



CIN No. : L22219GJ2010PLC063243

**Registered Office:**

B-1, Laxmi Com. Co. Op. Estate,  
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Ahmedabad - 380 021 (Guj.)

Date: 12th June, 2020



DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC ON GALA GLOBAL PRODUCTS LIMITED:

A.	Impact of the CoVID-19 pandemic on the business;	<p>The manufacturing operations were affected from 22th March, 2020 and shutdown from 25th March to 31<sup>st</sup> May,2020. From 1<sup>st</sup> June steps were taken to restart the manufacturing facility in a phased and synchronized manner keeping in view the restrictions imposed by the Government, availability of resources, logistics and demand for end products.</p> <p>The plants are expected to take more than couple of month to reach</p>
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100%

100%



		turnover and profitability and as a result we may face financial distress in coming months. However, we have been pushing hard to get our due payments from our clients. However, there could be cases where our clients also not been able to pay us due to their financial distress and we may have to write off the debt.
E	Details of impact of CoVID-19 on listed entity's –	
1.	Capital and financial resources;	We are running our operations partially and have adequate capital for business but yes, due to pandemic working capital cycle is getting stretched day by day.
2.	Profitability;	In view of lock down, the profitability during current financial year is likely to be adversely impacted. As the business situation is very dynamic, the company is closely monitoring it. Though we do hope the business situation should normalize by end of current financial year.
3.	Liquidity position;	The company is facing liquidity crunch due to Covid. The Government of India has announced several financial measures to boost up the economy, however, it may takesome time to improve the economic environment and liquidity issues among the companies like us. Moreover one of our Bankers is quite conservative in resolving the liquidity issues and not passing the benefit of rate cuts announced by RBI. Also they have been asking for more collateral in case to continue with them. The position of liquidity is poor in this phase of pandemic.
4.	Ability to service debt and other financing arrangements	We have not obtained moratorium period as provided by RBI. The Company has never in the past defaulted on any interest or loan payment and does not see any issue meeting future obligations too.
5.	Assets;	None of the assets of the Company have been impacted or impaired by the CoVID-19



