Prospectus

A copy of this Offer for Sale, having attached to it the documents required by Section 60 of the Companies Act, 1956, and specified below, has been delivered for registration to the Registrar of Companies, Bombay.

Consent of the Government of India has been obtained to this Offer by an Order, of which a complete copy is open to inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Government of India do not take responsibility for the financial soundness of any schemes or opinions expressed with regard to them.

The Application List for the ordinary shares now offered for sale (including the share preferentially offered to the employees of Hindustan Lever Limited as mentioned below) will open at 10 a.m. on the 3rd day of December, 1956, and will close at 3 p.m. on the 5th day of December, 1956, or later, at the discretion of the Offeror.

Hindustan Lever Limited

(Formerly Lever Brothers (India) Private Limited)

(Incorporated on 17th October, 1933, under The Indian Companies Act, 1918)

SHARE CAPITAL

Authorised: Issued and fully Paid:

Rs. 5,57,00,000 in 5,57,00,000 Ordinary Shares of Rs. 10 each ... Rs. 5,57,00,000

Unilever Limited, London (sometimes referred to in this Offer for Sale also as "the Offeror") is the beneficial owner of the whole of the issued capital of the Company which, with the exception of seven shares, is registered in their name.

LOAN CAPITAL

The Company has created no mortgage or debentures and has no other loan capital.

The Company has bank overdraft facilities secured by guarantee by Unilever Limited or by hypothecation of stock in trade, but on 31st October, 1956, no amount was outstanding. The Company has a current account with Unilever Limited and from time to time is indebted for goods and services supplied in the normal course of the Company's business. On 31st October, 1956, this account showed an amount due by the Company to Unilever Limited of Rs. 21,19,922.

OFFER FOR SALE

OF 6,57,000 ORDINARY SHARES OF Rs. 10 each fully paid at Rs. 16-8-0 per share (Including: a premium of Rs. 6-8-0) payable in full on application

Unilever Limited invite applications for the purchase from them of the above shares.

In addition to paying the purchase price to Unilever Limited the purchaser (or transferee) will have to bear the stamp duty on the transfer of the shares from Unilever Limited.

Applications must be made on the official form and in the case of applications from the public must be forwarded to the brokers to the Offer named below or to any of the branches of the National Bank of India Limited at the addresses stated on the application form.

It is intended to reserve a maximum of 55,700 (i.e. 10%) of the above 5,57,000 shares for offer in the first instance to the employees of Hindustan Lever Limited at the above price of Rs. 16-8-0 per share (Including a premium of Rs. 6-8-0) payable in full on application. Applications from employees for these shares must be made on BLUE application forms and must be for 25 or 50 shares only.

Applications for the shares offered for sale to the public must be made on WHITE application forms and must be for 50 shares or a multiple thereof.

Any of the shares reserved for the employees of Hindustan Lever Limited which are not purchased by them will be available to meet applications from the public.

The shares offered for sale will rank for any dividends which may hereafter be declared.

DIRECTORS

Andrew John Chandon Hoskyns-Abrahall, Gold Croft. Bhulabhai Devsai Road, Bombay, Company Director (Chairman).

Stephen Henry Tumor, Everest House, Carmichael Road, Bombay, Technical Director (Vice-Chairman).

Kalyan Sundar Basu, Revills, Cuffe Parade, Bombay, Personnel Director.

Kanianthra Thomas Chandy, 10-A, Mount Mary Road, Bandra, Bombay, Company Director (Secretary).

David Alexander Orr, Javeri Mansions, Little Gibbs Road, Bombay, Marketing Director (Soaps).

Prakash Lal Tandon, Dakshin Pall, D'Monte Parte, Bandra, Bombay, Co-ordinating Director.

Reginald James Wheeler, Kamani House, Pedder Road, Bombay, Financial Director.

Maurice Zinkin, Revills, Cuffe Parade, Bombay, Marketing Director (Foods).

BANKERS

Bankers to the Company

State Bank of India — Apollo Street, Bombay.

National Bank of India Limited — Mahatma Gandhi Road, Bombay.

BANKERS TO THE OFFER

National Bank of India Limited — Mahatma Gandhi Road, Bombay.

SOLICITORS

To the Company and the Offer

Crawford Bayley & Company, State Bank Buildings, Bank Street, Bombay.
THE ECONOMIC WEEKLY

AUDITORS
A. F. Ferguson & Company, Chartered Accountants, Allahabad Bank Building, Apollo Street, Bombay.

BROKERS TO THE OFFER
Managing Brokers
Batlivala & Karani, Union Bank Building, Dalai Street, Bombay 1.
Premchand Roychand & Sons, 63, Apollo Street, Bombay 1.

