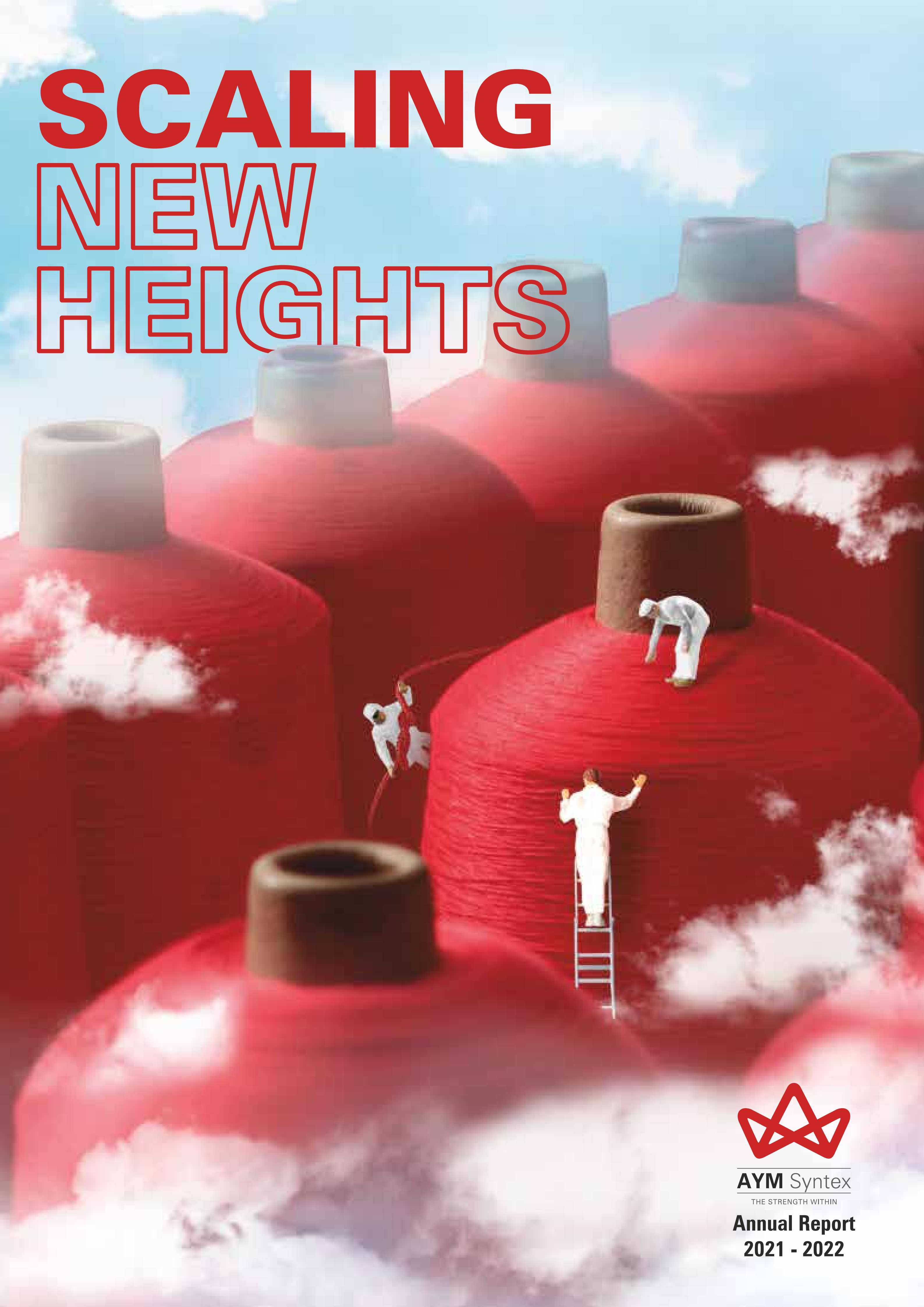
SCALING NEW HEIGHTS



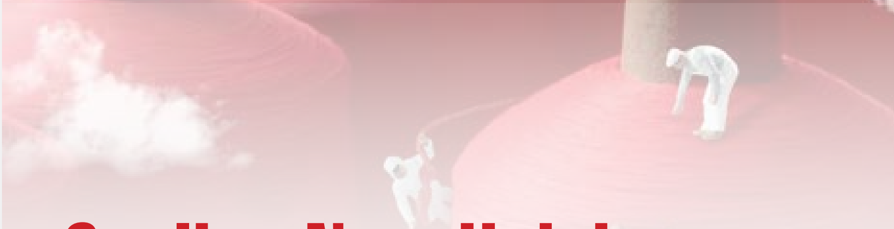
AYM Syntex

THE STRENGTH WITHIN

Annual Report
2021 - 2022

What's Inside

Scan to read the full report online



Scaling New Heights

Continued growth through consistent action

With innovation as our core value, our value creation approach with the belief of continued growth has enabled us to stay focused on opportunities, efficiency, and execution, while staying true to our purpose. This has persuaded us to successfully transform our business model and create superior value for our stakeholders, while maintaining our culture, strengthening our processes and ensuring responsible practices. Our Innovation portfolio growth is guided by our strategy of product differentiation and creating a unique customer experience. Today, we are aligned more than ever to our transformation journey. Our investments in the strategic business, along with our focus on quality and consumer needs, continued actions towards operational excellence has enabled us to re-build a more robust business over the last few years.

A consistent progress in topline and margins over the years despite macro-economic challenges ensured that we continue our transformation journey on the business front with sustainable and profitable growth. We are scaling newer heights in our journey each year and the efforts are visible in financial performance and operational excellence. A strong balance sheet is the foundation for future growth and expansion, and a cornerstone of trust for our investors and partners. In FY22, AYM Syntex continued to deliver on its various stakeholder commitments.

By adapting to agile and flexible work structure, embracing efficient working capital management, and expanding our current market segments, we endeavour to create value for our stakeholders at each step. As we enter into a new fiscal year, the macro environment throws more challenges to us. We aim to continue our operations with agility, progressing towards excellence with ultimate passion and a renewed sense of purpose. We are committed to cater to the needs of our stakeholders with innovative solutions and go a step beyond our operations to contribute significantly to the well-being of our environment and community.

Revenue ₹ 1491 Crores

EBITDA ₹ 166 Crores

RoCE 17%

AYM Syntex has been on a transformation journey since last few years, where its operating model and focus areas have seen a significant shift founded on the principle of business resilience. Our belief in our Strategic business along with consistent actions has enabled us to overcome the challenges, become robust with each passing year and scale newer heights.

- Abhishek R Mandawewala
MD & CEO

About This Report

AYM Syntex's Annual Report for FY 2021-22 reflects our performance and strategy aligned to the current business context. It encompasses both qualitative and quantitative disclosures regarding our financial and operational performance for the year, combined with our continued investments in financial, manufacturing, intellectual, human, social, and natural capitals.

Reporting Framework

The financial and statutory data presented in this Report – including the Board's report, Management Discussion and Analysis (MD&A), and Corporate Governance Report – is in line with the requirements of the Companies Act, 2013, Indian Accounting Standards, the SEBI (LODR) Regulations, 2015, and the Secretarial Standards issued by the ICSI.

Reporting Period

This report covers the Company's performance for the period commencing from April 1, 2021 to March 31, 2022. For certain KPIs, comparative figures from previous years have been used in the Report to provide a holistic view.

Forward Looking Statement

This annual report contains forward-looking statements about expected future events, including the financial and operating results of the Company. These statements, by their nature, require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a possibility that the assumptions and predictions in these forward-looking statements will not prove to be accurate. Additionally, certain performance parameters mentioned in this Annual Report are based on classifications made by the Company. Do not place undue reliance on forward-looking statements as a number of factors could cause assumptions and actual future results or events to differ materially from those expressed in these forward-looking statements.

Management Responsibility Statement

The Board believes that the information contained in this Report adequately represents the Company's performance during the reporting period and broadly outlines the Company's ability and commitment to create long-term value. This Report has been reviewed by the members of the board and senior management.

Statutory Audit

For assurance and compliance with statutory requirements, our financial statements have been externally audited by Price Waterhouse Chartered Accountants LLP and their report can be found in the Independent Auditors' Report section of this document.

Feedback

We look forward to receiving feedback from our stakeholders to enable us to identify evolving risks, address concerns and find new ways of creating value.
Our stakeholders can feel free to reach out to us at complianceofficer@aymgroup.com.

STRATEGIC OVERVIEW

Corporate Overview

About AYM

AYM Syntex is one of the largest manufacturers of **Multi-polymer Textile and** one of the largest exporters of **Bulk Continuous Filament (BCF) yarns** in India. We offer a wide variety of specialty yarns through multiple brand names, which are used globally for various industrial as well as consumer applications.

In addition to our world-class products, what differentiates us is our ability to understand market trends and develop new products that meet our customers' specific needs. To help the customers with their unique requirements, we take a partnership approach to **co-create highly customised products** for them. Moreover, we continue our journey of progressive transition from a commodity-driven business model to one that relies on **high entry barrier products,** thereby enabling us to differentiate ourselves from others.

Our ability to provide such innovative high-quality products at scale comes from our highly talented **R&D setup, state-of-the-art manufacturing facilities,** and our constant efforts to optimise our processes. The company's advanced Multipolymer Textile and BCF yarn manufacturing facilities at Silvassa and Naroli serve the diversified global textile and floor covering industry. Our Palghar facility is the one of the **largest yarn dyeing houses in Asia.** It houses India's largest, **100% environment-friendly and automated yarn dyeing facility** which is equipped with a **zero liquid discharge system.** Further, we are proudly among the few domestic yarn manufacturers that have **in-house masterbatch production** capabilities, which gives us unparalleled flexibility and competitive advantage.

By combining continuous innovation with evolving manufacturing practices, we are consistently increasing our global footprint and financial performance, while also creating positive social impact. In addition to creating around 3000 employment opportunities, we also actively implement a variety of CSR initiatives in domains like healthcare, education, and rural development.

As we continue to create high-value products for our customers and social impact on our communities, we are also working towards controlling our environmental footprint through a combination of **sustainable practices, greener technologies,** and incorporating **environmental goals** into the business strategy.

Numbers that Define Us

The amount of yarn we have produced can go
21576
Times to the moon

Widest colour range of conventional dyed yarn
17K+
Shades

Touching lives through innovation for
37
Years

₹ 1491 Crores
Turnover

45%
Export Share

55+
Countries with brand presence

₹ 166 Crores
EBITDA

₹ 50 Crores
PAT

17%
RoCE

24000 MT
India's largest yarn dyeing house

74.2%
Promoters' stake

2300+
People Employed

Summing Up the Last Decade

Our mission of touching lives through innovative products and value-adding initiatives has led the company to where it is today — at the forefront of the synthetic textile industry in India and in 55+ countries across the globe.

Our actions in the last decade have been especially instrumental in getting us here, resulting in remarkable financial parameters that reflect our strong fundamentals and sustainable growth potential.

12.5%

Revenue CAGR in the last 12 years

18%

Net Profit CAGR in the last 12 years

₹ 676 Crores

Gross Fixed Assets (as of March 31, 2022)

₹ 409 Crores

Net Worth (as of March 31, 2022)

These numbers are a result of the convergence of our efforts over the decade towards strengthening our core by focusing on innovation, operational excellence, product diversification, and brand differentiation strategies.

Key Strategies Implemented Over the Last Decade

Research and Development

Consistent investment in R&D over the years has helped us create multiple patented and patent-pending products, few of which we have successfully commercialised this year.

Product Mix Rationalisation

For over a decade now, we have been systematically curating our product portfolio to maintain a healthy mix of highly-differentiated products with high entry barriers.

Process and Control Strengthening

By regularly investing in modernising our facilities, we are able to cater to global demand, both in terms of volume and quality.

Global Outreach

We have more than doubled our export share over the last 12 years by consistently increasing our global presence with strategic exports as part of our long-term growth plans.

Digital Disruption

To create better customer experiences and higher process efficiencies, we consistently evaluated and upgraded our IT processes to make us leaner and more agile.

Culture Transformation

We have striven to build a culture of high productivity and performance with continuous improvements.

Our Core Values

Our core values of customer focus, innovation, and people development are integral to our guiding philosophy. These define us at the organisational level. Every action we take towards consistent and sustainable growth stems from our underlying values and principles that guide us in making the right decisions. We encourage a deep understanding of these core values across the organisation to build a distinctive culture.

Values

Customer Focus

Keeping our customers in focus and as partners in creating and delivering solutions

Innovation

Experimenting and customising to develop better solutions and create greater value

People Development

Empowering our people through service and support

Principles

Customer-centricity

Our customers are at the core of our value system. They inspire us to create high-end, customised and differentiated products. We are committed to earning and keeping the trust of our customers — both internal and external ones.

Entrepreneurial Spirit

We always think long term and don't sacrifice long-term value for short-term results. We are empowered to act decisively and create value. Our actions are not just to serve ourselves but for all the stakeholders to achieve inclusive growth.

Collaboration

We deliver unique and innovative products and solutions to our customers by combining our strengths and working together with all stakeholders.

Drive for Excellence

We strive for continuous improvement of performance standards for sustained long-term success. We try to continually raise the bar and drive ourselves to deliver high-quality products and excellent customer service.

Bias for Action

We value calculated risk-taking and prefer quick thoughtful action to capitalise on opportunities as opposed to delayed action through analysis.

Our Journey at a Glance

Today, we enjoy the patronage of **thousands of customers** using several **unique and diversified products** developed by us. But the journey of our ascent begins with our inception 37 years ago.

2022
Highest ever annual revenues and margins in FY 21-22

2020
Commissioning of new plant at Naroli

2018
Expanded BCF yarn production capacity by additional 50%

2015
Company's name changed to AYM Syntex Limited

2013
Established R&D centre for excellence and innovation

2012
India's pioneering manufacturer and first merchant exporter of BCF yarns

2004
Manufacture of polyester mother yarn and mono yarn first time in India

2000
Commercialised dope dyeing in India

1992
POY, FDY spinning and texturising facility launched at Silvassa, India

1985
Launch of yarn dyeing and texturising facility in Palghar, India

1984
Company listed on the Bombay Stock Exchange

MD & CEO Message

> The basic foundations that make up our business are significantly stronger. As managers, we have a tighter grip on the business and our capital allocation strategy is better than when we started.

Dear Shareholders,

I am proud to say that the year gone by has been a record year for us in many aspects. We hit our all-time highest ever revenues, volumes, EBITDA and profitability. We must also remember that this was a year of increasing costs. Freight, energy costs, packing costs, costs of auxiliaries such as SPCs, spin finish oils, chemicals, dyes, etc. went up significantly. It was especially encouraging to achieve these numbers in such a fiscal. This year was important not just for the financial records but also a few non-financial milestones that our business accomplished this year which I've highlighted below.

- This year was yet another year where we grew the volumes of value-added products such as Comfeel, Automotive Yarns, IDY, Wonderfeel, Sorona, SDN etc.

- For the first time in our company's history we been able to successfully commercialise patent pending yarns. Due to the popularity and market fitment of some of these innovations, we have been able to commercialise several of these proprietary products in an incredibly short time frame. This year we have received bulk orders (post successful customer trials) in innovations such as Synergy, Kashmere and Hygeia. We hope to add more to this list in the coming few years. This together with our value added yarns mentioned above should make our business incrementally more robust.

- Our focus on operational excellence and cost paid off this year. The Rakholi plant saw record numbers on metrics such as Waste percentage, Downgrade percentage, Packing cost per kg, Value Loss percentage, etc. In terms of absolute production in tonnage, our throughput improvement initiatives continue to deliver and the plant saw record production volumes yet again with relatively lower investment as we were able to tweak more production from the same machines. Cost initiatives in Palghar helped us significantly reduce utility consumption and conversion costs.

- We were able to successfully install new capacity in flooring yarns and are now looking to commercialise that capacity with some of our proprietary innovations and value added products.

- Exports as a percent of sales continued to remain consistently around 45% and hit an all time high number.

I believe that we continue to become incrementally more robust as a business with each passing year. While we will feel the gyrations of economic cycles, I believe that the amplitude of the fluctuation of our results will reduce as we continue along our journey. While we haven't completely transformed yet, I believe that we are closer than when we started. Our view of the competitive environment and corresponding investment decisions, too, have come a long way since we started this journey and we are incrementally outsourcing parts of the business which can easily be made by others.

As I write, however, while the cost pressures have begun to ease, slowing demand is already beginning to dent our capacity utilisations. The biggest impact is coming to us from the fact that people world over are moving their spending habits from purchasing goods to services which was artificially suppressed during the peak pandemic years. This, of course, was a tailwind for us in the previous fiscal as people sat at home and spent significantly on goods, in particular, on improving their homes. Furthermore, if we see drop in raw material prices, while this may be good for the medium to long term, this may create an impact on short term profitability as we take stock losses. Nonetheless, we continue to tirelessly execute on previously identified opportunities and discover new ones that will help us to maintain or increase our base of earnings.

- We have committed capacity expansion in some of the value added products named above with customers expecting us to increase volumes. We hope to commercialise this additional capacity towards the end of H2. We have also geared up sales/marketing efforts in these areas and hope to widen our net.

- One of the key challenges in the coming year will be maintaining capacity utilisations in an atmosphere of slowing global economy. As I write this letter, utilisations are down 10% and one of the biggest priorities this year will be to find business with which we can fill this gap.

- Needless to say, moving up the pyramid of specialisation is a continuous goal for us at AYM. We continue to work on identifying new niches in and around the market areas that we operate in. We hope to introduce some new products in the technical area this year through new capacity (and capability) that we hope to commission this year. Our interest would be to find more such small to mid size opportunity baskets which might not be sizeable enough to attract some of the larger low cost players but are significant in size and margin accretive for us.

- Despite rising margins in the commodity segments of business last year, we maintained the discipline to not add any capacity in areas which are not strategically important to us. However, in this area, too, we have a roadmap to increase margins by using the same equipment to make more premium and niche products within the sphere of commoditised business. This is a dormant opportunity that we hope to capture over the next couple of years.

- While we continue to do incremental de-bottlenecking, we don't expect to make any large capex commitments over the next 12 months which will be in excess of our internal accruals. With inflation at what we hope is the peak, our working capital commitments too should come down this year. I therefore expect to see moderation in our overall net debt levels over the short to medium term.

We have come a long way since we started our journey in 2015. Furthermore, the heartening thing to note is that we continue to have high ROI improvement opportunities. This means that as we execute on these low hanging fruits, our bottom line and ROE can look vastly better. The basic foundations that make up our business are significantly stronger. As managers, we have a tighter grip on the business and our capital allocation strategy is better than when we started. As we make further progress on this journey, we hope to be more in control of the profitability as opposed to wildly swinging with market cycles.

I would finally like to end this letter on a note of thanks to all our shareholders, who have continued to support us through this journey. Finally, I would also like to thank all of our employees for continuing to believe in our vision and working tirelessly towards it.

- Abhishek R Mandawewala
MD & CEO

Our Leadership

The entrepreneurial spirit and passion for extensive growth shown by our Promoter Directors lay the groundwork essential for any organisation to succeed. With their visionary aspirations, business acumen and vast collective experience, they, along with the rest of the Board, are responsible for leading the company to newer heights.

Rajesh R Mandawewala

Non-Executive Chairman

Rajesh R Mandawewala has held multiple roles across industries in his decades of rich experience. He currently sits at the helm of AYM Syntex's top management while also chairing the Welspun Group as its Managing Director and Promoter. As a founding member of AYM Syntex, he has been instrumental in expanding the Company's footprint through the decades across more than 55+ countries.

Abhishek R Mandawewala

Managing Director & CEO

As one of the youngest CEOs in India, Abhishek R Mandawewala has proven his ability to lead organisations with the exceptional growth of AYM Syntex in the last seven years. He has been the driving force behind AYM's innovation and product differentiation strategy. He has set the course for the Company's success through his excellent leadership ability, ambitious attitude and rich educational background.

Khushboo Mandawewala

Whole Time Director & CHRO

A Wholetime Director at AYM Syntex, Khushboo Mandawewala leads corporate communications and branding, while also spearheading the HR operations of the Company. She plays a crucial role in the Company's journey towards becoming a global brand that is not only recognised but also admired across the world.

The Independent Directors of our Board are drawn from diverse backgrounds, qualifications, skills, and experiences that contribute to a well-rounded leadership at the helm. Together with the Promoter Directors and Committees, they effectively guide our strategy and oversee our operations in a rapidly evolving industry.

Atul Desai

Independent Director

Atul Desai brings his vast knowledge and experience in compliance and law to provide key advice on strategy. He is currently a Senior Partner in Kanga & Co. and also serves as Board Member in several Welspun Companies. His active participation in formulating and monitoring the company's strategic goals have led us in the right direction by helping us navigate through the ever-evolving regulatory as well as economic landscape

Mohan Tandon

Independent Director

Mohan Tandon, former MD of General Insurance Corporation of India, brings his decades of experience of working in diverse industries to drive the creative strategies of the Company and develop effective plans of action. He is currently associated with multiple companies in key management positions. His understanding of the markets has helped AYM Syntex differentiate itself from competitors and deliver ever-improving performance.

KH Viswanathan

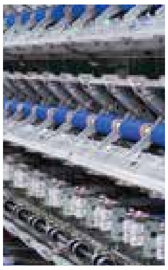
Independent Director

KH Viswanathan brings with him over three decades of experience with some of the most well-known companies in India, including leading business groups such as Essar Group, Shogun Group, GKW Ltd, TCI Limited, Garware group, Bharat Gears Ltd, and Welspun India. He is the driving force behind the company's excellent processes around Audit, Risk, Corporate Governance, internal controls and systems and in the journey of automation among others.

Scaling New Heights

through strength and transformation

Adding to the lingering effects of the first wave, the second year of the pandemic brought with it a few new challenges not just to the company, but to the economy as a whole. The strategic calls taken even before the pandemic combined with prompt actions taken during the last year have ensured that we stay on course to achieve continued growth. Thanks to the continued success and growth over the years — which culminated in some of our highest performance parameters in FY 21-22 — we feel assured that we are on the right path with our approach and methodology.



Increased Output with Operational Excellence

We have been consistently identifying throughput-enhancing opportunities across our plants and capitalising on them by fine-tuning our equipment and streamlining our processes, thereby improving operational parameters. As a result, we are seeing a notable uptick in overall productivity.

Diversification of Product Portfolios

Innovation and improvements in operations not only help us retain our customers' trust in our products but also establish and improve our reputation at a global level. By consistently offering high-quality products while incurring optimum costs, we are not just influencing the demand for our products but also streamlining the supply chain.

Growth in Exports

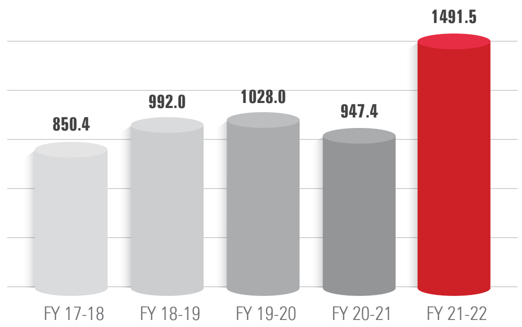
As part of our growth plan, we have further ramped up our processes focused on exports. By having a healthy mix of domestic and export segments, we can mitigate the risks posed by regional economic disturbances. By consistently growing our international customer base over the years, we have advanced our export share from 21% in 2017 to 45% in 2022.

Strengthened Balance Sheet

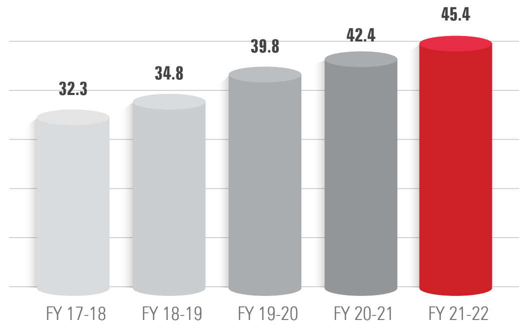
Our stellar financial performance in the previous years and improved operational performance have enabled us to increase value for our stakeholders. This, combined with a prudent liquidity management approach, has allowed us to reduce our borrowings and improve our cash flow.

Healthy Progress Parameters

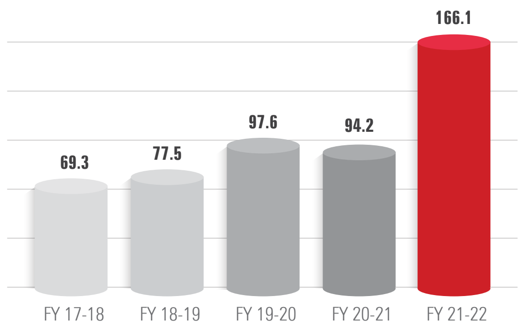
The Company has delivered sustainable and profitable volume-led growth while continuing its transformation journey. Our consistent and efficient progress in all key parameters has led us to create strong value for our stakeholders. Our investment in enhancing capacities in various businesses will yield significant cash flows in the future.



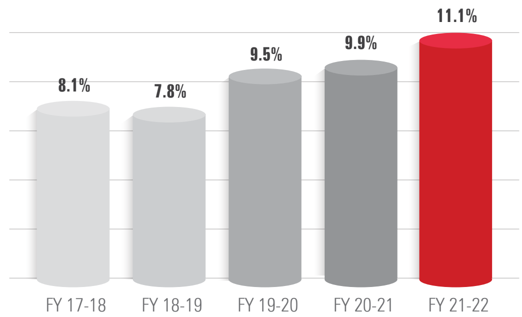
Revenue from Operations (₹ Crores)



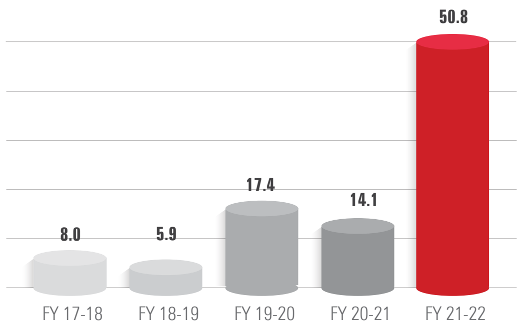
Export share (%)



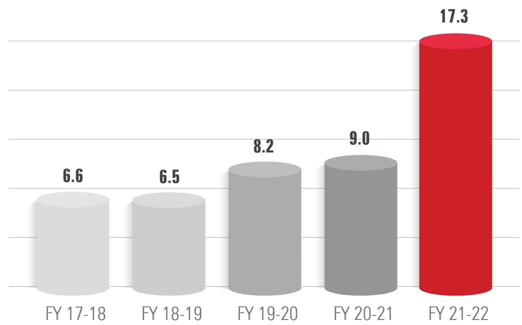
EBITDA (₹ Crores)



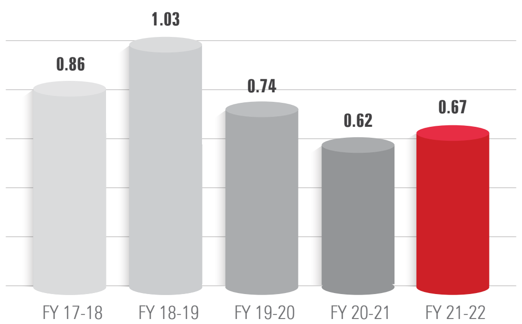
EBITDA (% to Revenue)



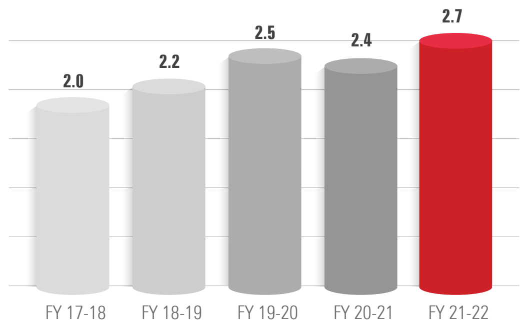
PAT (₹ Crores)



Return on Capital Employed (%)



Debt Equity Ratio



Fixed Asset Coverage Ratio

RoCE is calculated on closing capital employed

Export share (%) is calculated on the net sales during the year

Creating Value for Everyone

With a strong approach and methodology that uses our inputs efficiently, puts innovation at the core of our strategies and processes, and converts them to clear, sustainable business goals, we create consistent value for all stakeholders.

Our process of creating value can be visualised as follows:

Capital	Inputs
Financial Capital Funds allocated and efficiently utilised by the company to power business activities	Fixed Assets: ₹ 473.9 Crores Equity: ₹ 409.9 Crores Net Debt: ₹ 252.5 Crores Working capital: ₹ 115.9 Crores
Manufactured Capital Assets, such as plants, equipment, and offices that facilitate the production and value creation	Manufacturing facilities: 3 Regional offices: 7 Capex in last 5 yrs: ₹ 300+ Crores
Human Capital People onboarded, trained, and empowered to drive business	Total no. of people employed: 2300+ Person hours spent in training: 200+
Natural capital Resources like water and energy that support business and are necessary for operational activities	Raw material consumed in FY22: 67K MT Packaging material consumed: ₹ 44.7 Crores Water consumed (KL): 1.5 Lakhs Energy Consumed (kVA): 1517 Lakhs No. of ETPs: 2
Social Capital Relationships with key stakeholders such as customers, value chain partners, investors, regulators, and surrounding communities	Total investment in CSR activities: ₹ 41 Lakhs Value chain partners: ~2500+
Intellectual Capital Intellectual property developed through innovation, research and improvement in manufacturing processes	Investment in R&D: ₹ 12.8 Crores People engaged in R&D: 56 Innovative products : 8

Approach

Vision

Create a legacy by touching lives globally through innovative products, processes and business models

Values

Customer Focus
Innovation
People Development

Principles

Customer-centricity
Long-term vision
Collaboration
Drive for Excellence
Bias for Action

Enablers

Robust business model
Continuous innovation
Sustainable practices
Digital tools and automation

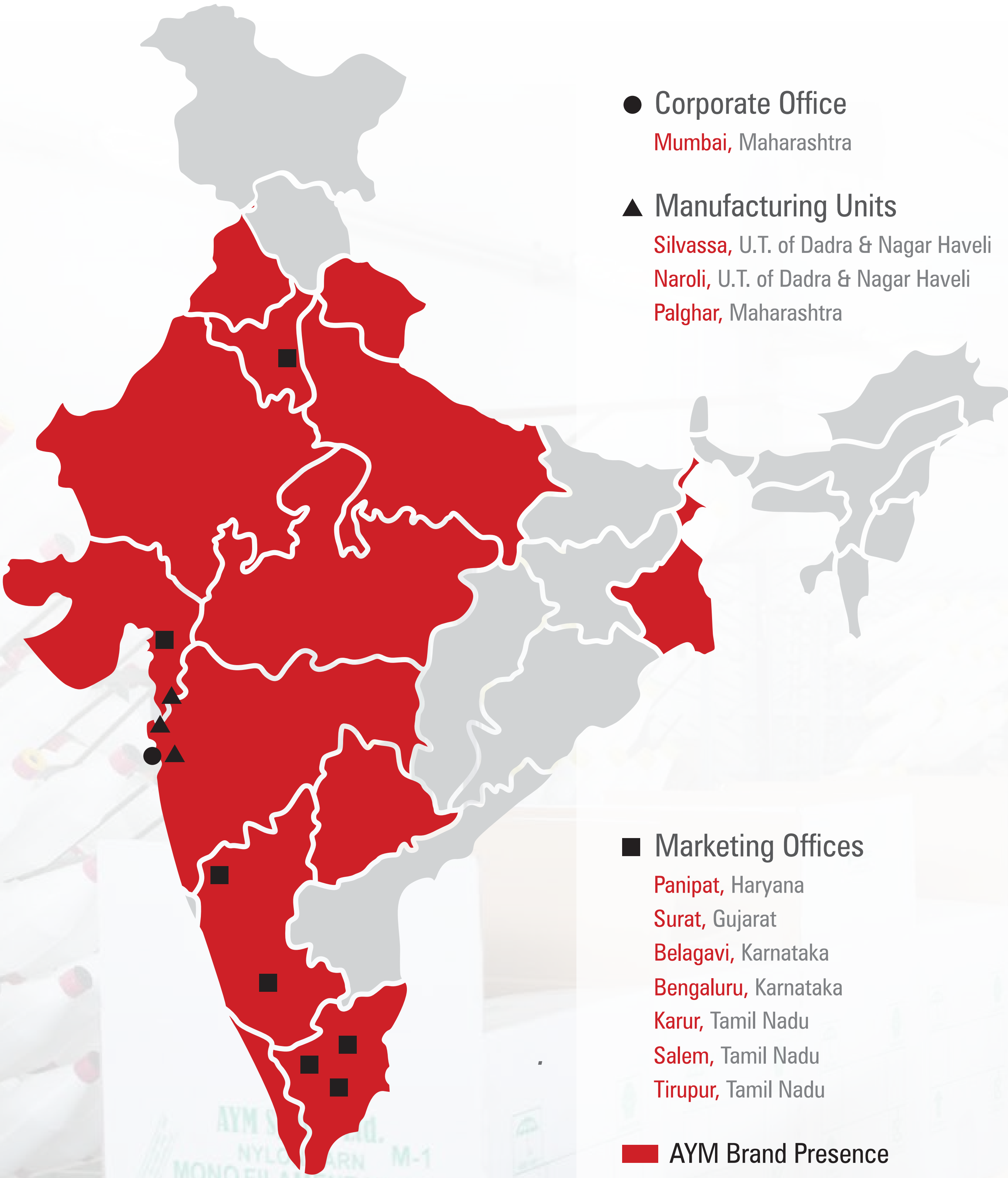
Partners

Shareholders
Customers
Employees
Value chain partners
Regulators
Communities

Outputs	Outcomes
Market cap: ₹ 563.7 Crores RoCE: 17.3% Net revenue: ₹ 1491.5 Crores EBITDA: ₹ 166.1 Crores EBITDA margin: 11.1% EPS: ₹ 10.1	• Strong balance sheet with IND A rating • Reduced debt and working capital requirements
Amount of yarn produced: 93K MT New products Introduced: 42 Warehousing facility addded	• Increased throughput through operational excellence • Digitisation and automation to maintain product quality • Modification of energy-intensive machines to more energy-efficient operational modes
LTIFR: 0.404 Incidents: 23 Fatalities: 0 Employee benefit expense: ₹ 64.6 Crores Employees with tenure longer than 10 years: 363	• Strong team of people with diverse expertise • Safe workplace with minimal injury and no fatality-causing incidents • Long-term career growth and progression opportunities for employees
Solar energy generated (kVA): ~9.7 Lakhs Zero Liquid Discharge (ZLD) system	• Taking significant steps towards environmental sustainability • Implementing zero liquid discharge policy • Increasing adoption of renewable energy sources
Procurement through local suppliers: 64% Anganwadi opened: 1 Balwadi students: 66 Training programmes conducted: 80+ COVID relief packets distributed: 13.5K+ Certifications: 14 Countries reached through products: 55+	• Local communities that are supportive and appreciative of the AYM Syntex brand • Healthy long-term relationships with all stakeholders • Long-term relationship and repeat business with customers and suppliers • Increased transparency and customer satisfaction
No. of patents held: 3 Brands owned: 30+	• Producing products from recycled material • Preferred by customers for highly customised products • One of the few yarn manufacturers with in-house masterbatch production

