



BSL/SEC/20

18<sup>th</sup> June, 2020

**BSE Limited**  
**Listing Deptt.**  
**Floor 25, P.J. Towers**  
**Dalal Street**  
**MUMBAI - 400 001**

**National Stock Exchange of India Ltd.**  
**Listing Department**  
**Exchange Plaza Bandra-Kurla Complex**  
**Bandra (East), MUMBAI - 400 051**

Code No.503722

Symbol" BANSWRAS"

**Subject:: Submission of disclosure of material impact of CoVID-19 pandemic on the Company under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find enclosed herewith Annexure-I for disclosure of material impact of CoVID-19 pandemic on the Company.

You are requested to please take on record the same in your records and reference.

Thanking You,

Yours Faithfully  
For BANSWARA SYNTEX LIMITED

(H.P. KHARWAL)  
COMPANY SECRETARY & COMPLIANCE OFFICER



Encl: As above



Annexure I

**SEBI Circular - Disclosure of impact of COVID-19 on Banswara Syntex Limited**

Sr. No.	Particulars	Information												
1.	<ul style="list-style-type: none"> <li>Impact of the COVID-19 pandemic on the business;</li> </ul>	<ul style="list-style-type: none"> <li>The rampant spread of COVID-19 outbreak, across borders and geographies, has severely impacted almost the whole world and triggered significant downside risks to the overall global economic outlook.</li> <li>Due to the lockdown announced by the Government of Rajasthan/Government of India, entire operations of the Company came to a halt w.e.f. 22 March, 2020.</li> <li>During March, 2020 our production capacity utilization was down by about 30% (due to complete stop since 22 March, 2020). However, during Q-1 FY 2020-21 our capacity utilization shall be about 30% (due to plant operation for less number of days).</li> <li>The revenue and profitability will be impacted in line with the fall in production capacity utilization as mentioned above.</li> </ul>												
2.	<ul style="list-style-type: none"> <li>Factory/unit where the Lockdown has impacted</li> <li>Ability to maintain operations including the factories/units/office spaces functioning and closed down;</li> </ul>	<ul style="list-style-type: none"> <li>The manufacturing facilities were shut down entirely during the lock down period as per details below:- <table border="1" data-bbox="707 1144 1516 1302"> <thead> <tr> <th>Unit/Location</th> <th>Duration</th> <th>No of Days</th> </tr> </thead> <tbody> <tr> <td>Banswara</td> <td>22 March 2020 to 19 April 2020</td> <td>29 Days</td> </tr> <tr> <td>Daman Unit</td> <td>24 March 2020 to 19 April 2020</td> <td>27 Days</td> </tr> <tr> <td>Surat Unit</td> <td>22 March 2020 to 22 April 2020</td> <td>32 Days</td> </tr> </tbody> </table> </li> </ul>	Unit/Location	Duration	No of Days	Banswara	22 March 2020 to 19 April 2020	29 Days	Daman Unit	24 March 2020 to 19 April 2020	27 Days	Surat Unit	22 March 2020 to 22 April 2020	32 Days
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3.	<ul style="list-style-type: none"> <li>Schedule, if any, for restarting the operations;</li> </ul>	<ul style="list-style-type: none"> <li>During the lock down period, the competent authorities allowed the company to produce certain COVID-19 related products for Ministry of Defence, this production started at Banswara facilities w.e.f. 08 April, 2020</li> <li>The Company resumed the operation of its production facilities with lower capacity utilization, adhering to the safety norms as prescribed by the Government of India.</li> <li>The company is ramping up the production capacity utilization gradually. This will depend on market condition, global economy, supply chain support, availability of labour etc. In light of all these unprecedented events owing to the spread of COVID-19, we feel it will take another few months to utilize the production capacity at optimum level.</li> <li>As per the current estimate we feel that due to COVID 19, we will have around 45% lower production capacity utilization during FY 2020-21.</li> </ul>												

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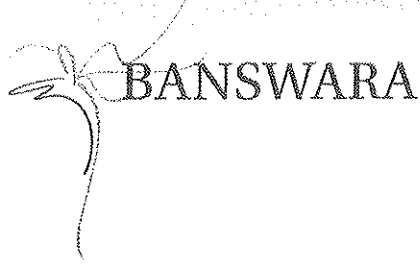
4.	Steps taken to ensure smooth functioning of operations;	<ul style="list-style-type: none"> <li>• All safety protocol related to COVID-19 as advised by the government are being implemented.</li> <li>• The Company has issued safety guidelines for its employees and workers.</li> <li>• Detailed shop-floor precautions &amp; safety systems have been implemented with appropriate training to staff and workmen.</li> <li>• Factory roads and entrance areas are being regularly sanitized.</li> <li>• Social distancing norms being strictly followed at factories and offices.</li> <li>• Sanitization and thermal screening of employees, truck drivers, other entrants and sanitization of loading vehicles at the entry gate of factories.</li> <li>• From the time of commencement of the lockdown, employees have been working from home and necessary infrastructure has been provided</li> <li>• All IT Security Protocols are in place and all systems were being monitored remotely.</li> <li>• Frequent communication to all employees regarding safety protocols- including use of Arogya Setu app</li> </ul>
5.	Estimation of the future impact of COVID-19 on its operations;	<ul style="list-style-type: none"> <li>• It is difficult to estimate the definitive impact of COVID-19 on the operations of the Company beyond Q1 FY21 at this point of time.</li> <li>• Estimated Impact of COVID-19 for Q1 FY21 has been provided in Point No. 1.</li> <li>• The Company is closely monitoring the developing situation arising out of COVID-19 and resultant restrictions imposed by the regulatory authorities.</li> <li>• With the gradual phasing out of the lockdown going forward, the Company expects to see demand revival.</li> </ul>
6.	Details of impact of CoVID-19 on listed entity's – (i) Capital and Financial Resources;	<ul style="list-style-type: none"> <li>• The Company's equity capital structure remains unchanged.</li> <li>• The Company has taken steps to ensure adequacy of financial resources.</li> <li>• The Company presently has adequate capital and financial resources to run its business.</li> </ul>

