

HUL's GST benefit deposit offer touches ₹155 crore

New Delhi: Fast moving consumer goods major Hindustan Unilever (HUL) said it has offered another tranche of Rs 36 crore of goods and services (GST) benefits for January to the government, taking the total to Rs 155 crore since the tax rates were revised on November 15 last year.

HUL said while the revised GST rate was initiated immediately on November 15, 2017, there was a lag on account of the time required to change artworks on various products, order packing material, production and ensuring availability in stores.

"Hence, it was not possible to immediately pass on the benefit of the November 15 GST rate reductions to the end consumers," HUL said in a statement.

To address the issue, company representatives had met government officials in December last year during which HUL had offered to deposit the GST benefits on a monthly basis with the government until the transition



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is completed or until it is informed by the government of an alternative action.

Out of Rs 36 crore for January, a significant portion

includes benefits accrued on stocks, which were lying with HUL's distributors during the time of transition on 15th November 2017, the company added.

"With this third tranche, the total combined (HUL plus distributors) GST benefits offered by the company on its own accord to the government, amounts to Rs 155 crore," it said.

HUL further said the benefits accruing directly to it which need to be passed on to consumers, have come down significantly from that in November and December as most of the company's revised pricing networks have now landed in the market.

For the November 15-30, 2017 period, HUL said the estimated amount was Rs 60 crore and it had offered to deposit the amount into the Consumer Welfare Fund.

"In the absence of clear legal provisions on this subject, the request was forwarded to the Director General of Safeguards," it added. —PTI