

**GUJARAT CREDIT CORPORATION LIMITED**  
(CIN: L72900GJ1993PLC20564)

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Date: 16/06/2020

To  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400001

Dear Sir,

Sub: Disclosure of material impact of CoVID–19 pandemic under  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Scrip Code: 511441

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, below is the summarised impact of CoVID–19 on the business and operations of the Company.

The CoVID–19 pandemic has caused havoc on world economy and has impacted lakhs of people worldwide. Simultaneously, it has disrupted industries, trade, and business cycles, thus halting global economic activity significantly. Indian real estate sector, which was already struggling to re-emerge from the past turbulence of structural changes, policy reforms, and the liquidity crisis, is now set to witness another major fallout.

Delay in construction and absence of labour and material will result in a significant decline in supply. Given the sluggish business environment that is likely to be prevalent post the CoVID–19 outbreak period, it will put rentals under tremendous pressure. While it is expected that the vacancies may not rise significantly owing to the supply-demand equilibrium, the occupiers would like to re-negotiate the cost and other terms.

In the best of times, hiring labour for the realty and construction industries is challenging. The nationwide lockdown due to the CoVID–19 pandemic has created an unprecedented predicament. Since millions of workers have migrated to their hometowns due to lack of work, employers are dreading a nightmare scenario. Even when the lockdown is lifted, kick-starting operations will be extremely difficult for almost all sectors. For a labour-intensive industry such as real estate, the reverse migration is tantamount to the last straw on the camel's back. What may make matters worse,

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paradoxically, are the steps taken by the Centre and States to ensure workers have adequate rations and sustenance wages.

No easy answers exist as CoVID–19 is a constantly-evolving crisis. Workers are unlikely to return to their employers even when the restrictions are removed because of the uncertainties involved, especially if the virus threat still looms large over the country. For developers, this could cause delays stretching a few months or more. If these are prolonged, realty will be hard hit. Prices will then stay depressed until normalcy returns.

We have initiated a series of drills amongst our staff to manage the emerging CoVID–19 pandemic within India. All due precautions for safety at the workplace have been adopted, which includes compulsory wearing of masks for everyone entering our premises, mandatory temperature screening for all staff and visitors, social distancing measures and usage of hand sanitizers and disinfectants.

The need of the hour is to ensure smooth functioning of our existing business operations and thus we are solely focusing on business continuity by taking appropriate measures. We have critically analyzed some of our overheads and non-essential expenditures and wherever possible, have either paused or stopped them. We have initiated continuous efforts to negotiate better payment terms with our vendors.

The situation is still unpredictable and volatile. We are continuously monitoring the present circumstances and taking adequate initiatives to address the situation. To mitigate the impact of CoVID–19 on our business, we have taken the highest importance towards maintaining a strict watch on all capex and operating costs which are even more critical in this environment. To conserve cash, we have put on hold most of our existing projects till the overall business environment returns to normalcy.

Ongoing financial woes as well as an unprecedented global crisis of the pandemic have unsettled the investment climate across the globe, including India. The current situation is extremely fluid and it is still too early to provide a detailed, quantitative assessment of the CoVID–19 impact on economic activity, industries and the real estate market.

For Gujarat Credit Corporation Ltd

Sd/-

Binoti Shah, Director

[DIN: 07161243]