



HUL BOARD APPROVES 'SCHEME OF ARRANGEMENT' FOR THE PROPOSED TRANSFER OF THE BALANCE IN THE GENERAL RESERVES TO THE PROFIT AND LOSS ACCOUNT

Mumbai, January 15th, 2016: The Board of Directors have at their meeting today, considered and approved, a Scheme of Arrangement ('Scheme') which envisages the transfer of the entire balance of Rs 2187.33 crores standing to the credit of the General Reserves to the Profit and Loss Account.

The Scheme, under relevant sections of the Companies Act 1956 and 2013, is subject to the approval of the shareholders, sanction of the Court and such other approvals as are prescribed. The approval by the Board is the first step to proceed with the requisite formalities. The Company will make necessary applications to the Hon'ble High Court of Mumbai for its directions to convene a meeting of Shareholders/Creditors to seek their consent, after obtaining the necessary clearances from the Stock Exchanges to the Scheme. Upon the Scheme becoming effective, the amount so transferred is proposed to be returned to the shareholders in accordance with the terms of the Scheme.

The Company has built up significant reserves over the years through the transfer of profits to the General Reserves pursuant to the provisions of the erstwhile Companies Act, 1956. Given HUL's strong financial position and track record of cash generation, the funds represented by such accumulated General Reserves is seen to be in excess of the Company's current and anticipated needs. In view of this and to uphold good corporate governance, HUL has proposed a Scheme between the Company and its shareholders to give effect to the proposed transfer and its subsequent payout. Accordingly, the Board has approved the Scheme. The Scheme, besides being shareholder friendly, will also drive the efficiency of the Company's Balance Sheet.

About Hindustan Unilever Limited

Hindustan Unilever Limited (HUL) is India's largest Fast Moving Consumer Goods Company with a heritage of over 80 years in India and touches the lives of nine out of ten Indian households. HUL works to create a better future every day and helps people feel good, look good and get more out of life with brands and services that are good for them and good for others.