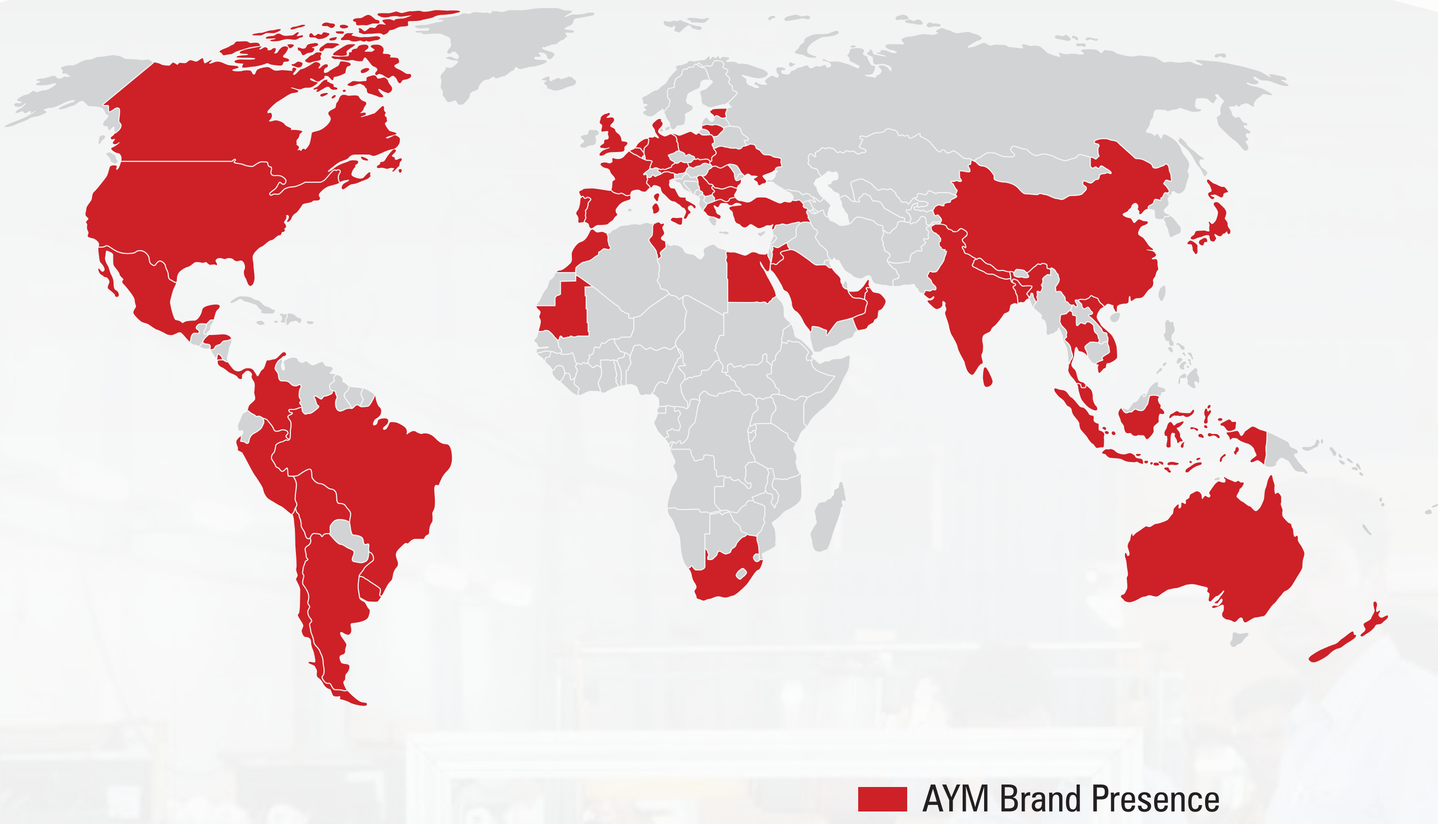
Strong National Presence

With widespread national circulation, our products and their applications make an impact on companies and consumers across India.



Expanding Our Global Footprint

Building on our success in the domestic market, we are rapidly establishing our presence in an increasing number of countries to continue expanding our international footprint.



Introducing Innovative Products

SORENYL
TOUCH OF CLASS

Rezilia®
Resilience meets elegance

Ecose™

ASSURA™
FIRE SHIELD FOR LIFE

Sparkle™
ULTRA SHINE

POLYCYCLE™
Back to Green

POLYMAGIC™
WHITE TO BRIGHT

Beleaf™
For a sustainable future

Comfeel™
FEEL THE COMFORT

Polywonder®

Wonderfeel®
TREAT FOR FEET

EMBRACE™
Care meets comfort

GREENOVA™
Product by Dupont Sorona

Silkenza™
Soft & Silky

SYNERGY™

INNOVEDA™

Opulenz™
alluring. enduring.

ELIOR™
stand out, shine on

ARCTICOOL™
Play it supercool

SpinOvate®
New blends for new trends

NOVACORE™
Quality, consistency, reliability

Thermique™
Feels like summer in winter

OUTSHINE™
Your skinsurance

HYGEIA™
the goddess of good health

SILQUE™
vibrant, radiant, elegant

ULTRAFLEX™
More power, more muscle, more performance

MACROGARD™
Stays clean, stays fresh

SUPERITE™
Right first time

KASHMIERE™

GAME™ CHANGER

A Year in Review: Growth Indicators

When we started the year, we were just recovering from a pandemic-induced economic slump. The outlook continued to be uncertain and the journey seemed arduous. From what may have felt like rock bottom to some, we fought all odds to end the year with the highest ever annual figures across financial and operational parameters. Our commitment to capital, and our allegiance to consistent action come what may have enabled us to end FY 21-22 at a high note.

Revenue from Operations (₹ Crores)
1.6x
FY 22 1491.5
FY 21 947.4

Sales Volumes (MT)
26.8% ▲
FY 22 63031
FY 21 49697

Exports (₹ Crores)
67.1% ▲
FY 22 661.6
FY 21 395.9

Market Capitalisation (₹ Crores)
142.6% ▲
FY 22 563.7
FY 21 232.4

EBITDA (₹ Crores)
76.3% ▲
FY 22 166.1
FY 21 94.2

EBITDA %
120 bps ▲
FY 22 11.1%
FY 21 9.9%

PAT (₹ Crores)
260% ▲
FY 22 50.8
FY 21 14.1

EPS (₹)
3.6x
FY 22 10.1
FY 21 2.8

RoCE
1.9x
FY 22 17.3%
FY 21 9.0%

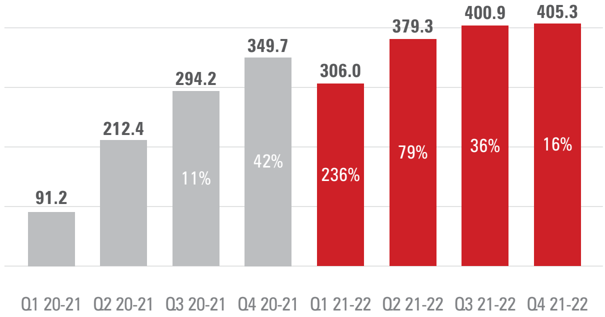
Net Debt / EBITDA (Ratio)
24.4% ▼
FY 22 1.5
FY 21 2.0

Debt Equity (Ratio)
8.2% ▲
FY 22 0.67
FY 21 0.62

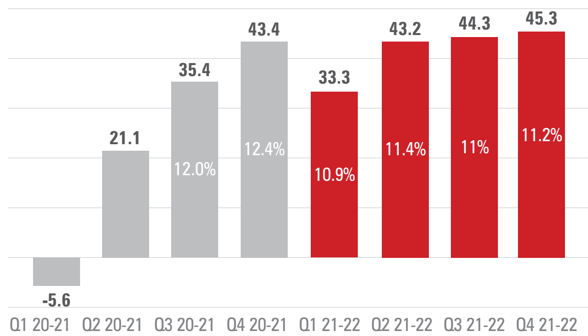
Fixed Asset Coverage (Ratio)
11.7% ▲
FY 22 2.7
FY 21 2.4

Sustainable Growth Quarter on Quarter

Revenue from Operations* (₹ Crores)



EBITDA* (₹ Crores)



* Percentages inside bars indicate revenue growth from same quarter in the previous year;

* Percentages inside bars indicate EBITDA margins to Revenue from Operations;

Q1 and Q2 during the FY 20-21 were impacted by the pandemic

Quarterly Financial Performance

FY 2021-22

₹ Crores

	Quarter Ended				Annual
	30 Jun-21	30 Sep 21	31 Dec 21	31 Mar 22	FY 21-22
Revenue from Operations	306.0	379.3	400.9	405.3	1,491.5
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA)	33.3	43.2	44.3	45.3	166.1
Finance Charges	8.2	9.2	9.0	9.5	35.9
Depreciation	10.9	13.1	12.8	13.7	50.6
Profit Before Tax (PBT)	14.2	20.9	22.4	22.1	79.6
Profit After Tax (PAT)	9.2	13.2	14.4	14.0	50.8
Equity Share Capital	50.0	50.2	50.2	50.2	50.2
Earning Per Share (EPS) in ₹	1.8	2.6	2.9	2.8	10.1

FY 2020-21

₹ Crores

	Quarter Ended				Annual
	30 Jun-20	30 Sep 20	31 Dec 20	31 Mar 21	FY 20-21
Revenue from Operations	91.2	212.4	294.2	349.7	947.4
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA)	(5.6)	21.1	35.4	43.4	94.2
Finance Charges	8.7	8.8	8.2	8.5	34.1
Depreciation	10.9	10.8	10.7	10.4	42.7
Profit Before Tax (PBT)	(25.2)	1.5	16.5	24.6	17.4
Profit After Tax (PAT)	(16.4)	0.9	10.8	18.8	14.1
Equity Share Capital	50.0	50.0	50.0	50.0	50.0
Earning Per Share (EPS) in ₹	(3.3)	0.3	2.2	3.7	2.8

Elevating Our Digital Capabilities

With COVID pushing businesses to go digital, the world is realising that digitisation will be the default mode of operation for organisations in the future. To prepare for a digital-first future, we have been consistently taking measures to modernise our plants and offices with digital capabilities. These initiatives are not only helping our employees be more productive but are also ensuring that we maintain the quality of products as we scale up our output. By providing tools that enable our office workers to perform their day-to-day tasks faster and more efficiently, we are not only able to improve performance but are also seeing an improvement in employee morale. By using data-driven solutions for improved process monitoring, we aim to eliminate wastage and quality-related issues. As a result, we are witnessing an improvement in operational efficiency and consistency in our products' quality.

In addition to enabling our people to do more and improving our manufacturing processes, we have also started digitising our customer-facing functions, and are planning to implement new initiatives, like a customer portal that aims to improve the customer experience.

As industry trends and customer expectations continue to evolve, we aim to keep incorporating new technologies, processes, and ideas to stay ahead of the curve and deliver on our customers' expectations.

Some of the initiatives we have taken this year include:

- Barcode tracking at bobbin level to enhance traceability
- Process automation to improve Warehouse Operations
- Digital Product Library for accurate and easy tracking of Inventory
- Customer Portal to help customers track and manage orders
- Automated accounts payable to track and process transactions
- Automated reporting with BI implementation to increase accuracy and efficiency
- Paperless asset management to save the environment and enable easy access

Empowering Our People

At AYM, we are committed towards continuing to drive strong business performance by building a future-ready, inclusive, and happy workplace for all AYMites. Empowering our employees by giving them the necessary resources and opportunities to succeed is an important part of our strategy. To align with our mission, we constantly undertake initiatives to improve the lives of our employees, in addition to maintaining an environment that is conducive to collaboration, growth, and fulfilment.

Key People Highlights of the Year

An increasing trend of employees state that AYM is a future-ready workplace, rate our talent practices above industry peers, and feel a strong sense of belongingness with AYM.

200+
Person hours
Dedicated for employee training

135+
Employees
Rewarded for their commitment through the GloryUs 2.0 programme

9.9 Lakh
Stock options
Granted to employees under ESOP scheme

37%
Of talent
Hired through referrals and internal growth channels

Hiring Future-Ready Skills

To enable AYM's accelerated growth journey, it is imperative to attract and retain top talent across diverse backgrounds, education, and experience. AYM wants to develop a passionate, vibrant organisation with motivated people who contribute to the utmost extent of their abilities.

Creating an inclusive and joyful workplace experience

Inclusion and diversity has been a strong focus for us as we strive to build an environment that is truly inclusive and respects diverse thought processes, welcomes varied ideas and encourages people to make the right business decisions. Our focus is to build a workplace that celebrates diversity in thought and action. To this end, we ensure that we reach out to our employees, hear their needs and aspirations, and continually align our HR practices to support their wellbeing and growth.

Frequent engagement programmes like employee of the month and employee of the day

Work-From-Home Technologies for employee convenience

Cash rewards and upskilling opportunities for employees through various training programs

COVID vaccination drives for employees as well as their families

Employee Development and Engagement

We believe in being dynamic and adaptive to change to stay ahead in the business. Accordingly, we are continuously engaged in personal and professional development and well-being of our employees, which we believe results in enhanced productivity and a workforce that delivers results. As key stakeholders in our company, we aim to provide them with a growth culture that nurtures their health, safety, wellbeing, and professional skills. Our code of conduct and supporting policies have been formulated keeping in mind the best interests of our employees.

Key employee Development and Engagement Programmes

Rewards and Recognition

GloryUs 2.0, our rewards and recognition programme offered **on-the-spot recognition** to 135 high-performing employees to motivate and foster a spirit of growth. Winners were given **cash rewards, gift vouchers,** and an **IPL experience** with their families.

Learning and Development

L&D programmes like **Gyanodaya** are conducted for employees to upskill them for professional development. Trainings include advanced sessions on **productivity softwares, behavioural sessions** for culture inculcation and safety education, and trainings through OEMs to improve **equipment utilisation and maintenance.**

Engagement and Recreation

To foster camaraderie and increase employee bonding, engagement and recreational activities are regularly conducted for corporate and plant staff. Events like **AYM Krida Utsav** promote athletics and sports across the company. We also conduct **private theatre screenings** for movies and celebrate important occasions such as **Women's Day.**

Occupational Health and Safety

To prevent unsafe practices, AYM's Safety Health and Environment (SHE) Management Committee runs several programmes to build a culture of safety in our facilities through both organisational design and employee behaviour. SHE performances of our facilities are reviewed by the committee and corporate team regularly to identify and mitigate risks.

FY 21-22 Health and Safety Performance

Zero fatalities
for 5 years in a row

23
Incidents

0.404
LTIFR*

*LTIFR refers to Lost Time Injury Frequency Rate, the number of lost time injuries occurring in a workplace per 1 million hours worked

Incident Trend for India Operations

	2017-18	2018-19	2019-20	2020-21	2021-22
FATAL	-	-	-	-	-
LTI	5	4	0	0	1
FAC	19	18	24	17	9
MTC	18	16	7	4	2
RWC	-	-	-	-	-

LTI - Loss Time Injury, FAC - First Aid Case, MTC - Medical Treatment Case, RWC - Restricted Work Case

We also have adequate measures encompassing the industry's best practices across our offices and plants to keep our employees and service providers safe and COVID-free.

Additional employee benefit plans, including parental leave, mediclaim policies that cover employees' immediate families, COVID-19 specific plans, personal accident insurance plans, term life insurance plans, travel insurance plans, etc. have also been provided as comprehensive health and safety measures to our employees.

Enabling Our Communities

We value our surrounding communities and constantly aim to share our success with them through initiatives that support and empower them and their environment.

1900+

Lives touched
by all our CSR programmes cumulatively

4000+

COVID beneficiaries
supported by our targeted effort to help support combating the pandemic

100+

Trees planted
supported by our targeted effort to help support combating the pandemic

200+

Students benefited
Through rural educational initiatives

We are driven by our vision to **Uplift the underprivileged from the vicious cycle of poverty.** To achieve this objective, we have planned a four-pronged approach that covers the four S's or four key aspects of our communities.

SWASTHYA

Provision of **safe drinking water** across needy villages with an outreach of **4000+ community members** and 300+ school students.

Mobile health check-up vans for communities with an outreach of **1000+ community members**

SWABHIMAN

Anganwadi Centre developed in the village Randha for the communities across Rakholi, benefitting about **150 children.**

A fully operational **Balwadi at Palghar** helps rural working mothers whose children need daytime care, proper infrastructure and a tailor-made curriculum, benefitting about **50 children.**

SUDHAR

Vaccination drives in nearby communities covering employees and families of employees with a total of **4200+ doses administered.**

Quarantine facilities developed in Madhuban Village near Rakholi plant to support **5000+ community members** during the pandemic.

Food packet distribution to the fisherman communities in Palghar during **Cyclone Tauktae** to support **150 fishermen.**

Beach cleaning initiative at Mahim Wadrai Beach's entire **stretch of 1.5 kms** with around 40 kgs of waste removed.

SHRISHTI

Street lights with solar panels installed in strategic locations to benefit three villages in Palghar. Approximately **1500 + community members** have benefitted from the same.

Commitment to Capital

The growth and success of our company, like any other business, largely depends on our ability to use our capital to generate greater value for everyone. We are constantly looking for ways in which we can intelligently augment and utilise the different capitals to build a company that can, over time, offer increasing value to all our stakeholders.

Financial Capital

We strive to make the most of our financial capital by effectively deploying equity, debt, and retained earnings to drive business growth

₹ 59 Crores

Cash generated from operations

Manufactured Capital

Our quality products, and the state-of-the-art manufacturing facilities we used to produce them, see constant improvement to meet global customer needs

93K+ MT

Total annual yarn manufacturing capacity

Intellectual Capital

To increase the value of our products and differentiate ourselves from competition, we consistently invest in R&D and innovation

₹ 12.8 Crores

Amount invested in R&D

Human Capital

Our people and their diverse skill sets have always been the most critical contributors to our operations, growth, and success and will always remain so

2300+

People employed

Social Capital

In addition to having an inclusive mindset towards our people, we also continue to touch lives in our surrounding communities through various welfare initiatives

₹ 40+ Lakhs

Invested in CSR initiatives

Natural Capital

We ensure the environmentally responsible utilisation and minimal wastage of the natural resources we rely on

67K+ MT

Raw material used

Commitment to Net Zero

As a responsible business that aspires to actively contribute to the climate action agenda, we have undertaken bold steps and commitments to go beyond compliance boundaries, proactively reducing our overall emissions' footprint across operations. These commitments have been consolidated to form our net zero emission reduction targets in operations. AYM Syntex is committed to gradually reducing its carbon footprint in the coming decades through a combination of strategic thinking and innovative action.

The Company realises its impact on the environment as it continues to grow in scale and stature. While it has always believed in sustainable business practices, it now hopes to take more pragmatic and meaningful steps towards becoming a net-zero institution in a reasonably short timeline.

As we adopt newer technologies to enhance our capacity and productivity, our operations continue to become more energy-efficient and, in the process, greener. AYM aspires to be a sustainable organisation by implementing business strategies that create significant stakeholder value. A comprehensive environmental focused strategy framework with an articulated net-zero commitment vision helps the Company take its intent forward and demonstrates its unwavering commitment to serve society and create value for its stakeholders. We expect that our actions in the upcoming period will allow us to proactively meet the expectations that will be set forth for sustainable environmental friendly and inclusive growth.

Key Enablers

- Reduction of direct and indirect emissions across operational footprint
- Investment in low carbon technology and system
- Responsible consumption and production to boost climate action

Plan of Action

- Continue with zero liquid discharge philosophy and actions to strengthen it further
- Transition to renewable energy mix (electrical and thermal)
- Transition to externally verified carbon-neutral operations
- Monitor carbon sequestration potential of afforestation drive
- Climate change management

Strategic Goals

The path to our ultimate aim of sustainable and profitable growth by touching more and more lives is lined with numerous milestones pertaining to our operational performance and strategic direction. To achieve our next set of milestones, we have identified a few such areas that we will focus on in the coming years to capitalise on our existing strengths and phasing out our risks.

Building sustainable business practices

In order to continue scaling newer heights, it is important to build a foundation of sustainable business practices that will allow us to reap the rewards for years to come. We have strategically oriented our decision-making using sustainable guidelines such as concentrating on niche customers, focusing on quality, getting into segments with high entry barriers, and innovate on products with low-capital inputs and high-return outcomes.

Betting big on differentiation

With the success of our strategy to focus on high-margin products beginning to show now, we continue to pursue the path of creating highly differentiated offerings and keep shifting away from low-margin commoditised products.

Continuing investments in purposeful initiatives

What has helped us in the last few years has been the conscious decision to deploy capital prudently in strategic areas, which over the years we expect to get sharper. This is a practice that we will continue to follow with renewed focus, having seen its effectiveness until now.

Focusing consistently on innovation

In a rapidly evolving business landscape, it only makes sense for us to adapt just as fast. That is why, we continue to invest in advancing not just our products, but also the way we make these products, so that we stay clear of our competition and reach newer heights. We have increased our commitment to research and development in order to intensify our focus on innovation, which is one of our core values.

Reimagining processes for optimisation

There is always room to improve how we do things to create more value and minimise our risks and costs. From including digital interventions in our operations to imbibing our workers with future-ready skills, we are ensuring that any aspect of our processes that can be optimised, will be optimised. Another endeavour is to continuously work on throughput initiatives to get more output without any major investments through improved efficiency, output, and product mix.

STATUTORY REPORTS

Management Discussion and Analysis

This discussion covers the financials results, operational performance and other developments for the financial year ended March 31, 2022 in respect of AYM Syntex's business. The Management Discussion and Analysis (MD&A) should be read in concurrence with the Audited Financial Statements of AYM Syntex Limited, and the notes for the financial year ended March 31, 2022.

Cautionary Statement

Statements in this Management Discussion and Analysis that describe the Company's objectives, plans, estimates, and expectations may be considered 'forward-looking statements' under the laws and regulations that apply. These statements discussing future performance and outcomes are based on the Management's plans and assumptions using currently available information, and are subject to risks, uncertainties and even inaccuracy of assumptions. These statements can be identified by the use of words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance.

While we have been prudent in our assumptions, we cannot guarantee that these forward-looking statements will be realised, and undertake no obligation to publicly update any such statement, whether as a result of new information, future events or otherwise.

ECONOMIC OVERVIEW

Global Economy

With the impact of the COVID-19 pandemic slowly waning, the global economy seemed to be on its way to recovery in the first half of FY 21-22. However, the war in Ukraine has thrown up a new set of supply chain and economic challenges that have left very few industries untouched, thereby offsetting most of the post-pandemic progress. This development has coincided with other economic events and trends, such as the gradual withdrawal of fiscal support from governments and regulators along with growing fears of inflation and reduced consumption.

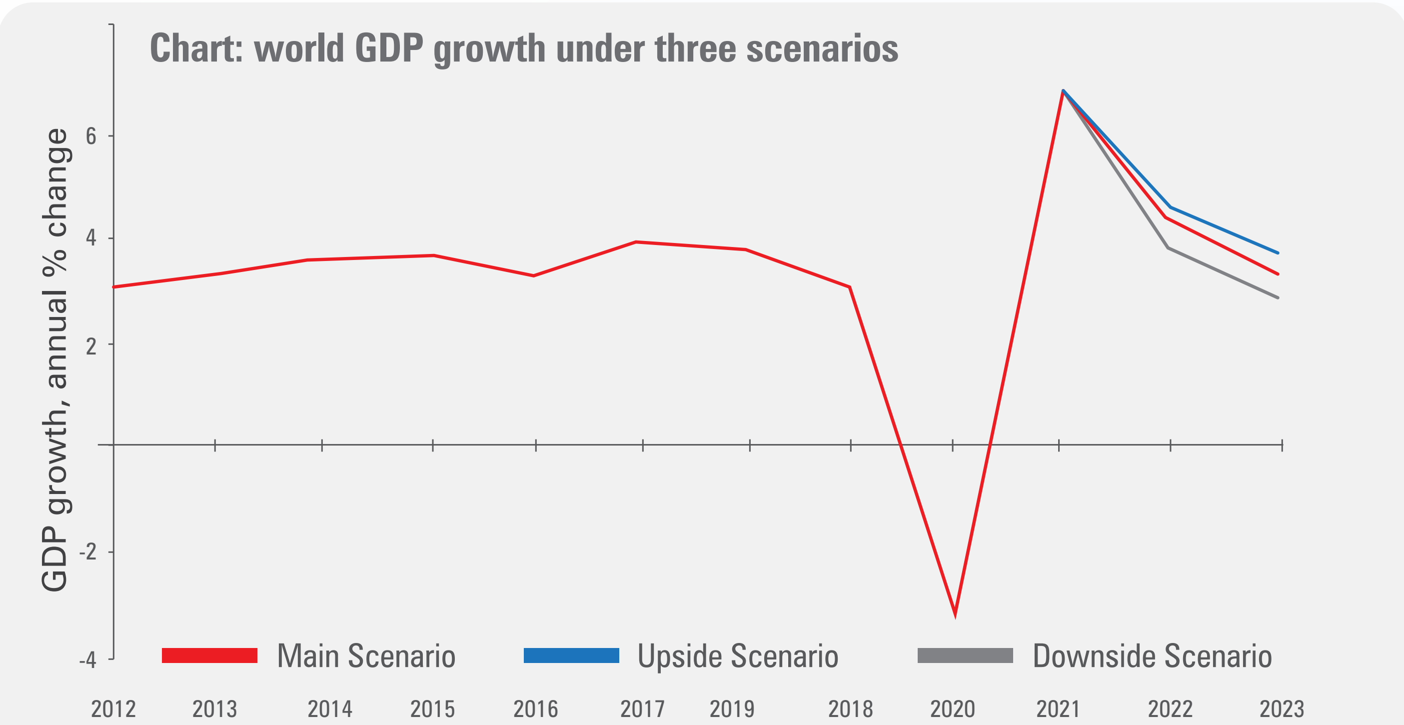
The biggest impact of these events — especially the global conflict — is the increase in the price of oil and gas, of which Russia has been the predominant supplier. The cascading effects of these changes in energy prices will predominantly affect the global economic growth. Since the resolution of the Russia-Ukraine conflict and the rest of the world's ability to cope with the same are fairly uncertain, the IMF projects that growth in the global economy will slow down from 6.1% in 2021 to 3.6% in 2022 and 2023. This would also impact employment and output which are expected to be below pre-pandemic trends through 2026.

While the unprecedented support provided by fiscal and monetary policies around the world enabled us to live through peak pandemic quarters with a lighter-than-potential economic impact, the same, along with supply side challenges, is driving inflation to historic levels.

For 2022, inflation is projected at 5.7 percent in advanced economies and 8.7 percent in emerging markets and developing economies. Just as recovery from the pandemic-induced global economic collapse appeared in sight, war and inflation have erased all the gains.

Since there is still the uncertainty, KPMG has estimated three scenarios that estimate the GDP growth to be between 2.5-3.2% in FY 22-23, lower than the World Bank's estimate of 4.1% for FY 21-22. In any scenario, the expectation is a reduction in the rate of global GDP growth over the next year.

The slowdown is expected to be exacerbated in part by tightening of monetary policies by governments and increased higher interest rates by central banks across the world in response to inflationary pressures. Nevertheless, the global economy is expected to witness a spike in inflation before stabilising in the subsequent years. However, the upcoming period can also lead to opportunities for the countries vying to fill the gaps opened up by the ongoing international conflict.



Source : KPMG, Global-Economic-Outlook

Indian Economy

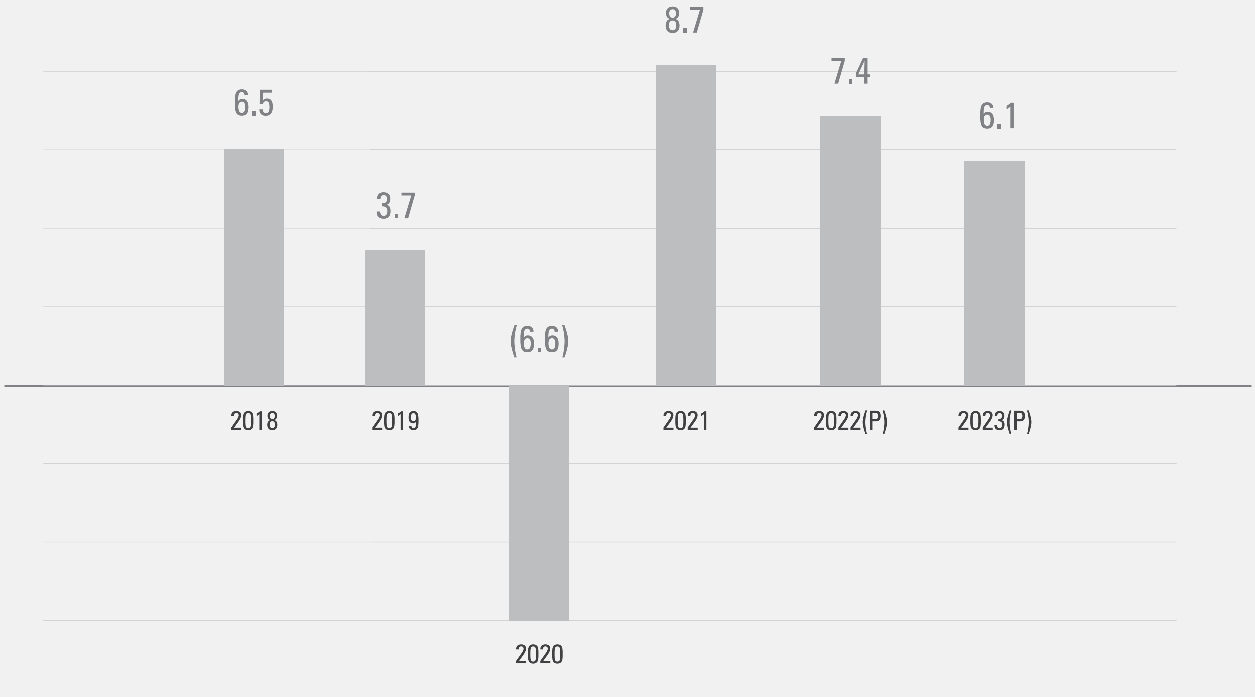
Owing to a fairly successful vaccination campaign, a shorter-than-expected Omicron wave, and practical diplomatic policies, India is expected to continue its recovery towards pre-pandemic levels of economic growth. The good news is that the country remains among the fastest growing economies in the post-pandemic and conflict-ridden era. Having projected the country's GDP growth to be around 7.4% for FY 21-22, the IMF expects the growth to be slightly slower at 6.1% in FY 22-23. The growth in FY 21-22 was mostly driven by exports, government consumption, and gross fixed capital formation, followed by private consumption, which has picked up after dipping to historic lows in the first half of FY 21-22.

FICCI also projects similar growth trends for the upcoming years. It forecasts the growth for industry and services sectors at 5.9% and 8.5%, respectively, during the fiscal year. While inflation and low consumer confidence impacted the domestic demand for goods and services, the shortage in the supply of electricity, coal, and semiconductor chips has led to supply-side disruptions. India's growth has also been hit by the recent war with rising prices of crucial imports like crude oil, wheat, fertilisers and edible oil.

However, the Indian economy has strong fundamentals to not just recover from the transitory setback but also continue with its pre-pandemic ascent. The impact of growth-focused policies and schemes such as production-linked incentives, along with increased infrastructure spending, will start kicking in from 2023. This will lead to a stronger multiplier effect on jobs, while leading to higher productivity and more efficiency across industries, culminating in accelerated economic growth. Furthermore, pent-up demand is expected to pick up in the upcoming period, albeit slowly, as the pass-through increase in food and oil prices weighs on consumers' sentiments and pockets. India's measure of diversifying crude oil suppliers also meant that its crude oil imports weren't severely impacted, with Iraq, Saudi Arabia, and UAE remaining its largest sources.