Calcutta Brokers
Place, Siddons & Gough—6, Lyons Range, Calcutta.

Madras Brokers
Kothari & Sons—Oriental Buildings, Armenian Street, Madras

REGISTERED OFFICE
Scindia House, Dougall Road, Ballard Estate, Bombay.

HISTORY
The Company was incorporated in India as a private company on 17th October, 1933, under The Indian Companies Act, 1913, with the name Lever Brothers (India) Limited. Shortly after incorporation the Company took over the Lever soap business established in India in the nineteenth century by Lever Brothers of Port Sunlight Cheshire, since when the Company has carried on business continuously.

On 8th October, 1956, but with effect from the close of business on 31st December, 1955, by virtue of Orders of the Bombay High Court the Company was amalgamated under Sections 391 and 304 of the Companies Act, 1956, with the undernoted Companies whose assets thereby vested in the Company subject to their liabilities, duties and covenants:

(1) THE HINDUSTAN VANASPATI MANUFACTURING COMPANY PRIVATE LIMITED (Sometimes referred to in this Offer for Sale also as "HVM")
(2) WILLIAM GOSSAGE & SONS (INDIA) PRIVATE LIMITED
(3) JOSEPH CROSFIELD & SONS (INDIA) PRIVATE LIMITED

These companies (hereinafter collectively referred to as "the merged companies") have now ceased to exist. Previously they were closely associated with the Company all being wholly owned subsidiaries of Unilever Limited. Since the amalgamation the Company has been carrying on the combined business comprising the manufacture and sale of soaps, detergents, toilet preparations and glycerine, together with vanaspati, margarine, edible oils and oil cake, formerly products of HVM which since 1932 has been the largest producer or its kind in India.

Following the amalgamation, the Company was converted to a public company on 27th October, 1956 and changed its name to Hindustan Lever Limited on 1st November, 1956.

BUSINESS
The Company's main aim has always been to sell good quality products at fair prices. Its products now include SUNLIGHT and LIFEBUOY soaps, LUX toilet soap, LUX soap flakes, RINSO soap powder, VIM scouring powder, DALDA and LOTUS brands of vanaspati, BLUE BAND and other margarines, and MARVO cooking medium. The rights in India to all the trade marks applied to these products are the property of the Company. The Company has arrangements with companies of the Unilever Group outside India by which it manufactures and sells their products in India for its own account; these products include PEARLS transparent soap and talcum powder, REXONA toilet soap, BREEZE toilet soap, ERASMIC shaving stick, and shaving cup soap, HIMALAYA BOUQUET toilet and talcum powder, PEPSODENT and GIBBS, S.R. toothpaste and GIBBS dentifrice, CALIFORNIAN POPPY hair oil and ERASMIC cocoa nut hair oil. The Company also produces Industrial and B.P. quality glycerine which it sells under its trade marks PYRAMID and WHEEL. The Company also sells the soapless detergent powder SURF; supplies of this product are at present imported from the United Kingdom, but local manufacture is planned.

The Company's products are distributed throughout India. The Company's sales offices in Bombay, Calcutta, Delhi and Madras and its depots at Gauhati, Cochin and Bangalore deal directly with over 13,000 wholesalers and stockists in over 3,000 towns. The Company's 375 salesmen are in touch with about 2,00,000 shops that deal in the Company's products.

As a member of the Unilever Group, the Company has access to Unilever's international knowledge and experience of the manufacture and marketing of detergents, edible fats and toilet preparations. To a great extent because of its membership of the Group, the Company has made a valuable contribution to the development of the soap and vanaspati industries in India and continues to do so.

The basic raw material of the Company's soap and vanaspati manufacturing businesses is vegetable oil. The quantities (to the nearest thousand tons) of such oil processed by the Company and by HVM whose business is now amalgamated with the Company, during each of the five years ended 31st December, 1955, are given below: a predominant part, about 38% in 1955— is purchased within India.

1951: 81,000 tons; 1952: 91,000 tons; 1953: 89,000 tons; 1954: 97,000 tons; 395: 1,04,000 tons.

PERSONNEL
For many years the training of Indian employees for higher posts, whether technical or commercial, has been an important part of the Company's policy and selected personnel are sent overseas for special courses of instruction and for observation of advanced practices. More than 85% of the managerial staff are Indians.

In recent years during which relations between employees and workers in all industries have been subjected to many strains and stresses the Company has been loyal to its workers and has on its part, endeavoured to think and act progressively in all matters pertaining to wages, conditions of work, retirement provisions and welfare. The wages and salaries paid by the Company have been acknowledged on several occasions by Labour Tribunals as the highest in the Industry.

