INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of AYM Syntex Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of AYM Syntex Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), (Refer note 1.1 (v) to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated statement of changes in equity and its consolidated 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 consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph 14 of the Other Matters section below, 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 of the Holding Company **(Refer note 8 of the consolidated financial statements)** The balance of Minimum Alternate Tax ('MAT') credit entitlement classified under Deferred Tax Assets (net) in the consolidated balance sheet as on March 31, 2023 is Rs. 5,825.92 Lakhs Entitlement of MAT credit is recognised to the extent there is convincing evidence that the Holding Company will be able to utilise the said credit against normal tax payable based on the Holding Company's projected 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 consolidated 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 projected 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 previous year with the actual performance in the current year. • Tested the mathematical accuracy of the underlying calculations and comparing 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, and Company's past performance. • Applied sensitivity to the forecasts to assess whether the MAT credit carried as an asset would be utilised within the permitted remaining period. Based on the above procedures, we did not noted any material exception to the Holding 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

Key audit matter	How our audit addressed the key audit matter
Assessment of indication of impairment and the recoverable amount (RA) of Net carrying value of assets of the Holding Company **(Refer note 2(f) of the consolidated financial statements)** The carrying amount of the Company's net assets exceeded the Company's market capitalisation requiring the Company's management to assess whether there is any indication of impairment to the net assets having carrying value of Rs. 60,964.09 Lakhs as at March 31, 2023. Based on such indications, an impairment assessment was performed by the Holding Company's management in accordance with the requirements of Ind AS 36, 'Impairment of Assets'. Management calculated the value in use of the assets by applying the discounted cash flow method. This has been considered a key audit matter, because of the significance of the carrying value of the assets of the Holding Company and the estimation uncertainty in the assumptions used for calculating the recoverable amount of the net assets such as future sales, discount rate, cost of materials and growth rate over the estimation period.	**Our audit procedures related to testing impairment assessment of the carrying amount of net assets included the following:** • Understood and evaluated the design and tested the operating effectiveness of controls for identification and assessment of any potential impairment, including determining the recoverable amount of the net assets. • Assessed the historical accuracy of the Company's Board approved forecasts by comparing the forecast approved in the previous year with the actual performance in the current year. • Used auditor's expert for testing appropriateness of the method and model used for determining the recoverable amount and evaluating reasonableness of key assumptions like discount rate, and terminal growth rate. • Evaluated reasonableness of other key assumptions used in future cash flow projections such as future sales, Cost of materials and growth rate over the estimation period. • Tested the mathematical accuracy of the models' calculation and comparing the forecasts with the budgets approved by the Board of Directors; • Performed sensitivity analysis over key assumptions to corroborate that recoverable amount is within a reasonable range. • Assessed the appropriateness of the related presentation and disclosures in the financial statements. Based on the above procedures performed, we did not note any material exception in the management assessment of the recoverable amount of the net carrying value of assets.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, management discussion & analysis and MD & CEO message, but does not include the consolidated financial statements and our auditor's report thereon.

   The Director's report was obtained prior to the date of this auditor's report. However, the management discussion & analysis and MD & CEO message is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the Director's report and, in doing so, consider whether the Director's report is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), 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 consolidated financial statements, our responsibility is to also read the management discussion & analysis and MD & CEO message when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the management discussion & analysis and MD & CEO message, 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 Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated 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 decisions of users taken on the basis of these consolidated financial statements.

10. 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 consolidated 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 Holding Company has adequate internal financial controls with reference to consolidated 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company 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.

