



June 9, 2020

BSE Limited

Department of Corporate Services,
SP. J. Towers, Dalal Street,
Mumbai – 400 001
(Scrip Code-508933)

National Stock Exchange of India Limited

Exchange Plaza, Bandra-Kurla Complex, Bandra
(E), Mumbai – 400 051
(Symbol : AYMSYNTEX)

Dear Sir/Madam,

Sub: Impact of the COVID-19 pandemic on Company pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We refer to the SEBI Circular No. CIR/CFD/CMD/ 4/2015 dated 9th September, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020.

In this regard we are enclosing evaluation of the impact of the COVID-19 pandemic on the business of the Company as Annexed herewith.

Kindly take the same on your records.

For **AYM SYNTEX LIMITED**

ASHITOSH SHETH  Digitally signed by ASHITOSH SHETH
Date: 2020.06.09 13:05:06 +05'30'

Ashitosh Sheth
Company Secretary & Compliance officer
ACS 25997

AYM SYNTEX LTD | Formerly known as Welspun Syntex Limited

DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

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

Sr. No.	Particulars	Disclosures
1	Impact of the CoVID-19 pandemic on the business	<ul style="list-style-type: none">• 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.• Due to the lockdown announced by the Government of India from 23rd March 2020, operations of the Company were adversely affected. While the plants were completely shut down, all the back offices of the Company were maintained operationally functional during the period of lock down and now the Company is gradually resuming operations, as per the customer requirements / demands. The lockdown had marginal impact on the profits• Even though, the overall demand of the products has been impacted temporarily but due to easing out of restriction in lockdown, demand for the products are expected to improve gradually.
2	Ability to maintain operations including the factories/units/office spaces functioning and closed down;	<ul style="list-style-type: none">• All the manufacturing facilities & Offices were shut down entirely during lockdown period of almost 30 days (starting from 23rd March, 2020 to April 29, 2020). Rakholi unit partially resumed its manufacturing operations From April 23, 2020 and Palghar unit partially resumed its manufacturing operations from April 29, 2020.• The Company has adopted work from home policy for all back office work during the lockdown period.
3	Schedule, if any, for restarting the operations	<ul style="list-style-type: none">• With relaxations/ approvals given by the authorities, the Company has restarted its operation as stated above gradually with safety protocols.• Lockdown Phase 5 effective from 1st June, 2020 has given additional relaxations, which are helping the Company to ramp up other allied activities

4	Steps taken to ensure smooth functioning of operations	<ul style="list-style-type: none"> • All safety protocol related to Covid-19 as advised by the government are being implemented. • The Company has established detailed SOP (Standard Operating Procedure) for restarting its plants and offices and for maintaining the high standard of safety & hygiene for the employees. • The Company has issued safety guidelines for its employees and workers. • Detailed shop-floor precautions & safety systems have been implemented with appropriate training to staff and workmen. • Factory roads and entrance areas are being regularly sanitized. • Regular Fumigation of offices and shop floors is being carried out. • Social distancing norms being strictly followed at factories and offices. • Sanitization and thermal screening of employees, truck drivers, other entrants and sanitization of loading vehicles at the entry gate of factories. • From the time of commencement of the lockdown, employees have been working from home and necessary office connectivity has been in place. • With Government relaxing norms for Commercial establishment, some of the offices have started functioning from lockdown phase 3 after taking requisite permissions from local authorities with adequate safety protocols. • All IT Security Protocols are in place and all systems are being monitored remotely. • Laptops/Digital connectivity & e-mail for remote access granted to all concerned employees. This ensures that they are able to work from home effectively. • The Company is making adequate provision for masks, sanitisers, facility for hand washing and transportation (wherever needed) to its employees at its office(s). • Company has also mandated installation of Arogya Setu app for employees and visitors to Plant locations.
5	Estimation of the future impact of CoVID-19 on its operations	<ul style="list-style-type: none"> • The impact assessment of COVID-19 is a continuous process given the uncertainty associated with its nature and duration. • During the lock down period, the revenue and the profitability of the Company are impacted to certain extent. Both the plants partially resumed its manufacturing operations by April end of the current year. • As of now definitive impact of Covid-19 on the operations of the Company cannot be estimated however company do not see major impact in operations' in future until unless there major disruptions in future due to Covid-19. The Company is closely monitoring the developing situation arising out of COVID-19 and resultant restrictions imposed by the regulatory authorities. • With the gradual phasing out of the lockdown going forward, the Company expects to see demand revival and expects normalcy to be achieved in the near term.

