



Gujarat Alkalies and Chemicals Limited

(Promoted by Govt. of Gujarat)

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Website : www.gacl.com CIN NO : L24110GJ1973PLC002247

Ref. : SEC/SE/2020/

June 20, 2020

The General Manager Corporate Relations Department BSE Ltd. 1 st Floor, New Trading Ring Phiroze Jeejeebhoy Towers Dalal Street MUMBAI : 400 001	The General Manager Listing Department National Stock Exchange of India Ltd. "Exchange Plaza", C-1, Block 'G' Bandra-Kurla Complex Bandra (East) MUMBAI : 400 051
Ref. : Company Code No. : 530001	Ref. : Company Code No. : GUJALKALI

Dear Sir,

Sub : Impact of Covid-19 pandemic in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref.: Our letters dated 23rd March 2020, 24th March 2020, 31st March 2020, 3rd April 2020, 7th April 2020, 10th April 2020, 16th April 2020, 21st April 2020 and 1st May 2020

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020 and further to earlier disclosures on the subject from time to time as mentioned above, an update relating to the impact of the COVID-19 pandemic and the resultant lockdown on the operations of the Company is attached herewith as **Annexure I**.

Please take the above on record.

Thanking you,

Yours faithfully,
For GUJARAT ALKALIES AND CHEMICALS LIMITED

(S S BHATT) 20/6/2020
COMPANY SECRETARY & GM (LEGAL & CC)

Encl: as above



Dahej Complex : P.O. Dahej - 392130. Tal. Vagra, Dist. Bharuch (Gujarat) INDIA
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Impact of Covid-19 Pandemic - Update**A. Impact on business**

1. The lockdowns and restrictions imposed on various activities due to Covid-19 pandemic have posed challenges to the businesses of Gujarat Alkalies and Chemicals Limited ("Company").
2. In order to control the spread of Covid-19, the Government had issued various guidelines including nation-wide lock-down with effect from 25th March 2020. Initially, the Company reduced the manufacturing operations of its various plants at Vadodara and Dahej Complexes. Later on, the Company had taken complete shut-down of its plants at Vadodara and Dahej Complexes in line with the Government of India's announcement from time to time to observe nation-wide lockdown.
3. From 3rd April 2020 onwards, the Company resumed partial operation of its various plants at Vadodara and Dahej Complexes in phased manner considering the requirements of various municipal corporations and other essential industries after obtaining necessary permissions from the concerned Authorities.

B. Impact on various projects under implementation

1. At present, our Company is implementing the following five major projects at Dahej:
 1. Chloromethane
 2. Hydrazine Hydrate
 3. Food Grade Phosphoric Acid
 4. Expansion of Caustic Soda Plant with Coal based Power Plant
 5. Caustic Soda Project with a coal-based captive Power Plant in JV with Nalco
2. From early March 2020, due to Pandemic COVID-19 in many parts of the world, various business activities were adversely affected. From the 2nd Week of March 2020, offices of various companies had put restriction. Our detailed engineering consultants for various projects also started working with only 50% staff in their offices to observe social distancing and other measures. Therefore, engineering activities started suffering from the 2nd week of March 2020. From 25th March 2020 nationwide lockdown was announced by Government of India, which led to complete halt of all the activities, including construction at sites, engineering, procurement and manufacturing of various equipment at vendors' shops.
3. In the third week of April 2020, necessary permission from District Collector was obtained to start construction activities at site. As per the approval, we were required to follow certain guidelines strictly and we started construction activities from 25th April 2020 onwards with limited manpower. Lockdown was eased out in phases but there have been restrictions with respect to social distancing, local transportation as well as working hours. Besides, due to reverse migration of labour from Dahej area wherein our project site is situated, there has been a crisis of labour availability. All these factors have adversely affected the progress of



ongoing projects, which may result into delay in completion of these projects by about 4 to 6 months. However, all efforts are being made to minimize the delay in completion of these projects.

C. Ability to maintain operations including factories / units / office spaces functioning and closed down

1. As many of our products are categorized under essential items, the plant operations were resumed after a few days of lockdown at minimum capacity due to manpower and marketing constraints. We continued with plant operations with minimum of manpower, exercising precautions of social distancing in compliance with Central and State Government Authorities' guidelines.
2. The Company had adopted "Work from Home Policy" for its employees.

D. Schedule, if any, for restarting the operations

Effective from 1st May 2020, all plants at our Baroda Complex have started operating at full capacity. At present, some of the plants at Dahej Complex are being operated at full capacity, whereas, some plants are operating at 80% to 95% capacities due to manpower and marketing constraints. The Company would decide to operate the plants at full capacities based on availability of manpower and the demand of its products. The functioning of the administrative and other support office work of the Company has been resumed effective from June 2020 after relaxing various restrictions by the Government.

E. Steps taken to ensure smooth functioning of operations

At present, almost all plants operations are running between 80% to 100% capacities. The efforts are on to resume the some of the plants' operations at full capacity, which is dependent upon the manpower availability and demand of the products.

F. Estimation of the future impact of COVID-19 on its operations

Due to the ongoing disruption in manufacturing operations and supply chain, the Company's business has been impacted, beginning from the latter part of March 2020. The demand from various sectors like textile, pulp and paper, dyes and intermediates, construction chemicals, which uses Company's products have remained weak during this (first) quarter. Other sectors like Agro, Pharma, Alumina, Organic Chemicals have been found normal from their demand perspective and would be key drivers for the business this year.

G. Impact on capital and financial resources; profitability; liquidity position; ability to service debt and other financing arrangements; assets; internal financial reporting and control etc.

1. Estimation of uncertainties:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets and the possible obligations. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used internal and external sources of information. The impact of