12. 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.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other Matters

14. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 0.76 lakhs and net assets of Rs. 0.46 lakhs as at March 31, 2023, total revenue of Rs. Nil, total comprehensive income (comprising of loss and other comprehensive income) of Rs. 0.54 lakhs and net cash flows amounting to Rs 0.76 lakhs for the period ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Report on Other Legal and Regulatory Requirements

15. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that the auditors of the following company has given an adverse remark in their CARO report on the standalone financial statements of the respective companies included in the consolidated financial statements of the Holding Company, as reproduced below:

Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
AYM Syntex Limited	L99999DN1983PLC000045	Holding Company	May 5, 2023	Refer comments below for paragraph no (i)(c)
AYM Textiles Private Limited	U17299MH2022PTC385451	Subsidiary Company	April 28, 2023	Paragraph no (xvii) The company has incurred cash losses of Rs. 0.54 lakhs for the period

Paragraph no (i)(c) to the Holding company's CARO report.

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
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

16. **As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group (Refer note 39 to the consolidated financial statements)

ii. The Group was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group did not have any derivative contracts as at March 31, 2023.

iii. During the year ended March 31, 2023, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

iv (a) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 49(a)(v) to the consolidated financial statements).

(b) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary shall, 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 49(a)(v) to the consolidated financial statements).

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the subsidiary incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company and its subsidiary company has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, is applicable to the Group, only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

17. The Holding Company and its subsidiary 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: 23102022BGTWMZ1995

Place: Mumbai
Date: May 05, 2023

CONSOLIDATED BALANCE SHEET

as at March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023
ASSETS		
1. Non-Current Assets		
(a) Property, plant and equipment	3a	44,051.67
(b) Right-of-use assets	3b	730.88
(c) Capital work-in-progress	3a	3,096.46
(d) Intangible assets	4	19.33
(e) Financial assets		
ii. Loans	5	56.58
iii. Other financial assets	6	299.36
(f) Income tax assets (net)	7	180.37
(g) Deferred tax assets (net)	8	1,995.82
(h) Other non-current assets	9	568.91
Total Non-Current Assets		**50,999.38**
2. Current Assets		
(a) Inventories	10	19,940.26
(b) Financial assets		
i. Trade receivables	11	10,404.75
ii. Cash and cash equivalents	12	908.80
iii. Bank balances other than cash and cash equivalents above	13	1,312.21
iv. Loans	14	52.61
v. Other financial assets	15	153.46
(c) Other Current Assets	16	8,264.65
Total Current Assets		**41,036.74**
Total Asset		**92,036.12**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	17(a)	5,035.33
(b) Other equity		
Reserves and Surplus	17(b)	36,989.48
Total Equity		**42,024.81**
1. Liabilities		
Non-Current Liabilities		
(a) Financial liabilities		
i. Borrowings	18	15,162.37
ii. Lease Liabilities	3(b)	171.18
iii. Other financial liabilities	19	242.28
(b) Employee benefit obligations	20	742.27
Total non-current liabilities		**16,318.10**
2. Current liabilities		
(a) Financial liabilities		
i. Borrowings	21	11,637.96
ii. Lease Liabilities	3(b)	602.84
ii. Trade payables	22	
Dues to micro, small and medium enterprises		1,590.41
Dues to creditors other than micro, small and medium enterprises		17,661.46
iii. Other financial liabilities	23	946.72
(b) Employee benefit obligations	24	535.32
(c) Income tax liabilities	25	3.32
(d) Other Current Liabilities	26	715.18
Total Current Liabilities		**33,693.21**
Total Liabilities		**50,011.31**
Total Equity and Liabilities		**92,036.12**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.
This is the Consolidated 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 05, 2023

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023
INCOME		
Revenue from operations	27	145,778.22
Other income	28	786.85
Total income		**146,565.07**
EXPENSES		
Cost of materials consumed	29	87,396.79
Changes in inventories of finished goods and goods-in-process	30	(192.71)
Employee benefit expense	31	6,547.98
Depreciation and amortization expense	32	5,651.87
Other expenses	33	42,498.69
Finance costs	34	3,599.42
Total expenses		**145,502.04**
Profit Before Tax		**1,063.03**
Income Tax Expense	35	
Current tax		435.59
Deferred tax		(88.76)
Total Tax Expense		**346.83**
Profit for the year		**716.20**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Add : Remeasurements of post employment benefit obligations	31	115.17
Less : Income tax effect on above	35	40.25
Other comprehensive income for the year, net of tax		**74.92**
Total Comprehensive Income for the Year		**791.12**
Earnings per share	42	
Basic (₹)		1.42
Diluted (₹)		1.41