From a policy perspective, the future bodes well for Indian businesses as the government continues to invest in infrastructure and other initiatives to increase the ease of doing business. At the same time, the RBI also expects to keep inflation at manageable levels, to restore and boost consumer confidence.

Real GDP India



Source : IMF, World Economic Outlook, 2022

Surviving Economic Challenges by Leveraging Market Opportunities

	Challenges	Opportunities
Global Economy	Supply chain disruptions for key products and commodities Increased volatility due to geopolitical uncertainty	Reduced competition in select industries Opportunity to strengthen domestic capabilities
Indian Economy	Shortage of raw materials Low private consumption	Increased export opportunities Improved infrastructural support

INDUSTRY OVERVIEW

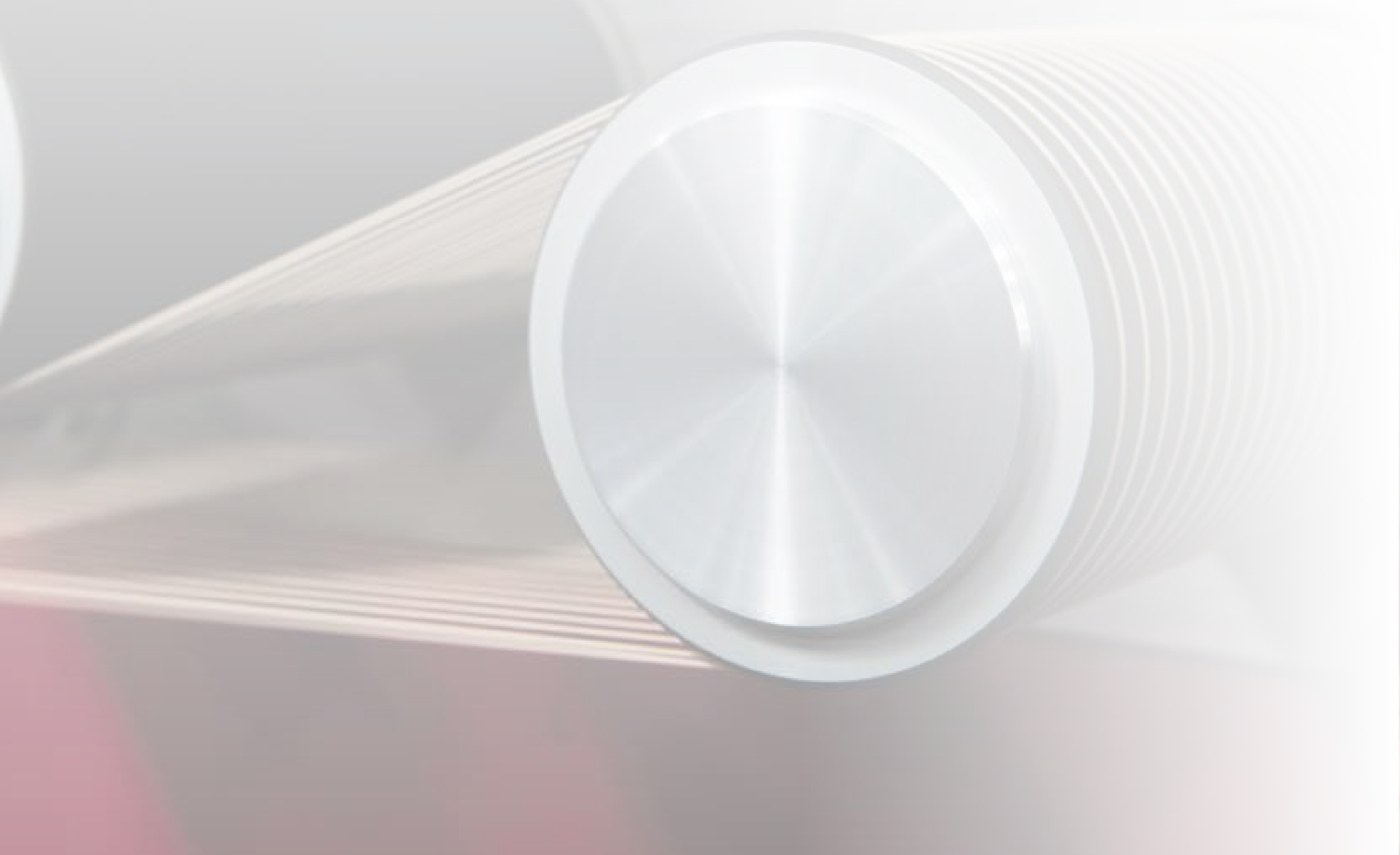
Global textile Industry

The pandemic continued to act as a massive restraint on the textile manufacturing market in 2021 as supply chains were disrupted due to trade restrictions and consumption declined due to lockdowns imposed by governments globally. This was followed by widespread geopolitical tension and economic concerns as a result of the Russia-Ukraine conflict. Despite international tensions and rising concerns of inflation and recession, the global textile industry is expected to show robust growth in the coming years. The global textile market is expected to grow from $530.97 billion in 2021 to reach $760.21 billion in 2026 at a compound annual growth rate (CAGR) of 7.2%. This growth is expected to continue in the coming years, with more than half of the demand for synthetic textiles like polyester and nylon. With applications in the global apparel and technical textile industries, synthetic materials will be high in demand, tightly linked to the demand for apparel and interior decor products.

Changing trends in the apparel industry, such as increased demand for fabrics that offer greater functionality such as wicking and stretching properties means that the demand for synthetic yarn will see continued rise in the coming period. As the demand for functional as well as fashionable apparel increases internationally, the demand for nylon and polyester is also expected to continue to grow in the foreseeable future.

Currently, China is the leading exporter in the textile industry and a dominant exporter of synthetic textiles, due to its capacity to offer low production costs and large output capacity. However, the country's grip on the global textile market is loosening, allowing other players, like Bangladesh, Vietnam, and India to increase their share in global exports. The geopolitical events from the first half of this year, specifically the war in Ukraine, has further accelerated this trend. Global supply chains are expected to undergo a significant reshuffle, forcing retailers to diversify their sourcing channels to avoid reliance on a single supplier.

India can capitalise on this gap left by the ebbing of the global dependence on Chinese exports. The growing demand in the international markets will be accompanied by the Indian Government's push to increase production and export volumes, making the future a hopeful one for Indian textile and yarn manufacturers.



Indian Textile Industry

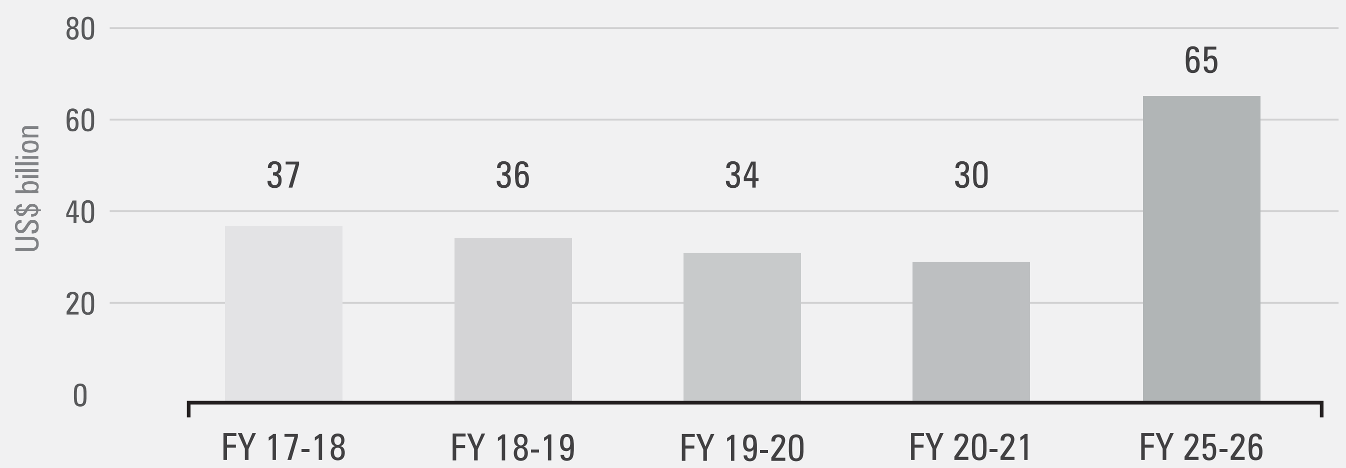
India is the second largest producer of man-made fibres (MMF) after China and among the top exporters of textiles in the world. As a leader in textile manufacturing its textile exports far outweigh its imports. The synthetic textile industry is a rapidly growing segment and receives support from the government in the form of production-linked incentives and infrastructural aid. However, with the end to the existing geopolitical uncertainty nowhere in sight, the synthetic textile industry in India will continue to face challenges in the form of high raw material prices and slowdown of demand due to fears of inflation and recession.

While the textile exports, like most other commodities, dipped during the pandemic, the industry has shown significant growth in the recent months and is expected to more than double its exports from $30 billion to $65 billion between FY 20-21 and FY 25-26. Initiatives from the states as well as central governments, such as textile parks, increase in incentives for exports, the National Technical Textiles Mission, approval for 100% Foreign Direct Investment (FDI) in the textile industry, Scheme for Capacity Building in Textile Sector (SCBTS) launched by the Cabinet Committee, Production-linked incentive (PLI) schemes for promoting the Textile and apparel industry, Prime Minister Mega Integrated Textile Region and Apparel (PM MITRA), among others, are going to provide a massive fillip to the industry. This along with simplified tax structures are expected to boost further growth in the sector.

Moreover, the global sentiment against relying solely on China for manufacturing, or "China Plus One" policy is also lending India a favourable position as global companies look at sourcing and manufacturing destinations outside the "factory of the world". The first alternatives were Bangladesh and Vietnam, which have now become saturated. For the last few seasons, many programs have migrated their sourcing to India, and have stayed that way, indicating a permanent shift.

Although the global environment looks challenging, the markets in India look poised to fare much better. The industry-specific support provided by the government, favourable geopolitical equations and the resilience of Indian entrepreneurs will likely hold the Indian economy and the Textiles and Apparel sector in good stead.

Textiles and apparel exports from India



Source - IBEF

Surviving Industry Challenges by Leveraging Trade Opportunities

	Challenges	Opportunities
Global Economy	Supply chain disruptions Geo political challenges	Increased trading opportunities Robust global demand
Indian Economy	Rising raw material cost Reduction in demand	Relatively low labour cost Government support and schemes

BUSINESS OVERVIEW

The world has witnessed some unprecedented events in the last 2 years. Most impactful amongst those have been the COVID pandemic wherein the cases started to increase in the last quarter of FY 19-20. It was anticipated then that all the world economies will slow down significantly and businesses would be affected as countering the threat to human life will take precedence over business and GDP growth. Through this period of uncertainty, the Company has been resilient and has worked hard to enhance the long-term value of the business and emerge stronger.

FY 21-22 was unprecedented in many ways and possibly had a lasting effect on us. The year gone by has been a pivotal one that has seen numerous interventions vital for accelerating the pace of our business. This year marks our unrelenting efforts of several years of putting the company on a strong growth pedestal through robust fundamentals ensuring the transformation towards sustainability. The measures to deliver in terms of value creation for our shareholders have delivered results.

FY 21-22 closed on a high note for us with the Company recording the highest ever Top Line and EBITDA levels. Post the second wave of Covid 19 in the first quarter of last year, performance improved significantly in the last three quarters that saw the best year ever. The growth was driven by a strong increase in sales across all businesses in both domestic as well as export markets. For the year, our revenue from operations stood at ₹ 1491 Crores - a strong 57% growth over previous year revenues of ₹ 947 Crores. Highest EBITDA was achieved with ₹ 166 Crores and a margin of 11% of Net revenue.

Our strategy to focus on the core and recalibrate the fundamental metrics such as revenue, cost and working capital have reaped rich dividends. The profitability and working capital management have helped in generating free cash flows, thereby reducing our debts. During the course of the year, there were key affirmative actions taken for our business that have laid a strong foundation in shaping a stronger tomorrow for AYM.

Textile Yarn - POY/TEX

Over the last couple of years, like other sectors, the textile sector got impacted by the pandemic along with a changing market, competitor dynamics and industry pricing pressures. Most of these changes were expected to dampen the pace of growth. However, it had least impacted AYM due to our focus on exports along with the induction of value-added products. With an extraordinary focus on exports, AYM has been consistently increasing its Global outreach with its presence across 55+ countries. Textile Exports have grown considerably YOY due to the addition of new geographies and increased sales in Gulf and Latin America. This has been aided by new application development.

AYM also witnessed an increase in the sale volumes of strategic products, thus contributing to the share of exports' overall profitability. Growth in sales for our products like Wonderfeel, Comfeel, and automotive solutions were observed. Sales increase in the developed European market has led to better profitability in exports. The export share is now expected to further grow in the coming years. We will also continue to invest towards developing new export markets and scaling business profitably. IDY business showed consistency with good potential for growth. Focus on new customer acquisition has been the key to the success of this business along with the strong operating indices. The domestic Nylon business has also grown with the added product range. Capex plan for FY 22-23 to target capacity expansion in some of these value added products.

Export logistics was a biggest challenge during the year as freight rates were at an all-time high. With the help of freight contracts, we were able to keep the freight component in the customer acceptable range to reduce the impact on margin. Cost of raw materials also increased throughout the year and reached its peak before getting normalised. Raw material price fluctuations were extreme at the end of the year due to crude oil price fluctuations, as a result of the global political situation.

Bulk Continuous Filament (BCF) Yarn

Our floor-covering yarns, predominantly the micro and BCF yarns used in residential floor-covering, was the segment which would have been impacted the most as buying carpets for residential use was expected to be the last preference for any household amidst such a gloomy situation. Contrary to all this, we witnessed a good demand in FY 20-21 which also continued in FY 21-22. We believe that this has come on the back of a strong consumer sentiment and the main reason for this was the lockdown and the work from home effect. Also, few governments in the world gave stimulus and money in the hands of their citizens through some direct and indirect schemes which also helped maintain the consumer sentiment. As a result of all this, we witnessed a strong demand from carpet producers world-wide. The segment witnessed higher growth that was achieved through higher volumes and realisations. During the year we have expanded further in flooring yarns and the utilisation of the enhanced capacity will be visible in the later half of the next year.

The current situation is very dynamic and challenging with some segments like automotive showing a good demand although the space is recovering from the semiconductor crisis. But, at the same time, we see the residential business slowing down as COVID restrictions have been relaxed worldwide and people are spending more time travelling for business and pleasure rather than staying at home. For next 1-2 quarters, we see a subdued demand & rationalisation of pent-up demand which was seen in the last 2 years due to COVID. We see the North-America & Australia business, which are major contributors to our sales currently, to slow down at least for the next 2 quarters.

During the last 2 years, the company invested a lot of time and capital in making new Innovative products. At the core of these innovations is the intention in developing products that would replicate natural looking products but at the same time provide functional properties like better performance and some other functional attributes like anti-microbial, flame-retardant properties, etc. All these products Viz: Kashmere, Game-Changer, Synergy, Assura, Ecose, Silkenza, Wonderfeel, Hygeia, Innoveda, etc. will act as key differentiators for AYM in the market-place and will form the bulk of the sales going forward and will also improve gross margins for the company.

AYM is well positioned in the market and is looked upon by customers as a reliable supplier who can deliver quality products at the right price and on time. Leveraging on the relationship built with all the leading carpet companies world-wide all these years, the company is pitching all these innovative patent-pending products and trying to garner a lot of interest. We have also expanded our capacities and capabilities in the last 2 years to get market-ready for the augmented demand. This geographic spread will help us to even out sales across all continents to mitigate any regional slowdowns and disruptions. Overall, in the near-term, AYM is well-positioned from a point of view of diversified product offerings, sales across the globe, and across varied product segments.

Packaged Dyed Yarn (PDY)

FY 21-22, saw total Package Dyed Yarns sales registering growth both in domestic and exports sales over previous year however we are yet to achieve pre-Covid levels. Demand suffered in the first half of the year, on account of Covid -19 as there were lots of restrictions on movement and travel, and operations of retail outlets, apart from health concerns. Our Exports volume was steady in all quarters of 2021-22 and grew over 2020-21 despite ocean freights increasing by 2.5 times. These freight rates were at 4.5 times of pre-Covid levels. The situation worsened further on account of poor availability of vessels as well as containers, thereby delaying shipments. Disturbed logistics pushed packing materials, dyes, chemicals and coal costs upwards. These costs put together resulted in significant increase over the previous year, which had to be passed on to our customers. This impacted business volumes.

The Company has also increased its presence in the other parts of the domestic market wherein we have been trying to establish our dyed yarns for floor covering which remained steady in volumes during FY 21-22, as compared to earlier year. Continuous work is being done on new product development, giving us quality products like Silque, Woollike yarns and Recycled Nylon and Polyester yarns.

Business Outlook

The pandemic followed by the ongoing war have both been emotional and economic dampeners that have divided the world and contributed to inflationary pressures and rising commodity prices. It was inevitable that during such situations where uncertainty looms & there is a nervous economic environment world-wide there would be a demand slump that would be seen across various sectors & discretionary spends will go down. This is what we have expected & were getting ready to embrace the difficult business situation that would arise.

With the pandemic altering geopolitical definitions, the time is opportune for India to grab the centre stage and emerge as a preferred factory for the world. Going forward, the broader trends in the economy are expected to have a direct impact on our Company's growth prospects as well. Inflation is expected to remain elevated for the foreseeable future, driven by war-induced commodity price increases and broadening price pressures. In addition, the anticipated increase in interest rates by Central Banks in the coming year are also expected to lower growth and exert pressure on economies particularly those in emerging markets. In these circumstances, the ability to successfully navigate cost pressures would have a significant bearing on the overall performance of the company. Diminishing purchasing power and demand due to the economic circumstances could result in fundamental shifts in consumer behaviours and adversely impact the market for textiles and apparel. However, the emergence of a new world order seems palpable with geopolitical shifts in a bid to evaluate lucrative economic alternatives which shall define the coming decades for the global economy. In spite of the headwinds, India is well-poised for steady progress and is increasingly making rapid strides with numerous global names considering our nation as a worthy manufacturing contender as opposed to China.

At AYM, sustainability has always been at the core of our business strategy so that we ensure a long-term win-win situation for all. In today's age, corporations across the world are confronted with the challenge of achieving the right balance of leveraging opportunities while averting volatility that threatens supply chains. The Company expects to be on a profitable growth momentum. In the domestic market, the overall consumer sentiments are largely positive in the medium term with the wedding season and increased social gatherings. In the exports market, B2B businesses of synthetic yarn are expected to retain healthy order flow barring a few quarters that will face challenges posed by the inflation and the war in Europe.

HR OVERVIEW

At AYM, in line with our people-focused approach, our team has always been a top priority above everything else. We believe that people are superior to employee-ship and hence consciously, all employees are called ‘People’ and our culture is founded on our core beliefs of trust, transparency, care, inclusion, and teamwork.

Building a Future-ready Workplace

By leveraging our learnings from the COVID pandemic and re-imagining AYM’s future, we continue to focus on enabling growth in our new verticals and channels, invest in future-ready digital initiatives, and programmes to enhance leadership and functional capabilities to create the leaders of tomorrow, and attract new-age talent through our purpose-led employer brand.

People Development and Engagement

To help build a healthy pipeline, we launched several training programs to upskill our employees. The primary objective of these programmes is to build functional depth, and increase productivity and stability among people. The journey is planned to build functional and leadership capabilities by defining standards on a competency scale, conducting thorough assessments, and building holistic learning solutions keeping in view current business challenges with help of internal and external facilitators, workshops, etc.

Health and Safety

Though India has not seen major surges after the second wave, AYM had strict Covid protocols for keeping our people safe at the workplace, through periodic sanitisation and frequent in-house testing facilities in line with the government guidelines.

We diligently promote a conducive work environment that enables good work-life balance for all the employees. We have a comprehensive employee well-being plan that includes actions such as socially protecting the families of our people through several benefits. These benefits include pension transfers to the families of deceased employees and continued support of their children through scholarship programmes, as well as medical insurance for immediate family.

Talent Acquisition and Retention

AYM has been constantly engaged in talent Acquisition during the pandemic, and has added 153 new people to our team despite having a low attrition rate of less than 2%. This was the result of constant strategic expansions during the pandemic which saw our business achieve new heights. The new set of policies designed to acquire new talent from the market has been pivotal, and has led to a significant improvement in the quality index of the company’s talent.

Positive working environment

AYM has a zero-tolerance policy towards any act of mental or emotional harassment, physical or mental threats, acts of violence or physical coercion, abuse of authority or any other acts of discrimination based upon gender, caste, colour, race etc. Further, we have also adopted a robust Policy on Prevention of Sexual Harassment at the Workplace. The Company has also established an effective complaint and redressal mechanism, which ensures complete safety and privacy to the complainants. The Vigil Mechanism and Whistle blower Policy of the Company also ensures that the employees feel safe and comfortable in raising their voices against any fraudulent activity within the company.

RISK MANAGEMENT FRAMEWORK

Risk management is an integral part of our business strategy. In conducting our business and executing our strategy, we identify the risks, analyse their likelihood, quantify their consequential impact, and prepare our response plan for the same. While managing these risks, we also consider them as opportunities to emerge as a stronger and more agile organisation.

Continuous monitoring of the identified risks is a part of our practice, where we track the effectiveness of our efforts and update the Audit Committee on the progress. Risk related issues, if any, are discussed at review meetings. The Audit Committee looks after strategic as well as operational risks.

AYM has developed a robust risk management system that will enable it to meet its business objectives and deliver long-term growth. Our risk management framework scans through all significant business processes to identify risks that can be classified under various categories. Based on the classification and analysis of these risks, remedial strategies are developed and executed in a structured manner.

Our risk management process uses the following structural approach to identify and mitigate business risks:

The following is a summary of the enterprise risks identified for FY 21-22 and the strategies that were implemented to mitigate them:

Strategic Risks

Risk	Impact	Mitigation Measures
Customer and Product Concentration in the strategic Business	Major contracts with few customers - Any set back at customers' end may adversely affect the Company's financials. Product Concentration: Decrease in sale of products with a significant share in revenue may lead to adverse profit margins.	• Continue to actively seek to diversify its client base and products to mitigate concentration risk. • Develop new products • Conversion of lines, wherever possible
Changing Customer Preferences	Consumer tastes, preferences and behaviours have been evolving over the years. This trend has only accelerated after unexpected events post the outbreak of the pandemic. Our portfolio must evolve in line with consumer demand so that we continue to remain relevant and competitive.	• Invest in consumer in-sighting to adapt to changing consumer preferences • Actively monitor media trends to spot early consumer trends, and quickly respond to these trends with innovative offerings • Develop and build the team and competency required to take it to the next level
Underperformance of New Product Launches	Given that the success rate for new product launches is low, new products may not gain traction among consumers or may fail to scale up as planned. This risk is pronounced in cases where investment is in creating new categories.	• Invest in a new product development process with a funnel approach to ensure continuous flow of new ideas coupled with rigorous governance around scalable ideas • Prototyping approach to new product introductions for accelerated learning and adjustment • Well-defined performance tracking systems for monitoring progress periodically

Operational Risks

Risk	Impact	Mitigation Measures
Product and Quality Risk	AYM is expected to maintain global quality standards in manufacturing as some of the products are directly consumed/applied by consumers. Any deviation with regard to quality compliance of products would impact consumers worldwide, and hence, adversely affect the Company's reputation. .	• AYM has a strong governance and escalation mechanism • Conducting Benchmarking with industry for Cost Competitiveness and adopting initiatives like business process re-engineering • Focusing on quality of products by taking regular plant maintenance and tightening quality control processes
Cyber data and Security	Disruption in business operation due to nonavailability of critical Information Systems through cyber-attack and loss of sensitive information due to unauthorised access.	• Identification of business critical IT systems and having a disaster recovery plan in place and implementation of latest cyber security technologies • Perform periodic internal assessments and mock test runs • Use of data back-ups that include off-site or remote storage. We also use anti-virus, anti-spyware protection, and firewalls

Risk	Impact	Mitigation Measures
Commodity Risk & Supply Chain Disruptions	Unexpected changes in commodity prices and supply could impact business margins and ability to service demand. The overall uncertainty in the environment continues to be high with respect to availability and prices. There is also a risk of quality compromise on account of new vendor introduction	• A comprehensive process drives commodity procurement, which governs norms related to price discovery, inventory policy, and supplier management • The Company policy defines purchase of commodity in line with business requirement in accordance with inventory policy and does not encourage speculative buying or trading • Developing strategic sourcing alternatives from other geographies including domestic alternatives
Talent acquisition and Retention	AYM invests in culture building, employee learning to fuel the company's growth. Key talent attrition may slow down the growth Right talent attraction could be a challenge in this competitive world especially in a post pandemic scenario.	• Promoting culture of diversity, inclusion, openness, transparency, and meritocracy, coupled with growth orientation, to help attract and retain top talent • Investing in 'hiring right', 'talent development and engagement' best practices • Create career growth path and succession plan to retain talented functional experts

Financial Risk

Risk	Impact	Mitigation Measures
Volatility in Interest Rates	Fund requirements arise on account of inventory position building, capital expenditure undertaken or funding inorganic growth. Changes in the interest regime and terms of borrowing could impact the financial performance of the Company. .	• Well-defined framework for capital gearing • Maintain a liquidity chest for immediate working capital requirements • Manage interest rate risk to investments by implementing a Board-approved investment policy
Foreign Currency Exposure	AYM has significant revenues in foreign currencies through exports and foreign operations. Currency fluctuations in these currencies could impact the Company's financial performance.	• AYM has a well-defined hedging framework for managing any foreign exchange risk. The centralised treasury function aggregates the foreign exchange exposures and takes prudent measures to hedge these exposures based on prevalent macroeconomic conditions and in line with applicable regulatory guidelines

Regulatory Risk

Risk	Impact	Mitigation Measures
Regulatory Risk	AYM requires certain statutory and regulatory approvals for conducting business. Any failure to obtain, retain or renew them in a timely manner may adversely affect operations. A change in laws or regulations can also have an impact on operations as well as the competitive landscape.	• The applicable regulatory framework is continuously tracked by various teams • Compliance modules to ensure compliance with all regulatory requirements

INTERNAL CONTROL SYSTEM

Our Company has a robust Internal Control System in place designed to achieve the efficacy of systems, processes, and controls. It is commensurate with the size, scale and complexity of its operations, and is designed to provide reasonable assurance that assets are safeguarded, and transactions are rightly executed and recorded in accordance with management authorisation, accounting and operational policies. It also ensures that our assets are safeguarded and protected against loss due to unauthorised use or disposition, transactions are authorised, recorded and reported correctly and operations are conducted in an efficient and cost-effective manner.

The Internal Control System is regularly tested and reviewed by the Independent Internal Auditor. The internal auditor is appointed by the Audit Committee of the Board. All possible measures are taken by the Audit Committee to ensure the objectivity of Internal Audit process and independence of the Internal Auditor, including quarterly one-on-one discussions. The company also has a management audit team which is responsible for monitoring the implementation of action points arising out of internal audits. The management audit team monitors and evaluates the efficacy and adequacy of internal efficacy and adequacy of internal controls in the Company, as well as its compliance with operating systems, accounting procedures and policies at all company locations. The Audit Committee reviews the adequacy of design and the effectiveness of the internal control systems, takes note of significant audit observations and monitors the sustainability of remedial measures. The internal audit programme is reviewed by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Reports of the internal auditors are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. Summaries of the reports and actions taken on audit findings are presented to the Audit Committee of the Board. All audit observations and follow up actions thereon are tracked for resolution by the Internal Auditors and reported to the Audit Committee. The statutory auditors, as part of their audit process, also carry out a systems and process audit to ensure that the ERP and other IT systems used for transaction processing have adequate internal controls embedded to ensure preventive and detective controls.

1. Establishment of business plans and periodic review of the same
2. Identification of key strategy, finance, and operations risks and opportunities
3. Regular reviews by top management and the Board of Directors
4. Clear and well-defined organisation structure and limits of financial authority
5. Continuous identification of areas requiring strengthening of internal controls
6. Standard Operating procedures to ensure effectiveness of business processes
7. Well-defined procedures for evaluation of new business proposals / capex
8. Robust management information system for tracking and reporting

With the new normal of working from home, additional controls and processes have been laid to mitigate the risks of cyber attacks, and ensure data security.

The Company also has a system of Internal Control over Financial reporting (IFC) ensuring the accuracy of the accounting system and the related financial reporting. IFC means the policies and procedures adopted by a company for ensuring accuracy and completeness of accounting records; orderly and efficient conduct of business, including adherence to policies; safeguarding of its assets; prevention and detection of frauds and timely preparation of reliable financial information. The management assesses the appropriateness and effectiveness of these financial controls and are also validated by Internal Auditors as well as Statutory Auditors.

For the year ended March 31, 2022, the Board is of the opinion that the Company has adequate IFC commensurate with the nature of its business operations, wherein controls are in place and operating effectively and no material weakness exists. The Statutory Auditors have also issued an audit report expressing satisfaction on the adequacy and effectiveness of the internal financial control systems over financial reporting.

The management believes that strengthening internal controls system is a continuous process and therefore, it will continue its efforts to make the controls smarter, with a focus on preventive and automated controls as opposed to mitigating and manual controls. The company continues to leverage technology in enhancing system based internal controls through its journey of automation.

FINANCIAL PERFORMANCE OVERVIEW

The operating environment during the year FY 21-22 started off on a concerning note as the Delta variant crippled large parts of India which translated into weak Q1 numbers for most parts of the economy and corporate India. Gradually the situation improved, and the momentum continued through the rest of the financial year. Q3 and Q4 were two of the best quarters that our company delivered.

As the situation improved through the year, we maintained the right balance of leveraging opportunities along tight management of operations and capital expenditures while averting volatility that threatens supply chains. This enabled the Company to continue reducing its long-term debt as planned. Volumes especially in the export markets stayed strong. The domestic market also recovered by the second quarter and remained strong starting from the festival season for the rest of the financial year.

Export logistics was among the biggest challenges during the year as freight rates were at an all-time high. With the help of freight contracts, we were able to keep the freight component in the customer acceptable range to reduce the impact on margin. Another key challenge was continuously rising prices of all input raw materials. Cost of raw materials also increased throughout the year and reached its peak before getting normalised. Raw material price fluctuations were extreme at the end of the year due to crude oil price fluctuations, as a result of the global political situation. Fortunately, the market continued to grant the price increases that helped offset the cost increases, and preserve the absolute margins.

During the year ended March 31, 2022, the Company sequentially picked up in all the operating segments which resulted in highest ever performances Crores which is 57.4% higher compared to the previous year. The sales volume has also recorded a significant growth of 26.8% as compared to the previous year.

The following tables summarize the results of operations for the year ended March 31, 2022:

PARTICULARS	For the year ending March 31			
	2022		2021	
	₹ Crores	% of Revenue	₹ Crores	% of Revenue
Sales Volumes (MT)	63,031		49,697	
Net revenue from operations	**1491.5**		**947.4**	
Expenditure				
Cost of Materials	854.0	57.3%	497.8	52.5%
Employee costs	64.6	4.3%	62.4	6.6%
EBITDA margins	**166.1**	**11.1%**	**94.2**	**9.9%**
Finance Charges	35.9	2.4%	34.1	3.6%
Depreciation	50.6	3.4%	42.7	4.5%
Tax	28.8	1.9%	3.3	0.3%
Profit after Tax	**50.8**	**3.4%**	**14.1**	**1.5%**
Other Comprehensive Income	0.1	0.0%	0.3	0.0%
Total Comprehensive Income	**50.9**	**3.4%**	**13.8**	**1.5%**
Earnings per share (EPS)(in ₹)	10.1		2.8	

Revenue

Revenue from operations stood at ₹ 1491.5 Crores, recording 57.4% growth compared to the previous year. Sales have increased by 26.8% over the previous year in terms of volumes. Company continues to retain focus on throughput improvement, filling up the enhanced capacities and getting the product sales mix right in the current year for sustainable profitable growth in future. The export sales in line with strategy has increased from 42.5% in FY 20-21 to 45.4% in FY 21-22. Exports during FY 21-22 were of ₹ 661.6 Crores as compared to ₹ 395.9 Crores during the previous year.

Cost of Materials

The cost of materials comprises consumption of raw material, packing material, dyes & chemicals, changes in inventories of finished goods, work-in-process. The cost of materials is at 57.3% of Revenue, which has increased by 4.7% as compared to 52.5% in previous year. This increase has been on account of unfavourable movement in the Brent Crude prices from $68 per barrel to $110 per barrel during the year under review. The increase is mainly due to sharp increase in demand for crude post lockdowns and Russia-Ukraine war towards the end of the FY 21-22. However, it is expected that with ease of global tension regarding COVID and Russia-Ukraine war, the crude prices will also streamline along with the raw material prices.

Employee costs

Employee cost includes salaries, wages, annual performance incentives, statutory bonus and gratuity, contribution to provident and other funds and staff welfare schemes expenses (except actuarial gain / (loss) on defined benefit plans). However, it excludes labour engaged on contractual basis. During the year under review, employee cost stood at ₹ 64.6 Crores which has slightly increased compared to previous year, however, as compared to the increase in turnover and sales of Company, it has in actual decreased to 4.3% of revenues compared to 6.6% in previous year.

