

June 11, 2020

Dept. of Corporate Services  
**BSE Ltd.**  
P J Towers,  
Dalal Street,  
Mumbai – 400 001.

Listing Department  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, Bandra Kurla Complex  
Bandra (East)  
Mumbai 400051.

**BSE Scrip Code : 524735**

**NSE Symbol : HIKAL**

Dear Sir,

**Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)**

This is further to our intimation dated 26<sup>th</sup> March 2020 and 6<sup>th</sup> April 2020 and pursuant to Regulation 30 of Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May 2020. We would like to submit the following details relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company:

**1. Impact of the COVID-19 pandemic, schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations:**

- a. **Impact on Business Operations:** The Government of India in order to contain the spread of the COVID-19 pandemic announced a nationwide Lockdown on 25<sup>th</sup> March 2020. Accordingly, we shut down our operations at all our facilities. Being a part of the essential services industry, after getting the necessary permissions from the respective authorities, we restarted our operations from 5<sup>th</sup> April 2020. Due to the continued restriction in the movement of people and material by the government, the company is not able to operate at its optimal capacity. We are currently running at approximately 80 - 85% capacity utilisation at all our manufacturing sites.

We are ensuring compliance with the directives issued by the Central Government, State Governments and local government and is maintaining social distancing and taking the required precautions for all our staff.

- b. **Employees:** We are currently working with approximately 75-80% manpower at our manufacturing units. We have taken all the necessary precautions advised by the Government and WHO. All safety protocols of temperature sensing, wearing of safety gear, social distancing, facility, and vehicle sanitizing, etc are being adhered to very stringently. We have made it mandatory for all employees to install the Aarogya Setu app.

The Company has already implemented a “Work from Home” policy for employees working at the offices.

- c. **Raw Materials:** We are working closely with the vendors to ensure that there is steady supply of raw materials. There were logistical issues in the initial period of the lockdown which have eased out to a large extent however there are circumstances where delays and non-availability of raw materials are being experienced. We have taken action to mitigate those risks.

**Hikal Ltd.**

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Regd. Office: 717/718, Maker Chambers, V. 7th Floor, Nariman Point, Mumbai - 400 021, India. Tel. - 91 -22 - 6630 1801 / 2283 4587 Fax: + 91-22-2283 3913

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- d. **Demand for its products/services:** We do not foresee any major impact on the demand for our products. Majority of our revenue comes from exports and business operations across the world has been impacted due to the spread of COVID-19 pandemic. The respective Government authorities have implemented various restriction on business activities in these countries which might lead to changes in delivery timeline/schedule of the orders. We are on top of the evolving situation on an on-going basis. However, we would like to state that there has been NO cancellation of any orders/projects/contracts.
- e. **Financial resources, profitability and liquidity position:** The Company is currently in a comfortable liquidity position to meet its financial commitments and have honoured all its commitments due till now. The Company has implemented various cost control measures to conserve liquidity in view of the uncertain and evolving situation. We have not opted for the moratorium option and continue to meet all our debt obligations. We will keep reviewing the situation on a regular basis.
- f. **Capex:** We are continuing with the capex which is in several stages of completion. However, the completion will depend on the ongoing COVID-19 situation which is changing rapidly. There is a shortage in the availability of skilled manpower across all our sites and we are actively in discussions with various contractors to provide us skilled manpower on a long-term basis.
2. **Estimation of the future impact of COVID-19 on its operations:** The company is not in a position, to gauge with certainty, the future impact of COVID-19 on its operations. The Company will continue to monitor the fast-changing environment as it evolves and will keep all concerned updated on all material developments.
3. **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:** The Company is well positioned to fulfil its obligations and existing contracts/arrangements. This update is dynamic and may change as the situation changes. The company will provide an update on the situation in case of any major change.

Thanking You,

Yours faithfully,

for **HIKAL LTD.**,

**Sham Wahalekar**  
**President - Finance &**  
**Company Secretary**

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