The above consolidated statement of Profit and Loss should be read in conjunction with the accompanying notes.
This is the consolidated statement of Profit and Loss 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 05, 2023

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

CONSOLIDATED STATEMENT OF CASH FLOW

for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES	
Profit before tax	1,063.03
Adjustments for:	
Depreciation and amortisation expense	5,651.87
Finance costs	3,599.41
Net unrealised foreign exchange (gain)/loss	(4.66)
Lease concessions	(7.10)
Share based expense	216.38
Loss on sale/discard of property, plant and equipment (Net)	110.65
Unwinding of discount on security deposits	(16.95)
Interest income	(59.53)
Operating profit before changes in operating assets and liabilities	**10,553.10**
Adjustments for changes in operating assets and liabilities:	
(Increase) / decrease in inventories	(1,111.62)
(Increase) / decrease in trade receivables	786.44
Increase / (decrease) in trade payables	1,062.36
Increase / (decrease) in other current financial liabilities	33.90
Increase / (decrease) in employee benefit obligations	(152.51)
Increase / (decrease) in other current liabilities	(20.01)
Increase / (decrease) in other non-current liabilities	(0.45)
(Increase) / decrease in Loans and other financial assets	(103.91)
(Increase) / decrease in other current and non-current financial assets	1601.85
Cash Generated from Operations	**12,649.15**
Income tax paid	(837.38)
Net cash generated from operating activities	**11,811.77**
CASH FLOW FROM INVESTING ACTIVITIES	
Payment for property, plant, equipment and intangible assets	(7,795.12)
Proceeds from sale of property, plant and equipment	32.85
Realisation / (investment) in fixed deposit and margin money (Net)	298.69
Interest received	71.38
Net cash used in investing activities	**(7,392.20)**
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of equity shares	19.97
Proceeds / (Repayments) of long term borrowings	768.84
Proceeds / (Repayments) of short term borrowings	(1,703.41)
Principal elements of lease payments	(615.28)
Proceeds from Intercorporate deposit	1,200.00
Finance costs paid	(3,565.96
Net cash generated from / (used in) financing activities	**(3,895.84)**
Net (decrease) / increase in Cash and Cash Equivalents	**523.73**
Cash and cash equivalents at the beginning of the year	385.07
Cash and cash equivalents at the end of the year	**908.80**
Non-cash investing/ financing activities	
- Acquisition of right-of-use assets	67.38
Reconciliation of cash and cash equivalents as per the cash flow statement	
Cash and cash equivalents comprise of:	
Cash on Hand (Refer Note 12)	20.96
Balance with banks in current accounts (Refer Note 12)	887.84
Cash and bank balances at the end of the year	**908.80**

Notes:

1) Consolidated 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) The above consolidated statement of cash flows should be read in conjuction with the accompanying notes.

This is the consolidated 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 05, 2023

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

A EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Balance as at March 31, 2022		**5,015.36**
Changes in equity share capital during the year	17(a)	19.97
Balance as at March 31, 2023		**5,035.33**

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 2022		**2,664.93**	**7,056.59**	**107.06**	**190.77**	**293.36**	**25,669.27**	**35981.98**
Profit for the year		-	-	-	-	-	716.20	**716.20**
Other comprehensive income		-	-	-	-	-	74.92	**74.92**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	791.12	**791.12**
Share options outstanding account	**17(b)**	-	103.26	-	216.38	-	-	**319.64**
Employee stock options exercised	**17(b)**	-	-	-	(103.26)	-	-	**(103.26)**
Balance as at 31 March 2023		**2,664.93**	**7,159.85**	**107.06**	**303.89**	**293.36**	**26,460.39**	**36,989.48**

Notes :

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

This is the Consolidated 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 05, 2023

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

General information

AYM Syntex Limited (herein referred to as "AYM" or "the Company") and its subsidiary company AYM Textiles Private Limited together comprises the "Group". 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 the inception, the Group 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 consolidated financial statements were authorised for issue by the board of directors of the Company on May 5, 2023.

