



# SHESHADRI INDUSTRIES LIMITED

**Date:** 12<sup>th</sup> August 2020

To  
The General Manager  
Department of Corporate Services  
B. S. E. Limited  
1<sup>st</sup> Floor, Rotunda Building  
B.S. Marg, Fort,  
Mumbai - 400 001

Dear Sir,

**Sub: Outcome of Board Meeting held on August 12, 2020**  
**Scrip Code: 539111**

With reference to the above cited subject, we would like to inform you that the Board of Directors of the Company at their meeting held on Wednesday, 12<sup>th</sup> August 2020 at the Registered Office of the Company has inter-alia, considered and approved the Audited financial results for the Quarter and year ended 31<sup>st</sup> March 2020. The said Audited Financial Results of the Company were reviewed by the Audit Committee and thereafter approved by the Board of Directors.

A copy of the Audited financial results for the quarter and financial year ended 31<sup>st</sup> March 2020 duly signed by the Managing Director along with the Audit Report are enclosed herewith.

We wish to inform you that the Board of Directors of the Company at its meeting held on 12.08.2020 has noted the resignation of Mr. Surender Kumar Agarwal from the post of Independent Director of the Company with effect from 12.08.2020.

Sr. No.	Disclosure Requirement	Details
1	<b>Reason for Change viz. appointment, resignation, removal, death or otherwise</b>	Resignation due preoccupation.  Mr. Surender Kumar Agarwal has been associated with the Company since January 06, 2014.  Mr. Surender Kumar Agarwal has expressed his intention to resign as an Independent Director of the Company with effect from i.e. 12 August 2020.
2	<b>Date of Cessation</b>	August 12, 2020

Registered Office :  
Surya Towers, 6th Floor, 105, S.P. Road,  
Secunderabad - 500 003, Telangana, India.

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## SHESHADRI INDUSTRIES LIMITED

The disclosure statement pursuant to SEBI circular ref no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 regarding "Impact of COVID-19 pandemic on the business" is also attached herewith.

Kindly take the same on record.

Thanking You

Yours faithfully,  
for **SHESHADRI INDUSTRIES LIMITED**

  
**JEETENDER KUMAR AGARWAL**  
MANAGING DIRECTOR

Encl: As above



# SHESHADRI INDUSTRIES LIMITED

Statement of Audited Financial Results for the quarter and Year ended March 31, 2020					
Particulars	Quarter ended			Year Ended	
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019	Mar 31, 2020	March 31, 2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I Revenue from operations	322.96	73.46	815.70	1,179.82	2,868.28
II Other income	100.26	38.00	39.06	203.19	55.49
III Total Revenue(I+II)	423.22	111.46	854.77	1,383.01	2,923.77
IV Expenses					
Cost of materials consumed	16.82	17.21	455.65	433.59	1,477.98
Purchase of Stock in Trade	-	229.53	308.79	229.53	308.79
Change in inventories of finished goods, stock in trade and work in progress	231.28	(192.17)	(54.08)	141.58	(63.71)
Employee benefit Expenses	132.15	49.88	225.57	310.13	748.04
Finance costs	409.45	5.66	86.96	418.79	110.46
Depreciation and amortisation expenses	49.31	61.54	61.67	236.45	250.07
Other expenses	25.03	169.55	194.71	524.44	919.59
Total Expenses(IV)	864.04	341.19	1,279.27	2,294.52	3,751.22
V Profit before exceptional items and tax (III-IV)	(440.82)	(229.73)	(424.50)	(911.50)	(827.45)
VI Exceptional items	454.92	281.22		736.14	-
VII Tax expense:					
Current tax	-	-	-	-	-
Deferred tax	-	-	-	-	-
VIII Profit for the period (V-VI)	14.11	51.49	(424.50)	(175.36)	(827.45)
IX OTHER COMPREHENSIVE INCOME					
A-(i) Items that will be reclassified to the profit or loss	-	-	-	-	-
(ii) Income tax on items that will be reclassified to the profit or loss	-	-	-	-	-
B-(i) Items that will not be reclassified to the profit or loss					
a) Remeasurement of Defined employee benefit plans	0.20	-	(0.40)	0.20	0.80
(ii) Income tax on items that will not be reclassified to the profit or loss	-	-	-	-	-
Total Other Comprehensive Income (net of taxes)	0.20	-	(0.40)	0.20	0.80
Total Comprehensive Income for The Period	14.31	51.49	(424.90)	(175.16)	(826.65)
X Earnings per Equity share-Basic and diluted (not annualised)	0.29	1.04	(8.57)	(3.53)	(16.67)
Weighted average number of equity shares (In No's)	4,959,577	4,959,577	4,959,577	4,959,577	4,959,577

Place : Secunderabad  
Date : 12th August, 2020

For and on behalf of Board of Directors

Jeetender Kumar Agarwal  
Managing Director

Registered Office :  
Surya Towers, 6th Floor, 105, S.P. Road,  
Secunderabad - 500 003, Telangana, India.

