

Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L17111TN1964PLC005183"

RO/MS/SEC- 210 /2019-20

February 13, 2020

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

Dear Sir,

Sub: Unaudited quarterly results for the Third quarter/ Nine months ended 31st December 2019 – submission of clarification on the opinion expressed by Auditors in their Limited Review Report.

Ref: Company Code – 521161
ISIN – INE456D01010

The Auditors in their Limited Review Report on the Statement of Unaudited Financial Results for the Third quarter/ Nine months ended on 31st December 2019, interalia, have reported as under:

Quote

"Basis of Qualified Conclusion

We draw attention to Statement of Profit & Loss account for the nine-month period ended 31st December, 2019, which indicates that the company has incurred a net loss of INR 819.50 Lakhs and, as of that date, the company's current liabilities exceeded its current assets. The Statement of Profit & Loss account also indicate that company has been incurring net losses for the previous two years. These events indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, the Company's Statement of unaudited financial results have been prepared using the going concern basis of accounting."


Unquote

For the above referred observation of the Auditors, the company provides the following clarifications:

1. Though the company has incurred loss during the first Nine months of the current year and in previous years due to adverse conditions prevailing in the industry, it continues its business operation to the optimum level. The company, with the favourable change of industrial conditions, is confident of making profits.
2. Though at present the company's current liabilities exceeds the current assets, the company has inherent strength, assets and resources to pay its liabilities in full.
3. In view of the above, the company continues to prepare its Accounts and the Statement of Unaudited Financial Results using going concern basis of accounting.

Thanking you,

Yours faithfully,
for SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED


(BALAKRISHNA S)
MANAGING DIRECTOR

