



Annexure

Impact of the Covid-19 pandemic on the business schedule if any of the restarting operation and steps taken to ensure smooth functioning of operations.:

In terms of Directives of the Central Government, all establishments, offices, factories/units of the Company have shut down operations, as per Order of Gujarat Government from March 25, 2020.

Committee of Executive Directors of the Company was formed to assess the situation and take appropriate decisions. To regularly monitor the situation, appropriate circulars, guidelines and Standard Operating process were issued to all levels of employees for various measures to be followed to meet the hygiene standards The Company abided by the order laid down by the Central Government, Gujarat Government and local authorities, rigorously.

Impact of on the Business operation for the year ended 31st March, 2020 :

The impact of Covid-19 on the Company's reserve and Net profit were approximately around Rs. 45 to Rs.50 Lacs respectively, due to stoppage of work at all the two

Units for some time, due to lockdown restrictions (nearly one month).

The Company resumed partial manufacturing operation from 21st April, 2020 after, observing standard protocols and implement all required safety measures. The Manpower strength for resumption was gradually increasing. Presently, the Company has resumed work at its two units and functional areas such as Sales, Marketing, Accountancy, and other areas have continued their work from Home and the units are in working with restricted labor capacity, @ 70% of the Capacity. However, with the resumption of economic activities by the customer / Clients and de-freezing of retail market, the Company expect earlier recovery, due to number of steps taken by the Company.

In the face of Covid-19 pandemic, the Company operations were now made operative with 90% of its installed Capacities with observance of safety and hygiene protocols like wearing of face masks, social distancing norms, work place sanitation and employee awareness

programs. These protocols are reviewed and updated based on revision of guidelines received from authorities concerned from time to time.

Potential Impact:

The Company has full-fledged staff of sales and marketing to contact their industrial customer directly. The Company do not foresee any problem in achieving their targeted sales orders and dispatch of materials. Products are classified under Containers for packing the goods and raw materials and the Company has not specifically experienced any specific issues in sourcing material or supplying its finished goods. The performance of the Company during the quarter ended 30th June, 2020, will see effects of National lockdowns and lower demand of the products from the Customers and prospective customers due to consequent economic slowdown, to conduct of lower level of operations by the client companies.

While there is a possibility that some of the Company's Clients will face financial constraints, there are others who want to accelerate the progress. Director liasioning and marketing where the demand has suffered to some extent. The performance for the period quarter ended 30th June,2020 would see the effect of the National Lockdown and its adverse effect on economy & client group, customers, which at present, cannot quantified in the changing environment.

Existing contracts/agreements and non-fulfillment of the obligations if any:

The Company at present continues to fulfill its obligations with respect to all the existing contracts and agreements. The Company does not foresee any material impact on account of non-fulfillment of obligation by any party in existing contracts or agreements.

Capital and liquidity:

There has been no material change in the Company's liquidity position since it reported the same in its results for the year ended March 31, 2020. The customers continue to pay within normal credit terms and the Company remains committed to paying its suppliers on time. The Company has also instituted, across all its operations, aggressive and focused cost control programs and a deferment of all but completely necessary capital expenditure to build up and conserve its cash resources.

Internal Financial Reporting and Control:

There is no impact on Internal Financial Control due to the Covid-19.



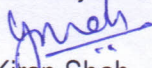
Audited Financial Results:

The Company' Financial results for the quarter and year ended march 31,2020 approved by the Board at its meeting held on 27th June, 2020, were not materially affected by the lockdown.

You are requested to take the above on record.

Yours faithfully,

For Gujarat Containers Limited


Kiran Shah

Chairman & Managing Director