The Company continuously strives to put in place the adequate team structures to fuel the future growth. With resource optimization in mind, it had earlier worked upon restructuring the roles in FY 20-21 to ensure a focused approach towards key goals which resulted in savings in employee costs without compromising on productivity. With the team structures in place, the employee cost going ahead will not be in proportionate to revenue.

Earnings before Interest, Tax Depreciation & Amortization (EBITDA)

EBITDA (before exception) in FY 21-22 was reported at ₹ 166.1 Crores (11.1% margin) going up in terms of percentage of revenue compared to previous year's 9.9% margin. The Company has recorded highest ever EBITDA margins, despite significant increase in the cost of raw materials and unprecedented increase in the freight cost on account of logistic disruption around the world.

Finance Charges

Finance charges include interest on loans and other financial charges. The finance charges in FY 21-22 has seen a marginal increase on account of increase in the usage of working capital with continuous increase of material prices. Net Financial Expenses in FY 21-22 was ₹ 35.9 Crores as compared to ₹ 34.1 Crores in the previous year. The Company expects and is making efforts to reduce the charges of facility availed with improved financial performance and the money market changes. However, the expected tightening of monetary policy by RBI may impact finance charges in the coming year.

Depreciation

Depreciation has increased from ₹ 42.7 Crores in FY 20-21 to ₹ 50.6 Crores in the current year. The increase is on account of capitalisation of ongoing modernisation and expansion projects. Depreciation is expected to increase further in the coming year on account of the committed capex plan and the fact that a majority of capitalization is done in the last quarter of the current year.

Tax Expense

The Company continued to pay taxes under MAT provision in FY 21-22. However it has utilized all the unabsorbed depreciation and brought forward losses and will start consuming MAT from the coming year. The Company expects to utilize all its MAT credit available and does not foresee the situation of the MAT getting expired without being utilised in the coming years.

Profit after Tax

Profit after Tax has recorded year on year increase of 260.5%. The profits after tax stood at ₹ 50.8 Crores in FY 21-22 as compared to ₹ 14.1 Crores in FY 21-22.

Total Debt

Debt figure includes all the long-term and short-term borrowings, cash credits, Interest bearing acceptances as well as Buyers Credit. Gross Debt as on March 31, 2021, stands at ₹ 220.3 Crores as against ₹ 273.2 Crores at the end of FY 21-22. Cash and cash equivalents of the Company in FY 21-22 stood at ₹ 20.7 Crores as compared to ₹ 30.8 Crores in the FY 20-21,Net Debt as on March 31, 2022, stands at ₹ 252.5 Crores after reducing the cash and bank balance and liquid investment versus ₹ 189.5 Crores at the end of FY 20-21. The debt has reduced on account of improved EBITDA performance and calibrated capex during the year. The Net Debt to EBITDA ratio has improved significantly during the current year and stands at comfortable levels of 1.5 as compared to 2.0 in the previous year. This is expected to remain at similar levels in the coming year.

Fixed Assets

Fixed assets (tangible and intangible) including Capital work-in-progress stands at ₹ 457.6 Crores at end of FY 21-22 as compared to ₹ 430.8 Crores at the end of previous year. There has been no meaningful capex incurred during the year apart from routine operational capex.

Key Ratios

Key capital efficiency ratios for AYM Syntex has been highlighted here which provides a snapshot of the health of Balance sheet. With Improved performance in FY 21-22, the ratios in FY 21-22 has improved over the last year.

Key Ratios	FY 22	FY 21
Return on Capital Employed (ROCE)	17.3%	9.0%
Debt: Equity	0.67	0.62
Net Debt: EBITDA	1.52	2.01
Debt Service Coverage Ratio	2.12	1.44
Interest Coverage Ratio	3.22	1.50
Working Capital (no. of days)	18	17
Current Ratio (Ex Current portion of Long term Debt)	1.38	1.30

Outlook

Our strategic initiatives and continued focus on R&D, innovations and costs made FY 21-22 a year of record breaking performance for AYM Syntex despite cost pressures. This was yet another year where we grew the volumes of value-added products.

Going forward, while the cost pressures have begun to ease, slowing demand is already beginning to dent our volumes. Furthermore, a drop in raw material prices may create an impact on short term profitability as we take stock losses. In the domestic business, the near term demand outlook is uncertain but we will continue to maintain sharp focus on driving penetration and market share gains across our portfolios aided by distribution expansion, aggressive cost controls, and sufficient investment in strategic businesses. The International business has maintained a steady momentum of healthy growth in share of review over the last 5 years and we are confident of maintaining the momentum in the coming quarters.

As the pandemic has subsided across regions, we expect the business environment in the markets we operate in to remain stable, unless any major geo-political concerns flare up. However, if inflation persists, there is a possibility of some currency depreciation in some markets. On the margin front, there is some degree of comfort given that crude prices inflation being largely supply led, some cooling off is possible over the next few months. Therefore, we expect demand and margin trends to improve towards the second half of the next year. We will continue to do what we are doing well in terms of driving sustainable and profitable growth in the core business.

The short-to-medium-term outlook for AYM remains optimistic with constant efforts to drive sustained, profitable, volume-led growth through a focus on strengthening core segments, innovation, and throughput initiatives. With expected favourable government policies towards the textile industry and its efforts to increase exports, demand is expected to rise. However, macroeconomic challenges stemming from the resurgence of COVID-19 or any geopolitical instability in our key markets pose downside risks to our outlook in the near term. Our future growth and value creation will be driven by our differentiation strategy based on innovation, customer centricity, sustainability and focus on the exports market.

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present 39th Annual Report together with Audited Statement of Accounts of the Company for the financial year ended 31st March 2022.

FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Revenue from operations*	149,145.95	94,741.03
Other Income	435.91	280.72
Total revenue	149,581.86	95,021.75
EBIDTA	16,606.47	9,417.36
EBIDTA Margin (%)	11.10	9.91
Finance Costs	3,593.89	3,409.13
Depreciation and amortization expense	5,055.83	4,269.74
Profit Before Tax	**7,956.75**	**1,738.49**
Current Tax	1,403.55	398.06
Deferred tax	1,471.78	(69.05)
Profit After Tax	**5,081.42**	**1,409.48**
Other comprehensive income for the year, net of tax	13.06	(29.33)
Total Comprehensive Income for the Year	**5,094.48**	**1,380.15**
Earning per share (Basic)	10.14	2.82
Earning per share (Diluted)	10.01	2.81

* Revenue from operations excludes other operative income.

DIVIDEND

In order to conserve resources of the Company, the Board has not recommended dividend on equity shares during the year under review.

AMOUNT TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to the reserves.

COVID-19

The COVID-19 pandemic has continued to be a global challenge, creating disruption across the world. In the first three months of FY 2022, the second wave of the pandemic overwhelmed India's medical and economical infrastructure. Despite the challenges faced, we continue in our endeavor to fight waves of the COVID-19 pandemic and our priority remains the safety and well being of our employees and business continuity for our clients. Considering employee safety as paramount, we implemented elaborate support measures for employees throughout the year. The Company was actively engaged and proactively taking all the necessary steps required to be taken to deal with such pandemic in the areas of employees and their families – health and safety through vaccination drives, medi-claim, Strategy, Financial, operational and technology intervention needed. This response has reinforced stakeholder's confidence and many of them have expressed their appreciation and gratitude for the timely response under most challenging conditions.

PERFORMANCE AND OUTLOOK

The Pandemic had disrupted operations of our company in previous financial year, however with our relentless efforts in the areas of operational excellence, throughout improvement initiatives and focus on the costs front, this year, the Company achieved its highest ever annual turnover and profitability.

During the year under review, the Company has recorded significant growth in its overall revenues, especially in the export revenues.

There has been an YOY increase of 57% (approx.) in the revenues. Revenues from operations (net) was at Rs. 149,145.95 Lakhs as compared to Rs. 94,741.03 Lakhs in previous year. Exports during the financial year 2021-22 were of Rs. 66,157.75 Lakhs as compared to Rs. 39,590.25 Lakhs during the previous year.

The Profit Before Tax for the full year has also increased to Rs. 7,956.75 Lakhs as compared to Rs. 1738.49 Lakhs in financial year 2021-22, even though the operations were affected during the year on account of COVID 19 lockdowns during the Q1 of the financial year 2021-22.

The fact that the financial year has ended on a higher note and the last Quarter (Q4 FY 22) ending with highest ever Sales and EBITDA numbers, has set up an encouraging tone and given us an assurance that the business is far more robust as we enter the next financial year.

SHARE CAPITAL AND LISTING

Issue of Employee Stock Options

During the year under review, the Company has granted 6,00,000 and 3,90,000 ESOP options to its employees under the AYM Employee Stock Option Scheme 2021.

Further, pursuant to the exercise of options by the grantees, the Company has allotted 1,18,320 equity shares under the AYM ESOP Scheme 2018 and 60,000 equity shares under the AYM ESOP Scheme 2021. The said shares are listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited.

In compliance with the provisions of Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014, as amended thereto, the details of Employees Stock Option Schemes of the Company as on 31st March, 2022 are furnished in **Annexure A** attached herewith and forms part of this Report.

Issue of Equity Shares with Differential Rights

The Company does not have any equity shares with differential rights.

BOARD'S REPORT

Issue of Sweat Equity Shares

During the year under report, the Company has not issued any sweat equity share.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) read with Section 134(5) of the Act, the Directors hereby confirm that:

a) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2022 and of the profit and loss of the Company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP)

The Company's Board comprises of a mix of executive and non-executive directors with considerable experience and expertise across a range of fields such as finance, accounts, general management and business strategy.

There has been no change in the composition of Board of Directors and Key Managerial Personnel during the year under review. The details of the directors and their meetings held during the year have been given in the Corporate Governance Report, which forms part of the Annual Report.

Further, Mrs. Khushboo Mandawewala's term as Whole-time Director, as approved by the members at the 36th Annual General Meeting of the Company held on September 19, 2019, was upto July 28, 2022. Board of Directors on recommendation of Nomination and Remuneration Committee and subject to approval of the Members, have approved the reappointment and remuneration of Mrs. Khushboo Mandawewala as Whole Time Director of the Company with effect from 29th July 2022 for the term of 5 years. The matter with respect to the appointment of Mrs. Khushboo Mandawewala is proposed in the Notice of the 39th AGM. A brief profile of Mrs. Khushboo Mandawewala and other relevant information is appended in the Notice of 39th AGM. The Board of Directors recommend her re-appointment and remuneration for further period of five years with effect from 29th July 2022 for the term of 5 years, for approval of the members at the ensuing 39th Annual General Meeting of the Company, for approval of the members at the ensuing 39th Annual General Meeting of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajesh R. Mandawewala is retiring by rotation at the 39th Annual General Meeting and being eligible has been recommended for re-appointment as a director liable to retire by rotation by the Board.

Brief resume and other details as required under the Act and Listing Regulations for re-appointment of Directors are provided in the Notice of the 39th AGM of your Company.

COMMITTEES OF THE BOARD OF DIRECTORS

Information on the Audit committee, the Nomination and Remuneration committee, the Stakeholders Relationship committee, the Corporate Social Responsibility committee and meetings of those committees held during the year is given in the Corporate Governance Report forming part of this Report.

DECLARATION BY AN INDEPENDENT DIRECTOR(S)

All Independent directors of the Company, namely, Mr. Atul Desai, Mr. M. K. Tandon and Mr. K. H. Viswanathan, the independent directors have given declaration that they meet the eligibility criteria of independence as provided in Section 149(6) of the Companies Act, 2013 ("The Act") and Regulation 25(8) of SEBI (LODR) Regulations, 2015 ("LODR") and that there is no change in the circumstances as on the date of this report which may affect their status as an independent director.

Your Board confirms that in its opinion, all the independent directors fulfill the conditions prescribed under the Act and LODR and they are independent of the management. All the independent directors on the Board of the Company are registered with the Indian Institute of Corporate Affairs (IICA), Manesar, Gurgaon, Haryana-122052 as notified by the Central Government under Section 150(1) of the Companies Act, 2013 and are exempted from undergoing online proficiency self-assessment test.

BOARD'S REPORT

Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Act is placed on website of the Company and web link thereto is https://aymsyntex.com/investors/corporate-governance/policies-code-compliances

BOARD EVALUATION

During the year under review, the evaluation of the annual performance of individual Directors including the Chairman of the Company and Independent Directors, Board and Committees of the Board was carried out under the provisions of the Act, relevant Rules, and the Corporate Governance requirements as prescribed under Regulation 17 of Listing Regulations and based on the circular issued by SEBI dated January 5, 2017, with respect to Guidance Note on Board Evaluation. The Nomination and Remuneration Committee had approved the criteria for the performance evaluation of the Board, its committees and individual Directors as per the SEBI Guidance Note on Board Evaluation.

The evaluation for the performance of the Board as a whole and of the Committees were conducted by way of questionnaires. In a separate meeting of Independent Directors, performance of Non-Independent Directors and performance of the Board as a whole was evaluated. Further, they also evaluated the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-executive Directors.

The Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as qualification, experience, knowledge and competency, fulfilment of functions, availability and attendance, initiative, integrity, contribution and commitment etc., and the Independent Directors were additionally evaluated on the basis of independence, independent views and judgement etc. Further the evaluation of Chairman of the Board, in addition to the above criteria for individual Directors, also included evaluation based on effectiveness of leadership and ability to steer the meetings, impartiality, etc.

The Chairman and other members of the Board discussed upon the performance evaluation of every Director of the Company and concluded that they were satisfied with the overall performance of the Directors individually and that the Directors generally met their expectations of performance.

The summary of the feedback from the members were thereafter discussed in detail by the members. The respective Director, who was being evaluated, did not participate in the discussion on his/her performance evaluation.

They were satisfied with the overall performance of the Directors individually and that the Directors generally met their expectations of performance.

The Board also assessed the fulfillment of the independence criteria as specified in Listing Regulations, by the Independent Directors of the Company and their independence from the management. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as diversity in the Board, competency of Directors, strategy and performance evaluation, evaluation of performance of the management and feedback, independence of the management from the Board etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as mandate and composition, effectiveness of the committee, independence of the committee from the Board, contribution to decisions of the Board, etc.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR policy of our Company as approved by the Board of directors' is hosted on the Company's website and web link thereto is https://aymsyntex.com/investors/corporate-governance/policies-code-compliances. The annual report on CSR, under Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, is annexed as **Annexure B;**

MEETINGS OF BOARD OF DIRECTORS

Four meetings of Board of directors were conducted during the financial year 2021-22, details of which are given in the Corporate Governance Report forming part of the Annual Report. The maximum interval between any two meetings did not exceed as prescribed in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

HOLDING, SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company is a subsidiary of Mandawewala Enterprises Limited.

The Company does not have any subsidiary, joint ventures and associate companies during the year under review.

BOARD'S REPORT

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT

Particulars of investments made, loans and guarantee given and securities, if any provided under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements.

RATIO OF REMUNERATION OF THE MANAGING DIRECTOR, WHOLE TIME DIRECTOR & KMP TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS ARE AS UNDER:

(₹ In Lakhs)

Name	Designation	*Remuneration Paid	**% Increase	Ratio of remuneration of each Whole - Time Director to median remuneration of employees
Mr. Abhishek Mandawewala	Managing Director & CEO	103.82	34.13%	39.07
Mrs. Khushboo Mandawewala	Whole time Director	33.17	29.16%	12.48
Mr. Himanshu Dhaddha	Chief Financial Officer	93.44	27.26%	35.17
Mr. Ashitosh Sheth	Company Secretary	27.09	22.27%	10.20

**Remuneration paid includes value of ESOPs received under the Company's ESOP Scheme, 2018 & 2021 and commission paid during the year.*

***In view of the economic conditions and the heightened uncertainty caused by the COVID-19 pandemic, there was a reduction in the remuneration of the Employees above certain band during FY 2021, which was reinstated and arrears of FY 2021 were paid in FY 2022, as a result of which there has been significant increase in overall percentage change in the remuneration and median remuneration.*

Notes:

I Average increase in remuneration of employees other than managerial personnel: **19.90% and managerial persons:29.60%**

ii. the number of permanent employees on the rolls of Company: **1065**

iii. The percentage increase in the median remuneration of employees in FY 2021-22 was **15.89 %.**

iv. Affirmation that the remuneration is as per the remuneration policy of the Company.

Mr. Abhishek R. Mandawewala, Managing Director & CEO and Mrs. Khushboo Mandawewala, Whole time Director of the Company has not received any remuneration from Mandawewala Enterprises Limited, the holding Company.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS (IFC) WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company believes that internal control is a prerequisite of governance and that action emanating out of agreed business plans should be exercised within a framework of checks and balances. The Company has a well established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensuring an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

Your Company has well documented Standard Operating Procedures (SOPs) for various processes which are periodically reviewed for changes warranted by business needs. The Internal Auditors continuously monitor the efficiency of the internal controls / compliance with the SOPs with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's risk management, control and governance processes.

For the year ended 31st March 2022, the Board is of the opinion that your Company has sound IFC commensurate with the nature of its business operations, wherein adequate controls are in place and operating effectively and no material weakness exists.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has formulated a policy on related party transactions, which is also available on Company's website at https://aymsyntex.com/investors/corporate-governance/policies-code-compliances.

This policy deals with the review and approval of related party transactions and any significant modifications in the said transactions. The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at an arm's length basis. All related party transactions are placed before the Audit Committee for review and approval.

All related party transactions entered during the year 2021-22 were in ordinary course of the business and on an arm's length basis. No material related party transactions i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the Financial Year by your Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC 2 is not applicable to your Company and hence does not form part of this report.

Members may refer to note no. 47 to the financial statement which sets out related party disclosures pursuant to IND AS-24.

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BOARD'S REPORT

VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of directors has formulated Whistle Blower Policy and Vigil Mechanism for its directors and employees and any director or employee may make protected disclosures to the Chairman of the Audit Committee. No personnel have been denied access to the Audit committee.

ANNUAL RETURN

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the annual return is placed on the website of the Company and can be accessed at https://www.aymsyntex.com/investors/financial-report/investors-financial-relation-annual

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Conservation of energy:

(i) the steps taken or impact on conservation of energy:

- Paper tube recycle started, it is helping to reduce cost of production as well as saving environment
- Insulated the Thermic Fluid Line and Valves
- Modifications done for recovering the condensate of the Rapid Dryer in the Overhead Recovery tank
- Reduced the harmonics of the Transformer
- Reduced TFO Machine Power consumption by application of Automatic Star Delta Converter Module
- Pilot tex suction blower motor speed reduced to save 1.8 kw electricity
- New pump installed to save 2.6 kw electricity per year.
- Replacement of faulty pneumatic fittings in machines & reduce the air leakages
- Started the new RO and reduced the ZLD operating cost from 132 to 54 Rs/KL by reduction of power, sludge ,chemical cost & spares .
- Installation of Water Level Indicator in old dyeing machines to save water

(ii) the steps taken by the Company for utilizing alternate sources of energy: Automation of 30 Lkcal/hr thermopac heater for reduction in coal consumption

(iii) the capital investment on energy conservation equipment's: Rs. 373 Lakhs

b. Technology absorption:

i. The efforts made towards technology absorption:

- Installation of spiral RO system in ETP
- Upgration in 1 tone Dyeing machine to increase the capacity to 1.5 MT per day
- Installation of WSF Machine by replacing Murata old technology machine
- Installation of Texturing Machine with lastest technology by replacing old technology Himson Machine

ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

- Resulting in water cost reduction
- Resulting in Chemical Cost reduction
- Resulting in Power Cost reduction
- Resulting in Spares Cost reduction

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- New WSF winding Machine from China installed in plant

iv. Research and Development expenditures:

Rs. in Lakhs

Particulars	2021-22	2020-21
Revenue expenditure	1,255.64	1,115.71
Capital expenditure	23.86	0.00
Total	**1279.50**	**1,115.71**

c. Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Earning in Foreign exchange - Rs. 66,157.75 Lakhs

Outgo in Foreign exchange - Rs. 48,230.83 Lakhs

DEPOSITS

The Company has not accepted any deposit within the meaning of the Chapter V to Companies Act, 2013. Further, no amount on account of principal or interest on deposit was outstanding at the end of the year under report.

STATUTORY AUDITORS

As per Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in 34th Annual General Meeting approved the appointment of M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants (ICAI Registration No- 012754N/N-500016), as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 34th Annual General Meeting till the conclusion of 39th Annual General Meeting. Their tenure of appointment end at the conclusion of forthcoming Annual General Meeting.

BOARD'S REPORT

As recommended by the Audit Committee, the Board of Directors propose to re-appoint M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants (ICAI Registration No-012754N/N-500016), as the Statutory Auditors of the Company for a second term of 5 consecutive years commencing from the conclusion of the ensuing AGM till the conclusion of 44th AGM.

AUDITORS' REPORT

The Report given by M/s Price Waterhouse Chartered Accountants LLP on the financial statement of the Company for the year 2021-22 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

There is no qualified opinion in the Auditors' Report. However, we refer to para i (c) of Annexure B of Independent Auditor's Report and state that the Company is in the process of executing document to transfer freehold land in respect of one plot of Rs. 4.63 Lakhs (net block) in the name of the Company. The Company is in possession of land without any interference for more than 12 years. Further, in respect of documents of title deeds of six residential flats of Rs. 14.85 lakhs (net block), we clarify that the said flats are in the name of the Company and the Company is in the process of tracing the physical agreements of the said flats.

COST AUDITOR AND COST RECORDS

In terms of the Section 148 of the Companies Act, 2013 ('the Act') read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records have been prepared and maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

In terms of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed M/s Kiran J Mehta & Co., Cost Accountants, being eligible, as Cost Auditors of your Company, to carry out the cost audit of products manufactured by the Company. Your Company had received their written consent that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee and in terms of the Companies Act, 2013 and Rules thereunder requisite resolution for ratification of remuneration of the Cost Auditors, by the members, has been set out in the Notice of the 39h Annual General Meeting of your Company.

During the year 2021-22 the Cost Accountants had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

Members are requested to ratify remuneration as fixed by the Board of directors by passing an ordinary resolution in the Annual General Meeting.

SECRETARIAL AUDITOR AND AUDIT REPORT

The Secretarial Audit of the Company for the financial year 2021-22, as required under Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, was conducted was carried out by Mr. Hitesh Gupta, Practising Company Secretary (CP No. 12722). The Secretarial Audit Report is annexed as **Annexure C** and forms an integral part of this Report.

There has been no qualification, reservation or adverse remark or disclaimer in the Secretarial Audit Report. During the year 2021-22, the Secretarial Auditor had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

As per the provisions of Regulation 24A of SEBI (LODR) Regulations, 2015, the Company has obtained an Annual Secretarial Compliance Report for the year ended March 31, 2022 from Mr. Hitesh Gupta, Practising Company Secretary, who is also the Secretarial Auditor of the Company. The Annual Secretarial Compliance Report does not contain any qualification, reservation or adverse remark or disclaimer.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year 2021-22, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Pursuant to the provisions of SEBI (LODR) Regulations, 2015, the Company has obtained a certificate from Mr. Hitesh Gupta, Practising Company Secretary that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as a Director of the Company by SEBI / Ministry of Corporate Affairs or any such regulatory authority.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditors, Cost Auditors and Secretarial Auditors of the Company have not reported any fraud to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013.

RISK MANAGEMENT POLICY

The Audit Committee has been entrusted with the responsibility of overseeing various organisational risks (strategic, operational and financial). The Audit Committee also assesses the adequacy of mitigation plans to address such risks. An overarching Risk Management Policy which was approved by the Board is in place. The Company has developed and implemented an integrated Enterprise Risk Management (ERM) Framework through which it identifies monitors, mitigates & reports key risks that impact the Company's ability to meet its strategic objectives. The ERM team engages with all Function heads to identify internal and external events that may have an adverse impact on the achievement of Company's objectives and periodically monitors changes in both internal and external environment leading to emergence of a new threat/risk. These risks are captured in a risk register with all the relevant information such as risk description, root cause and any existing mitigation plans. The risk register is refreshed semi-annually. Risks are categorised into Strategic, Financial, Operational, Compliance & Reputational. ERM risk assessments covering Company's various businesses and functions are a key input for the annual internal audit program. During FY21, the focus was on reviewing effectiveness of actions taken to mitigate business, cyber security and other operational & Compliance risks.

BOARD'S REPORT

FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of Regulation 25(7) of the Listing Regulations, the Company has put in place a Familiarisation Programme for the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. so as to enable them to take well-informed decisions in timely manner. The details of the Familiarisation Programme conducted are available on the website of the Company:

https://aymsyntex.com/investors/corporate-governance/policies-code-compliances.

CODE OF CONDUCT

The Company has Code of Conduct for Board members and Senior Management personnel. A copy of the Code of conduct has been put on the Company's website for information of all the members of the Board and management personnel.

All Board members and senior management personnel have affirmed compliance of the same.

PARTICULARS OF EMPLOYEES

The statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), is appended as **Annexure D** to the Report.

The information as per Rule 5(2) of the Rules, forms part of this Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavour of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment.

As per the requirement of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), your Company has a robust mechanism in place to redress complaints reported under it. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under POSH. The Internal Committee (IC) composed of internal members and an external member who has extensive experience in the field.

During the year under review, no cases of sexual harassment were reported in your Company. During the year, the Company has not received any complaint. There are no complaints pending as at the end of the financial year.

The Company is committed towards promoting the work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment irrespective of their gender, race, social class, caste, creed, religion, place of origin, sexual orientation, disability or economic status.

CORPORATE GOVERNANCE

In terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations"), a Report on Corporate Governance along with Compliance Certificate issued by Statutory Auditors of the Company is attached as **Annexure E** and forms integral part of this Report (hereinafter "Corporate Governance Report").

Management Discussion and Analysis Statement is separately given in the Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future.

INSOLVENCY AND BANKRUPTCY CODE, 2016

No application was made, or any proceedings filed against the Company under the Insolvency and Bankruptcy Code, 2016; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016, against the Company during the year along with their status as at the end of the financial year is not applicable.

MISCELLANEOUS

During the year under Report, there was no change in the general nature of business of the Company.

No material change or commitment has occurred which would have affected the financial position of the Company between the end of the financial year to which the financial statements relate and the date of the report.

During the year under Report, no funds were raised through preferential allotment or qualified institutional placement.

CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis as explained in the Corporate Governance Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

ACKNOWLEDGMENT

Your Directors take this opportunity to express gratitude for valuable assistance and co-operation extended to the Company by Financial Institutions, Commercial Banks and other authorities. Your directors also wish to place on record their sincere appreciation of the dedicated services, hard work, solidarity and profuse support by all the employees of the Company. The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Rajesh R Mandawewala
Chairman
DIN: 00007179

Place : Mumbai
Date: 07/05/2022

BOARD'S REPORT

ANNEXURE A

Disclosure of Information in respect of Employees Stock Option Scheme:

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments':

The disclosure is provided in Notes 49 to the financial statements of the Company for the year ended March 31, 2021.

Sr. No.	Particulars	Employee Stock Options Scheme-2018 – Grant I	Employee Stock Options Scheme-2021 - Grant I (24.04.2021)	Employee Stock Options Scheme-2021 – Grant II (29.01.2022)
1.	Date of shareholders approval	28th February 2018	5th March, 2021	5th March, 20211
2.	Options granted	7,81,700 Equity shares of the face value of Re. 10/- each	6,00,000 Equity shares of the face value of Re. 10/- each	3,90,000 Equity shares of the face value of Re. 10/- each
3.	Exercise Price per stock option	Rs. 10/-	Rs. 10/-	Rs. 10/-
4.	Vesting requirements	ESOPs will vest not earlier that One (1) year from the date of Grant	ESOPs will vest not earlier that One (1) year from the date of Grant	ESOPs will vest not earlier that One (1) year from the date of Grant
5.	Maximum term of options granted	5 years from the date of Vesting	5 years from the date of Vesting	6 years from the date of Vesting
6.	Source of shares	Primary	Primary	Primary
7.	**Options movement during the year**			
	Particulars	**Details**		
	Number of options outstanding at the beginning of the year	4,73,280 Equity shares of the face value of Re. 10/- each	NIL	NIL
	Number of options granted during the year	NIL	6,00,000 Equity shares of the face value of Re. 10/- each	3,90,000 Equity shares of the face value of Re. 10/- each
	Number of options forfeited/lapsed/ Cancelled during the year	39,360	NIL	NIL
	Number of options vested during the year	1,18,320	NIL	NIL
	Number of options exercised during the year	1,18,320	NIL	NIL
	Number of shares arising as a result of exercise of options	1,18,320	NIL	NIL
	Money realizes by exercise of options (INR), if scheme is implemented directly by the Company	Rs. 11,83,200	NIL	NIL
	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA
	Number of options outstanding at the end of the year	3,15,600 Equity shares of the face value of Re. 10/- each	6,00,000 Equity shares of the face value of Re. 10/- each	3,90,000 Equity shares of the face value of Re. 10/- each
	Number of stock exercisable at the end of the year	NIL	NIL	NIL
8.	Variation of terms of options	N.A.	N.A.	N.A.
9.	Money realized by exercise of Options	Rs. 11,83,200	NIL	NIL
10.	Total Number of Options in force	3,15,600	6,00,000	3,90,000
11.	Employee-wise details of Options granted to			
	(i) Senior Managerial Personnel/ Key Managerial Personnel	KMP-46900	KMP-200000	NIL
	(ii) Any other employee who receives a grant, in any one year, of Options amounting to 5% or more of Options granted during that year	3 Employees - 2,55,000	4 Employees - 6,00,000	9 Employees – 3,90,000
	(iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL	NIL	NIL

BOARD'S REPORT

Sr. No.	Particulars	Employee Stock Options Scheme-2018 – Grant I	Employee Stock Options Scheme-2021 - Grant I (24.04.2021)	Employee Stock Options Scheme-2021 – Grant II (29.01.2022)
12.	Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Indian Accounting Standard (Ind AS) 102	Rs. 10.01 per share (as on 31.03.2022)	N.A.	N.A.
13.	Weighted average exercise price and weighted average fair value of options whose exercise price equals or exceeds or is less than market price of the stock-			
	a) Weighted average exercise price per stock option	Rs.10	N.A.	N.A.
	b) Weighted Average Fair Value of options	Rs. 43.50	N.A.	N.A.
14.	Method and significant assumptions used to estimate the fair value of Options granted during the year			
	i) Method	Adopts the Black Scholes Model		
	ii) Significant Assumptions:	a) Weighted average risk-free interest rate b) Weighted average remaining contractual life of options outstanding (years) c) Weighted average expected volatility d) Weighted average expected dividends e) Weighted average market price		

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

Rajesh R Mandawewala

Place: Mumbai
Chairman

Date: 07/05/2022
DIN: 00007179

BOARD'S REPORT

ANNEXURE B

CSR Activities for the Financial year commencing on or after 1st April 2021

1. **A brief outline of the Company's CSR policy:**

   To spend at least 2% average net profits of the Company made during the three immediately preceding financial years calculated in accordance with the provisions of Section 198 of the Companies Act 2013 in the sectors as mentioned in schedule VII of the Act.

   To give preference to local area and areas around where it operates, for spending the amount earmarked for corporate social responsibility activities.