The number of people employed by the Company exceeds 6,000.
SUBSIDIARIES

The Company has four wholly owned subsidiaries. They are:

United Traders Private Limited and Van den Berths (India) Private Limited, neither of which are trading at present, and

Levers Associated Trust Private Limited and Levindra Trust Private Limited, both of which are trust companies managing the Provident Fund of the Company's employees.

FACTORIES

<table>
<thead>
<tr>
<th>Situation and Address</th>
<th>Approximate Area Acres</th>
<th>Nature of Tenure</th>
<th>Main Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haji Bunder, Sewri, Bombay</td>
<td>24.0</td>
<td>Leasehold To 1983 with option for renewal to 2032</td>
<td>Soap, toilet preparations, glycerine, vanaspati, margarine and oil cake.</td>
</tr>
<tr>
<td>Garden Reach, Calcutta,</td>
<td>3.4</td>
<td>Leasehold To 2008</td>
<td>Soap, toilet preparations and glycerine</td>
</tr>
<tr>
<td>Athpur, Shamnagar, W. Bengal.</td>
<td>9.0</td>
<td>Freehold</td>
<td>Vanaspati</td>
</tr>
<tr>
<td>Grand Trunk Road, Ghazipur, U.P.</td>
<td>15.2</td>
<td>Freehold</td>
<td>Vanaspati</td>
</tr>
<tr>
<td>Edamalaiappattu Pudur, Tiruchirapalli, S. India.</td>
<td>39.5</td>
<td>Freehold</td>
<td>Vanaspati</td>
</tr>
</tbody>
</table>

The Factories are well situated for the purposes of securing regular supplies of raw materials and ensuring efficient distribution of manufactured products to all parts of the country. They are equipped with modern plant and machinery, adequately provided with railway sidings, water and power and are maintained in good working condition.

Negotiations have been completed for acquiring a lease from the Government of Bombay of a site of about 0.9 of an acre in the area known as Back Bay Reclamation on which the Company proposes to erect a Head Office building to house members of its staff at present dispersed over five buildings in Bombay City.

AUDITORS' REPORT

The following is a copy of the Report received from the Company's Auditors, Messrs. A. F. Ferguson & Company:

Bombay, 12th November 1956.

The Directors,
Unilever Limited,
Blackfriars,

Gentlemen,

We have examined the audited accounts for the five years to 31st December, 1955, of Hindustan Lever Limited (formerly Lever Brothers (India) Private Limited) and those of its subsidiary companies at that date, all of which were wholly owned, namely:

United Traders Private Limited
Levers Associated Trust Private Limited
Levindra Trust Private Limited

and those of the following companies hereinafter collectively referred to as "the merged companies"), whose assets and liabilities were on 8th October 1956 transferred to Hindustan Lever Limited, namely:

The Hindustan Vanaspati Manufacturing Company Private Limited (hereinafter referred to as "HVM")
Joseph Crossfield & Sons (India) Private Limited
William Gossage & Sons (India) Private Limited.

We have also examined the audited accounts of Van den Berghs (India) Private Limited which was a wholly owned subsidiary of HVM but which, on 8th October, 1956, on the abovementioned transfer of assets and liabilities, became a wholly owned subsidiary of Hindustan Lever Limited.

We have also examined the audited accounts of the following companies (hereinafter referred to as "the liquidated companies"), for the four years to 31st December 1954 and the period to 27th July 1955, namely:

The North West Soap Company Private Limited
The Premier Soap Company of India Private Limited

which was wholly owned subsidiaries of Hindustan Lever Limited, went into voluntary liquidation on 28th July 1955, and held their final meetings in the liquidations on 23rd October 1956.

Throughout the years under review we have acted as auditors of all the above companies.

No audited accounts of any of the above companies have been made up since 31st December 1955.

1. PROFITS

We report that the combined profits of Hindustan
Lever Limited, its subsidiary companies as at 31st December 1955 and the liquidated companies and the profits of each of the merged companies, (in the case of HVM, combined with those of its former subsidiary company) all arrived at on the basis set out below, were as follows:

(i) The profits shown in columns 2 to 6 inclusive have been arrived at after charging all expenses of working and management, interest, and depreciation and after making such adjustments as are in our opinion necessary. Depreciation has been charged throughout the five years on a consistent basis and, in aggregate, exceeds the total income-tax allowances exclusive of initial allowances and development rebates.