Note 1: Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements.

1.1 Basis of Preparation of Consolidated financial statements

(i) Compliance with Ind AS

The consolidated 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 consolidated financial statements have been prepared on an accrual and going concern basis. The consolidated 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

(iii) New and amended standards adopted by the group

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

iv) New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of consolidated financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

(v) Principal of consolidation

a) The Company has incorporated a subsidiary "AYM Textiles Private Limited" on June 27, 2022 and therefore the Company is required to prepare consolidated financial statements for the first time for the year ended March 31, 2023. Accordingly, the corresponding figures for the year ended March 31, 2022 are not required to be furnished in the these consolidated financial statements.

b) Subsidiary is the entity over which the

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Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date of incorporation i.e. June 27, 2022 on which the control is established.

c) The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

d) The financial statements of the subsidiary used in consolidation is drawn up to the same reporting date as that of the parent company i.e. year ended March 31, 2023.

e) Following subsidiary has been considered in the preparation of consolidated financial statements:

Name of the subsidiary	Country of incorporation	of Holding and % voting power as at 31.03.2023
AYM Textiles Private Limited (Date of Incorporation: June 27, 2022)	India	100%

1.2 Foreign currency translation

a) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Indian rupees (INR), which is Group'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 recognised in the statement of 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 Group 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.

1.3 Revenue recognition

The Group derives revenues primarily from sale of manufactured goods and related services.The Group has assessed revenue contracts and revenue is recognised upon satisfying specific performance obligations in accordance with provisions of contract with the customer.

It recognises revenue when control over the promised goods or services are transferred to the customer at an amount that reflects the consideration to which the Group 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 Group considers terms of the contract in determining the revenue. It is measured at the price that reflects the consideration the Group expects to be entitled to in exchange for satisfaction of the performance obligation. The Group considers freight, insurance and handling activities as costs to fulfil the promise to transfer products and related services and the customer payments for such activities are recorded as a component of revenue.

In certain customer contracts where freight is arranged by the Group and recovered from the customers, the same is treated as a distinct separate performance obligation and revenue is recognised when such freight services are rendered. The related shipping and handling costs incurred are included in freight expenses when the Group is acting as principal in the shipping and handling arrangement. For volume discounts and pricing incentives/concessions offered to the customers, the Group 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 recognised 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 Group 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 Group does not adjust any of the transaction prices for the time value of money.

A receivable is recognised 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 Group transfer goods or services to the customer are recognised as contract liabilities. Contract liabilities are recognised as revenue when the Group completes its performance obligation under the contract.

Export Incentives

Export incentives and subsidies are recognised when there is reasonable assurance that the Group 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 Group will comply with all attached conditions.

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 and presented within other income.

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 recognised.

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 unabsorbed 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

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reporting date where the Group 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 Group intends either to settle on a net basis, or to realise 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 recognised 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 utilised.

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 realised 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 offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 recognised 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 Group will be able to utilize the said credit against normal tax payable during the specified period.

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 Group for all leases except short-term leases. Contracts may contain both lease and non-lease components. The Group 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 Group 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 recognised 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 Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group, 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 Group:

- 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 Group, 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 Group use that rate as a starting point to determine the incremental borrowing rate.

The Group 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 Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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 accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable on making the asset ready for its intended use and location, relevant borrowing cost for qualifying assets and present value of any obligatory cost of decommissioning.