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## Notes:

1. The above unaudited financial results were reviewed by the Audit committee and approved by the board of directors at their meetings held on 31st July, 2020 and statutory Auditors have audited them.
2. These financial results have been prepared in accordance with Companies Indian Accounting Standards Rules 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
3. The company's business activity falls within a single business segment i.e. Textile products in terms of IND AS 108 on operating segments
4. The figures of Current Quarter and Quarter ended 31st March, 2019 are the balancing figures between the audited figures in respect of the full financial years and the published year to date figures upto the third quarter of the respective financial years.
5. The Company has recorded accumulated losses of Rs. 4300.73 lakhs as at 31st March 2020. Resulting in negative net worth of Rs. 3465.92 lacs and current liabilities exceed current assets by Rs. 5414.44 Lakhs further there were negative cash flows from existing business activities. The accompanying financial statements have been prepared on a "Going Concern" basis by The Company based on a comfort Letter provided by the promoters for continued support to the company to meet its financial obligations, in order to enable the company to continue its operations in the foreseeable future. The Management is confident that in foreseeable future the financial position of the company will improve.
6. OTS sanctioned by Andhra Bank is valid upto 27.12.2019. The Company Paid 42% of OTS amount to Andhra Bank. The Company requested further extension to the bank to pay the balance dues of OTS. The Company has provided interest on OTS to Andhra Bank for the FY 2019-20 in the Last Quarter of Rs. 260.07 Lakhs. The Company didn't provide interest for the earlier quarter ending 31st Dec 2019 as the Management was confident of clearing dues to Andhra Bank as on 31st March 2020. Due to unforeseen COVID Lockdown The Company Couldn't clear the dues and hence provided Interest for the entire FY 2019-20 during Fourth Quarter of FY 2019-20
7. The Company has shown Rs. 736.14 Lakhs as exceptional income consisting Sale of Assets Rs. 454.92 Lakhs and Loan waiver by SBI towards OTS of Rs. 281.22 Lakhs under OTS Scheme 2019
8. In view of the nation wide lock down due to COVID-19 in the last quarter of the year, the company's operations at all its units were shut down which marginally impacted the performance for the quarter. The company has considered internal and external sources of information, economic forecasts and industry reports, upto the date of approval of financial statements in determining the impact of COVID-19 pandemic on various elements of its business operations and financial statements. The company has since resumed its operations in a phased manner from 13/05/2020 conforming with the Guidelines of the Government. The company will continue to closely monitor any material changes to future economic conditions.
9. Previous year figures have been regrouped where ever necessary to conform current year classification.

Place : Secunderabad  
Date : 12th August, 2020

For and on behalf of Board of Directors

Jeetender Kumar Agarwal  
Managing Director





# SHESHADRI INDUSTRIES LIMITED

Statement of Assets and Liabilities as at March 31, 2020

(₹ in Lakhs.)