(ii) The taxation shown in column 7 has been calculated on the profits shown in column 6 at the rate of 0.95 as. in the rupee. This is the combined rate of income-tax and super-tax applicable to the profits of the companies for each of the years under review before taking into account the effect of dividend distributions out of such profits. In respect of 1955, the Finance Act, 1956, imposed on companies taxation additional to the basic rate of 0.95 as. to the extent that dividends declared during 1955 exceeded 6% of issued capital. On the basis of the Finance Act, 1956, and the present issued capital, the additional taxation payable by Hindustan Lever Limited in future years will be as follows:

On the first Rs. 33,42,000 of dividends—Nil
On the next Rs. 22,28,000 of dividends—2 as. in the rupee
On the balance of dividends over Rs. 55,70,000 —3 as. in the rupee.

The aggregate actual taxation paid or calculated as payable by Hindustan Lever Limited, its subsidiaries and the merged companies is as follows:

<table>
<thead>
<tr>
<th>Year ended 31st December</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>60.74,497</td>
</tr>
<tr>
<td>1952</td>
<td>75.94,460</td>
</tr>
<tr>
<td>1953</td>
<td>90.12,026</td>
</tr>
<tr>
<td>1954</td>
<td>80.44,180</td>
</tr>
<tr>
<td>1955</td>
<td>1.38,42,031</td>
</tr>
</tbody>
</table>

2. DIVIDENDS
The following rates of dividend were paid in respect of the five years to 31st December 1955 by Hindustan Lever Limited and the merged companies;—

<table>
<thead>
<tr>
<th>Year ended 31st December</th>
<th>Paid up Cap. Rs. Lakhs</th>
<th>Rate %</th>
<th>Paid up Cap. Rs. Lakhs</th>
<th>Rate %</th>
<th>Paid up Cap. Rs. Lakhs</th>
<th>Rate %</th>
<th>Paid up Cap. Rs. Lakhs</th>
<th>Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>HVM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1951</td>
<td>138</td>
<td>Nil</td>
<td>133</td>
<td>Nil</td>
<td>0.8</td>
<td>Nil</td>
<td>3.2</td>
<td>Nil</td>
</tr>
<tr>
<td>1952</td>
<td>200</td>
<td>Nil</td>
<td>133</td>
<td>Nil</td>
<td>0.8</td>
<td>Nil</td>
<td>3.2</td>
<td>Nil</td>
</tr>
<tr>
<td>1953</td>
<td>200</td>
<td>25</td>
<td>133</td>
<td>30,075</td>
<td>0.8</td>
<td>200</td>
<td>3.2</td>
<td>50</td>
</tr>
<tr>
<td>1954</td>
<td>200</td>
<td>55</td>
<td>133</td>
<td>50</td>
<td>0.8</td>
<td>56.25</td>
<td>3.2</td>
<td>18.75</td>
</tr>
<tr>
<td>1955</td>
<td>200</td>
<td>37.5</td>
<td>133</td>
<td>50</td>
<td>0.8</td>
<td>56.25</td>
<td>3.2</td>
<td>18.75</td>
</tr>
</tbody>
</table>
3. NET ASSETS

The net assets, based on the audited balance sheets as at 31st December 1955, of Hindustan Lever Limited its subsidiary companies at that date, each of the merged companies, and Van den Berghs (India) Private Limited at that date a subsidiary company of HVM, after making such adjustments as we consider necessary, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Hindustan Lever Limited</th>
<th>The subsidiary companies of Hindustan Lever Limited</th>
<th>HVM</th>
<th>Van den Berghs (India) Private Limited, a subsidiary company of HVM</th>
<th>Joseph Crosfield &amp; Sons (India) Private Limited</th>
<th>William Gossage &amp; Sons (India) Private Limited</th>
<th>Aggregate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Col. 1</td>
<td>Col. 2</td>
<td>Col. 3</td>
<td>Col. 4</td>
<td>Col. 5</td>
<td>Col. 6</td>
<td>Col. 7</td>
</tr>
<tr>
<td>Trade Marks &amp; Goodwill</td>
<td>3,00,316</td>
<td></td>
<td></td>
<td>1,900</td>
<td>71,048</td>
<td>2,50,000</td>
<td>6,23,256</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock and Stores</td>
<td>2,25,85,023</td>
<td>27,46,880</td>
<td>1,20,28,888</td>
<td>3,78,60,791</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors &amp; advances</td>
<td>65,77,204</td>
<td>10,03,533</td>
<td>58,22,745</td>
<td>1,31,03,802</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>58,11,379</td>
<td></td>
<td>2,23,536</td>
<td>60,34,915</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,49,73,606</td>
<td>37,50,733</td>
<td>1,80,75,169</td>
<td>5,67,99,508</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors</td>
<td>(74,30,559)</td>
<td>(5,20,974)</td>
<td>(71,72,627)</td>
<td>(775)</td>
<td>1,51,25,145</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>(46,18,966)</td>
<td>(28,16,036)</td>
<td>(28,38,811)</td>
<td>(7,917)</td>
<td>(9,789)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>(943)</td>
<td>(2,52,453)</td>
<td>(9,38,811)</td>
<td>(7,917)</td>
<td>(9,789)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1,29,50,207)</td>
<td>(7,73,427)</td>
<td>(1,07,67,594)</td>
<td>(1,07,67,594)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Current Assets</td>
<td>2,29,23,399</td>
<td>29,77,306</td>
<td>73,07,655</td>
<td>83,19,048</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiary and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associated Companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>subsidiary companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>are represented by the</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>net assets of—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercompany</td>
<td>(5,89,297)</td>
<td>(5,89,297)</td>
<td>(591)</td>
<td>952</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>indebtedness: Parent/</td>
<td>(99,49,826)</td>
<td>(98,53,158)</td>
<td>16,869</td>
<td>79,789</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>subsidiaries</td>
<td>(91,15,396)</td>
<td>(48,18,432)</td>
<td>16,869</td>
<td>79,789</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hindustan Lever Ltd/the</td>
<td>14,23,727</td>
<td>5,89,297</td>
<td>50,34,165</td>
<td>42,96,864</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>merged companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unilever Limited</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,94,17,655</td>
<td>33,66,603</td>
<td>1,86,31,439</td>
<td>1,86,31,439</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>7,30,17,549</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figures in brackets represent liabilities.
*This represents a net dividend declared on 22nd February 1956 in respect of 1955.

