

Published Date:	1 Jul 2026	Publication:	Mint [Mumbai]
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HUL bets on resilient supply chain to tackle global shocks

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Hindustan Unilever Ltd said it is confident of facing global disruptions, the new normal that businesses must face with short-term responses that also build the future.

“The short term will have challenges, which we will navigate, hopefully, better than anyone else has done,” chairman Nitin Paranjpe said while answering questions from shareholders at the company’s 93rd annual general meeting on Tuesday. Paranjpe said he is “very, very positive about the long-term prospects for the company.”

The chairman of India’s largest FMCG company noted that modern disruptions are unlike those of the past—they now occur simultaneously across geopolitics, supply chains and climate change.

“Over the past 12 months, we have witnessed conflicts that have disrupted energy markets and global trade routes,” Paranjpe said in his speech. “Climate volatility—from heat waves to erratic rain fall—has affected agriculture, water systems and livelihoods.”

The question is no longer whether disruption will come—it is whether these challenges can be turned into opportunities and whether what is done today to navigate short-term pressures can also become the foundations of long-term strength, he said.

The chairman said HUL is building a more agile and resilient supply chain. The vision behind Project Nakshatra, its multi-year supply chain trans-



The question is no longer whether disruption will come, but how HUL turns it into opportunity, says chairman Nitin Paranjpe.

formation initiative, is sourcing a majority of the company’s raw materials locally and redesigning its network for proximity and speed.

“Through Nakshatra, we have established multi-category, multi-format factories closer to demand centres, co-located suppliers and warehouses and introduced nano factories – compact, technology-driven production units capable of manufacturing with rapid changeovers,” he said. The initiative extends to last-mile delivery also.

“In our supply chain, the Nano DC initiative launched this year introduces compact, channel-focused distribution units that enable high-frequency replenishment for fast-growing channels like quick commerce, using RFID tracking and GPS enabled controls for real-time visibility,” he added.

HUL reported a 5% increase in turnover to Rs 63,763 crore in FY26, driven by 4% volume growth. The rural market, the volume driver for the Indian FMCG market, continued to grow strongly for the firm.

“Both rural and urban

growth rates are relatively steady, rural growing a little faster than urban,” Paranjpe said.

The management said HUL is ensuring that it protects volume and affordability, especially in rural areas using its “accessible packs” and a brand portfolio that “straddles the price pyramid.”

Questions from shareholders ranged from the company’s growth outlook to performance of acquired brands and plans for new launches.

The Iran-US war that broke out on 28 February disrupted supply chains as the closure of the Strait of Hormuz halted about 27% of the world’s maritime trade in crude oil and petroleum and 20% of global liquefied natural gas trade. This resulted in an increase in prices of petroleum derivative products like plastics, petrol and cleaning products.

Crude oil-linked supply chains disruptions increased input costs for HUL, the management said during its fourth-quarter results presentation in April. This led to a 2-5% price hike across products. The company reported a 15-month-high volume growth in the March quarter.

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HUL is focusing on affordability with accessible packs as global tensions and higher input costs weigh on FMCG