   List of activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 as mentioned in the policy is placed on website of the Company at htpps://www.aymsyntex.com

2. **The composition of the CSR Committee:**

Sr. No.	Name of the Director	Designation / Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meeting of CSR Committee attended during the year
1	Mr. Atul Desai	Chairman	1	1
2	Mr. Rajesh R. Mandawewala	Member	1	1
3	Mr. Abhishek R. Mandawewala	Member	1	1
4	Mrs. Khushboo Mandawewala	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: htpps://www.aymsyntex.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

(Rs. In Lakhs)

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1	2021-22	1.72	NA

6. Average net profit of the Company for 2018-19, 2019-20 and 2020-21: **Rs. 1,273 Lakhs**

7. a) Two percent of average net profit of the company as per section 135(5): **Rs. 25.45 Lakhs**

   b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

   c) Amount required to be set off for the financial year, if any: **Rs. 1.72 Lakhs**

   d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 25.45 Lakhs**

8. (a) CSR amount spent or unspent for the Financial year:

Total Amount Spent for the Financial Year (in Rs. Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(%)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
41.04	Nil	NA	Nil	Nil	NA

BOARD'S REPORT

(b) Details of CSR amount spent against ongoing projects for the financial year - **NA**

1	2	3	4	5		6	7	8	9	10	11	
Sl.No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project Duration for the project (in Rs.).	Amount allocated in the current financial Year (in Rs.).	Amount spent to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Amount transferred tation Direct (Yes/No.)	Mode of implemen-tation	Mode of implementation Through implementing Agency	
				State	District						Name	CSR Reg no.
1												
2												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl.No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation Direct (Yes/No.)	Mode of implementation Through implementing Agency	
				State	District			Name	CSR Reg. No.
1.	Implementing and supporting education program	(ii) Promoting Education	YES	Mahara shtra/ U.T of Dadra & Nagar Haveli Mahara shtra	Palghar/ Silvassa	15.71	YES	NA	NA
2.	Provision of safe drinking water	(ii) Promoting Healthcare	YES	Mahara shtra/ U.T of Dadra & Nagar Haveli Mahara	Palghar/ Silvassa	5.70	YES	NA	NA
3.	Covid-19 Vaccination/ Vaccination Mobile Van	(ii) Promoting Healthcare	YES	Mahara shtra/ U.T of Dadra & Nagar Haveli Mahara shtra	Palghar/ Silvassa	17.53	YES	NA	NA
	Total					**38.95**	**YES**	**NA**	**NA**

BOARD'S REPORT

(d) Amount spent in Administrative Overheads- **Rs. 2.10 Lakhs**

(e) Amount spent on Impact Assessment, if applicable- **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- **Rs. 41.04 Lakhs**

(g) Excess amount for set off- **Rs. 15.59 Lakhs**

Sl. No.	Particular	Amount (in Rs. Lakhs)
i.	Two percent of average net profit of the company as persection 135(5)	25.45
ii.	Total amount spent for the Financial Year	41.04
iii.	Excess amount spent for the financial year [(ii)-(i)]	15.59
iv.	Surplus arising out of the CSR projects or programmes oractivities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years[(iii)-(iv)]	15.59

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NA**

Sl.No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year(in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount tremaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1							
2							
3							
		Total					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NA**

Sl.No	Project ID	Name of the project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial year (in Rs.)	Status of the project - Completed / on going
1								
2								
3								
Total								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of capital asset(s): NA

(b) Amount of CSR spent for creation or acquisition of capital asset : NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : NA

11. Specify the reason, if the Company has failed to spend the two percent of the average net profit as per Section 135(5).- NA

Sd/-
Abhishek Mandawewala
Managing Director & CEO
DIN-00737785

Sd/-
Atul Desai
Chairman CSR Committee
DIN-00019443

BOARD'S REPORT

ANNEXURE C

FORM NO. MR-3

Secretarial Audit Report

For the Financial year ended March 31st, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
AYM Syntex Limited
Survey No. 374/1/1,
Village Saily, Silvassa,
U.T. of Dadra & Nagar Haveli

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AYM Syntex Limited (CIN - L99999DN1983PLC000045) (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

I The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable to the Company during the financial year under review);

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the financial year under review);

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation 1993 regarding the Act and dealing with client (Not Applicable to the Company during the financial year under review);

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable to the Company during the financial year under review);

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the financial year under review); and

   i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi. The Management has identified the compliances of the following laws as specifically applicable to the Company:

   a. Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards;

   b. Contract Labour (Regulation and Abolition) Act, 1970;

   c. Employees Provident Fund and Miscellaneous Provisions Act, 1952;

   d. Employee's State Insurance Act, 1948;

   e. Environment Protection Act, 1986;

   f. Equal Remuneration Act, 1976;

   g. Factories Act, 1948;

   h. Industrial Dispute Act, 1947;

   I. Maternity Benefits Act, 1961;

   j. Minimum Wages Act, 1948;

   k. Payment of Bonus Act, 1965;

   l. Payment of Gratuity Act, 1972;

   m. Payment of Wages Act, 1936;

   n. Water (Prevention and Control of Pollution) Act, 1974 and rules issued by the State Pollution Control Boards.

Having regard to the compliance system prevailing in the Company, I further report that on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the same.

BOARD'S REPORT

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Companies Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper Balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable rules, laws, regulations and guidelines.

I further report that during the audit period:

i. Members by Special Resolution have approved the re-appointment and remuneration of Mr. Abhishek Mandawewala (DIN: 00737785) as Managing Director and Chief Executive Officer for a period of 3 years commencing from August 01, 2021.

ii. The Company has allotted 1,18,320 equity shares pursuant to exercise of ESOP options by employees under AYM ESOP Scheme 2018.

Hitesh J. Gupta
Practicing Company Secretary
M No. A33684
CP No.12722
UDIN: A033684D000285694

Date: May 07, 2022
Place: Mumbai

Note: This report is to be read with my letter of even date which is annexed as 'Ann' and forms an integral part of this report.

ANNEXURE A

To,
The Members,
AYM Syntex Limited
Survey No. 374/1/1,
Village Saily, Silvassa,
U.T. of Dadra & Nagar Haveli

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Hitesh J. Gupta
Practicing Company Secretary
M No. A33684
CP No.12722
UDIN: A033684D000285694

Date: May 07, 2022
Place: Mumbai

BOARD'S REPORT

ANNEXURE D

DETAILS OF EVERY EMPLOYEE OF THE COMPANY AS REQUIRED PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. The Names of the top 10 employees in terms of remuneration drawn:

Sr. No	Name of the employee	Remuneration received (Refer Note) (Rs. In lakhs)	Designation	Qualifications and experience of the employee	Date of commencement of employment	Age Years	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Sunil Karanjkar	123.47	President	PGDM in Marketing Exp:35 years	20th December 1989	57	Garware Nylon	0.07	Nil
2	Mr. Sudhanshu M Khire	111.34	Director (Operation)	MBA - Marketing, Exp-34 years	2nd April 2007	63	M/s. Bhargavi Marketing Pvt. Ltd.,	0.07	Nil
3	Mr. Rahul Pareek	111.99	Business Head – BCF	B.Tech – TextExp: 32 years	9th August 2012	54	ZYC Fibre Co	0.07	Nil
4	Mr. Abhishek Mandawewala	103.82	Managing Director & CEO	B.A/M. Eng (Honours) Exp: 11 years	1st August 2015	35	Welspun India Limited	NIL	Son of Mr. Rajesh R. Mandawewala, Chairman; and Spouse of Mrs. Khushboo Mandawewala, Whole time Director
5	Mr. Himanshu Dhaddha	93.44	Chief Financial officer	CA, CS, CWA Exp: 14 years	8th November 2016	36	Amazon India Group	0.04	Nil
6	Mr. Manoj Sharma*	59.83	President – Rakholi Unit	B.Tech – Textile, Exp: 37 years	28th June 2021	59	Bhilosa Industries Ltd	Nil	Nil
7	Mr. Brijesh Kumar Srivastava	68.37	Vice President – BCF Production	B.Tech Exp – 38 years	1st November 2017	62	Oriental Weavers International	0.03	Nil
8	Mr.Alok Kumar Upadhyay	57.18	Vice President – Palghar Unit	B.Tech – Textile Tech Exp:27 years	30th December 2019	52	SRF (Thailand) Industries Ltd	Nil	Nil
8	Mr. Neeraj Bhrigu	56.65	Vice President – Rakholi Plant	B.Tech - Textile Tech Exp: 26 years	21st July, 2017	47	PT. Asia Pacific Fibers TBKO	0.00	Nil
10	*Mr. Ajay Kumar Saini	54.83	Vice President – Rakholi Plant	Diploma Mechanical Exp: 31 years	16th April 2018	60	Parasrampuria Industries Limited	0.00	Nil

*Employed for the part of the financial year 2021-22

BOARD'S REPORT

B. List of employees drawing remuneration of Rs. 1,02,00,000/- per annum or more throughout the year:

Sr. No	Name of the employee	Remuneration received (Refer Note) (Rs. In lakhs)	Designation	Qualifications and experience of the employee	Date of commencement of employment	Age Years	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Sunil Karanjkar	123.47	President	PGDM in Marketing Exp:35 years	20th December 1989	57	Garware Nylon	33600	Nil
2	Mr. Sudhanshu M Khire	111.34	Director (Operation)	MBA - Marketing, Exp-34 years	2nd April 2007	63	M/s. Bhargavi Marketing Pvt. Ltd.,	35600	Nil
3	Mr. Rahul Pareek	111.99	Business Head – BCF	B.Tech – Text Exp: 32 years	9th August 2012	54	ZYC Fibre Co	32800	Nil
4	Mr. Abhishek Mandawewala	103.82	Managing Director & CEO	B.A/M. Eng (Honours) Exp: 11 years	1st August 2015	35	Welspun India Limited	NIL	Son of Mr. Rajesh R. Mandawewala, Chairman; and Spouse of Mrs. Khushboo Mandawewala, Whole time Director

C. Remuneration of Rs. 8,50,000 per month or more received by employee for a part of the year: NIL

Notes:

i. All appointments are/were contractual in nature. Other terms and conditions are as per the service rules of the Company.

ii. None of the employees named above hold 2% or more of the equity shares of the Company, by themselves or along with their spouse and dependent children.

iii. Remuneration includes salary, allowances, performances linked variable pay paid, perquisites & benefits, Company's contribution to provident fund and other retirement benefits like leave encashment and gratuity paid during the year.

iv. In view of the economic conditions and the heightened uncertainty caused by the COVID-19 pandemic, there was a reduction in the remuneration of the Employees above certain band during FY 2021, which was reinstated and arrears of FY 2021 were paid in FY 2022.

v. The information about qualifications and last employment is based on the particulars furnished by the concerned employee.

ANNEXURE E

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED MARCH 31, 2022

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

AYM Syntex Limited believes that for a Company to succeed on a sustained basis, it must maintain global standards of corporate conduct towards its employees, shareholders, consumers and society. The primary objective is to create and adhere to a corporate culture of consciousness, transparency and openness.

2. BOARD OF DIRECTORS

a) Composition

Present strength of the Board of Directors is 6. Details of composition of the existing Board of Directors as on 31 March 2022 is given below:

Sr. No.	Name of the Director	Category	No. of Directorship in other Companies		No. of shares and convertible instruments held by Non-Executive Director	Member / Chairman in No. of Committees in Companies#	No. of Board Meetings Attended (01/04/21 to 31/03/22)	Attendance at last AGM
			Public	Private				
1.	Mr. Rajesh R. Mandawewala	P,NE,C	09 ^	07	Nil	(1)M	4	No
2.	Mr. Abhishek R. Mandawewala	P, E	01 ^	09	Nil	(1) C/(1)M	4	No
3.	Mr. Atul Desai	I, S, NE	05 ^	00	30 Equity shares	(5)C/(3)M	4	Yes
4.	Mr. Mohan Tandon	I, NE	01	Nil	Nil	(1)C/(2)M	4	Yes
5.	Mr. K. H. Viswanathan	I, NE	03 ^	01	Nil	(5)C/(1)M	4	Yes
6	Mrs. Khushboo Mandawewala	WTD	2 ^	2	Nil	Nil	4	Yes

^ Includes unlisted public companies.

For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, are included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded.

Further for the purpose of counting membership in Board Committee of other Companies, Chairmanship/ Membership of the Audit Committee and the Stakeholders Relationship Committee alone are considered.

Abbreviations:

P = Promoter, E = Executive Director, NE = Non - Executive Director, I = Independent Director, W= Woman Director, S = Shareholders, C = Chairman, M = Member, WTD=Whole time Director.

BOARD'S REPORT

b) The names of the listed entities where the director is Director and category of directorship and matrix of the skills/expertise/competence identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board and directors who have such skills / expertise / competence. Details of current members of the Board is given below:

Sr. No.	Name of the Director	Skill / expertise / competence	Name of Listed Entry	Category
1	Mr. Rajesh R Mandawewala	Leading figure in textiles and Steel, believes in drivinginnovation through Continuous research and product developments, Strategy and Business Management	Welspun India Limited AYM Syntex Limited Welspun Corp Limited Welspun Enterprises Limited	Managing Director Director Director Director
2.	Mr. Abhishek R Mandawewala	Strategy and Business management, Excellent managerial skill, leadershipquality	AYM Syntex Limited	Managing Director & CEO
3.	Mr. Atul Desai	Litigation & Arbitration	AYM Syntex Limited Welspun Specialty Solutions Limited Welspun Investments and Commercials Limited TCFC Finance Limited JSW Holdings Limited	Independent Director Independent Director Independent Director Independent Director Independent Director
4.	Mr. Mohan Tandon	Professional with experience in Organization Restructuring and designing Productivity oriented Incentive Schemes	AYM Syntex Limited Welspun Enterprises Limited	Independent Director Independent Director
5.	Mr. K H Viswanathan	Corporate Tax and Legal, Transaction advisory and structuring, Internal, Management and Due-diligence, audits, formulation of business strategy, mergers and acquisitions etc	AYM Syntex Limited Welspun Corp Limited	Independent Director Independent Director
6.	Mrs. Khushboo Mandawewala	Software engineer, strategic, Business development skill and excellent leadership quality	AYM Syntex Limited	Whole time Director

c) In the table below, the specific areas of focus or expertise of individual Board members have been highlighted:

Name of the Director	Business Development	Leadership Skill	Information Technology	General & Commercial Laws	Finance, Taxation and Insurance	Corporate Governance
Mr. Rajesh R Mandawewala	✓	✓	✓	✓	✓	-
Mr. Abhishek Mandawewala	✓	✓	✓	-	✓	-
Mr. Atul Desai	-	-	-	✓	✓	✓
Mr. Mohan Tandon	-	-	-	✓	✓	✓
Mr. K H Viswanathan	-	-	-	✓	✓	✓
Mrs. Khushboo Mandawewala	✓	✓	✓	-	-	-

Note: These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

BOARD'S REPORT

d) **Details of Date of Board Meetings:**

Four meetings of the Board of Directors were held during the financial year 2021-22 on following dates:

15th May 2021	31st July 2021
30th October 2021	29th January 2022

e) **Disclosure of relationship between Directors inter se:**

i. Mr. Rajesh R. Mandawewala, Chairman of the company is father of Mr. Abhishek Mandawewala, Managing Director & CEO and father-in-Law of Mrs. Khushboo A Mandawewala, Whole Time Director of the Company.

ii. Mr. Abhishek R. Mandawewala, Managing Director and CEO is son of Mr. Rajesh R. Mandawewala, Director and spouse of Mrs. Khushboo A Mandawewala, Whole time Director of the Company.

iii. Mrs. Khushboo A Mandawewala, Whole time Director of the Company, is wife of Mr. Abhishek Mandawewala, Managing Director & CEO and daughter in law of Mr. Rajesh R. Mandawewala, the Chairman of the Company.

f) The details of familiarization program (for Independent Directors) are disclosed on the Company's website and a web link thereto is https://www.aymsyntex.com/investors/corporate-governance/policies-code-compliances.

g) It is confirmed that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

3. AUDIT COMMITTEE

The Audit Committee consists of the following 3 Independent Non-Executive Directors (All financially literate) as on 31st March 2022.

a. Mr. Atul Desai - Chairman

b. Mr. K. H. Viswanathan - Member

c. Mr. Mohan Tandon - Member

Mr. Ashitosh Sheth, Secretary of the Company also acts as a Secretary to the Committee.

Terms of Reference:

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Regulation 18 of SEBI (LODR) Regulations, 2015 and section 177 of the Companies Act, 2013.

Four meetings of Audit Committee of Board of Directors were held during the financial year 2021-22 on following dates:

15th May 2021	31st July 2021
30th October 2021	29th January 2022

The details of attendance of members of Audit Committee are as follows:

Sr. No.	Name of the Member	Designation	Meetings attended
1	Mr. Atul Desai	Chairman	4
2	Mr. K. H. Viswanathan	Member	4
3	Mr. Mohan Tandon	Member	4

4. NOMINATION AND REMUNERATION COMMITTEE

a. The terms of reference stipulated by the Board of Directors to the Nomination and Remuneration Committee are as contained under regulation 19 of SEBI (LODR) Regulations, 2015 and section 178 of the Companies Act, 2013.

b. Nomination and Remuneration Committee of the Board of Directors of the Company consists of the following members:

1.	Mr. Atul Desai	-	Chairman
2.	Mr. M. K. Tandon	-	Member
3.	Mr. K. H. Viswanathan	-	Member
4.	Mr. R. R. Mandawewala	-	Member (till 15th May, 2021)

c. Four meetings of Nomination and Remuneration Committee of Board of Directors were held during the year under review on following dates:

24th April 2021	2nd July 2021
30th September 2021	29th January 2022

The details of attendance of members of the committee are as follows:

Sr. No.	Name of the Member	Designation	Meetings attended
1	Mr. Atul Desai	Chairman	4
2	Mr. R. R. Mandawewala	Member	1
3	Mr. K. H. Viswanathan	Member	4
4	Mr. Mohan Tandon	Member	4

d. Performance Evaluation Criteria

i. The evaluation of individual directors would have two parts, viz. (a) quantitative data in the form of number of meetings of the board and committees attended as against the total number of such meetings held and (b) qualitative data coming out of the process of filling in a questionnaire by the directors, which would be subjective, by its very nature.

ii. In order to induce the respondents to give their frank views, the instruments would be so designed that only ticks would be required, with no provision for description and the directors would not be required to identify themselves below the filled in questionnaire.

BOARD'S REPORT

iii. The result of the evaluation would be discussed threadbare by the Board and remedial actions taken.

iv. In case of individual directors' performance falling below a threshold, there would be a provision for individual counselling by the Chairman of the Company.

5. REMUNERATION TO DIRECTORS

a. There are no pecuniary relationships or transactions with the Non-Executive Directors vis-a-vis the Company.

b. Criteria of making payments to Non-Executive Directors:

The Company pays sitting fees to Non-Executive Directors for attending meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Finance Committee, Stakeholder Relationship Committee, Independent Directors meeting, Corporate Social Responsibility Committee, fee for attending General Meetings etc.

During the year, the Non-Executive Directors had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Details of the remuneration paid to Non-Executive Directors during the year are as under:

(Rs.in Lakhs)

Name of Directors	Sitting Fees
Mr. Atul Desai	5.72
Mr. K. H.Viswanathan	4.76
Mr. Mohan Tandon	4.76
Total	**15.24**

c. **To recommend payment of Remuneration to Executive Director / Managing Director and CEO/Whole time Director:**

The details of Remuneration paid/payable to Managing Director & CEO and Whole time Director during the year are mentioned below:

(Rs.in Lakhs p.a)

	Mr. Abhishek R. Mandawewala (MD & CEO)	**Mrs. Khushboo Mandawewala** (WTD)
Salaries and allowances	7933200	3173280
Gratuity	144300	57720
Leave encashment	0	0
Contribution to Provident Fund	360000	144000
Commission	2089014	0
TOTAL	**10526514**	**3375000**
Service contracts	From 1/8/ 21 to 31/07/24	From 29/07/19 to 28/07/22
Notice period	3 months	3 months
Severance fees	0	0
Stock option	0	0

d. Meeting of Independent Directors

The Independent Directors of the Company shall hold at least one meeting in a year without the attendance of non-independent directors and members of management. The meeting of Independent Directors was held on 14th March 2022 and the following points were discussed:

- reviewed the performance of non-independent directors, individual directors, committees of Board and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- assessed the quality, quantity and timeliness of flow of information between the Company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- Discussed the necessary steps in building a sharper thrust in formalizing the ESG related aspects for a better ESG standards buildup, monitoring and evaluation of the Company

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

a. Name of Non-Executive Director heading the Committee - **Mr. Atul Desai**

b. Name and designation of Compliance Officer- **Mr. Ashitosh Sheth – Company Secretary**

c. Number of shareholders complaints received during the year -**Nil**

d. Number not solved to the satisfaction of shareholders- **Nil**

e. Number of complaints pending as on March 31, 2022- **Nil**

Details of Stakeholders Relationship Committee Meeting:

One meeting was held during the year i.e. 7th March 2022.

Sr. No.	Name of the Member	Designation	Meetings attended
1	Mr. Atul Desai	Chairman	1
2	Mr. R. R. Mandawewala	Member	1
3	Mr. Abhishek R. Mandawewala	Member	1

BOARD'S REPORT

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Company constituted a Corporate Social Responsibility Committee comprising of Four Directors.

a) Composition of Corporate Social Responsibility Committee:

The Committee comprises of:

1. Mr. Atul Desai	-	Chairman
2. Mr. Rajesh Mandawewala	-	Member
3. Mr. Abhishek Mandawewala	-	Member
4. Mrs. Khushboo Mandawewala	-	Member

The Company Secretary acts as the Secretary to the Committee.

b) Terms of reference of the Committee, inter alia include the following:

To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with the provisions of the Act and rules made thereunder.

Our social vision has been enshrined in following 4S which have become the Guiding Principles of our CSR initiatives – Swasthya, Swabhiman, Sudhar and Srishti.

c) Meetings and Attendance:

During the year under review, the Corporate Social Responsibility Committee met once on 15th May 2021.

Sr. No.	Name of the Member	Designation	Meetings attended
1	Mr. Atul Desai	Chairman	1
2	Mr. R. R. Mandawewala	Member	1
3	Mr. Abhishek R. Mandawewala	Member	1
4	Mrs. Khushboo Mandawewala	Member	1

8. GENERAL BODY MEETING

a) Details of the last three Annual General Meetings held are given as under:

Financial Year	Date	Time	Location
2018-19	19/09/2019	12.00 Noon	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2019-20	29/09/2020	12.30 P.M.	Through Video Conferencing Deemed to be Survey No. 394(P), Village Saily, Silvassa, (U. T. of Dadra & Nagar Haveli)
2020-21	29/09/2021	12.30 P.M.	Through Video Conferencing Deemed to be Survey No. 374/1/1, Village Saily, Silvassa, (U. T. of Dadra & Nagar Haveli)

b) Special Resolutions passed in the last three Annual General Meetings are as under:

Financial Year	Date	Items
2018-19	19/09/2019	(i) Appointment of Mrs. Khushboo Mandawewala as Whole time Director for a period of 3 years w.e.f 29th July 2019; (ii) Amendment in AYM ESOP Scheme 2018
2018-19	(postal ballot) 20/03/2019	(i) Extension of the term of Mr. Mohan Tandon, Independent Director and re appointment of Mr. Atul Desai and Mr. Mohan Tandon, Independent Directors for 5 years.
2019-20	29/09/2020	Nil
2020-21	29/09/2021	(i) Re-appointment of Mr. Abhishek Mandawewala as Managing Director & Chief Executive Officer and Fixing of his Remuneration

9. MEANS OF COMMUNICATION

a. The quarterly Un-audited Financial Results and Yearly Audited Financial Results of the Company are sent to the BSE Limited and National Stock Exchange immediately after they are approved by the Board of Directors in their Board meetings.

b. The quarterly Un-audited Financial Results and Yearly Audited Financial Results of the Company has been advertised in Newspapers, details of which are as mentioned herein below:

Quarter/Year End	Date of Publication	Name of Newspaper
31.03.2021	Sunday, 16 May 2021	The Financial Express (E), Ahmedabad edition
	Monday, 17 May 2021	The Financial Express (G), Ahmedabad edition
30.06.2021	Sunday, 1 August 2021	The Financial Express (E), Ahmedabad edition
	Monday, 2 August 2021	The Financial Express (G), Ahmedabad edition
30.09.2021	Sunday, 31 October 2021	The Financial Express (E), Ahmedabad edition
	Monday, November 1, 2021	The Financial Express (G), Ahmedabad edition
31.12.2021	Monday, January 31, 2022	The Financial Express (E), Ahmedabad edition
	Monday, January 31, 2022	The Financial Express (G), Ahmedabad edition

c. Website: https://www.aymsyntex.com/investors/financial-report/investors-financial-relation

d. Whether it also displays official news releases: No official news has been released during the year.

e. Presentation made to institutional investors or to the analysts: None

BOARD'S REPORT

10. GENERAL SHAREHOLDERS INFORMATION

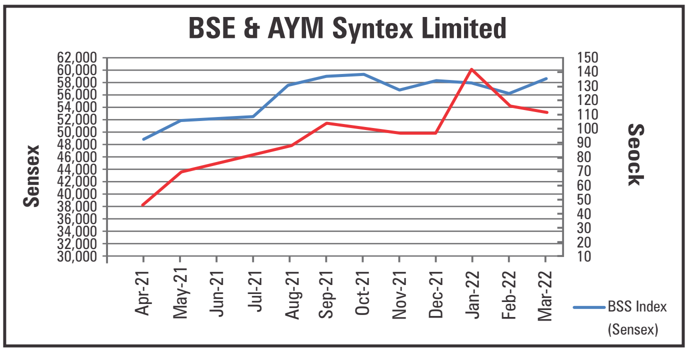
a.	39th Annual General Meeting Venue	:	Plot no. 1, Survey No. 374/1/1, Village saily, Silvassa, U. T. of Dadra & Nagar Haveli - 396230
b.	Financial year	:	From 01st April 2021 to 31st March 2022
c.	Dividend payment date	:	No Dividend recommended / declared during the year
d.	Listing on Stock Exchanges	:	i. National Stock Exchange of India Limited (NSE), Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra Kurla Complex Rd, Bandra East, Mumbai 400051. ii. Bombay Stock Exchange Limited (BSE), P. J. Tower, Dalal Street, Fort, Mumbai 400001. iii. Listing fees has been paid to BSE and NSE on 7th May 2021.
e.	Stock Code	:	Stock code No. is 508933 (BSE) and Symbol is AYMSYNTEX (NSE).

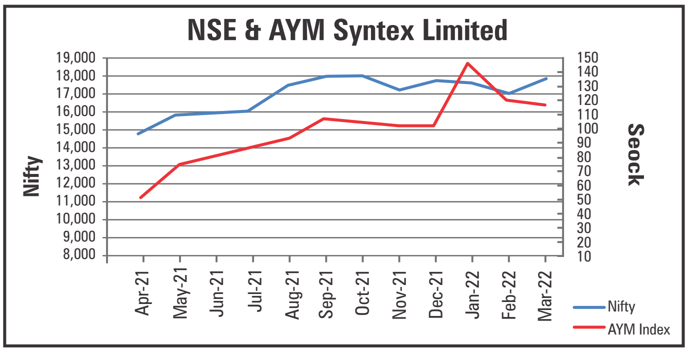
f. Market Price Data- High-Low Quotations on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), Mumbai during each month for the year 01 April 2021 to 31 March 2022:

Month	AYM Syntex Stock monthly high and low on Bombay Stock Exchange (Rs)		Sensex		AYM Syntex Stock monthly high and low on Bombay Stock Exchange (Rs)		Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr-21	49.95	41.00	50375.77	47204.50	49.95	41.40	15044.35	14151.40
May-21	78.80	45.25	52013.22	48028.07	70.45	47.25	15606.35	14416.25
Jun-21	78.85	65.60	53126.73	51450.58	78.90	66.00	15915.65	15450.90
Jul-21	86.90	73.10	53290.81	51802.73	86.85	73.50	15962.25	15513.45
Aug-21	98.10	75.00	57625.26	52804.08	98.20	75.00	17153.50	15834.65
Sep-21	116.05	87.00	60412.32	57263.90	114.00	86.40	17947.65	17055.05
Oct-21	123.00	97.00	62245.43	58551.14	121.50	98.05	18604.45	17452.90
Nov-21	117.00	95.35	61036.56	56382.93	114.95	94.60	18210.15	16782.40
Dec-21	114.00	90.10	59203.37	55132.68	105.95	91.00	17639.50	16410.20
Jan-22	158.50	95.70	61475.15	56409.63	158.35	95.65	18350.95	16836.80
Feb-22	142.55	97.00	59618.51	54383.20	143.40	101.00	17794.60	16203.25
Mar-22	121.00	95.20	58890.92	52260.82	122.00	100.10	17559.80	15671.45

g. Performance in comparison to broad-based indices i.e. BSE - Sensex and NSE - Nifty through Graph is as under:

Month	BSE Index (Sensex)	AYM Syntex Stock month end closing price on BSE (Rs.)	NSE Nifty	AYM Syntex Stock month end closing price on BSE (Rs.)
Apr-21	48782.36	47.40	14631.10	46.85
May-21	51937.44	69.55	15582.80	69.80
Jun-21	52482.71	75.10	15721.50	75.00
Jul-21	52586.84	81.30	15763.05	81.35
Aug-21	57552.39	88.40	17132.20	88.35
Sep-21	59126.36	103.00	17618.15	102.60
Oct-21	59306.93	99.35	17671.65	99.55
Nov-21	57064.87	97.00	16983.20	96.65
Dec-21	58253.82	97.70	17354.05	97.45
Jan-22	58014.17	142.05	17339.85	142.00
Feb-22	56247.28	116.95	16793.90	116.55
Mar-22	58568.51	112.35	17464.75	112.40





h. Securities are not suspended from trading.

i. Registrar and Share Transfer Agent:

Link Intime India Private Limited

Address	:	C-101,247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083
Tel. No.	:	022 - 49186270
Fax No.	:	022 – 49186060,
E-mail	:	rnt.helpdesk@linkintime.co.in
Website	:	www.linkintime.co.in

BOARD'S REPORT

j. **Share Transfer System**

The Shares of the Company are fully dematerialized under the category of compulsory delivery in dematerialized mode by all categories of investors. Shares sent for transfer in physical form are registered by the Company's Registrar and Share Transfer Agents within 15 days from the date of receipt of documents, if the same are found in order. Shares under objection are returned within three days.

k. **Distribution of Shareholding**

The distribution of shareholding as on 31 March 2022 is as follows:

Shareholding of nominal value In Rs.	Share holders Number	% of Total	Amount In Rs.	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 5,000	9888	86.8664	10772290	2.1479
5,001 - 10,000	621	5.4555	5196410	1.0361
10,001 – 20,000	340	2.9869	5233490	1.0435
20,001 – 30,000	135	1.186	3433870	0.6847
30,001 – 40,000	61	0.5359	2215680	0.4418
40,001 – 50,000	82	0.7204	3914700	0.7805
50,001 - 1,00,000	112	0.9839	8457820	1.6864
1,00,001 and above	144	1.265	462311980	92.1792
TOTAL	**11383**	**100.00**	**501536240**	**100.00**

l. **Dematerialization of shares and liquidity**

The Shares of the Company are fully dematerialized under the category of compulsory delivery in dematerialized mode by all categories of investors.

The dematerialized shares are directly transferred to the beneficiaries by the depositories.

The Company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March 2022, 99.95 % of the shares of the Company are dematerialized.

Bifurcation of shares are mentioned below:

Category	As as 31 March 2022	% of Shareholding
No. of shares held by NSDL	4,30,21,114	85.78%
No. of shares held by CDSL	71,08,838	14.17%
Physical	23,672	0.05%
Total	**5,01,53,624**	**100.00**

m. The Company has not issued any GDRs/ ADRs.

n. Commodity price risk or foreign exchange risk and hedging activities: Refer to Management Discussion & Analysis' Section of this Report.

o. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

1. number of complaints filed during the financial year : **Nil**
2. number of complaints disposed of during the financial year : **Nil**
3. number of complaints pending as on end of the financial year. **Nil**

p. **Location of plant**

Rakholi Plant and Registered Office	:	Plot no. 1, Survey No. 374/1/1, Village Saily, Silvassa 396230, U. T. of Dadra & Nagar Haveli
Palghar Plant	:	Plot no. I, 40 to 45, 116 to 118, Dewan Industrial Estate, Mahim Village, Palghar (W) - 401404, Dist - Palghar, Maharashtra
Naroli Plant	:	Survey Number 174/2 situated at Village Naroli of the Union Territory of Dadra & Nagar Haveli
Address for Correspondence	:	9th Floor, Trade world, "B" Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013
Telephone No	:	022 – 61637000/7001
Fax No	:	022 – 24937725
E-mail id	:	investorrelations@aymgroup.com
Website	:	www.aymsyntex.com
Compliance Officer and Secretary	:	Mr. Ashitosh Sheth

11. OTHER DISCLOSURES

a. **Related party transactions:**

During the year there is no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The Company's policy on dealing with Related Party Transactions as required under Regulation 23 of the SEBI Regulations, 2015 is hosted on the Company's website and a web link thereto is as under:
https://www.aymsyntex.com/investors/corporate-governance/policies-code-compliances

b. No penalties, strictures were imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

c. Whistle Blower Policy and Vigil Mechanism

The Company has a Whistle Blower Policy and Vigil Mechanism for its directors and employees and no personnel have been denied access to the Audit Committee. A copy of policy is displayed on the website of the Company at
https://www.aymsyntex.com/investors/corporate-governance/policies-code-compliances

BOARD'S REPORT

d. Credit Rating

India Rating 2nd June, 2021			
Instrument type	**Size of issue (million)**	**Rating/ Outlook**	**Rating action**
Term loan	1635.86	IND A/Stable	
Fund based working capital limits	624.5	IND A/Stable	
Non-fund based working capital limits	2030	IND A1	Affirmed
Proposed Working capital *	645.4	IND A/Stable/ IND A1	
*Proposed Working capital Limits: Fund-based - INR165.5 Mn; Non-Fund based limit - INR479.9 Mn			

CARE 25TH August, 2021			
Instrument type	**Rs. In crore**	**Rating/Outlook**	**Rating action**
Long term Bank facilities	141.88	CARE A-; Positive (Single A minus; Outlook: Positive)	Reaffirmed; Outlook Positive revised from Stable
Short term bank facilities	330.00	CARE A2+ (A Two Plus)	Reaffirmed

e. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

f. Total fees paid to Statutory Auditors of the Company

The total amount of fees paid to the Statutory Auditors of the Company during the financial year 2021-22 is stated in Notes to financial statements, which forms part of this Annual Report.

g. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of Board's Report.

h. Details of Compliance of the mandatory and non-mandatory clauses of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. The Company has complied with mandatory requirements as mentioned under Regulations 17 to 27 of SEBI (LODR) Regulations, 2015 and has adopted the following discretionary requirements on Corporate Governance as recommended hereunder:

   - The Company has separate individuals occupying the position of Chairman and that of Managing Director and CEO;

   - The Internal Auditor reports directly to the Audit Committee.

2. Web link where policy for determining material subsidiaries is disclosed

   - The Company does not have subsidiary company.