Subsequent costs of replacement and major maintenance or repair (overhaul costs) are included in an 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 Group and

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the cost can be measured reliably. The carrying amount of any asset or component of an asset replaced is derecognised when replaced. Overhaul costs associated with major maintenance are capitalised 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 and related expenses, of property, plant and equipment 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 amortised over the shorter of estimated useful life or the related lease term, unless the Group expects to use the assets beyond the lease term. Depreciation is calculated using the straight-line method to allocate the costs, net of residual values, over the estimated useful lives as follows:

Asset	Useful life (years)
Office equipment	5
Furniture and fixtures	10
Computer hardware and software	3/5
Vehicles	8
Plant and machinery*#	7 to 25
Electrical installation	10
Factory building	30
Residential and other buildings	60
Other buildings (carpeted roads)	10

*Extra shift depreciation is provided.

#Useful lives determined based on technical evaluation by the expert is equal to or lower than those specified in the Schedule II.

The useful lives have been determined based on Schedule II of the Companies Act, 2013. The residual values are not more than 5% of the original cost of the assets. 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Gains and losses on disposal or retirement are determined as the difference between net proceeds and the carrying amount. These are recognised in statement of profit and 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 Group 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 method and period

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

1.9 Impairment of assets

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 recognised 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 increase in fair value less costs to sell, 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 amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

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 Group and a financial liability or equity instrument of another Group.

Investments and Other Financial Assets

a) Classification

The Group 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 amortised cost.

The classification depends on the Group'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 Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

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b) Recognition

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

c) Measurement

At initial recognition, the Group measures a financial asset (excluding trade receivables which do not contain a significant financing component) 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 Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised 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 amortised 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 derecognised, 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 amortised 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 Group measures all equity investments at fair value. Where the Group'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 Group'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 Group assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

e) Derecognition of financial assets revenue recognition

A financial asset is derecognised only when

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

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group 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 amortised 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.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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h) Trade receivable

Trade receivables are consideration due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised/measured initially at transaction price that is unconditional unless they contain significant financing components.

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 amortised 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 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 derecognised 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 amortised 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 capitalised as a prepayment for liquidity services and amortised 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 Group 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 Group 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 Group does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated 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 30-90 days of 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 amortised cost using the effective interest method.

e) 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 realise 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 Group 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 capitalised 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 Group 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.

Post-employment obligations

The Group 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

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(All amounts in ₹ Lakhs, unless otherwise stated)

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 Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group 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 Group where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from contribution made on monthly basis.

Payment to defined contribution retirement benefit plans are recognised 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 Syntex 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 Group'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 Group over a specified time period), and
- 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 Group reviews its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises 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 Group recognises 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 Group 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 Group when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Group 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 Group.

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 Group 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 Group 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 authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.18 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group 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 41).

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.

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to the Consolidated Financial Statements for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

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 Group and makes strategic decisions. Refer Note 47 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 consolidated financial statements and are presented separately within the results of the Group. 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 consolidated 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 consolidated 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 Group'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 consolidated financial statements. Accounting estimates could change from period to period.

a) Estimation of current tax expense and deferred income tax

The calculation of the Group'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 35).

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 Group 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 39).

c) Estimated useful life of Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. 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 Group'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 Group's property, plant and equipment and intangible assets (Refer Note 3 and 4).

