



Seshasayee Paper and Boards Limited

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CIN : L21012TZ1960PLC000364

Ref: SH/ COVID/ 4

2020 06 02

**Listing Department,
BSE Limited,
25th Floor, P. J. Towers,
Dalal Street, Fort, Mumbai
Maharashtra - 400001**

**Listing Department,
The National Stock Exchange of India
Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051**

Scrip Code: 502450

Scrip Code: SESHAPAPER

Dear Sir,

Sub : Disclosure of material impact of Covid-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**Ref : 1. Our Letter SH/ COVID/ 1 dated March 25, 2020
2. Our Letter SH/ COVID/ 2 dated April 15, 2020
3. Our Letter SH/ COVID/ 3 dated April 29, 2020
4. SEBI Circular No. SEBI / HO / CFD / CMD-1 / Cir / P / 2020 / 84 dated 20.05.2020**

- ◇ Vide Circular cited under Ref. No. (4), SEBI had advised the listed entities to make available all information about the impact of Covid-19 pandemic in a timely and cogent manner to its investors and stakeholders.
- ◇ In this regard, we would like to submit that vide our letter cited under Ref. No. (1), we had already intimated you that both the units of the Company (Units in Erode & Tirunelveli) had closed from midnight of March 24, 2020, in response to the measures to curb the spread of Covid-19 Virus.
- ◇ Vide our letter cited under Ref. No. (2) and (3), we had also intimated to you about the recommencement of operations in Unit : Erode on April 13, 2020 and in Unit : Tirunelveli on April 27, 2020.
- ◇ Having regard to the above SEBI circular, we now desire to furnish the following, based on our evaluation of the impact of Covid-19 pandemic on our business, performance and financials.



1. Impact of Covid- 19 on the business :

- a) Printing and writing paper segment which is the prime grade among company's products, is expected to be impacted in the near term.
- b) The company is taking necessary steps to strengthen its marketing network, as well as the supply chain in addition to maintaining its liquidity to overcome extended periods of low-sales and poor revenue collections.

2. Ability to maintain operations :

- a) Our factory closed on 24.03.2020 and restarted on 13.04.2020 & 27.04.2020 in Unit : Erode and Tirunelveli respectively.
- b) On restart, we could maintain production operations, so far, in the factory, meeting the challenges caused by lockdown restrictions and restriction in employment of workmen.

3. Steps taken to ensure smooth functioning :

- a) Our factory in Erode has good infrastructure including employees mostly housed in the nearby company owned colony. Labour mobility was initially a challenge on restart but picked up quickly. Hence the Company had recommenced operations in its Unit : Erode and have scaled up gradually, without any major issues.
- b) We continue to have challenges in mobilising labour in our Unit : Tirunelveli, because of the stringent lockdown measures in that district.
- c) The Company expects to face challenges in the near term on account of higher inventory levels, in the absence of opening up of the Key Markets like Chennai, Mumbai, Bangalore, Delhi, Kerala, Hyderabad, etc in India and US, Middle East and the Asian and African Markets across the Globe.

4. Impact of Covid-19 on the company

- a) The company has incurred higher compliance cost to conform to standard operating procedures under extant Covid guidelines.



- b) Covid-19 lockdown is expected to impact the operational and financial performance of the Company and the same is not covered under insurance.
- c) The company remains strong on liquidity and has adequate financial resources to meet its working capital requirement.
- d) As per current assessment, there is no significant impact on the carrying amounts of property, plant and equipment, investment, inventories, receivables and other financial assets. Our internal financial reporting and control is in no manner impacted by Covid-19.

5. Impact on contracts/ agreements

- a) The company does not foresee any significant impact in respect of its existing contracts and agreements where the non-fulfillment of obligations by any party would lead to any material financial claim.

6. Other relevant material updates

- a) There have been short term interruptions and adverse impact by reason of Covid19 for the company. The company remains confident of weathering the current challenges.
- b) Sustaining the operations of the Company will largely depend on opening up of Key markets, as stated above in Point No. 3 (c). Paucity of orders may push the company to avail intermittent shuts.
- c) The future course of Covid-19 and consequent Government interventions are however beyond the assessment of the company.

Thanking you,

Yours faithfully
For Seshasayee Paper and Boards Limited


(K S KASI VISWANATHAN)
Managing Director