

## GST era win-win situation for all: HUL chairman



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The country's largest consumer goods company, Hindustan Unilever Ltd (HUL), says it is ready for goods and services tax (GST). It says it is working closely with all stakeholders to manage the transition well.

At the eighty-fourth annual general meeting of the company on Friday, chairman Harish Manwani described GST as a win-win situation for all and said it would benefit all — the consumer, the country and the company.

"I can tell you that your company is well-prepared for GST. A task force was set up to manage the roll-out and we are working with the government closely on this. We are also in touch with suppliers, distributors and retailers on GST and will deal with all issues raised by any," he said in response to shareholders' queries on the subject.

Kishore Biyani-led Future Group had said earlier it would limit shelf space of HUL products in case margins were not protected by the company after GST roll-out.

The issue arises since GST has a positive impact on some categories in terms of rates and a negative impact on some other categories. In

HUL's case, for instance, while soaps, toothpastes and hair oils will see a decline in terms of tax rates to 18 per cent from 22-24 per cent earlier, detergents and personal products will see an increase to 28 per cent (from 22-24 per cent).

Organised retailers have been worried whether price hikes as a result of an increase in GST rates would prompt a margin squeeze.

But Manwani re-iterated that the matter would be resolved after negotiations. "They respect us as suppliers and we respect them," he said about the Future Group in response to shareholders' queries. "These matters are subject to negotiations," he said, adding that the company would look at passing on the benefits of GST to consumers and stakeholders after taking into account both the positive and negative impact of rates.

In a recent conversation with *Business Standard*, Biyani had said companies such as Colgate and Nestlé had agreed to protect margins and that work was on to convince other consumer goods companies to follow. Almost 10-15 per cent of fast-moving-consumer-goods sales comes from modern trade, with the balance 85-90 per cent coming from traditional trade.