3. Web link where policy on dealing with related party transactions:
   https://www.aymsyntex.com/investors/corporate-governance/policies-code-compliances

i. Code of conduct

The Company has established a Code of Conduct for its Board members and its Senior Management Personnel. The Code of Conduct for the Board members and Senior Management Personnel is available on the Company's website at:
https://www.aymsyntex.com/investors/corporate-governance/policies-code-compliances

All the Board members and Senior Management Personnel have complied with the Code of Conduct.

j. Compliance certificate from auditors regarding compliance of conditions of corporate governance shall be annexed with the directors' report.

k. Disclosure of Shares held in suspense account under Clause F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	No of Holders	No of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	132	6736
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	-	-
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	132	6736

The voting rights on these shares shall remain frozen until the shares have been claimed by and transferred to the rightful owner.

On behalf of Board of Directors

Sd/-
Abhishek Mandawewala
Managing Director & CEO

Place: Mumbai
Date: May 07, 2022

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of AYM Syntex Limited

We have examined the compliance of conditions of Corporate Governance by AYM Syntex Limited, for the year ended March 31, 2022 as stipulated in Regulations 17, 17A 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us,

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Price Waterhouse Chartered Accountants
LLP Firm Registration Number: 012754N/N500016

Sd/-
Pankaj Khandelia
Partner
Membership No: 102022

UDIN : 22102022AIOCRS6175
Place: Mumbai
Date: May 07, 2022

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of

AYM Syntex Limited

Report on the Audit of the Financial statements

Opinion

1. We have audited the accompanying financial statements of AYM Syntex Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" 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 thereunder, 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

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of realisability of Minimum Alternate Tax ('MAT') credit entitlement (Refer note 8 and 36 of the financial statements) The Balance of Minimum Alternate Tax ('MAT') credit entitlement classified under Deferred Tax Assets (net) in the balance sheet as on March 31, 2022 is Rs. 6074.16 lakhs. Entitlement of MAT credit is recognised to the extent there is convincing evidence that the Company will be able to utilise the said credit against normal tax payable during the period of fifteen years succeeding the year of filing of return of Income tax. Thus, the deferred tax asset is recognised to the extent it is recoverable based on the Company's probable taxable profits in the forthcoming years. We considered the realisability of MAT credit entitlement to be a key audit matter as the amount is material to the financial statements and there is significant management judgement involved while applying various assumptions in preparation of forecasts which mainly include future business growth rates and expected taxable profits.	**To evaluate the realisability of MAT Credit entitlement, our procedures included the following:** • Understood and evaluated the design and tested the operating effectiveness of the Company's controls over preparation of forecasts. • Assessed the historical accuracy of the Company's Board approved forecasts by comparing the forecast approved in the prior year with the actual performance in the current year. • Tested the mathematical accuracy of the underlying calculations and compared the forecasts with the budgets approved by the Board of Directors. • Assessed the reasonableness of assumptions used in the preparation of forecasts with external and internal factors including business and industry growth rates, impact of COVID-19 and the Company's past performance. • Applied sensitivity to the forecasts to assess whether the MAT credit carried as an asset would be utilised by the Company within the permitted remaining time period. Based on the above procedures, we did not find any material exception to the Company's judgement in preparation of forecasts of future taxable profits for the assessment of realisability of the MAT credit entitlement.

INDEPENDENT AUDITOR'S REPORT

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including annexures to the Director's report, Management discussion and analysis and Managing Director & CEO's letter to shareholders, but does not include the financial statements and our auditor's report thereon.

   The Director's report including annexures to the Director's report, Management discussion and analysis were obtained prior to the date of this auditor's report. However, the Managing Director & CEO's letter to shareholders is expected to be made available to us after the date of this auditor's report.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the Director's report including annexures to the Director's report, and Management discussion and analysis and, in doing so, consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

   In connection with our audit of the financial statements, our responsibility is to also read the Managing Director & CEO's letter to shareholders when it becomes available and, in doing so, consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Managing Director & CEO's letter to shareholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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

INDEPENDENT AUDITOR'S REPORT

decisions of users taken on the basis of these financial statements.

9. 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 financial statements, 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 management.

   - Conclude on the appropriateness of management's 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 statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.

11. 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.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 to the financial statements;

ii. The Company has long-term contracts as at March 31, 2022 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at March 31, 2022.

iii. The instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022 are as follows:

(a) Unclaimed preference dividend of Rs. 0.16 lakhs was due to be transferred to the Investor Education and Protection Fund on November 30, 2021, was transferred subsequent to the year end on April 28, 2022.

(b) Redemption amount of preference shares of Rs. 0.21 lakhs was due to be transferred to the Investor Education and Protection Fund on November 30, 2021, was transferred subsequent to the year end on April 28, 2022.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50(a) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50(a) to the financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-
Pankaj Khandelia
Partner
Membership Number: 102022
UDIN: 22102022AIOCOG9623

Place: Mumbai
Date: May 07, 2022

INDEPENDENT AUDITOR'S REPORT

ANNEXURE A

TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of AYM Syntex Limited on the financial statements for the year ended March 31, 2022.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of AYM Syntex Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being

INDEPENDENT AUDITOR'S REPORT

made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-
Pankaj Khandelia
Partner

Place: Mumbai — Membership Number: 102022
Date: May 07, 2022 — UDIN: 22102022AIOCOG9623

INDEPENDENT AUDITOR'S REPORT

ANNEXURE B

TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of AYM Syntex Limited on the financial statements as of and for the year ended March 31, 2022

I (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in Note 3(a) on Property Plant and Equipment and Note 3(b) on Right of Use Assets to the financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company
Freehold Land	Rs. 4.63 lakhs	Mr. Mulji Ravji Bhagat, Mr. Harji Ravji Bhagat and others.	No	Since March 31, 2003	Under process of name change
Residential Flats	Rs. 14.85 lakhs	Documents of title deeds are not traceable	No	Since September 30, 1998	Documents of title deeds are not traceable

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also refer Note 50(a) to the financial statements)

iii The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

INDEPENDENT AUDITOR'S REPORT

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of Income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 40 to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of sales tax, value-added tax, excise duty and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax and customs duty referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)*	Period to which the amount relates	Forum where the dispute is pending
The Income tax Act, 1961	Income tax	5.33	Assessment Years 2013-14 and 2014-15	Commissioner of Income Tax (Appeals), Mumbai
The Finance Act, 1994	Service Tax	1.95	Financial Years 2005-06 and 2006-07	Central Excise and Service Tax Appellate Tribunal, Ahmedabad
		111.92	Financial Year 2006-07	Commissioner CGST & CE, Vapi
		213.37	Financial Years 2007-08 to 2012-13	Commissioner CGST & CE, Vapi
		95.27	Financial Years 2013-14 and 2014-15	Commissioner CGST & CE, Vapi
		461.40	Financial Year 2014-15	Central Excise and Service Tax Appellate Tribunal, Ahmedabad
		62.10	Financial Year 2015-16	Commissioner CGST & CE, Vapi
		15.03	Financial Years 2015-16 to 2017-18	Commissioner (Appeal), CGST & CE, Surat

Name of the statute	Nature of dues	Amount (₹ in Lakhs)*	Period to which the amount relates	Forum where the dispute is pending
The Customs Act, 1962	Duty to Customs	25.00	Financial Year 2013-14	Commissioner of Customs (Appeals), Mumbai
		64.26	Financial Year 2014-15	Commissioner of Customs (Appeals), Raigad

*Net of amount paid under protest

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which

INDEPENDENT AUDITOR'S REPORT

they were obtained. (Also refer Note 50(a) to the financial statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, clauses ix(e) are not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, clauses ix(f) are not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

INDEPENDENT AUDITOR'S REPORT

(b) The Company has not conducted non-banking financial activities or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, clauses xvi(d) are not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 50(b) to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-
Pankaj Khandelia
Partner
Membership Number: 102022
UDIN: 22102022AIOCOG9623

Place: Mumbai
Date: May 07, 2022

BALANCE SHEET

as at March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	3a	44,228.72	41,318.14
(b) Right-of-use assets	3b	1,637.27	519.15
(c) Capital work-in-progress	3a	1,495.32	1,722.22
(d) Intangible assets	4	31.82	39.99
(e) Financial assets			
i. Loans	5	55.38	11.11
ii. Other financial assets	6	228.99	87.98
(f) Income tax assets (net)	7	108.64	108.25
(g) Deferred tax assets (net)	8	2,195.55	3,674.34
(h) Other non-current assets	9	642.78	553.43
Total Non-Current Assets		**50,624.47**	**48,034.61**
2. Current Assets			
(a) Inventories	10	18,828.65	15,817.65
(b) Financial assets			
i. Trade receivables	11	11,191.19	10,001.53
ii. Cash and cash equivalents	12	385.07	702.39
iii. Bank balances other than cash and cash equivalents above	13	1,688.72	2,379.05
iv. Loans	14	59.62	40.22
v. Other financial assets	15	31.20	51.39
(c) Other Current Assets	16	9,856.10	6,533.85
Total Current Assets		**42,040.55**	**35,526.08**
Total Asset		**92,665.02**	**83,560.69**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17(a)	5,015.36	5,003.53
(b) Other equity			
Reserves and Surplus	17(b)	35,981.98	30,762.47
Total Equity		**40,997.34**	**35,766.00**
1. Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
i. Borrowings	18	14,668.41	15,541.11
ii. Lease Liabilities	3(b)	946.97	249.70
iii. Other financial liabilities	19	502.96	-
(b) Employee benefit obligations	20	806.83	853.14
(c) Other non current liabilities	21	0.45	5.87
Total non-current liabilities		**16,925.62**	**16,649.82**
2. Current liabilities			
(a) Financial liabilities			
i. Borrowings	22	12,654.25	6,485.80
ii. Lease Liabilities	3(b)	698.79	341.93
ii. Trade payables	23		
Dues to micro, small and medium enterprises		1,904.83	1,185.50
Dues to creditors other than micro, small and medium enterprises		16,289.16	20,427.16
iii. Other financial liabilities	24	1,139.79	1,374.49
(b) Employee benefit obligations	25	738.44	757.07
(c) Income tax liabilities	26	581.61	64.82
(d) Other Current Liabilities	27	735.19	508.10
Total Current Liabilities		**34,742.06**	**31,144.87**
Total Liabilities		**51,667.68**	**47,794.69**
Total Equity and Liabilities		**92,665.02**	**83,560.69**

Notes forming part of the financial statements
The above Balance Sheet should be read in conjunction with the accompanying notes.
This is the Balance Sheet referred to in our report of the even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016

Pankaj Khandelia
Partner
Membership No. 102022

Place: Mumbai
Date: May 07, 2022

For and on behalf of the Board of Directors

Rajesh Mandawewala
Chairman
DIN 00007179

Abhishek Mandawewala
CEO and Managing Director
DIN 00737785

Himanshu Dhaddha
Chief Financial Officer

Ashitosh Sheth
Company Secretary

STATEMENT OF PROFIT AND LOSS
for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue from operations	28	149,145.95	94,741.03
Other income	29	435.91	280.72
Total income		**149,581.86**	**95,021.75**
EXPENSES			
Cost of materials consumed	30	87,863.27	51,473.45
Changes in inventories of finished goods and goods-in-process	31	(2,467.52)	(1,691.78)
Employee benefit expense	32	6,458.35	6,242.05
Depreciation and amortization expense	33	5,055.83	4,269.74
Other expenses	34	41,121.29	29,580.67
Finance costs	35	3,593.89	3,409.13
Total expenses		**141,625.11**	**93,283.26**
Profit Before Tax		**7,956.75**	**1,738.49**
Income Tax Expense	36		
Current tax		1,403.55	398.06
Deferred tax		1,471.78	(69.05)
Total Tax Expense		**2,875.33**	**329.01**
Profit for the year		**5,081.42**	**1,409.48**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Add : Remeasurements of post employment benefit obligations	32	20.08	(45.08)
Less : Income tax effect on above	36	7.02	(15.75)
Other comprehensive income for the year, net of tax		**13.06**	**(29.33)**
Total Comprehensive Income for the Year		**5,094.48**	**1,380.15**
Earnings per share	42		
Basic (₹)		10.14	2.82
Diluted (₹)		10.01	2.81

Notes forming part of the financial statements
The above Balance Sheet should be read in conjunction with the accompanying notes.
This is the Balance Sheet referred to in our report of the even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016

Pankaj Khandelia
Partner
Membership No. 102022

Place: Mumbai
Date: May 07, 2022

For and on behalf of the Board of Directors

Rajesh Mandawewala
Chairman
DIN 00007179

Abhishek Mandawewala
CEO and Managing Director
DIN 00737785

Himanshu Dhaddha
Chief Financial Officer

Ashitosh Sheth
Company Secretary

STATEMENT OF CASH FLOW

for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	7,956.75	1,738.49
Adjustments for:		
Depreciation and amortisation expense	5,055.83	4,269.74
Finance costs	3,593.89	3,409.13
Net unrealised foreign exchange (gain)/loss	(29.37)	60.74
Lease concessions	-	(73.57)
Share based expense	125.03	31.59
Loss / (Gain) on sale of investments (Net)	(3.92)	(3.25)
Loss on sale/discard of property, plant and equipment (Net)	234.59	247.19
Interest income	(89.61)	(151.28)
Operating profit before changes in operating assets and liabilities	**16,843.19**	**9,528.78**
Adjustments for changes in operating assets and liabilities:		
(Increase) / decrease in inventories	(3,011.00)	(2,928.02)
(Increase) / decrease in trade receivables	(1,189.66)	1,239.96
Increase / (decrease) in trade payables	(3,389.48)	2,994.18
Increase / (decrease) in other current financial liabilities	7.41	21.44
Increase / (decrease) in employee benefit obligations	(44.86)	495.81
Increase / (decrease) in other current liabilities	227.09	91.56
Increase / (decrease) in other non-current liabilities	(5.42)	(5.42)
(Increase) / decrease in Loans and other financial assets	(228.44)	(52.78)
(Increase) / decrease in other current and non-current financial assets	(3,314.00)	(1,011.71)
Cash Generated from Operations	**5,894.83**	**10,373.80**
Income tax paid	(886.76)	(367.98)
Net cash generated from operating activities	**5,008.07**	**10,005.82**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant, equipment and intangible assets	(6,530.17)	(2,420.41)
Proceeds from sale of property, plant and equipment	27.44	361.64
Realisation / (investment) in fixed deposit and margin money (Net)	690.33	(288.28)
Sale / (Purchase) of Investment (Net)	3.92	3.25
Interest received	109.80	158.21
Net cash used in investing activities	**(5,698.68)**	**(2,185.59)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	11.83	6.02
Proceeds / (Repayments) of long term borrowings	(488.08)	(829.12)
Proceeds / (Repayments) of short term borrowings	4,887.96	(3,547.08)
Principal elements of lease payments	(444.23)	(269.85)
Finance costs paid	(3,594.19)	(2651.02)
Net cash generated from / (used in) financing activities	**373.29**	**(7,291.05)**
Net (decrease) / increase in Cash and Cash Equivalents	**(317.32)**	**529.18**
Cash and cash equivalents at the beginning of the year	702.39	173.21
Cash and cash equivalents at the end of the year	**385.07**	**702.39**
Non-cash investing/ financing activities		
- Acquisition of right-of-use assets	1,533.78	394.80
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of:		
Cash on Hand (Refer Note 12)	14.45	22.52
Balance with banks in current accounts (Refer Note 12)	370.62	679.87
Cash and bank balances at the end of the year	**385.07**	**702.39**

Notes :

1) Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS) 3 "Statement of Cash Flows".

2) Previous year figures are regrouped/reconsidered wherever necessary.

This is the Cash Flow Statement referred to in our report of the even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016

Pankaj Khandelia
Partner
Membership No. 102022

Place: Mumbai
Date: May 07, 2022

For and on behalf of the Board of Directors

Rajesh Mandawewala
Chairman
DIN 00007179

Abhishek Mandawewala
CEO and Managing Director
DIN 00737785

Himanshu Dhaddha
Chief Financial Officer

Ashitosh Sheth
Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

A EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Balance as at April 1, 2020		**4,997.51**
Changes in equity share capital during the year	17(a)	6.02
Balance as at March 31, 2021		**5,003.53**
Changes in equity share capital during the year	17(a)	11.83
Balance as at March 31, 2022		**5,015.36**

B OTHER EQUITY

Particulars	Notes	Reserves and Surplus						Total Other Equity
		Capital reserve	Securities premium reserve	General Reserve	Share options outstanding account	Capital Redemption Reserve	Retained earnings	
Balance as at 1 April 2020		**2,664.93**	**6,996.35**	**107.06**	**94.39**	**293.36**	**19,194.64**	**29,350.73**
Profit for the year		-	-	-	-	-	1,409.48	**1,409.48**
Other comprehensive income		-	-	-	-	-	(29.33)	**(29.33)**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**1,380.15**	**1,380.15**
Share options outstanding account	**17(b)**	-	20.04	-	31.59	-	-	**51.63**
Employee stock options exercised	**17(b)**	-	-	-	(20.04)	-	-	**(20.04)**
Balance as at 31 March 2021		**2,664.93**	**7,016.39**	**107.06**	**105.94**	**293.36**	**20,574.79**	**30,762.47**
Balance as at 1 April 2021		**2,664.93**	**7,016.39**	**107.06**	**105.94**	**293.36**	**20,574.79**	**30,762.47**
Profit for the year		-	-	-	-	-	5,081.42	**5,081.42**
Other comprehensive income		-	-	-	-	-	13.06	**13.06**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**5,094.48**	**5,094.48**
Share options outstanding account	**17(b)**	-	40.20	-	125.03	-	-	**165.23**
Employee stock options exercised	**17(b)**	-	-	-	(40.20)	-	-	**(40.20)**
Balance as at 31 March 20222		**2,664.93**	**7,056.59**	**107.06**	**190.77**	**293.36**	**25,669.27**	**35981.98**

Notes :

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Statement of Changes in Equity referred to in our report of the even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016

Pankaj Khandelia
Partner
Membership No. 102022

Place: Mumbai
Date: May 07, 2022

For and on behalf of the Board of Directors

Rajesh Mandawewala
Chairman
DIN 00007179

Abhishek Mandawewala
CEO and Managing Director
DIN 00737785

Himanshu Dhaddha
Chief Financial Officer

Ashitosh Sheth
Company Secretary

NOTES
to financial statements for the Year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

GENERAL INFORMATION

AYM Syntex Limited (herein referred to as "AYM" or "the Company") is public limited Company incorporated and domiciled in India. The address of its registered office is Survey No. 374/1/1, Saily, Silvassa -396230 (U.T. of Dadra & Nagar Haveli), India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). Since its inception, it has grown manifold and today is amongst the largest manufacturers and exporters of Polyester Filament Yarn, Nylon Filament Yarn and Bulk Continuous Filament Yarn from India.

The financial statements were authorized for issue by the board of directors on May 07, 2022.

Note 1: Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation of Financial Statements

(i) Compliance with Ind AS

The financial statements have been prepared in accordance with the accounting principles generally accepted in India and comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, presentation requirement of Division II of Schedule III of the Companies Act, 2013 and other relevant provisions of the Act as amended from time to time.

(ii) Historical cost convention

The financial statements have been prepared on an accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except as stated in subsequent policies for the following items:

- Certain financial assets and liabilities - Fair value
- Assets held for sale – Lower of cost or fair value less cost of sale
- Share based payments – Fair value

1.2 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupees (INR), which is Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated and recorded into the functional currency using the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses, as applicable.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The Company has applied the exemption from the transition date i. e. April 1, 2016 in respect of accounting policy followed for long term foreign currency monetary items. Accordingly foreign exchange differences, in respect of the long term foreign currency items till the year ended March 31, 2017, on account of depreciable assets are adjusted in the cost of depreciable assets and depreciated over the balance life of the assets.

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

1.3 Revenue recognition

The Company derives revenues primarily from sale of manufactured goods and related services.

The Company has assessed revenue contracts and revenue is recognized upon satisfying specific performance obligations in accordance with provisions of contract with the customer.

It recognizes revenue when control over the promised goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange of those goods or services. This is generally determined when documents of title/goods are delivered/shipped to the customer in accordance with the agreed terms, following which the customer has full discretion over responsibility, manner of distribution and price to sell the goods and bears the risks of obsolescence and loss in relation to the goods and there is no unfulfilled obligation that would affect customer's acceptance of the product. All the foregoing occurs at a point in time upon shipment or delivery of the documents of title/product or goods.

The Company considers terms of the contract in determining the transaction price. The price is based on the amount that reflects the consideration the Company expects to be entitled to in exchange for transfer of promised products or services to the customer. The Company considers freight, insurance and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for such activities are recorded as a component of revenue.

In certain customer contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a distinct separate performance obligation and revenue is recognized when such freight services are rendered. The related shipping and handling costs incurred are included in freight expenses when the Company is acting as principal in the shipping and handling arrangement.

For volume discounts and pricing incentives / concessions offered to the customers, the Company makes estimates and provide for based on customer performance and sales volume, which is recorded as deductions from Revenue.

Revenue from sale of by-products are included in revenue. Revenue from services is recognized when the services are completed.

Revenue excludes any taxes and duties collected on behalf of the government.

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company does not have any contracts where in the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

A receivable is recognized when the goods are delivered and to the extent it has an unconditional right to consideration (i.e. only the passage of time is required before the payment of consideration is due).

Consideration received before a related performance obligation is satisfied or before the Company transfer goods or services to the customer are recognized as contract liabilities. Contract liabilities are recognized as revenue when the Company completes its performance obligation under the contract.

Export Incentives

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received. Export benefits arising from duty drawback scheme, remission of duties and taxes on export products and merchandise export incentive scheme are recognised on shipment for export at the rate at which they accrue and is included in other operating income.

1.4 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate on a systematic basis and presented either under "other operating income" or are deducted in reporting the related expense. Government grants that are receivable as compensation for

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

expenses or losses already incurred are recognised in the statement of profit and loss in the period in which they become receivable. The presentation approach is applied consistently to all similar grants.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to profit or loss over the periods and in proportions in which depreciation expense on those assets is recognized.

1.5 Income Tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

a) Current income tax

Current income tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred income tax

Deferred income tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The carrying amount of deferred income tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are off-set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority and the Company intends to settle its current tax assets and liabilities on net basis.

Current and Deferred Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax ('MAT') credit entitlement is recognized as a deferred tax asset by crediting the Statement of profit and loss only when and to the extent there is convincing evidence that MAT credit will reverse in the foreseeable future and the Company will be able to utilize the said credit against normal tax payable during the specified period.

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

1.6 Leases

- As a lessee

Leases are recognised as a right-of-use (ROU) asset and a corresponding liability at the date at which the leased asset is available for use by the Company for all leases except short-term leases. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities are recognized based on the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate at the date of initial application is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are measured at cost comprising the following:

- initial amount of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

They are subsequently measured at cost less accumulated depreciation. ROU assets are depreciated from the commencement date over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Lease liability and ROU assets have been separately disclosed in the Balance Sheet and lease payments have been classified as financing cash flows.

Payments associated with short-term leases are recognised as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

1.7 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable on making the asset ready for its intended use and relevant borrowing cost for qualifying assets and any expected cost of decommissioning.

Subsequent costs of replacement and major maintenance or repair (overhaul costs) are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Company and the cost can be measured reliably. The carrying amount of any assets or component of an asset replaced is derecognized when replaced. Overhaul costs associated with major maintenance are capitalized and depreciated over their useful lives. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated. Leasehold improvements are amortized over the shorter of estimated useful life or the related lease term, unless the entity expects to use the assets beyond the lease term. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Assets	Useful life
Office Equipment	05 years
Furniture and fixtures	10 years
Computer Hardware and Software	03/05 years
Vehicles	08 years
Plant and machinery*	7 to 25 years
Electrical installation	10 years
Factory Building	30 years
Residential and other Buildings	60 years
Other Building (Carpeted Roads)	10 years

*Extra shift depreciation is provided.

The useful lives have been determined based on Schedule II of the Companies Act, 2013. Useful lives determined based on technical evaluation by the expert is equal to or lower than those specified in the Schedule II. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately, if its useful life differs from that of other components of the asset.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

As asset's carrying amount is written down immediately to its recoverable amount upon disposal or when no future economic benefits are expected to arise from continued use of asset. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income, as applicable.

1.8 Intangible assets

a) Intangible assets with finite useful lives:

Intangible assets with finite useful lives acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

b) Research and Development

Research expenditure and development expenditure that do not meet the criteria in Note 1.8(a) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent period.

c) **Amortization methods and periods**

Intangible assets comprise of computer software and licenses which are amortized on a straight-line basis over the expected useful life over a period of five years.

1.9 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An impairment loss or a reversal of an impairment loss is immediately recognized in the statement of profit and loss.

1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less cost to sell of an assets, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current assets is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale.

1.11 Inventories

Raw materials and stores, goods-in-process and finished goods

Raw materials, stores, goods-in-process and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on moving weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Investments and Other Financial Assets

a) **Classification**

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

For investments in debt instruments, recognition will depend on the business model in which the investment is held.

For investments in equity instruments, recognition will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sale the financial asset.

c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(i) Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

- **Fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other expenses or other incomes, as applicable. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign Exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

- **Fair value through profit or loss:**

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other expenses or other incomes, as applicable in the period in which it arises. Interest income from these financial assets is included in other income.

(ii) Equity instruments:

The Company measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there will be no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

d) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 39 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected

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to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

lifetime losses to be recognised from initial recognition of the receivables.

e) Derecognition of financial assets revenue recognition

A financial asset is derecognized only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- it retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

f) Income recognition

(i) Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortized cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(ii) Dividends

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents includes outstanding bank overdraft, if any, shown within borrowings in statement of financial position and which are considered as integral part of Company's cash management policy.

h) Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components or pricing adjustment embedded in the contract, when they are recognised at fair value.

Financial liabilities

a) Measurement:

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortized cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability

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irrevocably designated as measured at fair value through profit or loss. Liabilities from finance lease agreements are measured at the lower of fair value of the leased asset or present value of minimum lease payments.

b) Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as consequence of the breach.

d) Trade and other payables:

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

e) Derivatives and hedging activities

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

f) Derivatives that are not designated as hedges

The Company enters into derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

g) Embedded Derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when

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(All amounts in ₹ Lakhs, unless otherwise stated)

determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

h) Embedded foreign currency derivatives:

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- The functional currency of any substantial party to that contract,
- The currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world, or
- A currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Company currently does not have any such derivatives which are not closely related.

i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.13 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

1.14 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are rendered at the undiscounted amount of benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity, and
- Defined contribution plans such as provident fund and superannuation fund.

a) Defined Benefit Plans

(i) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the annual reporting period less the fair value of plan assets. The defined benefit cost is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. The service cost include current service cost, past service cost, gains and losses on curtailments and settlements. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Remeasurements are not reclassified to profit and loss in the subsequent periods.

b) Defined contribution plans

(i) Provident Fund, Employee State Insurance Corporation (ESIC) and Labour Welfare Fund (LWF).

The Contribution towards provident fund, ESIC, LWF for certain employees is made to the regulatory authorities where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations apart from the contributions made on a monthly basis.

(ii) Superannuation Fund

Contribution towards superannuation fund for certain employees is made to defined contribution scheme administered by insurance Company where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from contribution made on monthly basis.

Payment to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

c) Shared based payments

Employee options

The fair value of options under the AYM Syntax Limited Employee Option scheme is recognised as an employee benefits expense at the grant date with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

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- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period).

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the entity reviews its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity-settled employee benefits reserve.

Bonus Plan

The Company recognizes a liability and an expense for bonus where contractually obliged or where there is a past practice that has created a constructive obligation.

1.15 Provisions and contingent liabilities

a) Provisions

Provisions for legal claims, quality claims and volume discounts are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the nominal or present value of management's best estimate of the expenditure required, taking into account the risks and uncertainties surrounding the obligation, to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

c) Contingent Assets

Contingent Assets are disclosed, where an inflow of economic benefits is probable. The Company shall not recognised a contingent asset unless the recovery is virtually certain.

1.16 Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.17 Dividends

Provision is made for any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

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1.18 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (Note 42).

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director, who has been identified as the chief operating decision maker, assesses the financial performance and position of the Company and makes strategic decisions. Refer Note 48 for the segment information presented.

1.20 Exceptional items

Exceptional items are items of income or expense recorded in the year in which they have been determined by management as being material by their size or incidence in relation to the financial statements and are presented separately within the results of the Company. The determination of which items are disclosed as exceptional items affect the presentation of profit for the year and requires a degree of judgment.

1.21 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs with two decimal as per the requirement of Schedule III, unless otherwise stated.

Note 2: Significant accounting assumptions, estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise assumptions, estimates and judgements in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. Accounting estimates could change from period to period.

a) Estimation of current tax expense and deferred income tax

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (Refer Note 36).

The recognition of deferred income tax assets (including MAT Credit)/ liabilities is based upon management's assessment of future taxable profits for recoverability of the deferred benefit. Expected recoverability may result from sufficient and suitable taxable profits in the future, planned transactions and planned tax optimizing measures. To determine the future taxable profits, reference is made to the latest available profit forecasts.

b) Estimation of Provisions and Contingent Liabilities.

The Company exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision (Refer Note 40).

c) Estimated useful life of Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. Internal and external factors such as changes in the expected level of usage, technological developments, product life cycle, relative efficiencies and operating costs may impact their life and the residual value of these assets. This reassessment may result in change in depreciation and amortization expense and have an impact on profit in future years. For the relative size of the Company's property, plant and equipment and intangible assets (Refer Note 3 and 4).

d) Provision for inventories

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the carrying balances may not realised. The identification of write-downs requires the use of estimates of net selling prices, age and quality/condition of downgraded materials/inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

Write-downs of inventories to net realisable value amounted to ₹ 316.15 lakhs (March 31, 2021: ₹ 425.43 lakhs). These were recognised as an expense during the year and included in 'changes in the inventories of work-in-progress and finished goods' in statement of Profit and Loss.

e) Estimation of Defined Benefit Obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Significant judgements are required when setting these assumptions which include estimation of appropriate discount rate, inflation, salary growth, attrition rates and mortality rates. Any changes in these assumptions will impact the carrying amount of such obligations. All assumptions are reviewed at each reporting date.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer Note 32 for the details of the assumptions used in estimating the defined benefit obligation.

f) Estimation of impairment of non-current assets

Ind AS 36 requires that the Company assesses whether there is any indication of impairment to a cash generating unit assets. Based on the indications/conditions which can be external or internal, impairment testing requires an estimate of value in use of the assets. The company applies the discounted cash flow method based on the continued use of the assets in the present condition for calculation of value in use. In considering the value in use, the management requires the use of estimates of, among other uncertain variables, capacity utilization, sales, cost of materials, operating margins, rate of growth, currency rate movements and discount rates of the underlying business/operations. Any consequent changes to the cash flows due to changes in any of the above factors could impact the carrying value of the assets.

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(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 3A: PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Leasehold Improvements	Building	Plant & Machinery	Vehicles	Furniture and Fixtures	Equipments	Computers	Total	Capital work in progress
Year ended March 31, 2021 Gross carrying amount										
Opening gross carrying amount	1,590.42	17.31	8,147.78	47,002.99	147.18	207.50	187.33	475.99	**57,776.50**	711.56
Additions	17.00	-	-	53.37	76.11	28.45	6.95	2.42	**184.30**	2,793.87
Disposals	-	-	-	(856.03)	(39.87)	-	(9.59)	-	**(905.49)**	-
Transfers from CWIP	-	-	7.13	1,756.22	-	6.22	1.67	11.97	**1,783.21**	(1,783.21)
Closing gross carrying amount	**1,607.42**	**17.31**	**8,154.91**	**47,956.55**	**183.42**	**242.17**	**186.36**	**490.38**	**58,838.52**	**1,722.22**
Accumulated depreciation										
Opening accumulated depreciation	-	15.95	884.12	12,654.09	82.73	67.52	104.81	368.12	**14,177.34**	-
Depreciation charge during the year	-	0.32	311.74	3,554.38	18.85	22.79	27.87	43.16	**3,979.11**	-
Disposals	-	-	-	(593.98)	(33.33)	-	(8.76)	-	**(636.07)**	-
Closing accumulated depreciation	**-**	**16.27**	**1,195.86**	**15,614.49**	**68.25**	**90.31**	**123.92**	**411.28**	**17,520.38**	**-**
Net carrying amount as at March 31, 2021	**1,607.42**	**1.04**	**6,959.05**	**32,342.06**	**115.17**	**151.86**	**62.44**	**79.10**	**41,318.14**	**1,722.22**
Year ended March 31, 2022 Gross carrying amount										
Opening gross carrying amount	1,607.42	17.31	8,154.91	47,956.55	183.42	242.17	186.36	490.38	**58,838.52**	1,722.22
Additions	-	-	-	62.55	9.41	17.81	4.01	17.62	**111.40**	7,463.35
Disposals	-	-	-	(482.34)	-	-	(2.91)	(27.11)	**(512.36)**	-
Transfers from CWIP	-	-	-	7,523.62	-	1.31	5.31	160.01	**7,690.25**	(7,690.25)
Closing gross carrying amount	**1,607.42**	**17.31**	**8,154.91**	**55,060.38**	**192.83**	**261.29**	**192.77**	**640.90**	**66,127.81**	**1,495.32**
Accumulated depreciation										
Opening accumulated depreciation	-	16.27	1,195.86	15,614.49	68.25	90.31	123.92	411.28	**17,520.38**	-
Depreciation charge during the year	-	-	313.05	4,200.55	21.90	24.46	26.96	42.90	**4,629.82**	-
Disposals	-	-	-	(247.03)	-	-	(2.79)	(1.29)	**(251.11)**	-
Closing accumulated depreciation	**-**	**16.27**	**1,508.91**	**19,568.01**	**90.15**	**114.77**	**148.09**	**452.89**	**21,899.09**	**-**
Net carrying amount as at March 31, 2022	**1,607.42**	**1.04**	**6,646.00**	**35,492.37**	**102.68**	**146.52**	**44.68**	**188.01**	**44,228.72**	**1,495.32**

Notes:

(i) Refer to Note 18 for information on property, plant and equipment pledged as security by the Company.

