



2nd June, 2020

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

Dear Sir,

**Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with reference to SEBI Circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020**

This is further to our letter dated 27th March, 2020 and 30th April, 2020 , we would like to inform you the impact of COVID-19 pandemic and ensuing nation-wide lockdown on the Company pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**1. Impact of the COVID-19 pandemic on the business, supply chain and demand. Ability to maintain operations including the factories/units/office spaces functioning and closed down**

The COVID 19 pandemic has had an unprecedented impact on the nation, its citizens, the economy and business. To slowdown the spread of COVID'19, the government announced a nationwide lockdown from 25th March, 2020. However even before the nationwide lockdown, various state governments and local administrations had implemented different containment measures such as sealing borders, closing public places, suspending transport services and state-specific lockdown. Hence, the adverse impact of COVID-19 in form of fractured supply lines and demand decline has been felt from mid-March.

Our operations across manufacturing sites, distribution centres, warehouses and extended supply chain partner locations were disrupted. Immediately following the



nationwide lockdown, operations came to a near standstill and we were able to operate at ~5% of the pre-COVID normative levels. The Company has been working very closely with the government at different levels to ensure policy and permit compliances and reboot the supply line. We were able to gradually improve the operations to ~70% in the month of April and have now been able to ramp-up our production to 80-90% of normative levels. All our factories and all of our warehouses except one in Assam are open with the requisite government permissions and adherence to highest safety standards. Almost all our suppliers in India, who were not operating at all in the initial period of the lockdown, are now operational. All our office-based employees have continued to work-from-home with effect from 17th March, 2020.

Lockdown has severely impacted the Fast Moving Consumer Goods (FMCG) market and the loss of livelihoods has taken a substantial toll on consumer demand. The Company is closely observing the changes in demand patterns and consumer behaviours. We are staying close to our consumers with frequent digital interactions and through social listening. We are seeing heightened consumer focus on health, hygiene, and nutritional needs. Our portfolio comprising of categories like skin cleansing, home & hygiene, nutrition, tea, coffee and foods is well positioned to cater to these consumer demand spaces. With mobility restrictions, lockdown of retail spaces and fear of loss of income, the impact on discretionary categories like hair care, skin care and colour cosmetics is more accentuated. While we are seeing some demand revival in these categories, the exact time which these categories will take to recover fully remains to be seen. Our out of home businesses comprising of ice creams and foods solutions and our consumer durables business of water have been most severely impacted by the lockdown.

## **2. Steps taken to ensure smooth functioning of operations**

The Company has moved at speed to support its multiple stakeholders, maintain operations through crisis and prepare for business in a new normal. We have structured our immediate response into five areas: supporting our people, protecting supply, serving demand, contributing to society, and maintaining our financial strength.

The Company's utmost priority has been health, safety and well-being of our people and partners. The Company had rapidly implemented tiered protocols for safe operations even before a strict lockdown came into place. Strict standards of access



control, social distancing in supply chain and sales force, use of Personal Protection Equipment (PPE) as well as strict hygiene and sanitization procedures are active across all our operations. We have provided COVID-19 related medical covers to all our frontline employees, back end teams of distributors and depot staff.

The Company manufactures and supplies essential day-to-day products such soaps, hand sanitizers, laundry detergents, floor cleaners, disinfectants, foods, etc., While the priority continues to be the safety of our people, given these extremely challenging conditions, it is important that the Company fulfils the surge in demand from consumers for handwash, sanitizers, floor cleaners, hygiene and nutrition products. We are operating with shorter planning cycles, stepping up agility, reducing complexity and working longer shifts to build resilience in our supply chain. The Company has collaborated, unlocked partnerships and implemented innovative delivery models to operate in conformity with the lockdown regulations. Our B2B sales ordering app Shikar and our hyperlocal ordering platform of Humara Shop have witnessed increased adoption and usage by trade and consumers under the lockdown.

This crisis has highlighted the importance of our commitment to use our scale and brands as a force for good in society throughout the pandemic and beyond. As a responsible Company, we stand united with the nation and have committed Rs. 100 crores in the fight against the Coronavirus.

### **3. Estimation of the future impact of COVID-19 on operations**

The future impact on the business operations is difficult to assess at this point, as the situation is unravelling at a fast pace. We are fully committed to working with the Government and our partners to ensure that we overcome this crisis together. Our portfolio of trusted brands, our financial stability and quality of leadership teams positions us well to deal with the crisis and, for the changing world that will come afterwards. Even though the current situation is very volatile, we are confident about our ability to manage the crisis and come out of it in a strengthened position.

### **4. Details on impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt and other financial arrangements, assets, internal financial reporting and control**

The Company has a strong balance sheet and cash position. For the last several years, we have driven a strong savings agenda. We are systematically reviewing all



areas of cash generation and usage and re-evaluating all costs in the prevailing circumstances, so that we can continue to invest towards the best opportunities. At the same time, we continue to judiciously deploy credit in order to support our partners and bring back normalcy in extended supply chain.

The pandemic has imposed incremental operating costs on the business. While there will be some impact on our profitability in the short term; however, it is difficult to assess the exact quantum at this stage. The integrity of our financial model remains intact. The Company doesn't foresee any incremental risk with regards to its ability to service financial arrangements and recoverability of its assets including inventory and receivables. There has been no impact on the internal financial reporting and controls of the Company.

**5. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact**

The Company is well positioned to fulfil its obligations with respect to all the existing contracts and agreements. We do not foresee any material impact arising from non-fulfilment of obligation by any party in existing contracts or agreements.

**6. Impact on the financial statements**

There is no impact of COVID-19 on the publishing of financial statements. The Company has published its results for the quarter and year ended 31st March 2020 with annual audited accounts on 30th April, 2020. Consistent with our annual calendar timelines, the Company on 30th June, 2020 will be holding its Annual General Meeting through Video Conferencing / Other Audio Visual Means in accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India.

**7. Update on GSK Consumer Healthcare merger**

The merger of GSK Consumer Healthcare India Limited with Hindustan Unilever Limited is effective 1st April, 2020 consequent to receipt of all approvals. We are delighted with this opportunity to serve the nutrition needs of consumers and we are also making good progress on the integration plans. The workmen at our Nabha plant are currently on a strike. We are working with all stakeholders to find a resolution and will take appropriate steps as required.



In December 2018 i.e. at the time the merger was proposed, we had shared with the investors the expected benefits from the merger and it was our intent to provide an update to the markets with the merger having been completed now. Given the COVID-19 crisis, our efforts are currently focussed on bringing our operations back to normalcy; further enhanced with the relaxation measures announced by the Government. We will provide a detailed update to the markets in the month of July on the merger and the synergy benefits.

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

Thanking You,

Yours faithfully,

**For Hindustan Unilever Limited**

**DEVOP**  
Digitally signed  
by DEVOPAM  
**AM**  
BAJPAI  
Date: 2020.06.02  
**BAJPAI**  
18:15:38 +05'30'

**Dev Bajpai**

**Executive Director, Legal & Corporate Affairs  
and Company Secretary**

**DIN: 00050516 / FCS No: F3354**