

Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L17111TN1964PLC005183"

May 22, 2020

The Secretary
BSE LTD
25, Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI 400 001

Dear Sir,

Ref: Company Code – 521161
ISIN – INE456D01010

Sub: Disclosure to be given in response to SEBI 's advisory to listed entities vide Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020.

Further to the disclosure under Regulations(30)3 of Listing Obligations and Disclosure Requirements made by us vide our letter dated 24th March 2020 about Closure of Registered Office and Factory to contain spread of COVID-19, due to COVID-19 lockdown, we make the following additional disclosures. These additional disclosures are in compliance with the advisory of SEBI vide Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020.

1. Period of stoppage of work at our Mills in Raghunathapuram, Sevoor, Arni Taluk, Thiruvannamalai District, Tamilnadu.

As informed earlier the Mill was stopped operation from 24th March 2020 after Notification of Lockdown 1.00. Due to Notification of further lockdowns 2.00, 3.00 and 4.00, the operation of the Mill has not been commenced and it will continue to be non operational till 31st May 2020. Decision to commence operation after 31st May 2020 depends upon Government decisions and relaxations of conditions for industrial operations in the area where the mill is located.

2. Impact of the lockdown on performance.

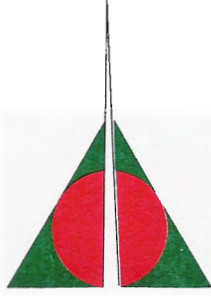
- a) During Financial Year 2019-20.

As the operation was stopped on 24th March 2020, only 7 days production was lost in Financial Year 2019-20. Hence the adverse impact during Financial Year 2019-20 will be minimal only.

- b) During First quarter of 2020-21 ending on 31st June 2020.

The spinning segment of Textile Industry, in which our company is engaged, is already working with negative margin only. This Government Notified Lockdown has reduced certain portion of Operational Expenses as variable expenses. Hence though the company will be incurring only loss during the April and May 2020, the loss is expected to be less only, as compared to that of in the same period in the previous year 2019-20. The same situation is expected to prevail during continuance of Lockdown.






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- c) After commencement of operation on lifting of lockdown, the performance is expected to face the following constraints.
- The demand for yarn will be sluggish, as the loom centers and Knitting units may not have enough workforce and will not open immediately due to various restrictions placed by respective States for carrying out industrial activities.
 - Due to non availability of workforce and restrictions on deployment of employees in our manufacturing facility, the capacity utilization will not be at the desired level. This will have adverse impact on performance and profitability
3. Insurance: No insurance is available for the loss of profit during lockdown.
4. Impact on the financial position.
- The lockdown affected the continuous fund flow from operation. As a result the company is facing cash constraints in making timely payment to supply creditors and meeting certain regular operational expenses.
 - As bills drawn by suppliers under letter of credit issued by the bank, fell due for payment during the lockdown, Banks have paid the bills as per LC terms and to that extent Rs.220 lakhs is due to the Banks.
5. Resumption of operations.
- Once lockdown is lifted and industrial operations are allowed, the mill can commence operation.
 - Relevant status of resources for commencement of operations is as below:
 - Production facilities are well maintained and are ready to commence operation.
 - Adequate power-supply is available.
 - Adequate stock of input material is available. Further sourcing can be arranged once transportations is permitted.
 - Manpower may pose problems, as migrant workers would have left and there may be issues in deploying the workforce. Management is working to solve the issue and will arrange for adequate workforce.
6. Registered Office in Chennai will also remain closed till the lockdown is lifted in Chennai.
7. Internal Financial Reporting and Control.

With the limited staff available, adequate steps are being taken to ensure adequate Internal Financial Reporting and Control.

Thank you,
Yours faithfully,
For **SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED**

(BALAKRISHNA S)
MANAGING DIRECTOR