Particulars	As at March 31, 2020 ( Audited)	As at March 31, 2019 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
a) Property, plant and equipment	3,997.53	4,495.62
b) Capital work in progress	-	-
c) Intangible assets	0.13	0.13
d) Financial assets		
- Loans	3.09	55.67
<b>Total Non- Current Assets</b>	<b>4,000.75</b>	<b>4,551.42</b>
<b>Current assets</b>		
a) Inventories	142.74	410.46
b) Financial assets		
i) Trade receivables	39.40	192.92
ii) Cash and cash equivalents	8.45	8.96
iii) bank balances Other then (ii) above	-	-
iv) Other financial assets	0.61	1.82
c) Other current assets	484.69	514.14
<b>Total Current Assets</b>	<b>675.89</b>	<b>1,128.30</b>
<b>Total Assets</b>	<b>4,676.64</b>	<b>5,679.72</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
a) Equity share capital	495.96	495.96
b) Other equity	(3,961.89)	(3,779.34)
<b>Total Equity</b>	<b>(3,465.93)</b>	<b>(3,283.38)</b>
<b>Non current liabilities</b>		
a) Financial liabilities		
-Borrowings	2,041.73	3,121.96
b) Provisions	10.51	85.40
<b>Total Non - Current Liabilities</b>	<b>2,052.24</b>	<b>3,207.36</b>
<b>Current liabilities</b>		
a) Financial liabilities		
i) Borrowings	2,808.90	1,628.02
ii) Trade payables		
a) Micro, Small and Medium enterprises	21.56	26.23
b) Other than MSME	1,676.54	1,760.84
iii) Other financial liabilities	260.24	1,371.80
b) Other current liabilities	1,045.89	634.58
c) Provisions	277.19	334.27
<b>Total Current Liabilities</b>	<b>6,090.33</b>	<b>5,755.74</b>
<b>Total Equity and liabilities</b>	<b>4,676.64</b>	<b>5,679.72</b>

For and on behalf of Board of Directors

  
Jeetender Kumar Agarwal  
Managing Director

Place : Secunderabad  
Date : 12th August, 2020

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# SHESHADRI INDUSTRIES LIMITED

## Cash flow Statement for the year ended March 31, 2020

(Amount in Lakhs)

Particulars	For the Year ended March 31, 2020 ( Audited)	For the year ended March 31, 2019 (Audited)
<b>I Cash flow from operating activities:</b>		
A. Profit before tax	(175.16)	(827.45)
<b>B. Adjustment for:</b>		
a. Depreciation and amortisation expense	236.45	250.07
b. Interest income	(1.81)	(3.62)
d. (Profit)/Loss on sale of fixed assets (Net)	76.08	0.40
e. Provisions Written back	(85.33)	-
f. Unrealized foreign exchange gain (Net)	(4.46)	(17.69)
g. Finance cost	418.79	89.87
h. Debit balance written off	120.21	-
i. Items under other comprehensive income	(0.20)	0.80
j. Interest on Unsecured Loans	-	19.84
	<b>584.56</b>	<b>(487.78)</b>
C. Adjustment for movements in Working capital		
a. Trade payables	(25.20)	(180.42)
b. Other liabilities and Provisions	(832.22)	434.71
c. Trade receivables	(28.85)	24.75
d. Inventories	267.72	321.68
e. Financial and other current assets (Net of fair value adjustment on deposits)	40.21	178.03
D. Cash generated from Operations	6.24	290.97
Less: Direct taxes Paid	(9.56)	-
<b>Net cash flow from operating activities (I)</b>	<b>(3.32)</b>	<b>290.97</b>
<b>II Cash flows from investing activities</b>		
a. Purchase of fixed assets, including CWIP	4.00	(2.56)
b. Proceeds from sale of fixed assets	348.45	-
c. Maturity of security deposits	52.58	8.79
d. Sale/(Purchase) of investments	-	-
e. Proceeds from redemption/maturity of bank deposit	(1.82)	-
f. Interest received	1.81	3.62
<b>Net cash flow from/ (used in) investing activities (II)</b>	<b>405.02</b>	<b>9.85</b>
<b>III Cash flows from financing activities</b>		
a. Interest paid	158.55	(86.96)
b. Repayment of loans and borrowings	(560.76)	(223.26)
<b>Net cash flow from/ (used in) financing activities (III)</b>	<b>(402.21)</b>	<b>(310.22)</b>
<b>IV Net (decrease) in cash and cash equivalents (I + II + III)</b>	<b>(0.51)</b>	<b>(9.40)</b>
Cash and cash equivalents at the beginning of the year	8.96	18.36
<b>V Cash and cash equivalents at the end of the year</b>	<b>8.45</b>	<b>8.96</b>
<b>VI Components of cash and cash equivalents:</b>		
Me: a. Cash on hand	4.92	7.25
b. With banks		
i. on current account	3.53	1.71
<b>Total cash and cash equivalents (note no.12)</b>	<b>8.45</b>	<b>8.96</b>

Significant accounting policies 2 & 3

The notes referred to above, form an integral part of financial Statements

As per our report of even date

For K.S.Rao & Co.