We are, gentlemen,
Yours faithfully,
A. F. FERGUSON & CO.
Chartered Accountants

PROSPECTS

The consumption of products of the types manufactured by the Company is likely to increase as the standard of living is raised. The Company expects to win a fair share of any increased prosperity that may accrue to the industries concerned.

Assuming a continuance of present rates of taxation the Directors estimate that the consolidated net profit of the Company and its subsidiaries for the year ending 31st December 1956 (after taking into account taxation of Rs. 108 lakhs of which Rs. 19½ lakhs is in respect of the capitalisation of Rs. 157 lakhs of promts on 11th October 1956) will not be less than Rs. 90,00,000.

On the 1st November 1950 the Company paid an Interim dividend of 8 annas per share absorbing Rs 27,35,000.
If the estimated not profit is realised and there is no substantial change in trading conditions the Directors would expect to recommend that a final dividend for the year 1956 of 6 annas per share, free of income tax, be paid before the end of May 1057.

For the future it is the intention of the Directors (in the absence of unforeseen circumstances) to recommend the distribution of a large part of the Company’s profits by way of dividend. For example, If the estimated level of profit for 1956 is maintained and there is no substantial change in rates or taxation or trading conditions, the Directors would expect to recommend for the year ending 31st. December 1957 a total dividend of not less than Rs. 1-6-0 per share free of income tax. On the sale of the shares now offered the Company will become a Company to which Section 23A of The Income Tax Act, 1922 applies.

As will be seen from the Auditors’ Report one of the merged companies (HVM), the business of which is now carried on by the Company and is primarily concerned with the manufacture and sale of vanaspati, incurred a loss in 1954. In that year the price of Indian groundnut of fell heavily. The profits of this particular business—as indeed of the Vanaspati Industry as a whole—are governed to a great extent by price fluctuations in the Indian groundnut oil market. These fluctuations in recent years have been very wide.

STATUTORY AND OTHER INFORMATION

The Offeror was the promoter of the Company but no sum was paid to the Offeror for its services as promoter.

During the two years preceding the date hereof the Company issued 20,00,000 Ordinary Shares of Rs. 10 each credited as fully paid to Unilever Limited in consideration of the vesting in the Company of the assets of the merged companies and it also issued during this period 15,70,000 Ordinary Shares of Rs 10 each credited as fully paid to Unilever Limited by capitalising Rs. 1,57,00,000 of profits standing to the credit of general reserve.

No amount has been paid to the Company by way of premium on any shares within the two years preceding the date hereof.

Apart from the dividends referred to in the report of the auditors, the shares above referred to, the sum of Rs. 5,22,590 being remuneration paid to the directors and secretary of the Company and the sum of Rs. 2,84,43,747 being payments made to or to be made to Unilever Limited for goods and services in the ordinary course of the Company’s business, no amount or benefit has been paid or given within the two years preceding the date hereof to the promoter or any officer of the Company. It is not intended that the Company should pay or give to the promoter any amount or benefit other than such amounts as may become payable to the promoter in the ordinary course of the Company’s business. It Is not intended to pay or give any amount or benefit to any officer of the Company other than normal remuneration.

