

Capacity utilisation stands at 90% of pre-Covid levels: HUL

'Re-evaluating costs in the prevailing circumstances'

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The country's largest consumer goods company Hindustan Unilever (HUL) on Tuesday said its capacity utilisation now stands at 90 per cent of pre-Covid-19 levels. All its factories and warehouses are open, barring the one in Assam.

The disclosure was made as part of the detailed business update the company made to the stock exchanges. HUL said it saw "some impact" on profitability in the short term due to the pandemic but did not quantify the impact.

"We are systematically reviewing all areas of cash generation and usage and re-evaluating costs in the prevailing circumstances. We also continue to judiciously deploy credit in order to support our partners and bring back normalcy in the extended supply chain," said the company.

Last week, Dabur India had said it expected revenue from operations and net prof-



Firm donates over 74,000 testing kits

Hindustan Unilever (HUL) has donated 74,348 RT-PCR Covid testing kits worth ₹13 crore to help with efforts in the area. Of this, the government of Maharashtra has received about 28,800 RT-PCR testing kits, while the Indian Council of Medical Research has received 20,160 kits, Metropolis Labs (8088 kits) and Apollo Hospitals (17,280 kits).

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it to take a hit to the tune of ₹400-450 crore and ₹60-80 crore, respectively, in the quarter ending June 30.

HUL's priority is to fulfill the surge in demand for essentials such as handwash, hand sanitizers, floor cleaners, hygiene and nutrition products

This was due to the burgeoning coronavirus cases, which hit demand. Dabur also said that factory operations resumed selectively in the second week of April with limited manpower.

The firm is now operating around 70 per cent of pre-Covid levels in terms of capacity utilisation, with detailed shop-floor precautions and safety systems in place.

HUL, on the other hand, had moved from a near-standstill situation at the end of March, following the lockdown announcement,

to 40 per cent capacity utilisation in April and 80 per cent in May.

This is ahead of the industry average, sector experts said, which went from near-zero production levels at the end of March to 25 per cent in mid-April to 75 per cent in the fourth week of May.

HUL also said its priority is to fulfill the surge in demand for essentials such as handwash, hand sanitizers, floor cleaners, hygiene and nutrition products.

And, mobility restrictions had impacted discretionary

categories (such as haircare, skincare and colour cosmetics) as well as ice creams and water purifiers.

"We are operating with shorter planning cycles, stepping up agility, reducing complexity and working longer shifts to build resilience in our supply chain. Our B2B sales ordering app Shikar and our hyper-local ordering platform of Humara Shop have witnessed increased adoption and usage by trade and consumers during the lockdown," the firm said.