Chartered Accountants

Firms' Registration Number: 0031095

M. N. Prasad & Co.

M. Naga Prasadu

Partner

Membership Number: 231388



For and on behalf of Board of Directors  
Sheshadri Industries Limited

J.K. Agarwal  
Managing Director

Place : Secunderabad

Date : 12th August, 2020

Registered Office :

Surya Towers, 6th Floor, 105, S.P. Road,  
Secunderabad - 500 003, Telangana, India.

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Independent Auditor's Report on Quarterly and Year to Date Financial Results of the Company  
Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements)  
Regulations, 2015, as amended

To Board of Directors of **SHESHADRI INDUSTRIES LIMITED.**

Report on the Audit of the Financial Results

### Qualified Opinion

We have audited the accompanying statement of quarterly and year to date financial results of **SHESHADRI INDUSTRIES LIMITED.** (the "Company") for the quarter and the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit/(loss) and other comprehensive income and other financial information for the quarter and year ended March 31, 2020.

### Basis for Qualified Opinion

During the year under review, the company has provided Rs.260.07 Lakhs as interest on working capital loans and term loans with Andhra Bank as per Terms of OTS proposal submitted with the Banks, which the company has failed to repay. Whereas interest as per Bank sanction letter without considering the OTS amounts to Rs. 828.34 Lakhs. In the absence of statement of account/confirmation from the Bank the above amount has been arrived at as per calculation made by the Company.

Consequent to the above, loss for the year and Liabilities as at 31<sup>st</sup> March 2020 was understated and Shareholders funds are overstated to this extent.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.







### Material Uncertainty Related to Going Concern

we draw attention to note no. 5 of Financial Results which states that during the year the company has incurred a loss of Rs. 175.36 Lakhs and as at 31 St March,2020, accumulated losses of Rs. 4,300.72 lakhs as at 31<sup>st</sup> March 2020, resulting in complete erosion of net worth and current liabilities exceed current assets by Rs. 5414.44 Lakhs. Further there were lower cash inflows from existing business activities and the Company has defaulted in payment of dues to banks/ Financial Institutions and could not comply with the terms of sanction and /or repayment schedule of the banks. There were no written communications from banks for further extension of OTS Scheme. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a Going Concern. However, the accompanying financial have been prepared on "Going Concern" basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

### Emphasis of Matter:

Attention is invited to the following material matters:

- Note no 7 of the statement Exceptional items includes Profit on sale of assets of Rs.454.92 lakhs, waiver of loan amount by financial institutions of Rs.281.22Lakhs.
- As stated in Note No. 8 of the Financial Results, which describes the uncertainties and the possible effects of Covid-19 on the operations of the Company.

Our conclusion is not modified in respect of above matter

### Management's Responsibilities for the Financial Results

The statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the statement that give a true and fair view of the net profit/(loss) and other comprehensive income and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.







### **Auditor's Responsibilities for the Audit of the Financial Results**

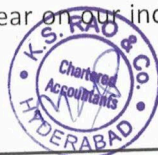
Our objectives are to obtain reasonable assurance about whether the statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.





**Other Matter**

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

for KS RAO & CO.

Chartered Accountants

Regn No. 003109S



*N. Prasad*  
(M. NAGA PRASADU)

Partner

Place: Hyderabad

Date : 12.08.2020

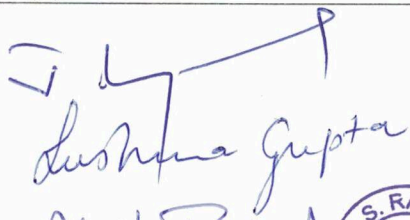


Membership No. 231388  
UDIN: 20231388AAAABL6207



# SHESHADRI INDUSTRIES LIMITED

## ANNEXURE I

### Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

<u>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</u>				
(Rs. In Lakhs)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	2119.15	2119.15
	2	Total Expenditure	2294.52	2862.79
	3	Net Profit/(Loss)	(175.36)	(743.64)
	4	Earnings Per Share	(3.53)	(15.00)
	5	Total Assets	4676.64	5244.91
	6	Total Liabilities	4676.64	5244.91
	7	Net Worth	(3465.93)	(4034.20)
II.	<b><u>Audit Qualification (each audit qualification separately):</u></b> a. <b>Details of Audit Qualification:</b> Short Providing of Interest on Bank Term Loans and Working Capital Limits b. <b>Type of Audit Qualification:</b> Qualified opinion c. <b>Frequency of qualification:</b> Repetitive from the Last Two Years d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> Management is confident to clear the dues of Banks in a Short Period. e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> (i) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same: (iii) Auditors' Comments on (i) or (ii) above:			
III.	<b><u>Signatories:</u></b> <ul style="list-style-type: none"> <li>CEO/Managing Director:</li> <li>Audit Committee Chairman:</li> <li>Statutory Auditor:</li> </ul> <div style="text-align: right;">      </div>			
	Place: Hyderabad Date: 12.08.2020			





