

May 28, 2020

National Stock Exchange of India Limited

“Exchange Plaza”
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE Code: GHCL

BSE Limited

Corporate Relationship Department,
1st Floor, New Trading Ring, Rotunda Building, P.J.
Towers,
Dalal Street, Fort, Mumbai – 400 001
BSE Code: 500171

Dear Sir / Madam,

Subject: Disclosure on material impact of COVID-19 pandemic

This is in reference to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 issuing advisory on disclosure of material impact of COVID–19 and in furtherance to our previous intimations dated March 21, 2020, March 23, 2020, March 26, 2020, March 27, 2020 and April 20, 2020

Impact of COVID-19 outbreak on GHCL Limited (“GHCL”/“the Company”)

General

1. The Company had proactively initiated work from Home as per the directions of Government at all its office locations which is still continuing. The offices shall resume based on the guidelines from the local administration maintaining safe work practises.
2. In due compliance to various Government directives the factories remained closed and resumed only after due approvals with limited operations.
3. Regular interactions are made with employees by senior management, updating them with the situation and guiding them on importance of social distancing, travel guidelines, thermal scanning, permissible number of employees per site and recommending to downloading Aarogya Setu app.
4. The Company has formulated requisite guidelines based on the directives from the Central/ State/ Municipal authorities for safe work practises. Employees have been trained on IT platforms to encourage productivity during “Work from Home”.
5. Regular internal communications are sent to employees encouraging them to adopt safe practises to contain the spread of COVID-19
6. Communication has been made to other stakeholders such as customers and vendors to promote preparedness in the current situation to ensure safety of products and people in the supply chain at various locations.

Commencement of operations

1. GHCL's manufacturing operations have gradually restarted with due approvals from the respective government authorities. Soda Ash plant in Sutraparda restarted from 20th April 2020, Spinning units in Tamil Nadu restarted from 1st May 2020 and Home Textile plant in VAPI resumed from 5th May 2020.
2. The Company has ensured necessary operating protocols including setting up Sanitisation tunnels for safe operations.
3. In the month of April 2020, no material production has been achieved and currently the plants are operating at 50-60% utilisation levels based on the demand outlook and labour availability.
4. Sales orders have continued to be dispatched during this period for Soda Ash being an major raw material for detergent which is an essential commodity.

Operations during Lockdown at other work places

1. Since the Lockdowns have been announced by the Governments, employees are continuing to Work from Home in discharge of their routine job responsibilities.
2. GHCL has ensured adequate IT platforms and data safety during this period.

Customers and Vendors

1. The Company has been in constant touch with all its customer base assessing their requirements to ensure continuity of operations at their end.
2. GHCL has been regularly receiving collections from its customers and payments are made to vendors from time to time to maintain their liquidity.
3. The Company has adequate supply chain available for finished products at both plant and depots to meet customer's demand.
4. Sufficient inventory of raw material at plants are ensured for smooth manufacturing operations.

Liquidity Position

1. The Company has around Rs. 397 crore of unutilised fund based limits as at 30th April 2020 which ensures adequate liquidity.
2. The Low financial leverage and reasonable cash flow estimates from operations ensure sufficient liquidity to the company and we don't see any liquidity challenge in the near terms.

Capital Projects

1. The Company has decided to defer all major capital projects except those in advance stages which will be completed

Annual Results for FY2019-20

1. The Company held its Board Meeting for consideration and approval of the Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended March 31, 2020 on 20th May 2020 via Video conferencing on WebEx IT Platform.
2. The Company has assessed financial impact of COVID-19 outbreak on the financial performance and the same has been covered adequately in the Notes to the Financial Results published on 20th May 2020.
3. The COVID-19 outbreak and lockdowns imposed worldwide has created an unprecedented situation which is both dynamic and may undergo a change impacting the businesses and operations which are beyond the Control of the Company.

GHCL shall intimate any material update impacting its operations due to COVID-19.

You are requested to kindly take note of the same.

Thanking you

Yours faithfully

For GHCL LIMITED

**Bhwneshwar Mishra
Sr. General Manager & Company Secretary**