(ii) Contractual obligations : Refer to Note 41 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iii) Borrowing costs allocated to fixed assets / capital work in progress is ₹ 39.12 (March 31, 2021 : ₹ Nil).

(iv) Capital work-in-progress - Capital work-in-progress mainly comprises of new plant and machinery for spinning and texturising process, being installed/constructed in India.

(v) In accordance with para D13AA of Ind AS 101 First time adoption of Indian Accounting Standards and the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the Company has adjusted the exchange rate difference arising on long term foreign currency monetary items, in so far as they relate to the acquisition of a depreciable capital asset, to the cost of the asset.

Accordingly, the Company has adjusted exchange gain of ₹ 8.95 lakhs (March 31, 2021: ₹ 45.28 lakhs) to the cost of property, plant and equipment as the long term monetary items relate to depreciable capital asset.

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NOTE 3a (i) CAPITAL WORK IN PROGRESS

(A) AGING OF CWIP:

Projects in progress	Amounts in capital work-in-progress for				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
March 31, 2022	1,495.32	-	-	-	1,495.32
March 31, 2021	1,559.76	64.43	10.13	87.90	1,722.22

NOTE 3a (ii) COMPLETION SCHEDULE FOR CAPITAL WORK-IN-PROGRESS WHOSE COMPLETION IS OVERDUE :

Projects in progress	To be Completed in				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
March 31, 2022	-	-	-	-	-
March 31, 2021	98.03	-	-	-	98.03

NOTE 3a (iii) TITLE DEEDS OF IMMOVABLE PROPERTY NOT IN THE NAME OF THE COMPANY

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Freehold Land	Building - Residential flats - Flat No. C-4-18 to C-4-23 (6 flats) at Vardhman Co-op. Hsg Soc.Ltd. Survey No. 91, Village Lavachha Tal. Pardi.	14.85	Original title deeds not traceable	No	30-Sep-98	Original title deeds not traceable
Building	Freehold land : Survey No.393/3,Hectre:8	4.63	'Mr. Mulji Ravji Bhagat, Mr. Harji Ravji Bhagat and others.	No	31-Mar-03	'Company is in process of executing Conveyance Deed and same is expected to be completed by the end of financial year 2022-23

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Note 3(b): LEASES

This note provides information for leases where the Company is a lessee.

The Company leases various offices, warehouses and vehicles etc. Rental contracts are typically made for fixed periods of 6 months to 3.5 years, but may have extension options as described in (ii) below.

(i) **Amounts recognised in balance sheet**

The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2022	As at March 31, 2021
Right-of-use assets		
Buildings	1,634.92	505.98
Vehicles	2.35	13.17
Total	**1,637.27**	**519.15**

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities		
Current	698.79	341.93
Non-current	946.97	249.70
Total	**1,645.76**	**591.63**

Additions to the right-of-use assets during the current financial year were ₹ 1533.78 lakhs (March 31, 2021: ₹ 394.80 lakhs).

(ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Note No	As at March 31, 2022	As at March 31,2021
Depreciation charge of right-of-use assets			
Buildings	33	394.45	250.51
Vehicles	33	9.79	21.18
Total		**404.24**	**271.69**

Particulars	Note No	As at March 31, 2022	As at March 31,2021
Interest expense (included in finance costs)	35	69.57	50.65
Expense relating to short-term leases (included in other expenses)	34	13.06	18.18
Total		**82.63**	**68.83**

The total cash outflow for leases for the year ended March 31, 2022 was ₹ 513.8 lakhs (March 31, 2021: ₹ 320.5 lakhs). The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. During the previous year ended March 31, 2021 the Company received Covid -19 related rent concessions for ₹ 73.57 lakhs which was recognised as gain in the Statement of Profit and Loss.

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 4 INTANGIBLE ASSETS

Particulars	Computer Software
Year ended March 31, 2021	
Gross carrying amount	
Opening gross carrying amount	116.81
Additions	13.85
Disposals	(7.00)
Closing gross carrying amount	**123.66**
Accumulated amortisation	
Opening accumulated amortisation	70.64
Amortisation charge during the year	18.94
Amortisation on disposals	(5.91)
Closing accumulated amortisation	**83.67**
Net carrying amount as at March 31, 2021	**39.99**
Year ended March 31, 2022	
Gross carrying amount	
Opening gross carrying amount	123.66
Additions	13.59
Disposals	-
Closing gross carrying amount	**137.25**
Accumulated amortisation	
Opening accumulated amortisation	83.67
Amortisation charge during the year	21.76
Amortisation on disposals	-
Closing accumulated amortisation	**105.43**
Net carrying amount as at March 31, 2022	**31.82**

NOTE 5: LOANS- NON-CURRENT

Particulars	As at March 31, 2022	As at March 31, 2021
Loans and advances to employees	55.38	11.11
Total	**55.38**	**11.11**

NOTE 6 : NON-CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	200.45	80.22
Deposits with banks with maturity period of more than 12 months	28.54	7.76
Total	**228.99**	**87.98**

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 7: INCOME TAX ASSETS (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax assets (net of provision for tax ₹2439.27 lakhs, March 31,2021:₹2041.17 lakhs	108.64	108.25
Total	**108.64**	**108.25**

NOTE 8: DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Unabsorbed tax losses - depreciation	-	1,834.51
Defined benefit obligation	430.73	436.15
Provision for doubtful debts	58.00	56.44
MAT credit entitlement*	6,074.16	5,473.83
Lease liabilities	575.10	206.74
Others including expenses allowable on payment basis	393.52	442.32
	7,531.51	**8,449.99**
Deferred tax liabilities		
Depreciation	4,763.83	4,594.24
Right-of-use assets	572.13	181.41
	5,335.96	**4,775.65**
Net defered tax assets	**2,195.55**	**3,674.34**

Note:

*In assessing the realizability of deferred tax on MAT credit entitlement, the Company considers the extent to which it is probable that the credit will be realized. Entitlement of MAT credit is recognised to the extent there is convincing evidence that the Company will be able to utilise the said credit against normal tax payable during the period of fifteen years succeeding the year of filing of return of Income tax.The Company considers the expected projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company will realize the benefits of this MAT credit entitlement.

MOVEMENT IN DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

	Deferred tax assets					Deferred tax liabilities		
	Unabsorbed tax losses-depreciation	MAT credit entitlement	Defined benefit obligation	Provision	Lease Liabilities	Depreciation	Right-of-use assets	Net deferred tax assets
At April 1, 2020	**3,075.17**	**5,075.77**	**271.50**	**18.50**	**195.60**	**4,908.54**	**138.46**	**3,589.54**
Charged/credited:								
- to profit or loss	(1,240.66)	398.06	148.90	480.26	11.14	(314.30)	42.95	69.05
- to other comprehensive income	-	-	15.75	-	-	-	-	15.75
At March 31, 2021	**1,834.51**	**5,473.83**	**436.15**	**498.76**	**206.74**	**4,594.24**	**181.41**	**3,674.34**
As at April 1, 2021	**1,834.51**	**5,473.83**	**436.15**	**498.76**	**206.74**	**4,594.24**	**181.41**	**3,674.34**
Charged/credited:								
- to profit or loss	(1,834.51)	600.33	1.60	(47.24)	368.36	169.59	390.72	(1,471.77)
- to other comprehensive income	-	-	(7.02)	-	-	-	-	(7.02)
At March 31, 2022	**-**	**6,074.16**	**430.73**	**451.52**	**575.10**	**4,763.83**	**572.13**	**2,195.55**

NOTES
to financial statements for the Year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 9 : OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	527.07	429.70
Prepaid expenses	17.95	4.99
Balances with government authorities	97.76	118.74
Total	**642.78**	**553.43**

NOTE 10: INVENTORIES

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials		
-In stock	3,241.57	3,848.66
-In transit	4,039.47	3,009.07
Goods-in-process	**1,795.73**	**1,542.43**
Finished goods		
-In stock	4,647.70	2,942.87
-In transit	3,270.36	2,760.97
Consumables, packing materials, stores and spares	1,833.82	1,713.65
Total	**18,828.65**	**15,817.65**

Refer Note 1.11 and Note 2 (d) for basis of valuation and provision.

NOTE 11 : TRADE RECEIVABLES - UNSECURED

Particulars	As at March 31, 2022	As at March 31, 2021
Current Trade receivables from contracts billed with:		
Related parties (Refer Note 46)	173.73	830.77
Others	11,183.43	9,332.15
Less: Loss allowance	(165.97)	(161.39)
Total	**11,191.19**	**10,001.53**

AGING OF TRADE RECEIVABLES : FOR MARCH 31, 2022

Particulars	Not Due	Outstanding for following periods from the due date					As at March 31, 2022
		Less than 6 Months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
considered good	7,281.69	3,903.29	5.46	0.64	0.11	-	11,191.19
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	43.36	7.59	24.37	89.11	1.55	165.97
Less: Loss allowance	-	(43.36)	(7.59)	(24.37)	(89.11)	(1.55)	(165.97)
Total	**7,281.69**	**3,903.29**	**5.46**	**0.64**	**0.11**	**-**	**11,191.19**

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

AGING OF TRADE RECEIVABLES : FOR MARCH 31, 2021

Particulars	Not Due	Outstanding for following periods from the due date					As at March 31, 2021
		Less than 6 Months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
considered good	7,447.24	2,480.23	62.50	8.55	2.94	0.06	10,001.53
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	9.99	31.75	103.35	14.88	1.42	161.39
Less: Loss allowance	-	(9.99)	(31.75)	(103.35)	(14.88)	(1.42)	(161.39)
Total	**7,447.24**	**2,480.23**	**62.50**	**8.55**	**2.94**	**0.06**	**10,001.53**

NOTE 12 : CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Banks		
- in current accounts	320.65	669.23
- in EEFC account	49.97	10.64
Cash on hand	14.45	22.52
Total	**385.07**	**702.39**

Note: There are restricted bank balances on account of unpaid dividend - ₹ 0.36 lakhs (March 31, 2021 : ₹ 0.36 lakhs) (Refer Note :24)

NOTE 13 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Banks in		
- in escrow accounts (Refer Note (a) below)	-	666.83
- in fixed deposits with banks having maturity period upto twelve months (Refer(b) below}	1,688.72	1,712.22
Total	**1,688.72**	**2,379.05**

Notes:

(a) Balances in escrow accounts are restricted bank balances against maturities and interest payments of borrowings.

(b) Fixed money deposits with banks having maturity period more than 12 months are disclosed under "Non-current financial assets - Other financial assets" (Refer Note 6).

NOTE 14 : LOANS

Particulars	As at March 31, 2022	As at March 31, 2021
Loans and advances to employees	59.62	40.22
Total	**59.62**	**40.22**

NOTE 15 : CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	70.76	70.76
Less : Provision for doubtful balances	(70.76)	(70.76)
Interest accrued on fixed deposits	31.20	51.39
Total	**31.20**	**51.39**

NOTES
to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 16 : OTHER CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Assets held for disposal	5.60	5.37
Advances to vendors (recoverable in cash or kind)	1,758.98	1,057.78
Prepaid expenses	151.58	252.94
Balances with government authorities	7,601.91	4,927.93
Export benefits receivable	338.03	289.83
Technology upgradation fund subsidy receivable	391.31	391.31
Less: Doubtful	(391.31)	(391.31)
Total	**9,856.10**	**6,533.85**

NOTE 17(A) : EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized equity share capital		
9,20,00,000 (March 31, 2021: 9,20,00,000) Equity Shares of ₹ 10/- each	9,200.00	9,200.00
2,80,00,000 (March 31, 2021: 2,80,00,000) Optionally Convertible Cumulative Preference Shares of ₹ 10/- each	2,800.00	2,800.00
	12,000.00	12,000.00
Issued, subscribed and fully paid up equity share capital		
50,153,624 (March 31, 2021: 50,035,304) Equity Shares of ₹ 10/- each fully paid up	5,015.36	5,003.53
Total	**5,015.36**	**5,003.53**

Movement in equity share capital	Number of equity shares	Amount
As at March 31, 2020	**49,975,104**	**4,997.51**
Add: Exercise of options - proceeds received	60,200	6.02
As at March 31, 2021	**50,035,304**	**5,003.53**
Add: Exercise of options - proceeds received	118,320	11.83
As at March 31, 2022	**50,153,624**	**5,015.36**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. All issued shares rank pari-passu and have same voting rights per share. The Company declares and pays dividend in Indian Rupees.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Equity shares held by holding company	As at March 31, 2022	As at March 31,2021
Mandawewala Enterprises Limited	36,734,927	36,230,298

Details of shareholders holding more than 5% equity shares		As at March 31, 2022	As at March 31,2021
Mandawewala Enterprises Limited	Number of equity shares	36,734,927	36,230,298
Mandawewala Enterprises Limited	Percentage of holding	73.24%	72.41%

Details of shareholding of promoters	As at March 31, 2022			As at March 31, 2021		
	Number of Shares	Percentage of total number of shares	Percentage of change during the year	Number of Shares	Percentage of total number of shares	Percentage of change during the year
Mandawewala Enterprises Limited	36,734,927	73.2%	0.83%	36,230,298	72.41%	-0.09%
RRM Family Trust	500,000	1.00%	100.00%	-	0.00%	0.00%

NOTES
to financial statements for the Year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 17 (B): OTHER EQUITY - RESERVES AND SURPLUS

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	2,664.93	2,664.93
Capital redemption reserve	293.36	293.36
Securities premium	7,056.59	7,016.39
General reserve	107.06	107.06
Share options outstanding account	190.77	105.94
Retained earnings	25,669.27	20,574.79
Total	**35,981.98**	**30,762.47**

Movement	As at March 31, 2022	As at March 31, 2021
- Capital reserve		
As per last balance sheet	2,664.93	2,664.93
Add/(less): Changes during the year	-	-
	2,664.93	**2,664.93**
- Capital redemption reserve		
As per last balance sheet	293.36	293.36
Add/(less): Changes during the year	293.36	293.36
- Securities premium		
As per last balance sheet	7,016.39	6,996.35
Add: Exercise of options - proceeds received	40.20	20.04
	7,056.59	**7,016.39**
- General reserve		
As per last balance sheet	107.06	107.06
Add/ (Less): Changes during the year	-	-
	107.06	**107.06**
- Share options outstanding account		
As per last balance sheet	105.94	94.39
Add: Employee share based payment expense	125.03	31.59
Less: Employee stock options exercised	40.20	20.04
	190.77	**105.94**
- Retained earnings		
Opening balance	20,574.79	19,194.64
Add/(Less):		
Net profit for the year	5,081.42	1,409.48
Item of other comprehensive income recognized directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	13.06	(29.33)
	25,669.27	**20,574.79**

Nature and purpose of reserves

Capital reserve

Capital reserve represents capital surplus and is not available for distribution as dividend.

Securities premium reserve

Securities premium is used to record the premium received on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve (CRR)

CRR is created on redemption of Preference Shares in accordance with the provisions of the Act.

General Reserve

General Reserve represents appropriation of profits by the Company.

Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under AYM Syntex Limited employee stock option plan.

Retained earnings

Retained earnings represent the accumulated undistributed earnings.

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 18 : NON-CURRENT BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term loans from banks		
- Rupee loans	17,765.72	17,694.89
- Foreign currency loans	-	558.91
Unsecured, considered good		
Inter-corporate deposits from related parties	1,200.00	1,200.00
Less: Current maturities of long-term debt (included in current borrowings)	(4,297.31)	(3,912.69)
Total	**14,668.41**	**15,541.11**

Note:

The rate of interest on the rupee borrowings are in range of 7.35% to 11% (March 31, 2021 : 7.6% to 11%) and foreign currency loans are in the range 3.37% to 5.2% (March 31, 2021 : 3.37% to 5.2%). The rupee term loans from banks are eligible for Central and State Government interest subsidies/ rebates.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalent	385.07	702.39
Lease liabilities	(1645.76)	(561.63)
Term Loans from banks	(18965.72)	(19,453.80)
Current borrowings (including overdraft)	(8,356.94)	(2,573.11)
Net debt	**(28,583.35)**	**(21,916.15)**

Particulars	Other assets	Liabilities from financial activities			
	Cash and Cash equivalents	Lease Liabilities	Non Current borrowings*	Current borrowings	Total
Net debt as at April 1, 2020	**173.21**	**(559.53)**	**(19,381.05)**	**(6,120.19)**	**(25,887.56)**
Cash flows (net)	529.18	320.50	829.12	3,547.08	5,225.88
Interest Funded	-	-	(901.87)	-	(901.87)
New leases	-	(377.63)	-	-	(377.63)
Interest expense	-	(48.54)	1,826.03	424.53	2,202.02
Interest paid	-	-	(1,826.03)	(424.53)	(2,250.56)
Other non-cash movements					
- Fair value adjustments	-	73.57	-	-	73.57
Net debt as at March 31,2021	**702.39**	**(591.63)**	**(19,453.80)**	**(2,573.11)**	**(21,916.15)**
Cash flows (net)	(317.32)	513.80	488.08	(5,783.83)	(5,099.27)
Interest Funded	-	-	-	-	-
New leases	-	(1,498.36)	-	-	(1,498.36)
Interest expense	-	(69.57)	1,715.30	204.98	1,850.71
Interest paid	-	-	(1,715.30)	(204.98)	(1,920.28)
Net debt as at March 31, 2022	**385.07**	**(1,645.76)**	**(18,965.72)**	**(8,356.94)**	**(28,583.35)**

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Last installment due	Terms of Repayment	As at March 31, 2022	As at March 31, 2021
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**July- 2021**	Repayable in 28 quarterly installments commencing from April 2014	-	407.46
External Commerical Borrowings is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**September - 2021**	Repayable in 28 quarterly installments commencing from June 2014	-	558.91
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**September - 2021**	Repayable in 24 quarterly installments commencing from July 2015	-	151.57
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**April-2024**	Repayable in 28 quarterly installments commencing from Jan 2017	565.78	746.66
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**April-2024**	Repayable in 28 quarterly installments commencing from Jan 2017	825.99	1,165.02
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**September - 2024**	Repayable in 27 quarterly installments commencing from July 2017	710.61	937.99
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**January 2025**	Repayable in 30 quarterly installments commencing from July 2017	1,031.99	1,292.94
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**April-2025**	Repayable in 28 quarterly installments commencing from June 2018	1,215.82	1,551.67
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**April-2025**	Repayable in 28 quarterly installments commencing from October 2018	722.53	916.23
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**July-2026**	Repayable in 28 quarterly installments commencing from October 2018	1,900.72	2,210.67
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**Jun-2026**	Repayable in 29 quarterly installments commencing from December 2019	5,345.64	6,121.35
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**June-2022**	Repayable in 18 Monthly installments commencing from January 2021	69.33	277.33
Rupee working capital term loan is secured by 2nd pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**February-26**	Repayable in 48 Monthly installments commencing from March 2022.	910.63	930.00
Rupee working capital term loan is secured by 2nd pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**February-26**	Repayable in 48 Monthly installments commencing from April 2022.	2,428.33	686.00
Rupee working capital term loan is secured by 2nd pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	**March- 2026**	Repayable in 48 Monthly installments commencing from April 2022.	300.00	300.00
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties of the Company	**November- 2026**	Repayable in 18 quarterly installments commencing from August 2022	1,738.34	-
Total			**17,765.71**	**18,253.80**

Note:

Pursuant to the Covid 19 pandemic, the Reserve Bank of India, vide its notifications reference RBI/2019-20/186 dated March 27, 2020 and RBI/2019-20/244 dated May 23, 2020, announced a “Covid 19 Regulatory Package” to mitigate the adverse impact of the pandemic and ensure continuity of businesses. As per this package, banks were, inter alia, permitted to grant a moratorium of six months on payment of all instalments (principal and interest) on Term loans falling due between March 1, 2020 and August 31, 2020. The Company opted to avail the package relating to term loans and the same was approved by the lenders in line with RBI’s notification. Accordingly, the financial statements have been prepared giving effect to the above.

NOTES
to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 19: OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for capital purchases	502.96	-
Total	**502.96**	**-**

NOTE 20: NON-CURRENT EMPLOYEE BENEFIT OBLIGATIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity (Refer Note 32)	806.83	853.14
Total	**806.83**	**853.14**

NOTE 21: OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred capital subsidy	0.45	5.87
Total	**0.45**	**5.87**

NOTE 22 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Working capital loan from banks		
- Rupee loans	2,414.06	-
Current maturities of long-term borrowings (Refer Note 18)	**4,297.31**	**3,912.69**
Unsecured		
Buyers' credit from banks	5,942.88	2,573.11
Total	**12,654.25**	**6,485.80**

Note:

(i) The working capital loans, which includes cash credit and packing credit from banks, are secured by hypothecation of raw material, stock-in-process, finished goods, semi finished goods, stores, spares and book debts and other current assets of the Company and second charge on entire fixed assets of the Company.

(ii) The Company has changed the classification/presentation of current maturities of long-term borrowings, in the current year consequent to amendments to Schedule III of the Companies Act, 2013 on March 24, 2021.

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 23 : TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Acceptances	12,991.76	13,146.66
Dues to micro, small and medium enterprises (Refer Note 43)	1,904.83	1,185.50
Dues to other	3,297.40	7,280.50
Total	**18,193.99**	**21,612.66**

For payables to Related parties (Refer Note 47)

AGING OF TRADE PAYABLES: FOR MARCH 31, 2022

Particulars	Not Due	Outstanding for following periods from the due date				As at March 31, 2021
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables						
Mono enterprises and small enterprises	1,904.83	-	-	-	-	1,904.83
Others	13,909.64	2263.62	109.66	4.72	1.52	16,289.16
Total	**15,814.47**	**2263.62**	**109.66**	**4.72**	**1.52**	**18,193.99**

AGING OF TRADE PAYABLES: FOR MARCH 31, 2021

Particulars	Not Due	Outstanding for following periods from the due date				As at March 31, 2021
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables						
Mono enterprises and small enterprises	1,185.50	-	-	-	-	1,185.00
Others	16,444.85	3,972.45	6.85	3.01	-	20,427.16
Total	**17,630.35**	**3,972.45**	**6.85**	**3.01**	**-**	**21,612.66**

NOTE 24 : OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	82.74	83.04
Unclaimed dividend (Refer Note (a) below)	0.36	0.36
Creditors for capital purchases	924.76	1,166.56
Security deposits	131.94	124.53
Total	**1,139.79**	**1,374.49**

Note:

(a) The amount due for payments to the investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end have since been transferred to the fund.

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to financial statements for the Year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 25 : CURRENT EMPLOYEE BENEFIT OBLIGATIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity	40.05	25.51
Provision for compensated absences (Refer Note 32)	385.75	369.48
Employee benefit payables	312.64	362.08
Total	**738.44**	**757.07**

Note:

The entire amount of the provision of ₹ 385.75 lakhs (31 March 2021 – ₹ 369.48 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

NOTE 26 : INCOME TAX LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	64.82	34.74
Add : Current tax payable for the year	1,403.55	398.06
Less : Taxes paid	(886.76)	(367.98)
Closing Balance	**581.61**	**64.82**

The above liabilities are net of advance taxes paid of ₹ 1833.82 lakhs, (March 31, 2021 : ₹ 828.34 lakhs).

NOTE 27 : OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Contact Liabilities	549.75	380.54
Statutory dues	180.02	122.13
Deferred capital subsidy	5.42	5.43
Total	**735.19**	**508.10**

NOTE 28: REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contract with customers		
Sale of products	145,386.19	92,733.46
Sales of Services	403.16	424.13
Other Operating Revenue		
Sale of scrap	584.21	289.43
Export incentives (Refer Note 1.3)	2,772.39	1,294.01
Total	**149,145.95**	**94,741.03**

NOTE 29: OTHER INCOME

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Exchange difference (net)	160.67	-
Interest on:		
- Fixed deposits	89.61	100.30
- Others	76.68	50.98
Profit on sale of current investments	3.92	3.25
Insurance claim	23.00	-
Miscellaneous	82.03	126.19
Total	**435.91**	**280.72**

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to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 30: COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw material consumed		
Inventory at the beginning of the year	6,857.73	4,652.89
Add: Purchases	88,286.58	53,678.29
	95,144.31	58,331.18
Less: Inventory at the end of the year	7,281.04	6,857.73
Total	**87,863.27**	**51,473.45**

NOTE 31: CHANGES IN INVENTORIES OF FINISHED GOODS AND GOODS-IN-PROCESS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the end of the year		
Goods-in-process	1,795.73	1,542.43
Finished goods	7,918.06	5,703.84
	9,713.79	**7,246.27**
Less: Inventory at the beginning of the year		
Goods-in-process	1,542.43	1,352.34
Finished goods	5,703.84	4,202.15
	7,246.27	5,554.49
Total changes in inventories of finished goods and goods-in-process	**(2,467.52)**	**(1,691.78)**

NOTE 32: EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and allowances	5,324.94	5,233.27
Employee share based payment expense (Refer note 49)	125.03	31.59
Managerial remuneration	199.38	123.98
Contribution to provident and other funds	323.24	300.57
Gratuity	156.60	155.82
Leave encashment	65.94	221.88
Workmen and staff welfare expenses	263.22	174.94
Total	**6,458.35**	**6,242.05**

Defined Contribution Plans	Year ended March 31, 2022	Year ended March 31, 2021
During the year, the Company has recognized the following amounts in the statement of Profit and Loss:		
Employers' Contribution to Provident Fund*	300.48	276.25
Employers' Contribution to Employees' State Insurance *	27.49	23.99
Employers' Contribution to Labour welfare fund*	0.31	0.33
Total	**328.28**	**300.57**

* Included in Contribution to Provident and Other Funds

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to financial statements for the Year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

Defined Benefit Plan

Contribution to Gratuity

The Company provides for every employee who is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

Risk exposure

These defined benefit plans expose the Company to actuarial risk such as longevity risks, interest rate risks, market (investment) risks.

Major Assumptions	Year ended March 31, 2022 % p.a.	Year ended March 31, 2021 % p.a.
Discount Rate	7.32	6.91
Salary Escalation Rate *	8.00	8.00
Rate of Employee Turnover:		
-Upto 30 years	4.00	3.00
-From 31 to 44 years	4.00	3.00
-Above 44 years	2.00	2.00
Mortality Rate During Employment	100% of IALM (2012-2014)	100% of IALM (2012-2014)

* The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Change in the Present Value of Obligation	Year ended March 31, 2022	Year ended March 31, 2021
Opening Present Value of Obligation	878.65	778.50
Current Service Cost	95.89	102.73
Interest Cost	60.71	53.09
Total amount recognized in profit or loss	156.60	155.82
Remeasurement		
(Gain)/Loss from change in demographic assumptions and experience adjustments	18.85	(80.67)
(Gain)/Loss from change in financial assumptions	(38.94)	125.75
Total amount recognized in other comprehensive income	**(20.08)**	**45.08**
Benefit/ Exgratia paid	168.28	100.75
Closing Present Value of Obligation	846.88	878.65

Amount recognized in the Balance sheet	Year ended March 31, 2022	Year ended March 31, 2021
Present value of Obligation	846.88	878.65
Funded Status [(Surplus/ (Deficit)]	(846.88)	(878.65)
Expense recognized in Statement of Profit and Loss	156.60	155.82
Expense recognized in Other comprehensive income	20.08	45.08
Net (liability)/ Asset Recognized in the Balance Sheet	(846.88)	(878.65)

Expenses Recognized in Profit and Loss	Year ended March 31, 2022	Year ended March 31, 2021
Current Service Cost	95.89	102.73
Interest Cost	60.71	53.09
Total Expenses recognized in the of profit or loss*	156.60	155.82

* Included in Employee Benefits Expense

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Expenses recognized in Other Comprehensive Income	Year ended March 31, 2022	Year ended March 31, 2021
Re-measurement (Refer Note b above)		
Actuarial (Gains)/Losses on Obligation For the year	(20.08)	45.08
Net (Income)/Expenses for the Period Recognized in OCI	**(20.08)**	**45.08**

Sensitivity Analysis	Year ended March 31, 2022	Year ended March 31, 2021
Projected Benefit Obligation on Current Assumptions	846.88	878.65
Delta Effect of +0.5% Change in Rate of Discounting	(41.10)	(48.34)
Delta Effect of -0.5% Change in Rate of Discounting	46.32	52.89
Delta Effect of +0.5% Change in Rate of Salary	45.80	52.08
Delta Effect of -0.5% Change in Rate of Salary	(41.03)	(48.07)
Delta Effect of +0.5% Change in Rate of Employee Turnover*	1.12	3.78
Delta Effect of -0.5% Change in Rate of Employee Turnover*	(1.49)	-5.13

*** Amounts less than Rs. 1000 are denoted by " - "**

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined benefit liability and employer contributions

The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contribution to post-employment benefit plans for the year ending March 31, 2022 is ₹ 173.58 Lakhs.

The weighted average duration of the defined benefit obligation is 15.21 years (2021 -14.71 years). The expected maturity analysis of undiscounted gratuity is as follows:

	Less than a year	More than one year
As at March 31, 2022		
Defined benefit obligation (gratuity)	40.05	806.83
As at March 31, 2021		
Defined benefit obligation (gratuity)	25.51	853.14

Maturity Profile of Defined Benefit Obligation

Year	Amount
2022- 2023	82.97
2023- 2024	150.02
2024- 2025	102.19
2025- 2026	77.56
2026- 2027	112.89

Other employee benefit

The liability for compensated absences as at year end is ₹ 385.75 Lakhs (March 31, 2021: ₹ 369.48 Lakhs)

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 33: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (Refer Note 3a)	4,629.83	3,979.11
Depreciation of right-of-use assets (Refer Note 3b)	404.24	271.69
Amortization of intangible assets (Refer Note 4)	21.76	18.94
Total	**5,055.83**	**4,269.74**

NOTE 34: OTHER EXPENSES

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	3,410.92	2,961.84
Packing materials	4,473.58	3,392.40
Dyes and chemicals	4,223.21	3,395.05
Power, fuel and water	8,973.27	7,366.79
Contract labour charges	4,613.09	3,409.97
Repairs and maintenance:		
-Buildings	144.37	135.08
-Property, plant and equipment	524.46	271.16
-Others	242.28	276.15
Rent	13.06	18.18
Rates and taxes	39.38	35.20
Insurance	268.69	242.87
Directors sitting fees	15.24	15.24
Printing and stationery	32.45	21.04
Travelling and conveyance expenses	213.62	152.31
Legal and professional charges	785.11	428.79
Payment to auditors [Refer Note (a) below]	24.83	26.36
Communication charges	35.69	37.21
Vehicle expenses	41.73	28.99
Loss on sale/discarding of property, plant and equipment (net)	234.59	247.19
Freight and forwarding expenses	10,112.03	4,645.96
Exchange difference (net)	-	142.28
Brokerage and commission	1,856.67	1,228.79
Donations	1.52	8.34
Corporate social responsibility expenditure (Refer Note:48)	25.45	17.29
Miscellaneous expenses	816.05	1,076.19
Total	**41,121.29**	**29,580.67**
Note (a) Payment to auditors for:		
As auditor:		
-Audit fees	21.75	21.75
-Tax audit	1.75	1.75
In other capacities:		
-Certifications	1.30	2.70
-Reimbursement of expenses	0.03	0.16
Total	**24.83**	**26.36**

NOTES
to financial statements for the Year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 35: FINANCE COSTS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest and finance charges on lease liabilities and financial liabilities		
- Long term borrowings	1,715.30	1,826.03
- Short term borrowings	204.98	424.53
- Others	511.55	179.89
Bank and other financial charges	1,162.06	978.68
Total	**3,593.89**	**3,409.13**

NOTE 36: INCOME TAX EXPENSE

a) This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

i) Income tax related to items recognised directly in profit or loss of the Statement of Profit and Loss

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax		
Current tax on profits for the year	1,403.55	398.06
(A)	**1,403.55**	**398.06**
Deferred tax		
Decrease/(increase) in deferred tax assets#	911.47	202.29
(Decrease)/increase in deferred tax liabilities	560.31	(271.34)
(B)	**1,471.78**	**(69.05)**
Income tax expense charged to profit or loss (C) = (A) + (B)	**2,875.33**	**329.01**

#Deferred tax includes minimum alternate tax credit availed: ₹ 600.39 lakhs (March 31, 2021: ₹ 398.06 lakhs)

ii) Deferred tax related to items recognized in other comprehensive income (OCI)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax on remeasurement gains/(losses) on defined benefit plan	7.02	15.75
Deferred tax credited to other comprehensive income	7.02	15.75

b) The reconciliation of estimated income tax expense at the Indian statutory income tax rate to the income tax expenses reported in statement of profit and loss is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Profit before income tax	7,956.75	1,738.49
Tax at the Indian tax rate of 34.94% (March 31, 2021: 34.94%)	2,780.41	607.50
Expected tax expense at the enacted tax rate in India		
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
1) Non-deductible expenses		
Donations and CSR Expenditure	9.43	8.96
Other items	26.70	23.13
2) Tax benefit items		
Other items	(4.15)	(27.54)
3) Adjustment in deferred tax relating to prior year	(5.75)	(18.36)
4) Re-measurement of Deferred tax assets / Deferred tax liabilities	68.69	(264.68)
Income tax expense charged to the statement of profit and loss	**2,875.33**	**329.01**

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to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 37: FAIR VALUE MEASUREMENTS

Financial instruments by category:

Financial assets	Note	As at March 31, 2022 Amortised cost	As at March 31, 2022 FVTPL	As at March 31, 2021 Amortised cost	As at March 31, 2021 FVTPL
Trade receivables	11	11,191.19	-	10,001.53	-
Margin money deposits with banks	13	1,688.72	-	1,712.22	-
Cash and cash equivalents	12	385.07	-	702.39	-
Bank balances other than cash and cash equivalents above	6, 13	28.54	-	674.59	-
Security deposits	6, 15	200.45	-	80.22	-
Loans	5, 14	115.00	-	51.33	-
Interest accrued on fixed deposits	15	31.20	-	51.39	-
Total financial assets		**13,640.17**	**-**	**13,273.67**	**-**

Financial liabilities	Note	As at March 31, 2022 Amortised cost	As at March 31, 2022 FVTPL	As at March 31, 2021 Amortised cost	As at March 31, 2021 FVTPL
Borrowings	18, 22	27,322.66	-	22,026.91	-
Trade payables	23	18,193.99	-	21,612.66	-
Payable for capital goods	19, 24	1,427.72	-	1,166.56	-
Interest accrued but not due on borrowings	24	82.74	-	83.04	-
Security deposits received	24	131.94	-	124.53	-
Lease liabilities	3(b)	1,645.76	-	591.63	-
Unclaimed dividend	24	0.36	-	0.36	-
Total financial liabilities		**48,805.17**	**-**	**45,605.69**	**-**

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Ind AS. An explanation for each level is given below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value (NAV), NAV represents the price at which, the issuer will issue further units and will redeem such units of mutual funds to and from the investors.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the Company include foreign exchange forward contracts.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in this level.