d) Provision for inventories

The Group 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 ₹ 318.91 lakhs (March 31, 2022: ₹ 316.15 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 Group 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 Group considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer Note 31 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 Group assesses whether there is any indication of impairment to an asset or a cash generating unit and recoverability of potentially impaired assets. The indication come from interplay of various internal and external factors. Based on the indications/conditions which can be external or internal, impairment testing requires an estimate of value in use of the assets. The Group 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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to the Consolidated Financial Statements for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 3A: PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Leasehold Improve-ments	Building	Plant & Mac-hinery	Vehicles	Furniture and Fixtures	Equipments	Computers	Total	Capital work in progress
Net carrying amount as at March 31, 2022	**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**
Additions	44.62	-	-	77.11	-	0.44	3.11	7.68	132.96	6,415.15
Disposals	-	-	(4.43)	(467.44)	-	(0.07)	(0.02)	-	(471.96)	-
Transfers from CWIP	-	-	843.53	3,871.11	-		5.90	93.47	4,814.01	(4,814.01)
Closing gross carrying amount	**1,652.04**	**17.31**	**8,994.01**	**58,541.16**	**192.83**	**261.66**	**201.76**	**742.05**	**70,602.82**	**3,096.46**
Accumulated depreciation										
Accumulated depreciation as At April 1, 2022	-	16.27	1,508.91	19,568.01	90.15	114.77	148.09	452.89	21,899.09	-
Depreciation charge during the year	-	-	384.17	4,460.11	22.11	25.02	20.48	68.63	4,980.52	-
Disposals	-	-	(1.30)	(327.11)	-	(0.04)	(0.01)	-	(328.46)	-
Closing accumulated depreciation	**-**	**16.27**	**1,891.78**	**23,701.01**	**112.26**	**139.75**	**168.56**	**521.52**	**26,551.15**	**-**
Net carrying amount as at March 31, 2023	**1,652.04**	**1.04**	**7,102.23**	**34,840.15**	**80.57**	**121.91**	**33.20**	**220.53**	**44,051.67**	**3,096.46**

Notes:

(i) Refer to Note 18 for information on property, plant and equipment hypothecated / pledged as security by the Group.

(ii) Contractual obligations : Refer to Note 40 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iii) Borrowing costs allocated to fixed assets / capital work in progress is ₹ 40.83 lakhs. (Refer note 34)

(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. (Refer note 3a(i))

(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 Group 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.

(All amounts in ₹ Lakhs, unless otherwise stated)

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, 2023	2,882.63	213.83	-	-	3096.46

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, 2023	-	-	-	-	-

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
Building	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

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to the Consolidated Financial Statements for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

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 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, 2023
Right-of-use assets	
Buildings	730.88
Vehicles	-
Total	**730.88**

Particulars	As at March 31, 2023
Lease Liabilities	
Current	602.84
Non-current	171.18
Total	**774.02**

Additions to the right-of-use assets during the current financial year were ₹ 67.38 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, 2023
Depreciation charge of right-of-use assets		
Buildings	32	656.50
Vehicles	32	2.36
Total		**658.86**

Particulars	Note No	As at March 31, 2023
Interest expense (included in finance costs)	36	107.23
Expense relating to short-term leases (included in other expenses)	35	18.00
Total		**125.23**

The total cash outflow for leases for the year ended March 31, 2023 was ₹ 722.51 lakhs .

The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

Note 4: INTANGIBLE ASSETS

Particulars	Computer Software
Year ended March 31, 2022	
Gross carrying amount	
Opening	137.25
Additions during the year	-
Disposals during the year	-
Closing gross carrying amount	**137.25**
Accumulated amortisation	
Opening	105.43
Charge during the year	12.49
Amortisation on disposals	-
Closing accumulated amortisation	**117.92**
Net carrying amount as at March 31, 2023	**19.33**

NOTE 5: LOANS- NON-CURRENT

Particulars	As at March 31, 2023
Loans to employees	56.58
Total	**56.58**

NOTE6 : NON-CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2023
Security deposits	193.00
Deposits with banks with maturity period of more than 12 months	106.36
Total	**299.36**

NOTE 7: INCOME TAX ASSETS (NET)

Particulars	As at March 31, 2023
Income tax assets	108.64
Add : Taxes Paid	259.08
MAT utilised	248.24
Less : Provision for current tax	(435.59)
Total	**180.37**

The above asset are net of provision for tax ₹ 2,874.86 lakhs

NOTES

to the Consolidated Financial Statements for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 8: DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2023
Deferred tax assets	
Defined benefit obligation	377.07
Provision for doubtful debts	21.85
MAT credit entitlement*	5,825.92
Lease liabilities	270.47
Others including expenses allowable on payment basis	408.55
	6,903.86
Deferred tax liabilities	
Depreciation	4,652.64
Right-of-use assets	255.40
	4,908.04
Net defered tax assets	**1,995.82**

