LAXMI COTSPIN LIMITED
(A Govt. Recognized Star Export House & NSE-SME Listed Company)

BCI Better Cotton Initiative ISO 9001 : 2008

Regd. Off.: Gut No. 399, Samangaon – Kajala Phata, Jalna-Ambad Road, Opp. Meenatai Thakare Vridhashram, JALNA - 431 203. (M.S.) India.
Off. 09765999633 E-mail: admin@laxmicotspin.com● Web Site: www.laxmicotspin.com

CIN NO - L17120MH2005PLC156866

Ref. No.

Date :

Date : 12/06/2020

To,

NATIONAL STOCK EXCHANGE OF INDIA LTD.
Listing Department
Exchange Plaza, C-1, Block G
BandraKurla Complex, Bandra (East), Mumbai, 400051

Ref: - (Symbol – LAXMICOT, ISIN - INE801V01019)

Subject: Disclosure of material impact of CoVID—19 Pandemic on the Company under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 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.

This is for your information and records.

Thanking You,
FOR LAXMI COTSPIN LIMITED

LAXMI COTSPIN LTD. JALNA

Sanjay K. Rathi
Managing Director
Place: Jalna

Disclosure of Material Impact of COVID -19 PANDAMIC

SR. NO	Particulars	Disclosures
1	**Impact of COVID-19 on Business of the Company**	• Production of company was shutdown totally from 21st March, 2020 . It has been started from 13th May , 2020 in one shift with minimum labours capacity as per guideline issued by the Govenments. • Some export orders has cancelled in duration of March to May, 2020 which amounts are approximately 1 million USD • Hedging Loss also incurred during this period because of cancellation of export order from buyer parties • Cash inflow affecting due to delay for making payments from domestic sundry debtor day by day. • Cost of handling inventory of Finished Goods has increased due to cancellation of many orders
2	**Ability to Maintain Operations (including the factories/unites/office spaces functioning and closed down)**	• We are pleased to inform that we have allowed partially operating at our plant from 13th May, 2020 one shift in a day. • We are observing full compliance to the conditions of operations stipulated to avoid any infection due to COVID-19 and also following prescribed guidelines as laid down by the Government. • We have allowed our employees to work from home as possible • We are not facing any migrant labour issues as most of our labourers are from nearby areas. • We not facing any problem in case of Raw material for finished good • We have good storage of raw material to carry on our operation

3	**Schedule, if any for restarting the operations;**	• We have opened our production activities at plant from ; 13th May, 2020 in one shift a day with all preventive measures guided by Government 2nd June, 2020 with Unit No I (Ring Spinning) 80 % Capacity and Unit No II (Open End) with 40 capacity
4	**<u>Step Taken to ensure smooth functioning of operations</u>**	• We have provided in house facility at our hostel to our worker from 13th May to all those worker who were working in one shift • We have started our operation with preventive measures such as; ➢ Installed handwash basin with hand was liquid at near of factory gate ➢ Shower of sanitizer before entering in factory gate ➢ Enforcing regular mask and regular cleaning of hands ➢ Temperature scanning of all workers of company at time of entering the office ➢ Maintaining social distancing etc • We have sufficient stock of Raw Materials to meet production requirements
5	**<u>Estimation of the future impact of CoVID -19 on its Operations</u>**	• Quarter end and F.Y. 2020-2021 may affected in drop in sale (Domestic and export) • Profit Margin may affected in F.Y. 2020-2021 • Demand may declined from textile companies because it not come in essential commodities However, with the opening of market post lockdown, we expect business to improve gradually.
6	**<u>Impact on Capital and Financial resources</u>**	The Company has adequate capital and financial arrangements made to meet the business requirements

7	**Impact on Profitability**	• Profitability for the Quarter 1 (April, 2020 to June, 2020) F.Y. 20-21 expected to be affected due to lockdown and partial manufacturing capacity utilization. • However, it is expected to improve from Quarter 2 (July, 2020 to Sept, 2020) F.Y. 20-21
8	**Impact on Liquidity Position**	As explained above, The company is facing liquidity crunch. Also the company is witnessing delay in receivable collection from debtors. Due to our receivable getting delayed, the cash positions are under stress.
9	**Impact on ability to service debt and other financing arrangements**	• Company is capable to service all debts as and when due. The Company is paying its lenders as per due date and also have availed facility of moratorium for period 1st March, 2020 to 31st May, 2020 • We are also in process to avail next moratorium period June, 2020 to August, 2020
10	**Impact on Assets**	No effect
11	**Impact on Internal Financial reporting and control**	Internal financial reporting and control are fully functioning and Audit also under way
12	**Impact on Supply Chain**	• We have observed major supply chain issues and it is expected to normalize post lockdown. • We are facing transportation problems in are of hotspot of CoVID -19 • Faced difficulties in sending export documents.
13	**Impact on demand for its products/services**	Demand of product (Domestic and Export) may affected in first half of the year. however domestic demand expected to improve post lockdown.

14	**Existing contract/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business**	The Company is well positioned to fulfil its obligations but our sale order has affected due to cancellation of order by importer and domestic buyers
15	**Other relevant Material updates about the listed entity's business**	No update at such , we shall further inform if any material changes come due to such pandemic situation

FOR LAXMI COTSPIN LIMITED

SKRathi

Sanjay K. Rathi
Managing Director
Place: Jalna
Date : 12/06/2020

LAXMI COTSPIN LTD. • JALNA •