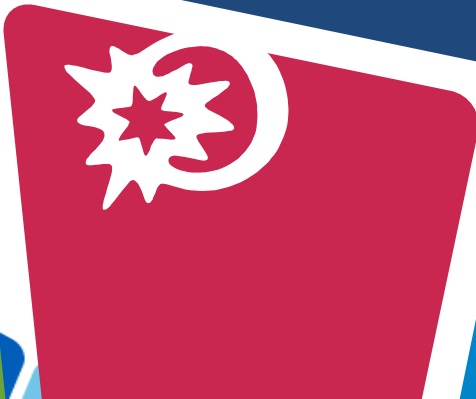


GST

ANNUAL INVESTOR MEET | 2 JUNE 2017

P.B. Balaji



Hindustan Unilever Limited

SAFE HARBOUR STATEMENT



Hindustan Unilever Limited

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

WELCOME REFORM; WIN-WIN FOR ALL



Hindustan Unilever Limited

CONSUMER

Cheaper, better products

COUNTRY/ ECONOMY

Higher investment led growth

GOVERNMENT

Lower fiscal deficit,
higher tax base

INDUSTRY

Simpler & effective compliance,
Level playing field, Efficient SC

EXTENSIVE PREPARATIONS UNDERWAY



Hindustan Unilever Limited

1) Compliance

2) Cutover

3) Value Creation

Impacts multiple areas

- Significant impacts on
 - Procurement
 - Manufacturing
 - Distribution
 - Customer Development
 - Accounting
 - Controls
 - Taxation
 - IT
- ~100 business whitepapers

Focus on IT readiness

- Significant impact on HUL systems
- Extensive testing underway to secure a smooth transition
- GSTN readiness expected soon
- Revised GSTR formats expected anytime now

Supporting the eco-system

- HUL and our eco-system targeting to be ready for a July 1st transition
- Engagement to step up further in the coming days

COMMITTED TO PASS ON THE NET BENEFITS



Hindustan Unilever Limited

Source of benefits

- **Reduced output tax rates**
 - Soaps
 - Toothpaste
 - Detergent bars
- **100% input credit availed**

HUL shall pass on the net benefit based on fair principles

Interplay between P&L lines likely

NEAR TERM IMPACT



Hindustan Unilever Limited

Growth likely to be impacted by temporary thinning down of trade pipelines

Trade concerns

Presumptive Credit on closing stock

- 40% of CGST payable available as credit

Margins

- Impact of higher GST on their margins

Our Response

- Extensive communication to clarify
- Compensate customers appropriately
- Await final transition rules to further fine-tune response

IN SUMMARY

**Win- win for everyone in
the long run**

**In the near term –
Temporary thinning down
of trade pipelines likely**

**Net Benefit on tax rates
to be passed on**

**Interplay between P&L
lines likely**

THANK YOU

FOR MORE INFORMATION

VISIT OUR WEBSITE

<http://www.hul.co.in/investorrelations/>

HUL Annual Investor Meet 2017

HUL's Annual Investor Meet 2017 will be held on 2nd June 2017, Friday, at the HUL Head Office in Mumbai

[> View more](#)



HUL INVESTOR APP