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to financial statements for the Year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

There are no internal transfers of financial assets and financial libilities between Level 1, Level 2, Level 3 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period.

Financial assets and liabilities measured at amortised cost for which fair values are disclosed	As at March 31, 2022			As at March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Margin money deposits with banks	-	-	1,688.72	-	-	1,712.22
Security deposits	-	-	200.45	-	-	80.22
Loans	-	-	115.00	-	-	51.33
Interest accrued on fixed deposits	-	-	31.20	-	-	51.39
Financial liabilities						
Borrowings	-	-	27,322.66	-	-	22,026.91
Interest accrued but not due on borrowings	-	-	82.74	-	-	83.04
Security Deposits received	-	-	131.94	-	-	124.53

Financial assets and liabilities measured at amortised cost	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Security deposits	200.45	232.55	80.22	97.38

The carrying amounts of trade receivables, cash and cash equivalents, fixed deposit having maturity period upto 12 months and its interest accrued, export benefits receivable, current loans, current borrowings, trade payables and other financial liabilities are considered to be approximately same as their value, due to the short -term maturities of these financial assets/liabilities.

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

Valuation techniques used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of foreign exchange forward contracts is determined using forward exchange rates at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

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to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 38 : CAPITAL MANAGEMENT

Risk management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company determines the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other long term borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements.

For the purpose of the Company's capital management, equity includes paid up capital, securities premium and other reserves. Net debt are long term and short term interest bearing debt as reduced by cash and cash equivalents, other bank balances (including earmarked balances) and current investments. The Company's strategy is to maintain a gearing ratio within 2:1.

The capital composition is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Gross debt (inclusive of long term and short term borrowing)	27,322.66	22,026.91
Less: - Cash and bank balances	2,073.79	3,081.44
Net debt	25,248.87	18,945.47
Total equity	40,997.34	35,766.00
Total capital	66,246.21	54,711.47
Net debt to equity ratio	0.62	0.53

NOTE 39 : FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to market risk, liquidity risk and credit risk which may adversely impact the fair value of its financial instruments. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian Rupee (₹)	Cash flow forecasting Sensitivity analysis	Forward Foreign Exchange Contracts
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in Bonds	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department under policies approved by the Board of Directors. Company's treasury team identifies, evaluates and hedges financial risks in close cooperation with the Company's respective department heads. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and nonderivative financial instruments, and investment of excess liquidity.

NOTES

to financial statements for the Year ended March 31, 2022

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A. Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, investments in mutual funds, foreign exhange transactions and other financial instruments. The credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. To manage this, the Company periodically assesses the financial reliability of counter party, taking into account the financial condition, current economic trends, analysing the risk profile of the counter party and the analysis of historical bad debts and ageing of accounts receivable etc. Individual risk limits are set accordingly.

The Company determines default by considering the business environment in which the Company operates and other macro-economic factors. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business;

ii) Actual or expected significant changes in the operating results of the counterparty;

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

iv) Significant increase in credit risk on other financial instruments of the same counterparty;

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees.

None of the financial instruments of the Company result in material concentration of credit risk. The carrying value of financial assets represent the maximum credit risk. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.

i) Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. Credit risk is managed through credit approvals, establishing credit limits, payment track record, monitoring financial position of the customer and other relevant factors. Outstanding customer receivables are regularly monitored and reviewed.

The Company evaluates the concentration of risk with respect to trade receivables as limited, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The exposure to customers is diversified and no substantial concentration of risk as no single customer contributes more than 10% of revenue and of the outstanding receivables. Sales made in domestic market predominantly are through agents appointed by the Company, the agents being del credere agents most of the credit risk emanating thereto is borne by agents and the Company's exposure to risk is limited to sales made to customers directly. In case of direct sale, the Company has a policy of dealing only with credit worthy counter parties. The credit risk related to such sales are mitigated by taking advance, security deposit, letter of credit, setting and monitoring internal limits on exposure to individual customers as and where considered necessary.

An impairment analysis which includes assessment for indicators of impairment is performed at each reporting date on an individual basis for all major customers and provision for impairment taken. The allowance reduces the net carrying amount.

ii) Financial Instruments and Cash Deposits

The Company maintains exposure in Cash and Cash equivalents, term deposits with banks and investments in mutual funds, the same is done after considering factors such as track record, size of the institution, market reputation and service standards. Generally, the balances are maintained with the institutions from whom the Company has also availed borrowings. Individual risk limits are set for each counter party based on financial position, credit rating and past experience. Credit risk and concentration of exposure are actively monitored by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

iii) The ageing analysis of the trade receivables (other than due from related parties) has been considered from the date the Invoice falls due.

Particulars	As at March 31, 2022	As at March 31, 2021
Not Due	7,168.57	6,616.48
Up to 6 months	3,886.04	2,490.59
More than 6 months	128.82	225.08
Total	**11,183.43**	**9,332.15**

During the year, doubtful debts written off ₹ 9.9 Lakhs (March 31, 2021: ₹ Nil lakhs)

NOTES

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(All amounts in ₹ Lakhs, unless otherwise stated)

B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations, by delivering cash or other financial assets, on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade and other payables, derivative instruments and other financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate cash and drawable reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.The Company regularly monitors liquidity position through rolling forecast based on estimated free cash flow generated from business. The Company invests its surplus funds in bank fixed deposits and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2022	As at March 31, 2021
Floating rate		
- Expiring within one year (Packing credit, cash credit, post shipment credit and term loans	2,606.97	3,547.00
- Expiring beyond one year (Term Loans)	764.00	2,358.00
Total	**3,370.97**	**5,905.00**

The working capital facilities may be drawn at any time and may be terminated by the bank without notice.

ii) Maturities of Financial liabiliities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non derivative financial liabilities, and

- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at March 31, 2022	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Maturities of non – derivative financial liabilities				
Long term borrowings	4,297.31	14,668.41	-	18,965.72
Short term borrowings	8,356.94	-	-	8,356.94
Interest accrued and not due	82.74	-	-	82.74
Lease liabilities	698.79	946.97	-	1,645.76
Trade payables	18,193.99	-	-	18,193.99
Other financial liabilities	1,560.01	-	-	1,560.01
Total	**33,189.78**	**15,615.38**	-	**48,805.16**

As at March 31, 2021	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Maturities of non – derivative financial liabilities				
Long term borrowings	3,912.69	15,541.11	-	19,453.80
Short term borrowings	2,573.11	-	-	2,573.11
Interest accrued and not due	83.04	-	-	83.04
Lease liabilities	341.93	249.70	-	591.63
Trade payables	21,612.66	-	-	21,612.66
Other financial liabilities	1,291.45	-	-	1,291.45
Total	**29,814.88**	**15,790.81**	**-**	**45,605.69**

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(All amounts in ₹ Lakhs, unless otherwise stated)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity or commodity prices will affect the Company's income/cash flows or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of postemployment benefit obligations provisions and on the non-financial assets and liabilities. Financial instruments affected by market risk include receivables, loans and borrowings, advances, deposits, investments and derivative financial instruments. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

The Company's activities expose it to risks on account of changes in foreign currency exchange rates and interest rates.

The Company uses derivative financial instruments such as foreign exchange forward contracts of varying maturity depending upon the underlying contract as a risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

Foreign currency risk

Currency risk is the risk that the fair value of a financial instrument or future cash flows fluctuate because of changes in mark et price of the functional currency. The Company is exposed to foreign exchange risk on their receivables, payables and foreign currency loans which are mainly held in the United State Dollar ("USD"), the Euro ("EUR"), British Pound ('GBP'), the Swiss Franc ("CHF") and Japanese Yen ("JPY"). Consequently, the Company is exposed primarily to the risk that the exchange rate of the Indian Rupees ("₹ ") relative to the USD, the EUR, the CHF, and the CNY may change in a manner that has a material effect on the reported values of the Company's assets and liabilities that are denominated in these foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policy wherein exposure is identified, a benchmark is set and monitored closely for suitable hedges, including minimising cross currency transactions, using natural hedge and the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

The Company's exposure to foreign currency risk at the end of the reporting period are as under -

	As at March 31, 2022 Foreign Currency exposure in						As at March 31, 2021 Foreign Currency exposure in				
	USD	EUR	GBP	JYP	AUD	CHF	USD	EUR	GBP	JYP	CHF
Financial assets											
- Trade receivables	9,475.22	325.64	168.60	-	-	-	4,789.40	531.99	469.49	-	-
- Advance to Suppliers	361.30	39.69	-	0.78	-	-	713.33	60.33	5.84	7.88	-
- Capital advances	142.60	34.11	3.88	-	-	-	87.16	211.02	6.12	3.12	8.03
- Cash and Cash equivalents	55.67	-	-	-	-	-	11.40	-	-	-	-
- Bank balances	-	-	-	-	-	-	281.59	-	-	-	-
- Other financial assets	-	-	-	-	-	-	3.20	-	-	-	-
Net exposure to foreign currency risk (Assets)	**10,034.79**	**399.44**	**172.48**	**0.78**	**-**	**-**	**5,886.08**	**803.34**	**481.45**	**11.00**	**8.03**
Financial liabilities											
- Term loans from banks	-	-	-	-	-	-	558.91	-	-	-	-
- Working capital and buyers credit from banks	5,942.88	-	-	-	-	-	1,713.30	-	-	-	-
- Trade payables	3,873.36	54.77	31.35	-	17.25	-	4,595.09	68.09	-	-	-
- Creditors for Capital Purchases	-	704.48	-	-	-	7.43	12.28	112.48	1.24	-	1.14
- Advance from Customers	352.40	3.93	-	-	-	-	330.36	0.20	-	-	-
- Accrued interest on borrowings	-	-	-	-		-	12.78	-	-	-	-
Net exposure to foreign currency risk Liabilities)	**10,168.64**	**763.18**	**31.35**	**-**	**17.25**	**7.43**	**7,222.72**	**180.77**	**1.24**	**-**	**1.14**
Net open exposure	**(133.85)**	**(363.74)**	**141.13**	**0.78**	**(17.25)**	**(7.43)**	**(1,336.64)**	**622.57**	**480.21**	**11.00**	**6.89**

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to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Sensitivity to foreign currency risk

The following table demonstrates the foreign exchange sensitivity by assuming rates shift in the USD, EUR, CHF, CNY and other currencies with all other variables held constant. The impact below on the Company's profit/equity before considering tax impact is due to changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

Currencies / Sensitivity	As at March 31, 2022		As at March 31, 2021	
	Increase by 5%	Decrease by 5%	Increase by 4%	Decrease by 4%
	Gain / Loss		Loss / Gain	
USD	(6.69)	6.69	(31.11)	31.11
EUR	(18.19)	18.19	24.90	(24.90)
GBP	7.06	(7.06)	19.21	(19.21)
JPY	0.04	(0.04)	0.44	(0.44)
AUD	(0.86)	0.86	-	-
CHF	(0.37)	0.37	0.28	(0.28)

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks. Appreciation and depreciation of USD with respect to the functional currency would result in increase and decrease in carrying value of property, plant and equipment by approximately ₹ 9.06 lakhs as at March 31, 2022 (Previous year: ₹ 22.36 lakhs)

II Interest rate risk

This refers to risk to the fair value or future cash flows of a financial instrument on account of movement in market interest rates.

For the Company, the interest risk arises mainly from debt obligations with floating interest rates. To mitigate interest rate risk, the Company closely monitors market interest and as appropriate makes use of hedged products and optimise borrowing mix / composition.

III Cash flow and fair value interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like vendor bill discounting, suppliers' and buyers' credit. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. As the Company does not have exposure to any floating interest bearing assets, its interest income and related cash flows are not affected by changes in the market interest rates.

a) Interest rate risk exposure:

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	20,179.78	18,253.80
Fixed rate borrowings	7,142.88	3,773.11
Total borrowings	**27,322.66**	**22,026.91**

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Borrowings - Term Loan	8.92%	17,765.72	65%	9.43%	18,253.80	83%
Net exposure to cash flow interest rate risk		**17,765.72**			**18,253.80**	

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(All amounts in ₹ Lakhs, unless otherwise stated)

b) Interest rate Sensitivity

The following table illustrates the sensitivity of profit and equity before considering tax impact to a reasonably possible change in interest rate of 50 basis point increase or decrease. The calculations are based on the risk exposures outstanding at the balance sheet date.

Particulars	Impact on Profit	
	As at March 31, 2022	As at March 31, 2021
Interest rates - increase by 50basis points*	(88.83)	(91.27)
Interest rates - derease by 50basis points*	88.83	91.27

*Holding all other variables constant including change in interest subsidy

IV Price risk

(a) Exposure

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

NOTE 40: CONTINGENT LIABILITY DISCLOSURE

Particulars	As at March 31, 2022	As at March 31, 2021
Excise, Customs and Service Tax Matters	1,091.04	1,091.04
Income Tax Matters	6.32	6.32
Claims against Company not acknowledged as debts	488.27	488.27

The Hon'ble Supreme Court of India, through a ruling in February 2019, provided interpretation on the components of Salary on which the Company and its employees are to contribute towards Provident Fund under the Employee's Provident Fund Act. Based on the current evaluation, the Company believes it is not probable that certain components of Salary paid by the Company will be subject to contribution towards Provident Fund due to the Supreme Court order. The Company will continue to monitor and evaluate its position based on future events and developments.

Notes:

(a) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

Description of contingent liabilities:

Excise, Customs and Service Tax Matters

The Company has ongoing disputes with tax authorities mainly relating to availment of input tax credit on certain items and classfication of finished goods.

Income Tax Matters

The Company has ongoing disputes with Income tax authorities relating to tax treatment of certain items. These mainly includes disallowed expenses, claimed by the Company as deductions.

Claims against Company not Acknowledged as Debts

Represent claims disputed by the Company wherein the Company has filed application for dismissal of the matters.

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to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 41: CAPITAL AND OTHER COMMITMENTS

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital Commitments		
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	2,176.10	2,566.51
(b) Other Commitments		
Custom duty on pending export obligation for import under Advance License and EPCG scheme	516.15	612.33

NOTE 42: EARNINGS PER SHARE

Particulars	Year ended As at March 31, 2022	Year ended As at March 31, 2021
Profit after Tax (A) (₹ in lakhs)	5,081.42	1,409.00
Weighted average number of equity shares outstanding during the year (B)	50,110,186	50,008,095
Weighted average number of equity shares for basic earning per share	50,110,186	50,008,095
Adjustments for diluted earning per share - Options	678,303	214,943.00
Weighted average number of equity shares for diuted earning per share (C)	50,788,489	50,223,038
Basic earnings per share (A)/(B)	10.14	2.82
Diluted earnings per share (A)/(C)	10.01	2.81
Nominal value of an equity share (₹)	10.00	10.00

NOTE 43: DISCLOSURE FOR MICRO, MEDIUM AND SMALL ENTERPRISES

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,760.52	1,073.50
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	144.31	112.00
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	7,416.43	4,234.31
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	8.95
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	32.31	46.02
Further interest remaining due and payable for earlier years.	112.00	65.98

NOTE 44: DISCLOSURE PURSUANT TO THE REGULATION 34(3) READ WITH PARA A OF SCHEDULE V OF SEBI LISTING REGULATIONS, 2015

There are no loans and advances, in the nature of loans to firms/ companies in which directors are interested outstanding during the year ended March 31, 2022 and March 31, 2021.

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(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 45: RESEARCH AND DEVELOPMENT EXPENDITURE

Details of Research and Development expenses incurred during the year, debited to the Statement of Profit and Loss account are ₹ 1,255.64 Lakhs (March 31, 2021: ₹ 1,115.71 Lakhs), which includes materials cost, power cost, employee cost.

Details of Capital Expenditure incurred during the year for Research and Development is given below:

Particulars	Year ended As at March 31, 2022	Year ended As at March 31, 2021
Plant and Machinery	23.86	-
Total	**23.86**	**-**

NOTE 46: OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

There are no financial assets or financial liabilities which are subject to offsetting as at March 31, 2022 and March 31, 2021, since the Company neither has enforceable right or an intent to settle on net basis or to realise the asset and settle the liability simultaneously. Further, the Company has no enforceable master netting arrangements and other similar arrangements as at March 31, 2022 and March 31, 2021.

NOTE 47: RELATED PARTY DISCLOSURES

(i) Relationships

Holding Company	Mandawewala Enterprises Limited
Key Management Personnel	Mr. Abhishek Mandawewala Mrs. Khushboo Mandawewala
Relatives	Mr. R.R. Mandawewala Mrs. Pratima Mandawewala Mrs. Khushboo Mandawewala Mr. Yash Mandawewala
Other Related parties	Mertz Estates Limited RRM Enterprises Private Limited Welspun Global Brands Limited Welspun Corp Limited Welspun Usa Inc Welspun Steel Limited AYM Syntex Limited Superannuation Trust Welspun Flooring Limited Welspun India Limited

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(All amounts in ₹ Lakhs, unless otherwise stated)

(ii) Terms and conditions

- All transactions were made on normal commercial terms and conditions and at market rates.
- All outstanding balances are unsecured and repayable in cash.

	Holding Company	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year							Key Management Personal	
	Mandawewala Enterprises Limited	RRM Enterprises Private Limited	Mertz Estates Limited	Welspun India Limited	Welspun Global Brands Limited	Welspun USA Inc	Welspun Flooring Limited	AYM Syntex Limited Superannuation Trust	Mr. Abhishek Mandawewala	Mrs. Khushboo Mandawewala
Transactions during the year										
Intercorporate deposits received **	(1,200.00)	1,200.00	-	-	-	-	-	-	-	-
	-		-	-	-	-	-	-	-	-
Cross charge	35.61		-	-	-	-	-	-	-	-
	(14.00)		-	-	-	-	-	-	-	-
Interest expense	81.37	26.63	-	-	-	-	-	-	-	-
	(108.00)	-	-	-	-	-	-	-	-	-
Salary	-		-	-	-	-	-	-	166.21	33.17
	-		-	-	-	-	-	-	(98.29)	(25.68)
Purchase of goods/services/ expenses incurred	3.36		355.72	117.22	8,308.63	-	-	-	-	-
	(7.67)		(267.22)	(47.71)	(7,135.62)	(6.58)	(51.21)	-	-	-
Sale of goods	-		-	4,031.28	-	-	2,013.85	-	-	-
	-		-	(5,002.32)	-	-	(3,030.20)	-	-	-
Closing balance										
Intercorporate deposits received	-	1,200.00	-	-	-	-	-	-	-	-
	(1,200.00)	-	-	-	-	-	-	-	-	-
Debtors	-		-	6.04	60.61	-	167.70	-	-	-
	-		-	(642.23)	-	-	(188.55)	-	-	-
Creditors	-		-		231.88	-		-	-	-
	-		-	-	(259.05)	(19.64)	(50.80)	-	-	-

Year 2020-21 figures are given in round brackets ( ).

* All amount is inclusive of taxes

** Intercorporate deposits transferred from Mandawewala Enterprises Limited to RRM Enterprises Private Limited as per scheme of demerger, dated September,13 2021.

Note 48: Segment information

i) Information about Primary Business Segment Identification of Segments:

The Company is engaged in the business of Synthetic Yarn which in the context of Ind AS 108 on Segment Reporting are considered to constitute single primary business segment.

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about profit or loss in the financial statements, Operating segment have been identified on the basis of Geographical segment and other quantitative criteria specified in the Ind AS 108.

(i) Segment revenue :

The segment revenue is measured in the same way as in the statement of profit or loss.

Segment Revenue	2022			2021		
	India	Outside India	Total	India	Outside India	Total
Total segmental revenue*	82,988.20	66,157.75	149145.95	55,150.78	39,590.25	94,741.03

*excluding other income

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(All amounts in ₹ Lakhs, unless otherwise stated)

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from outside India	Year ended As at March 31, 2022	Year ended As at March 31, 2021
Australia and New Zealand	15,486.27	11,135.00
European Union	10,685.13	5,833.75
U.S.A	24,626.79	4,894.75
U.K.	2,690.78	2,373.05
Others	12,668.79	15,353.70
Total	**66,157.75**	**39,590.25**

(ii) Segment assets :

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Segment Assets	As at March 31, 2022			As at March 31, 2021		
	India	Outside India	Total	India	Outside India	Total
Carrying amount of segment assets	72,444.99	8,618.57	81,063.56	66,509.35	9,757.58	76,266.93
Additions to non-current assets#	7,659.90		7,659.90	2,992.02		2,992.02
Total segment assets	80,104.89	8,618.57	88,723.46	69,501.37	9,757.58	79,258.95
Unallocated:						
Right-of-use assets	-	-	1,637.27	-	-	519.15
Deferred tax assets (net)	-	-	2,195.55	-	-	3,674.34
Income tax assets (net)	-	-	108.64	-	-	43.43
Balancesheet Assets			**92,664.92**			**83,495.87**

Additions to non-current assets also includes expenditure incurred on capital work-in-progress.

(iii) Segment liabilities :

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment and the physical location of the liability.

Segment Liabilities	As at March 31, 2022			As at March 31, 2021		
	India	Outside India	Total	India	Outside India	Total
Carrying amount of segment liabilities	15,002.74	5,044.97	20,047.71	20,010.39	5,692.57	25,702.96
Additions to non-current liabilities	-	-	-	-	-	-
Total segment liabilities	15,002.74	5,044.97	20,047.71	20,010.39	5,692.57	25,702.96
Unallocated:			-			
Borrowings	-	-	31,619.97	-	-	22,026.91
Balancesheet Liabilities			**51,667.68**			**47,729.87**

Additions to non-current liabilities also includes external commercial borrowings (ECB).

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(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 49: EMPLOYEE STOCK OPTION PLAN DISCLOSURE FOR IND AS

The Company has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Company as well as to incentivize and motivate them to contribute to its growth and profitability. At present two share-based payment schemes are in existence.

1) AYM Employee Stock Option (AYMSOP 2018) was approved by shareholders at Extra Ordinary general meeting in 2018.

2) AYM Employee Stock Option Scheme 2021 (AYM ESOP SCHEME 2021) was approved by the shareholders through postal ballot on March 05, 2021.

Details of these employee share-based schemes are given below:

Persons covered under this scheme include all permanent employees working in India or out of India, whole time and other directors.

The schemes however exclude employee outside india who is an employee of a subsidiary, holding or associate of the Company,promoters or person belonging to the Promoter group, promoter director, director holding directly or indirectly more than 10% of the outstanding share of the Company.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options shall not be less than face value of equity share and shall not exceed market price of the equity share of the Company as on the date of grant of Option.

AYM Employee Stock Option (AYMSOP 2018)

The Grant date is August 13, 2018

Vesting Proportion	Date of vesting
10% of the options granted	13-Aug-19
10% of the options granted	13-Aug-20
20% of the options granted	13-Aug-21
20% of the options granted	13-Aug-22
40% of the options granted	13-Aug-23

Set out below is a summary of options granted under the plan

	As at March 31, 2022		As at March 31, 2022	
	Average exercise price per share option (₹)	Number of Option	Average exercise price per share option (₹)	Number of Option
Opening balance	10	473,280	10	614,020
Granted during the year	-	-	-	-
Exercised during the year	10	118,320	10	60,190
Cancelled during the year	-	39,360	-	80,550
Closing balance	**-**	**315,600**	**-**	**473,280**

The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2022 was ₹ 26.65 per share.

Weighted average remaining contractual life of options outstanding at end of period	1.87 years	2.36 years

No option expired during the periods covered in the above tables.

The fair value at grant date of options granted was ₹ 41.20

The fair value at grant date is determined using Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

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to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

The model input for the option granted during the year ended March 31, 2021 included:

a) options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of one year after vesting.

b) Exercise price: **₹ 10**

c) Grant date: August 13, 2018

d) expiry date: August 13, 2024

e) Share price at the grant date: **₹ 41.2**

f) expected price volatility of the Company's shares: 41.22%

g) expected dividend yeild: 0.00%

h) risk free interest rate: 7.61%

The expected price volatility is based on historic volatility (Based on the remaining life of the option), adjusted for any expected changes to future volatility due to publicly available information.

Expenses arising from share-based payment transactions

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expenses were as follow:

Particulars	March 31, 2022	March 31, 2021
Employee - share based expense	125.03	31.59

AYM ESOP SCHEME 2021 Grant -1

The Grant date is April 24, 2021

Vesting Proportion	Date of vesting
10% of the options granted	24-Apr-22
10% of the options granted	24-Apr-23
20% of the options granted	24-Apr-24
20% of the options granted	24-Apr-25
40% of the options granted	24-Apr-26

Once vested, the option remains excercisable for a period of one year and expire thereafter.

The fair value at grant date of options granted was ₹ 43.50

Set out below is a summary of options granted under the plan

Particulars	March 31, 2022	
	Average exercise price per share options (₹)	Number of options
Opening balance	-	-
Granted during the year	-	600,000
Exercised during the year	-	-
Cancelled during the year	-	-
Closing balance	**-**	**600,000**
No option expired during the periods covered in the above table.		
Weighted Average remaining contractual life of options outstanding at end of period		3.77 years

The fair value at grant date is determined using Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

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(All amounts in ₹ Lakhs, unless otherwise stated)

The model input for the option granted during the year ended March 31, 2022 included:

a) options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of one year after vesting.

b) Exercise price: ₹ 10

c) Grant date: April 24, 2021

d) Expiry date: April 24, 2027

e) Share price at the grant date: ₹ 43.50

f) Expected price volatility of the Company's shares: 64.09%

g) Expected dividend yeild: 0.00%

h) Risk free interest rate: 4.15%

The expected price volatility is based on historic volatility (Based on the remaining life of the option), adjusted for any expected changes to future volatility due to publicly available information.

AYM ESOP SCHEME 2021 Grant -2

The Grant date is January 29, 2022

Vesting Proportion	Date of vesting
10% of the options granted	29-Jan-23
10% of the options granted	29-Jan-24
10% of the options granted	28-Jan-25
15% of the options granted	28-Jan-26
15% of the options granted	28-Jan-27
40% of the options granted	28-Jan-28

Set out below is a summary of options granted under the plan

Particulars	March 31, 2022	
	Average exercise price per share options (₹)	Number of options
Opening balance	-	-
Granted during the year	-	390,000
Exercised during the year	-	-
Cancelled during the year	-	-
Closing balance	**-**	**390,000**
Weighted Average remaining contractual life of options outstanding at end of period		4.33 years

No options were vested or exercised during the period covered in the above table.

No option expired during the periods covered in the above table.

The fair value at grant date is determined using Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model input for the option granted during the year ended March 31, 2022 included:

a) options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of one year after vesting.

b) Exercise price: ₹ 10

c) Grant date: January 29, 2022

d) Expiry date: January 27, 2029

e) Share price at the grant date: ₹ 136.95

f) Expected price volatility of the Company's shares: 53.48%

g) Expected dividend yeild: 0.00%

h) Risk free interest rate: 4.45%

The expected price volatility is based on historic volatility (Based on the remaining life of the option), adjusted for any expected changes to future volatility due to publicly available information.

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 50: (A) ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(i) No proceedings have been initiated on or are pending against the company as at March 31, 2022 for holding benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) The company has borrowings from banks on the basis of security of current assets. The quarterly returns filed by the Company with banks are in agreement with the books of accounts.

(iii) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) 1. The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

2. The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(vi) There is no income surrendered or transaction disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(ix) The borrowings obtained by the company from banks have been applied for the purposes for which such loans were was taken.

(B) FINANCIAL RATIOS

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Variance	Reason for variance
Current Ratio	Current assets	Current liabilities	1.21	1.14	6%	-
Current Ratio (excluding Term debt)	Current assets	Current liabilities	1.38	1.30	6%	-
Debt-Equity Ratio	Total debt	Total equity	0.67	0.62	8%	-
Debt Service Coverage Ratio	Earning for debt	Debt service	2.12	1.44	47%	Higher earnings
Return on Equity Ratio	Net profit after tax	Average shareholders equity	0.13	0.04	229%	Higher Profit after Tax
Inventory turnover ratio	COGS	Average inventory	4.93	3.47	42%	Higher Turnover
Trade Receivables turnover ratio	Credit sales	Average trade receivable	13.81	8.73	58%	Higher Sales
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	5.49	3.51	57%	Higher Turnover
Net capital turnover ratio	Credit sales	working capita	20.06	21.33	-6%	-
Net profit ratio	Net profit after tax	Revenue from operations	3.41%	1.49%	129%	Higher Sales with improvement in Margin
Return on Capital employed	Earnings before interest and tax	capital employed	17.33%	8.99%	93%	Higher earnings
Return on investment**	Earnings before interest and tax	Closing total assets	12%	6%	102%	Higher earnings

NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 51: DISCLOSURES IN RELATION TO CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Particulars	As at March 31, 2022	As at March 31, 2021
Corporate social responsibility expenditure:		
Implementing and supporting education program	16.41	6.29
Provision of safe drinking water	6.40	12.72
Promotion of health care and welfare	18.23	-
	41.04	**19.01**
Amount Unspent, of Earlier Years as per Section 135 of the Act	-	-
Amount Required to be Spent During the Year, as per Section 135 of the Act	25.45	17.29
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	25.45	17.29
(iii) Excess spent, carried forward for next year	15.59	1.72
	41.04	**19.01**

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at 1 April 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2022
1.72	**25.45**	**39.32**	**(15.59)**

NOTE 52: COVID 19

The Company has evaluated the possible effects of Covid-19 in preparation of these financial statements for the year ended March 31, 2022 including recoverability of assets and assessment of its liquidity position and has concluded that there are no adjustments required in the financial statements.

NOTE 53: EVENTS OCCURRING AFTER THE REPORTING DATE

No adjustments on account of events occuring after the reporting date have been identified to the figures reported.

Signatures to Notes to Financial Statements

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016

Pankaj Khandelia
Partner
Membership No. 102022

Place: Mumbai
Date: May 07, 2022

For and on behalf of the Board of Directors

Rajesh Mandawewala
Chairman
DIN 00007179

Abhishek Mandawewala
CEO and Managing Director
DIN 00737785

Himanshu Dhaddha
Chief Financial Officer

Ashitosh Sheth
Company Secretary

Notes

Notes

Corporate Information

BOARD OF DIRECTORS

Rajesh R Mandawewala
Chairman & Non-Executive Director

Abhishek R Mandawewala
Managing Director & CEO

Khushboo Mandawewala
Whole-time Director

Atul Desai
Independant Director

Mohan Tandon
Independant Director

KH Viswanathan
Independant Director

CHIEF FINANCIAL OFFICER

Himanshu Dhaddha

COMPANY SECRETARY

Ashitosh Sheth

AUDITORS

Price Waterhouse Chartered Accountants LLP

BANKERS

Bank of Baroda
Central Bank of India
HDFC Bank
IDBI Bank Limited
Indian Bank
Karur Vysya Bank
State Bank of India

REACH US

Manufacturing Facilities

Silvassa
U.T. of Dadra & Nagar Haveli

Naroli
U.T. of Dadra & Nagar Haveli

Palghar
Maharashtra

Registered Office

Survey No. 374/1/1, Village Saily,
Silvassa, U.T. of Dadra and Nagar Haveli,
396230, India

Corporate Office

Trade World, B-Wing, 9th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel (W),
Mumbai - 400 013,
Maharashtra, India

Registrar and Transfer Agent

Link Intime India Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai – 400 083
Tel.: (91 22) 4918 6000
Fax: (91 22) 4918 6060

AYM Syntex

THE STRENGTH WITHIN

AYM Syntex Limited

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