

LAGNAM SPINTEX LIMITED

**COMMISSIONED COMMERCIAL PRODUCTION AHEAD OF SCHEDULE
BY TWO MONTHS**

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**SANCTION OF WORKING CAPITAL FACILITIES OF RS.27.50 CRORES
BY BANK OF BARODA & HDFC BANK.**

Lagnam Spintex Limited has started Commercial Production of its Expansion Project of Rs.125.40 Crores w.e.f. 31st of July 2019, two months ahead of the scheduled date of 30th September, 2019. As per Management of the Company the turnover from Expansion Project will be higher during 2019-20 compared to as estimated while sanctioning of Term Loan by SBI & PNB. The production of expansion project is getting good response from Domestic & Export markets. The Company is getting regular orders from European market in Germany, Italy, Portugal, Slovenia etc. in addition to China, Korea, Egypt, Guatemala etc.

The project of Rs.125.40 Crores was financed out of Term Loan of Rs.94 Crores from State Bank of India and Punjab National Bank and total disbursement of Rs.94 Crores has been made by the banks.

Management of the Company would further like to inform that the additional working capital requirement for the Expansion Project was assessed by State Bank of India at Rs.25 crores for which the Company approached to State Bank of India, Punjab National Bank, Bank of Baroda and HDFC Banks.

The Company got sanctioned from Bank of Baroda for Rs.15 Crores and HDFC for Rs.12.5 Crores, making a total sanction of Rs.27.5 Crores against its requirement of Rs.25 Crores. The approval of SBI and PNB is under way and financial closure for working capital will be made shortly.

In the meantime, HDFC Bank and Bank of Baroda have approved to release Rs.22.50 Crores out of their sanctioned limit, and HDFC bank has already started disbursement against their sanctioned working capital.