MAHICKRA CHEMICALS LIMITED

Manufacturers & Exporters of Dyes & Chemicals

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CIN : L24304GJ2017PLC099781

Date: June 12, 2020

To,
The Manager-Listing Department
The National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1 , G Block,
Bandra –Kurla Complex, Bandra (E),
Mumbai < Maharastra-400051.

Script Code: MAHICKRA

SUB: Disclosure of material impact of Covid-19 pandemic

Dear Sir/Madam,

Pursuant to SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, Please find enclosed herewith disclosure on material impact of Covid19 pandemic. On the Company.

The above is for your information and record.

Kindly acknowledge the receipt.

Thanking You,

Yours Faithfully,

For, Mahickra Chemicals Limited

H.M.Thakkar

MAHICKRA CHEMICALS LIMITED AHMEDABAD

Himali M.Thakkar
Company Secretary and Compliance Officer
M.No: A47962

DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Pursuant to the SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 on disclosure of material impact of Covid-19 pandemic are as follows:-

Sr.No.	Particulars	Disclosures
1.	**Impact of the COVID19 pandemic on the Business**	The Company's manufacturing facilities remained Shut from March 23, 2020 due to lockdown and partially re-opened w.e.f.03rd May, 2020, which has impacted its Operations during April and May-2020. Some of the Company's pending orders are on hold as per requirements of buyers. However , upon opening of factories , we are in process of dispatch of some of our domestic orders as well as export orders to Turkey , Egypt,Bangladesh etc.
2.	**Ability to maintain operations including the factories/units/office spaces functioning and closed down;**	The Company has restarted operations Since 3rd May, 2020 by adhering to the Safety norms prescribed by the Government of Gujarat and Ministery Health Affairs Govt. Of India.
3.	**Schedule, if any , for restarting the operations**	The Company has already restarted the operations albeit in a Phased manner. However production ramp up will be based on the current inventory level and demand estimate. In the Short term, therefore it is expected that manufacturing activities will be below the normal level. It will take time for the business to reach the pre-lockdown level.
4.	**Steps taken to ensure smooth functioning of operations**	The Company is taking utmost care of its staff and work force has put in place strict monitoring process for COVID-19 ensuring the following, • Enforcing wearing of masks and regular cleaning of hands. • Thermal Screening of all employees and visitors. • Sanitizing the premises and vehicles on regular basis. • Regular update of the health of all the employees and their families. • Maintenance of social distancing at all work places.

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5.	**Estimation of future impact of COVID-19 on its operations**	April to June 2020 being lockdown months, the revenues and profitability of the Company are likely to be adversely impacted. As the business situation is very dynamic, the Company is monitoring it. If the lockdown gets eased further going forward, Company expects to gradually come back to its original level of operations in the upcoming months.
6.	**Details of impact of Covid-19 on listed entity's:-**	
a.	**Capital and Financial resources**	There are Some delays in payment receivables, Which may be temporary in nature. This increased the requirement of working capital and resources will get stretched due to this.
b.	**Profitability**	Profitability for the quarter 1 (April, 2020 to June, 2020) expected to be affected due to lockdown and partial manufacturing capacity utilization. However, it is expected to improve from 3rd Quarter 4th Quarter.
c.	**Liquidity position**	We have Conserved resources to maintain liquidity position in the company.
d.	**Ability to Service debt and other financing arrangements**	The Company does not have any significant debt Obligation. Though with the Challenging cash position as mentioned above on account of delay in receipt of payments, the Company is in a position to meet its business, debt and financial commitments duly.
e.	**Internal financial reporting and control**	Internal financial reporting and Control are fully functioning.
f.	**Demand for its Products/Services**	There is temporary reduction in demand due to lock down, which we expect to improve in 3rd Quarter and shall normalize by 4th Quarter.

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