



Hindustan Unilever Limited

Hindustan Unilever Limited
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Mumbai 400 099

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Web: www.hul.co.in
CIN: L15140MH1933PLC002030

13th June, 2019

Stock Code BSE: 500696
NSE: HINDUNILVR
ISIN: INE030A01027

BSE Limited,
Corporate Relationship Department,
2nd Floor, New Trading Wing,
Rotunda Building, P.J. Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra – Kurla Complex,
Bandra (E),
Mumbai – 400 051

Dear Sir,

Sub: Investor Presentation

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the presentation on teleconference / webcast with analysts / investors on 'Ind AS 116' at Mumbai today.

You are requested to take the above information on your record.

Thanking You.

Yours faithfully,

For Hindustan Unilever Limited

For

Dev Bajpai
Executive Director, Legal & Corporate Affairs
and Company Secretary
DIN:00050516 / FCS No.: 3354





Impact of IND AS 116

Hindustan Unilever Limited

13th June 2019

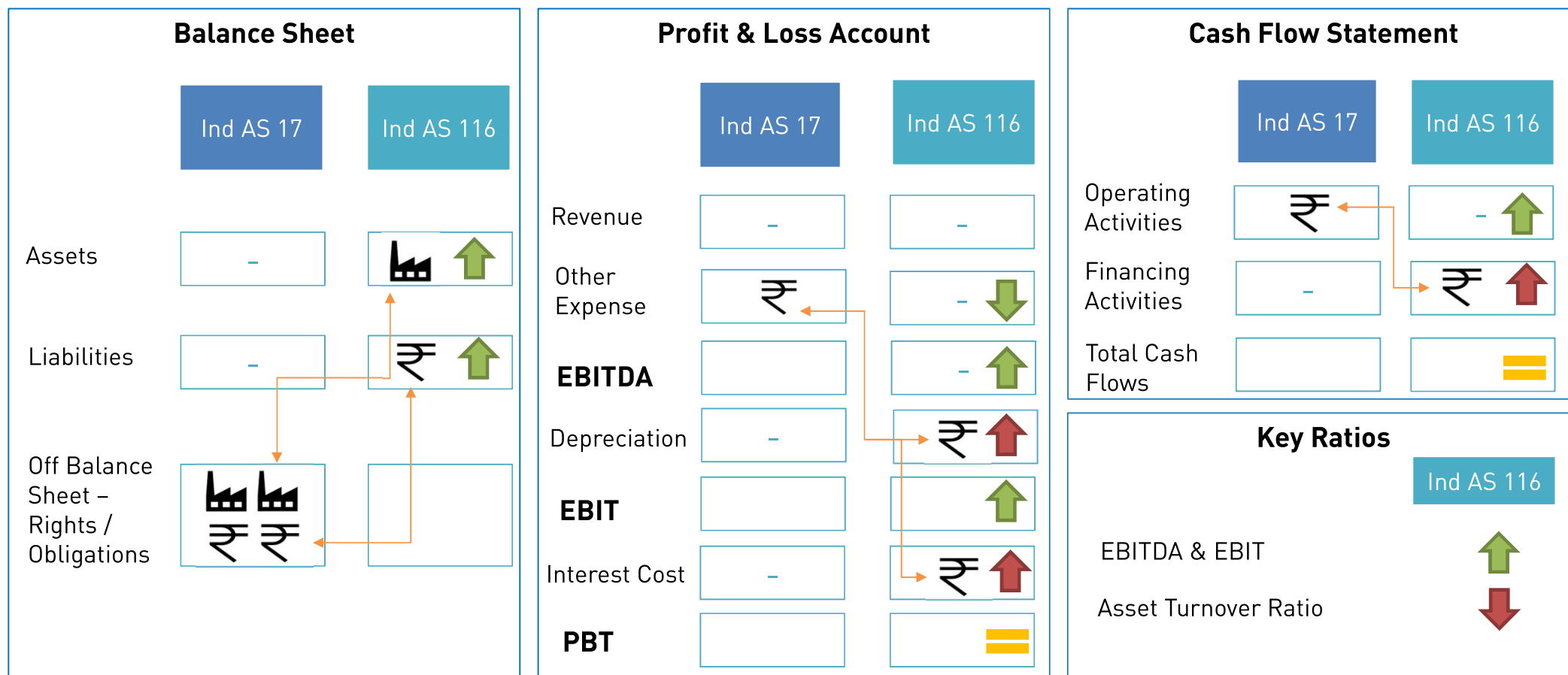
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This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, 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.

IND AS 116 – Overview

- New Lease standard Effective 1st April 2019
- Removes distinction - Finance vs Operating Lease
- All leases to be recognized in the balance sheet as an Asset and Liability
 - The lease liability is measured at the present value of lease payments to be made over the lease term
 - The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments etc.
 - Lessees reduce the liability to reflect lease payments made. The related right-of-use asset is depreciated over tenure of lease on straight line basis
- Operating lease payments currently expensed to be split as Depreciation on asset and Interest on lease liability
- Exemptions available for Immaterial Lease and Short Term Lease (less than 12 months)

IND AS 116 – Impact on Financial Statement



IND AS 116 – Impact** on HUL (standalone)

Balance Sheet as of 31 st March 2019	
	Rs. Crs
Assets	+675
Liabilities	+725
Difference to be accounted in opening Reserves as of 1 st April 2019 net of Taxes	-50*

Profit & Loss Account – FY 2018-19		
	Rs. Crs	bps
Revenue	-	
Other Expense	-400	
EBITDA	+400	+100
Depreciation	+345	
EBIT	+55	+15
Interest Cost	+60	
PBT	-5	-1

Cash Flow Statement – FY18-19	
	Rs. Crs
Operating Activities	+400
Financing Activities	-400
Total Cash Flows	-

Key Ratios	
	Change
Return on Capital Employed	+2.0%
Return on Net worth	+0.4%
Fixed Asset Turnover Ratio	-1 time

* Actual impact will be net of deferred tax
 ** Approximate numbers basis initial impact assessment

Summary

Adoption:

- HUL to adopt modified retrospective approach for transition to IND AS 116 from 1st April 2019
- No restatement for past period will be done

Key Performance Indicators impacted:

- EBITDA
- EBIT
- ROCE



Q&A