



SURYALATA SPINNING MILLS LIMITED

(An ISO 9001 : 2008 Certified Company)

CIN-L18100TG1983PLC003962



GST No: 36AADCS0823M1ZA

26th May, 2020

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.

Dear Sir/ Madam,

Subject: Disclosure of material impact of CoVID - 19 pandemic on the Company under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations' /'LODR').

Pursuant to Regulation 30 of LODR Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find enclosed herewith the disclosure of material impact of CoVID-19 pandemic on the operations and performance of the Company.

Kindly take note of the same on record and acknowledge the receipt.

Thanking you,

Yours Faithfully,
For **SURYALATA SPINNING MILLS LIMITED**

VENKATA RAMANA. N
Company Secretary & Compliance Officer





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Material impact of CoVID-19 pandemic on operations and performance of the Company

1. Impact of the CoVID-19 pandemic on the business:

We inform you that the company's manufacturing units located at Kalwakurthy and Urukondapet of Nagarkurnool District of Telangana State. Company has suspended its operations from the date of Janta Curfew on 22nd March 2020 and subsequently follows lockdown declared by the state government of Telangana from 23rd March 2020 consequent to the lockdown declared across the country in view of the COVID 19 environment.

2. Resume of Operation:

We hereby inform you that the release of Partial lifting of lockdown by Central and State Government allowing manufacturing units to operate the Plants from 3rd May, 2020 and administration offices to function with 30% Staff from 08th May, 2020. We have started functioning in line with above guidelines and able to operate the Plants @55% - 60% Capacity only.

3. Steps taken to ensure smooth functioning of operations:

- a) We are taking necessary preventive measures like social distancing, temperature testing, providing masks and sanitization facility to all workers and other preventive measures to avoid any infection due to COVID-19;
- b) Eventhough migrant labour partly moved to their native places, we are having the workforces from the surrounding villages as such not hampered the plant operations.
- c) Exports Orders executed before lockdown period was realized the funds and our customers had postponed their orders on pipeline due to global lockdown.
- d) Domestic market remains closed throughout out the lockdown leading to No revenue during the period. We believe that the demand will increase gradually in Q2 and operations may roll back to normal in Q3 onwards. Due to lack of transportation and logistics is experiencing difficulties in supply chain.

4. Details of impact of COVID-19 on listed entity's:

- i. **Liquidity position:** We have adequate liquidity to operate the plants and to tide over the current difficult period.
- ii. **Service of Debt:** The Company has opted to avail the moratorium of two Quarters announced by the RBI, to ease the immediate working capital requirements.
- iii. **Profitability:** Profitability for the Quarter 1 (April, 2020 to June, 2020) FY2021 expected to be affected due to lockdown and partial manufacturing capacity utilization. However, it is expected to improve from Q2 (July, 2020 to Sept, 2020) FY2021 onwards.
- iv. **Internal Financial Reporting and Control:** Internal financial reporting and control are fully functioning.

Conclusion: Because of all above stated points, the company monitors closely the prevalent situation and take all necessary steps as may be require from time to time.

Yours Faithfully,

For SURYALATA SPINNING MILLS LIMITED



VENKATA RAMANA. N
Company Secretary & Compliance Officer