Except as beneficial owner of the whole of the Company’s Issued share capital and as a creditor of the Company from time to time in the normal course of the Company’s business, the Offeror has no interest in the profits or property of the Company. The other members of the Company have no beneficial interest in the profits or property of the Company, since Incorporation the Company has capitalised profits standing to the credit of general reserve (including the Rs. 1,57,00,000 referred to above) as follows: 20th March 1937 Rupees Six Lakhs; 29th December 1937 Rupees Eleven Lakhs; 22nd July 1939 Rupees Three Lakhs; 20th August 1940 Rupees Two Lakhs; 17th November 1942 Rupees One Lakhs; 6th September 1943 Rs. Six Lakhs; 19th February 1045 Rupees Thirteen Lakhs; 7th September 3945 Rupees Twelve Lakhs; 24th December 1946 Rupees Six Lakhs; 31st December 1951 Rupees Fifty Lakhs; 22nd August 1952 Rupees Sixty-two Lakhs; 11th October 1956 Rupees One Hundred and Fifty Seven Lakhs. The Company applied the amounts capitalised in paying up in full ordinary shares of the Company of Rs. 10 each of a nominal amount equal to the profits capitalised. All the shares were allotted to the Offeror or its nominees, or subsidiaries of the Offeror incorporated in the United Kingdom or their nominees.

The Company has not issued any redeemable preference shares and does not at the present time intend to do so.

The premium receivable on the shares now offered for sale will be retained by the Offeror. No part of the proceeds of this Offer for Sale is receivable by the Company. The Offeror will pay all the expenses in connection with this Offer for Sale except the stamp duty on the transfers from the Offeror to the persons in whose names the shares are registered which will be payable by those persons. The Offeror will also pay brokerage as indicated below. The total expenses, including brokerage, payable by the Offeror are estimated to be Rs. 350,000.

No commission (except brokerage as hereinafter mentioned) was paid during the two years preceding the date hereof or is payable to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for shares in the Company.

All the directors are whole-time directors and are not required to hold any qualification shares.

No director had any interest in the promotion of the Company and neither the promoter nor any promoter had any interest in any property acquired by the Company within the two years preceding the date hereof or proposed to be acquired by it other than the promoter’s interest as a member of the Company and beneficial owner of the whole of its share capital.

No sums have been paid or agreed to be paid to any director In cash or shares or otherwise by any person to induce him to become or to qualify him as a director or otherwise or for any other purpose whatsoever for services rendered by him in connection with the promotion of or formation of the Company.

Mr. A. J. C. Hoskyns-Abrahall Is the beneficial owner of £200 Unilever Limited 8% Cumulative ‘A’ Preference Stock.

The Articles of Association of the Company contain provisions to the following effect:--

(a) The profits of the Company which shall from time to time be determined to be divided shall be divisible among the members in proportion to the capital paid up on the shares held by them respectively.

(b) Unless otherwise determined by a general meeting the number of directors shall not be less than three and not more than eleven.
(c) The directors including: the Managing Director. If any, shall, be paid out of the funds of the Company by way of remuneration for their services such sums as the Company in general meeting may from time to time determine, and such remuneration shall be divided among them in such proportions and manner as the Directors may determine, and, in default of such determination within the year, by the Chairman. If any Director shall be called upon to perform extra services or make special exertions or efforts the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his normal remuneration. A Director who is not a resident of Bombay City may be paid such sum as the Board may consider fair compensation for travelling, boarding; lodging and other expenses incurred in attending meetings of the Board in that City. If any Director is called upon to go or reside out of Bombay City on the Company's business, he shall be entitled to be repaid any travelling or other expenses incurred by him in connection with the business of the Company.

(d) Save as required by the Companies Act, 1956, no restrictions are imposed by the Articles of Association on the Directors' powers of management and the control of the Company's affairs is vested by the Articles of Association in the Directors.

(e) Subject to the provisions of the Companies Act, 1956, the Board may appoint from time to time any one of its numbers as Managing Director of the Company for a fixed term not exceeding five years at a time upon such conditions as it thinks fit and may vest in such Managing Director such of its powers as it thinks fit and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of the Managing Director shall be determined in the same manner as that of a Director. The Board has not appointed a Managing Director and it is not its present intention to do so.

(f) The Directors may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting. The provisions of the Articles of Association relating to borrowing are qualified by the relevant provisions of the Companies Act, 1956.

(g) Every Officer or agent of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Companies Act 1936, in which relief is granted to him by the Court.

