companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities in the nature of Equity of the acquirer or transferee entity with reference to an exchange ratio/ entitlement ratio considering the relative values.

Considering the nature of this exercise, we have considered Relative Value as the Valuation base.

Premise of Value: Premise of Value refers to the conditions and circumstances how an asset is deployed. We have considered Going Concern Value and "As-is-where-is" Value as applicable to the companies being valued, as the Premise of Value.

Intended Users: This report is intended for consumption of the Board of Directors of the Company for the purpose of submission to the relevant regulatory authorities.

The Scheme contemplates the amalgamation of GSK CH with HUL. Arriving at the Share Exchange Ratio for the Proposed Transaction would require determining value of the equity shares of HUL and GSK CH independently but on a relative basis and without considering the current transaction. The Scheme contemplates the Proposed Transaction pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

As discussed below, there are several commonly used and accepted methods for determining the Share Exchange ratio for the proposed amalgamation of GSK CH into HUL, which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Approach:
    a. Market Price method
    b. Comparable Companies Multiples
    c. Comparable Transaction Multiple Method
2. Income Approach: Discounted Cash Flows Method
3. Cost Approach: Net Asset Value Method

As discussed below for the Proposed Transaction we have considered these methods, to the extent relevant and applicable.

It should be understood that the valuation of any business / company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In addition, this valuation could fluctuate with lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature, regulatory guideline and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The generally accepted valuation methodologies, as may be applicable, which have been used to arrive at the value of the Companies are discussed hereunder:

Market Price (MP) Method

The market price of an equity share as quoted on a Stock Exchanges is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

In the present case, equity shares of HUL and GSK CH are listed on BSE and NSE and there are regular transactions in their equity shares with adequate volumes. For determining the value of the Companies under MP Method, the volume weighted average share price observed on NSE for the respective Companies over a reasonable period have been considered as the traded turnover of the shares of the Companies on NSE is higher than that on BSE.

Comparable Companies Market Multiple ("CCM") Method

This method is also known as Guideline Public Company Method. It involves valuing an asset based on market multiples derived from prices of market comparable companies traded on active market. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. We identified listed comparable companies, based on business of HUL and thereafter screened the selected multiples based on the revenues, growth and profitability in comparison with HUL.

Similarly we have identified publicly listed broadly comparable companies, based on business of GSK CH and thereafter screened the selected multiples based on revenues, growth and profitability in comparison with GSK CH.

We have applied the multiples for both HUL and GSK CH to determine value of HUL and GSK CH respectively under the Comparable Companies' Market Multiple method.

Comparable Companies Transaction Multiple ("CTM") Method

This method is also known as Guideline Transaction Method. It involves valuing an asset based on transaction multiples derived from prices paid in transactions of assets to be valued /market comparable (comparable transactions).

There is no rule of thumb for the appropriate age of a reasonable transaction; however, it is important to be aware of the transaction selected in terms of size and nature of business and competitive landscape as compared to our subject company and factor any changes in the marketplace environment into the analysis.

We were unable to find similar transactions to benchmark to arrive at the equity valuation of both the Companies. We have therefore not used this method for valuation of HUL and GSK CH.

Net Asset Value (NAV) Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominates earnings capability. Further, this method doesn't capture the value of intangible assets in the form of brands, trademarks etc as well as future growth potential of the business. Hence, this method has not been considered to value both the Companies.

Discounted Cash Flows (DCF) Method

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

We have not been provided with mid-term/long term forecasts by/or behalf of the Companies. Hence, we have not considered DCF method of valuation.

BASIS OF SHARE EXCHANGE RATIO

The basis of the Proposed Transaction would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a fair Share Exchange Ratio of equity shares it is necessary to arrive at a single value for each of the business / subject companies' shares. It is however important to note that in doing so we are not attempting to arrive at the absolute equity values of the Companies but at their relative values to facilitate the determination of a fair Share Exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of HUL and GSK CH. The Share Exchange Ratio is based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the companies, having regard to available information base, key underlying assumptions and limitations. To arrive at the Share Exchange Ratio, suitable averaging and rounding off in the values arrived at have been done. Please refer Annexure I for summary of valuation workings.

CONCLUSION

Based on the forgoing, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove,for the proposed amalgamation of GSK CH into HUL, we recommend the following Share Exchange Ratio:

439 (four hundred and thirty nine) fully paid up Equity Shares of INR 1 each of HUL for every 100 (hundred) fully paid up Equity Shares of INR 10 each held in GSK CH.

Respectfully submitted,
For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/ N500013

per **Anupam Kumar**
Partner
Membership No.: 501531

Gurugram
3 December 2018

Annexure 1

The Computation of Share Exchange Ratio as derived by us, is given below:

Valuation Approach	HUL		GSK CH	
	Value per share (INR)	Weight (%)	Value per share (INR)	Weight (%)
Cost Approach	NA	NA	NA	NA
Market Approach				
Market Price Method	1,656.0	50%	6,861.5	50%
Comparable Companies Market Multiple Method	1,812.9	50%	8,381.4	50%
Comparable Transaction Method	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Relative Value Per Share	**1,734.5**	**100%**	**7,621.4**	**100%**
Exchange Ratio (rounded off)	**439**		**100**	

NA= Not Applicable/Adopted

1. The Cost approach is not adopted in the current case as this methodology doesn't capture the future growth potential of the business of the Companies.
2. Under the Market approach, as both the Companies are listed, we have considered Market Price Method. Further, considering a reasonably close list of comparable listed peer set for the Companies, Comparable Companies Market Multiple method has also been applied. We have not used Comprable Transaction Multiple method under market approach for GSK CH and HUL as we were not able to find transactions in terms of size and nature of business and competitive landscape as compared to the Companies.
3. Since we have not been provided with financial projections of the Companies, Income approach has not been considered.

Share Exchange Ratio
439 (four hundred and thirty nine) equity shares of HUL (of INR 1/- each fully paid up) for 100 (hundred) equity shares held in GSK CH (of INR 10/- each fully paid up).