# SHESHADRI INDUSTRIES LIMITED

## SHESHADRI INDUSTRIES LIMITED

### DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Pursuant to the SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May, 2020, on disclosure of material impact of COVID-19 pandemic are as follows:-

#### **1. Impact of the COVID-19 Pandemic on the business:**

The Company's Corporate Office and manufacturing facilities remained shut from 22 March 2020 due to lockdown and re-opened w.e.f, 3<sup>rd</sup> May, 2020 at Rajna unit and Corporate Office, which has impacted its operations during the periods. Some of the Company's domestic and export orders are pending and on hold as per requirements of buyers. However, Company is expected to get orders and clear the pending orders.

#### **2. Ability to maintain operations including the factories/units/office spaces closed down:**

The Company has restarted its operations in both factory and Corporate Office considering order book and available workforce adhering to the safety norms prescribed by Government of India.

#### **3. Schedule if any, for restarting the operations:**

The manufacturing unit of the Company is situated in the State of Telangana. The units have started its operations in the month of May 2020 based on the guidelines issued by the Ministry of Home Affairs, Government of India and the Telangana State Government.

HR department of our Company is playing very proactive role by constantly communicating with all our employees and monitoring their health.

#### **4. Steps taken to ensure smooth functioning of operations:**

The Company has taking utmost care of its staff and work force like sanitization, social distancing, mandatory mask wearing, and thermal check at the gate, maintaining proper hygiene. Supply chain is being monitored to ensure availability of material. During 3<sup>rd</sup> lockdown imposition by Government, Contract Workers have gone to their native places and Government has permitted 1/3<sup>rd</sup> workforce in offices/industries thereby the production is affected. We have taken cash flow, capital expenditure and overhead control measures to smoothly manage our operation.



Factory:  
Sheshadri Industries limited  
Garment Division,  
Plot no- 28-B, IDA, Bhongir,  
Nalgonda Dist.,- 508 116  
Telangana, India.  
bhongirgarments@sheshadri.in  
[www.sheshadri.in](http://www.sheshadri.in)

Registered office :  
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## SHESHADRI INDUSTRIES LIMITED

### 5. Estimation of the future impact of Covid-19 on its operations:

April 2020 being lockdown month, the revenues and profitability of the Company were adversely affected. As the Company is fully dependent on yarn and the business situation is very dynamic, the same is being monitored closely. Though we do hope the business situation should normalize during 3rd quarter onwards.

### 6. Details of impact of Covid-19 on listed entity's capital and financial resources:

- **Capital and Financial resources:** Company's capital & financial position has badly affected in lockdown period.
- **Profitability:** In view of lock down, the profitability during 1<sup>st</sup> Quarter (April to June) is adversely affected, as the business situation is very dynamic and depends on domestic and export orders, the same is being monitored closely. Though we do hope the business situation should normalize during 3<sup>rd</sup> quarter onwards.
- **Liquidity position:** Company's liquidity position is not good enough. Company has already suffering from liquidity crunch Due to the lock down period Company's financial position has been badly affected.
- **Ability to service debt and other financing arrangements:** Delay in servicing debt due to COVID-19 pandemic. Company's liquidity position may affect in trading business. Company needs continued support of secured lenders.
- **Assets:** Maximum assets of the company are already mortgage.
- **Internal financial reporting and control:** The Company has taken cash flow control and overhead control measure to manage the operations, weekly review mechanism adopted to review the account receivables and measure taken to control the capital expenditure.
- **Demand for its products/services:** There is temporary reduction in demand due to lockdown, which we expect to improve in coming period.

### 7. Existing contracts/agreements where non fulfillment of the obligations by any party will have significant impact on the listed entity's business: The Company does not foresee any existing Contracts / agreements where non fulfillment of the obligations by any party will have significant impact on the company's business.

### 8. Other relevant material updates about the listed entity's business: No other material information at this stage.

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