(h) Save as hereinafter mentioned in regard to joint holders, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative, shall have one vote. Upon a poll every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or proxy shall be entitled to one vote for each share held by him. No person may vote in person or by proxy if there remains unpaid any call or other sum due on any of his shares.

(i) If there be joint registered holders of any shares, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto, provided that, if more than one of such joint-holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands higher on the Register of Members shall alone be entitled to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name shares stand shall for the purpose of the Articles be deemed joint-holders thereof.

(j) The Articles of Association contain no restriction on the transfer of fully paid up shares. The Directors may decline to register a transfer of any partly paid shares to a person of whom they do not approve and may also decline to register a transfer of partly paid shares on which the Company has a lien.

(k) The special rights attaching to any class of shares may be varied, modified, commuted, affected, abrogated or dealt with by any agreement between the Company and any person purporting to contract on behalf of that class provided that such an agreement is ratified in writing by the holders of at least three-fourths in nominal value of the issued shares of that class or is confirmed by a resolution passed at a separate General Meeting of the holders of shares of the class and supported by the votes of the holders of at least three-fourths of the shares of that class.

MAIN OBJECTS

The main objects of the Company include the manufacture and sale of soap, soap-powders, detergents, toilet requisites, vanaspati, margarine, edible-oils, cattle food and foods of all kinds.

All the objects of the Company are in law main objects and therefore a copy of the objects clause of the Company's Memorandum of Association is annexed hereto and forms part of this Offer for Sale.
CONTRACTS

The following contracts not being contracts entered into in the ordinary course of business, which are or may be material, have been entered into by the Company during the two years preceding the date hereof:

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2nd May 1955</td>
<td>Assignment of the Trade Mark, “Breeze” registered in India under No. 128300 to Erasmic Company Limited of Unilever House, London.</td>
</tr>
<tr>
<td>2</td>
<td>1st February 1956</td>
<td>Assignment of the Trade Mark “Bris” registered in India under No. 163139 to Erasmic Company Limited of Unilever House, London.</td>
</tr>
<tr>
<td>3</td>
<td>12th November 1955</td>
<td>Correspondence between the Company and the Government of Bombay by which the latter has accorded sanction to the grant of a lease of a site at Backbay Reclamation, Bombay of approximately 4258 sq. yards for a period of 99 years at a ground rent of Rs. 12 As. 8 per sq. yd. on condition that the Company erects thereon an Office Building of not less than Rs. 12 lakhs in value within the first four years of the said lease.</td>
</tr>
<tr>
<td>4</td>
<td>27 September 1956</td>
<td>Agreement between the Company and its workmen employed in its factories at Sewri, Bombay, represented by Lever Brothers Employees’ Union, Bombay, fixing generally the terms and conditions of employment for the years 1955 to 1960 both inclusive, and, in particular, fixing pay-scales, dearness allowance, grading of hourly-rated jobs, provident fund, gratuity and incentive payment and bonus.</td>
</tr>
<tr>
<td>5</td>
<td>10th October 1956</td>
<td>Resolution passed by the Company in general meeting on 10th October, 1956, voting as the annual remuneration of all the Directors collectively a sum not exceeding Rs. 8 lakhs to be apportioned among them as they may determine.</td>
</tr>
</tbody>
</table>

UNDERWRITING

This Offer is not being underwritten.

APPLICATIONS FROM THE PUBLIC, which must be for 50 shares, or a multiple thereof, must be made on the official WHITE application form and will be declined if not so made. WHITE application forms, together with a remittance for the full amount payable on application, should be sent to any of the branches of the National Bank of India Limited, or to the Brokers to the offer, to the addresses as given on the application form. A separate remittance must accompany each form.

APPLICATIONS FROM THE STAFF OF HINDUSTAN LEVER LIMITED for the shares reserved in the first instance for them, and which must be for either 25 or 50 shares, must be made on the official BLUE application form and will be declined if not so made. These forms are obtainable only from the offices of Hindustan Lever Limited mentioned in the last paragraph of this offer for sale. BLUE application forms, together with a remittance for the full amount payable on application, should be sent to the Secretary of Hindustan Lever Limited at Scindia House, Dougall Road, Ballard Estate, Bombay. A separate remittance must accompany each form.

All remittances should be made by cheque or draft drawn on a bank in any one of the following towns, Bombay, Calcutta, Madras, Bangalore, Amritsar, Cawnpore, Delhi, New Delhi, Tuticorin, Cochin. Application forms sent with cheques or drafts drawn on banks in towns other than those stated above may be refused.

Cheques or drafts should be made payable to “National Bank of Incite Limited A/c Unilever” and should, for the applicant’s protection, be crossed “A/c Payee only”.