6	Details of impact of CoVID-19 on listed entity's:-	
6.1	Capital and financial resources	<ul style="list-style-type: none"> • The Company's equity capital structure remains unchanged. • The Company has taken steps to ensure adequacy of financial resources. The Company's capital and banking facilities remain intact. As of now, there are no liquidity concerns as we have unutilized banking limits available and recently, we have also been granted additional limit under the Covid Emergency Scheme by the Bankers. The Company also have ability to borrow additional funds, if required in future. • Even during the Lockdown period, the Company-has been able to manage its resources and ensure collection from its receivables. However, the Company is witnessing certain delays in Domestic receivable collection due to the impact of the lockdown in the country. • The Company presently has adequate capital and financial resources to run its business and will be able to manage with additional lines of credit from it's existing lenders.
6.2	Profitability	<p>Q4 F20</p> <ul style="list-style-type: none"> • The profitability of the Company for the quarter and financial year ended March 31, 2020 has been impacted due to lockdown in month of March 2020. However, the details of the same will be known after audit for the said period(s) is completed. <p>Q1 F21</p> <ul style="list-style-type: none"> • In the last 2 months, the Company's operations have been impacted on account of lower than normal and committed costs being incurred. • Notwithstanding this the Company expects to mitigate the adverse impact by repricing various variable expenses and reducing fixed costs after absorbing all idle overheads caused by lockdown. Also even before COVID-19, the Company embarked upon a Company-wide initiative to bring down costs and conserve cash. The Company would exercise control over variable and fixed costs to mitigate the adverse impact to the extent possible. • The performance is expected to improve progressively in following periods as the demand recuperates.
6.3	liquidity position	<ul style="list-style-type: none"> • The Company has taken steps to ensure that it has adequate liquidity to meet its financial and other commitments. As of now, there are no material liquidity concerns as we have unutilized Banking limits available and recently we have also been granted additional limit under the Covid Emergency Scheme by the Bankers. • In the short term, the cash position of the Company is comfortable, and the liquidity is available, having adequate unused credit lines.

6.4	ability to service debt and other financing arrangements	<ul style="list-style-type: none"> The Company does not foresee any issues relating to servicing its debts or financing arrangements. Despite the near term strain on operations and cash accruals, the Company, expects to service its debt obligations in a timely manner.
6.5	Internal financial reporting and control	<ul style="list-style-type: none"> There is no impact on internal financial controls due to the COVID-19 situation, given the steps taken as indicated in pt.4 and robust change control processes
6.6	Demand for products/services	<ul style="list-style-type: none"> There is temporary slowdown of the economy due to lock down, and while domestic market is expected to resurrect gradually from Q2 FY 20, early signs of demand in International markets are encouraging and same is expected to resume normalcy faster.
6.7	Assets	<ul style="list-style-type: none"> The Company does not see significant incremental risk to recoverability of assets (Inventories, investments, Receivables, etc.) given the measures being taken to mitigate the risks. The Company has assessed the recoverability of the assets including receivables, property, plant and equipment, intangible assets and have made necessary minor adjustments to the carrying amounts by recognizing provisions / impairment of assets. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy.
6.8	Supply chain	<ul style="list-style-type: none"> The supply chain was disrupted in view of lockdown in March, 2020 & April, 2020. The operations were however not affected as all plants were closed during the period. However, the situation is improving gradually with Central & States relaxing lockdown norms. There is minimum disruption in the supply chain now as most of the vendors have re-started their production and are ready to provide required supplies. Supplies from international vendors have commenced. Manufacturing facilities have started production depending on the demand and the inventory being liquidated.
7	Obligations for Non-fulfillment of orders:	<ul style="list-style-type: none"> 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.
8	Whether loss/damage covered by insurance or not including amount;	<ul style="list-style-type: none"> The adverse impact of COVID-19 lockdown on profitability is not covered under Insurance.
9	Other relevant material updates about the listed entity's business	<ul style="list-style-type: none"> The Company has been regularly updating the Stock Exchanges about its business.

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