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(ii)	Profitability;	<p><u>Q4 FY20</u></p> <ul style="list-style-type: none"> <li>The profitability of the Company for the quarter and financial year ended March 31, 2020 is likely to have minimal impact. However, the details of the same will be known after audit for the said period(s) is completed.</li> </ul>
		<p><u>Q1 FY21</u></p> <ul style="list-style-type: none"> <li>In the last 2 months, the Company's operations have been impacted due to low to insignificant capacity utilization during the first three weeks of lockdown and committed costs being incurred.</li> </ul> <p>The Revenue and Profitability will also be impacted in line with the fall in Production capacity utilization as mentioned in point 1 above.</p> <ul style="list-style-type: none"> <li>Notwithstanding this the Company expects to mitigate the adverse impact by reducing various variable and fixed costs caused by lockdown. Also even before COVID-19, the Company embarked upon a Company-wide initiative to bring down costs and conserve cash. This programme is well under way and the Company expect the benefits of these initiatives in future.</li> <li>The performance is expected to improve progressively in following periods as the demand in domestic and international market picks up.</li> </ul>
(iii)	Liquidity Position;	<ul style="list-style-type: none"> <li>The Company has taken steps to ensure that it has adequate liquidity to meet its financial and other commitments</li> <li>In the short term, the cash position of the Company is good, and the liquidity is assured, having enough unused credit facilities.</li> <li>The Company continues to enjoy the short term and long term rating BBB (Outlook-Negative) by ICRA.</li> <li>As permitted by RBI &amp; Bank, the Company has availed additional moratorium of six months for payment of Term Loans and Interest thereon and deferment of payment of interest on working capital facilities.</li> <li>Company has also applied for sanction of COVID-19 additional limit equal to 10% it's fund based Working Capital facilities from its lending partners. The banks have also reduced the margin by 10% on stock &amp; receivables for calculation of Drawing Power.</li> <li>The Company had 50% share in Tesca Textiles and Seat Components (India) Private Limited (A Joint Venture Company) it has sold its 20% shareholding in JV Company the Book Value of shares sold is Rs. 72 Lakhs sold at Rs. 362 Lakhs (already received).</li> </ul>

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(iv)	Ability To Service Debt and Other Financing Arrangements;	<ul style="list-style-type: none"> <li>The Company does not foresee any issues relating to servicing its debts or financing arrangements.</li> <li>Despite the near term strain on operations and cash accruals, the Company, considering its current liquidity position expects to service its debt obligations.</li> </ul>
(v)	Assets;	<ul style="list-style-type: none"> <li>There has been no significant change in the fixed asset positions of the Company, however realization of current assets i.e. stocks and receivables from customers has been a challenge. The Company is taking all possible steps to ensure liquidation of stocks and the collection from receivables.</li> </ul>
(vi)	Internal Financial Reporting and Control;	<ul style="list-style-type: none"> <li>There is no impact on internal financial controls due to the COVID-19 situation.</li> <li>The management is reviewing the position every day. Additional security staff from independent agency were deployed during lockdown. The senior officers living near the factory in Company owned premises were there to ensure such controls.</li> <li>The management has also ensured that Financial Reporting Process is closed on time, design and implementation related to application of GAAP (Generally accepted accounting principle) and disclosure arising from COVID-19 are adequate.</li> </ul>
(vii)	Supply Chain;	<ul style="list-style-type: none"> <li>COVID-19 pandemic has halted the operation worldwide there has been serious disruption during March and April 2020. It may go further worse if the pandemic is prolonged.</li> <li>However, the situation is improving gradually with Central &amp; States relaxing lockdown norms.</li> </ul>
(viii)	Demand For its Products;	<ul style="list-style-type: none"> <li>Company is producing yarn, fabrics and readymade garments. The overall demand/consumption in the domestic and international market is likely to be impacted.</li> <li>The Company produce high value added fabrics and garments the demand for such product will depend on opening of the retail chains/stores in the domestic and international markets. Company has started production of COVID-19 related consumable items in its fabrics and garment units.</li> </ul>

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7.	Existing contracts/agreements where non- fulfillment of the obligations by any party will have significant impact on the listed entity's business;	<ul style="list-style-type: none"><li>The Company is well positioned to fulfil its obligations and also does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party.</li></ul>
8.	Whether loss/damage covered by insurance or not including amount;	<ul style="list-style-type: none"><li>The impact of COVID-19 is not covered under Insurance.</li></ul>
9.	Other relevant material updates about the listed entity's business	<ul style="list-style-type: none"><li>The Company has been regularly updating the Stock Exchanges about its business.</li></ul>

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