The Offeror reserves the full and up controlled right of accenting or rejecting any application in whole or in part. Where an application is rejected or not accepted in full, the whole or the balance of the applicant’s remittance will be returned, in which event bank commission, if any, will be payable by the applicant.

Acceptance will be notified by the despatch of a definitive share certificate in the name of Unilever Limited together with a blank transfer executed by that company or on its behalf as transferor. These documents will be sent by registered post at the risk of the applicant. The Company has agreed to waive the transfer fee for the registration of such transfers from the Offeror.

A brokerage of 4 annas per share will be paid by the Offeror to the Managing Brokers in respect of all acceptances. The Managing Brokers will pay 2 annas per share to certified Brokers of any recognised stock exchange and to the National Bank of India Limited on the basis of acceptances of applications received and bearing their stamp. In addition to the 2 annas per share, the Managing Brokers will pay to Messrs. Place, Siddons & Gaugh, Messrs. Kothari & Sons and the National Bank of India Ltd. remuneration for any additional service rendered by any of them to and at the request of the Managing Brokers.

The consent in writing of the above-mentioned Bankers, Solicitors and Brokers to act in their respective capacities has been obtained and none of them has withdrawn their consent to the issue of this Offer for Sale. Messrs. A. F. Ferguson & Co, have also given and have not withdrawn their written consent to the Issue of this Offer for Sale with their Report included in the form and context in which it is included.

The foregoing written consents, copies of the contracts numbered one to five above and the written statement of the adjustments made by the Auditors in arriving at the figures shown in their Reports and giving the reasons therefor have been attached to the copy of the Offer for Sale, which has been delivered to the Registrar of Companies, Bombay, for registration.

The documents mentioned below may be inspected at the Registered Office of the Company, Scindia House, Dougall Road, Ballard Estate, Bombay, during usual business hours (excluding Saturdays) until the Application List has been closed.

(1) The Memorandum and Articles of Association of the Company.
(2) Copies of the Contracts numbered one to five above.
(3) Copy of the order of the Central Government giving consent to the Offer for Sale.
(4) Copy of the order dated 8th October, 1956 of the High Court of Judicature at Bombay wider...
Sections 394. and 394 of the Companies Act 1956, vesting the assets (subject to the liabilities, duties and covenants) of The Hindustan Vanaspati Manufacturing Company Private Limited, in the Company.

(5) Copy of the order dated 8th October, 1956, of the High Court of Judicature at Bombay under Sections 391 and 394 of the Companies Act, 1956, vesting the assets (subject to the liabilities, duties and covenants) of Joseph Crossfield & Sons (India) Private Limited, in the Company.

(6) Copy of the order dated 8th October, 1956, of the High Court of Judicature at Bombay under Sections 391 and 394 of the Companies Act, 1956, vesting the assets (subject to the liabilities, duties and covenants) of William Gossage & Sons (India) Private Limited, in the Company.

(7) The original Report of Messrs. A. F. Ferguson & Co., as set out herein and a copy of their statement as to the adjustments made by them in arriving at the figures shown in their Report and giving the reasons therefor.

(8) Copies of the balance sheets and profit and loss accounts upon which the Report of Messrs. A. F. Ferguson & Co., Bombay, is based, for the 5 years ended 31st December, 1955.

Copies of the Offer for Sale and WHITE application forms may be obtained by the public from all Indian branches of the National Bank of India Limited and from the Brokers. Copies of the Offer and BLUE application forms may be obtained by the staff from the Registered Office of the Company at Scindia House, Dadgall Road, Ballard Estate, Bombay, and from the Company’s offices at 4 Lyons Range, Calcutta; 12/1 Delhi-Ajmeri Gate Scheme, Delhi; 11/14 Armenian Street, Madras; Mattancherry Main Road, Cochin; 2 Central Street, Bangalore; Athgaon Road, Gauhati; Grand Trunk Road, Ghaziabad; Edamalaipatti, Pudur, Tiruchirapalli.

Dated at Bombay this seventeenth day of November, 1956.

A. J. C. HOSKYNS-ABRAHALL
S. H. TURNER
K. S. BASU
K. T. CHANDY
D. A. ORR
R. J. WHEELER
M. ZINKIN

For P. L. TANDON
K. T. CHANDY
Constituted Attorney

For THE LORD HEYWORTH
(Director of Unilever Limited)

A. J. C. HOSKYNS-ABRAHALL
Constituted Attorney

For A. M. KNOX
(Director of Unilever Limited)
S. H. TURNER
Constituted Attorney

For UNILEVER LIMITED
A. J. C. HOSKYNS-ABRAHALL
Constituted Attorney