Note:

*In assessing the realisability of deferred tax on MAT credit entitlement, the Company considers the extent to which it is probable that the credit will be realised. 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 it will realise 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 March 31, 2022	**-**	**6,074.16**	**430.73**	**451.52**	**575.10**	**4,763.83**	**572.13**	**2,195.55**
As at April 1, 2022	**-**	**6,074.16**	**430.73**	**451.52**	**575.10**	**4,763.83**	**572.13**	**2,195.55**
Charged / credited								
- to statement of Profit & Loss	-	-	(13.41)	(21.12)	(304.63)	(111.19)	(316.73)	88.76
- MAT credit utilisation	-	(248.24)	-	-	-	-	-	(248.24)
- to other comprehensive income	-	-	(40.25)	-	-	-	-	(40.25)
At March 31, 2023	**-**	**5,825.92**	**377.07**	**430.40**	**270.47**	**4,652.64**	**255.40**	**1,995.82**

Utilisation of deferred tax assets on carry forward MAT credit is towards current tax payable and hence not routed through the Statement of Profit and Loss.

NOTE 9 : OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2023
Capital advances	465.11
Prepaid expenses	18.47
Balances with government authorities	85.33
Total	**568.91**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 10 : INVENTORIES

Particulars	As at March 31, 2023
Raw Materials	
-In stock	3,877.56
-In transit	4,078.95
Goods-in-process	**2,363.58**
Finished goods	
-In stock	4,811.45
-In transit	2,731.47
Consumables, packing materials, stores and spares	2,077.25
Total	**19,940.26**

Refer Note 1.11 and Note 2 (d) for basis of valuation and provision.

NOTE 11 : TRADE RECEIVABLES - UNSECURED

Particulars	As at March 31, 2023
Current Trade receivables from contracts billed with:	
Related parties (Refer Note 46)	209.99
Others	10,257.29
Less: Loss allowance	(62.53)
Total	**10,404.75**

AGING OF TRADE RECEIVABLES : AS AT MARCH 31, 2023

Particulars	Not Due	Outstanding for following periods from the due date					Total
		Less than 6 Months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
considered good	7,899.86	2,466.85	38.04	-	-	-	10,404.75
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	23.83	17.30	16.81	4.59	-	62.53
Less: Loss allowance	-	(23.83)	(17.30)	(16.81)	(4.59)	-	(62.53)
Total	**7,899.86**	**2,466.85**	**38.04**	**-**	**0.00**	**-**	**10,404.75**

NOTE 12 : CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023
Balance with Banks	
- in current accounts	780.37
- in EEFC account	107.47
Cash on hand	20.96
Total	**908.80**

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to the Consolidated Financial Statements for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 13 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

Particulars	As at March 31, 2023
Balance with Banks in	
- in margin money deposits with banks having maturity period upto twelve months (Refer below}	1,312.21
Total	**1,312.21**

Notes:

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, 2023
Loans and advances to employees	52.61
Total	**52.61**

NOTE 15 : CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2023
Security deposits	105.32
Less : Provision for doubtful balances	(70.76)
Interest accrued on fixed deposits	19.35
Other receivables	99.55
Total	**153.46**

NOTE 16 : OTHER CURRENT ASSETS

Particulars	As at March 31, 2023
Assets held for disposal	5.70
Advances to vendors (recoverable in cash or kind)	986.39
Prepaid expenses	127.29
Balances with government authorities	6866.54
Export benefits receivable	278.73
Technology upgradation fund subsidy receivable	391.31
Less: Loss allowance	(391.31)
Total	**8,264.65**

NOTE 17(A) : EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023
Authorized equity share capital	
9,20,00,000 Equity Shares of ₹ 10/- each	9,200.00
2,80,00,000 Optionally Convertible Cumulative Preference Shares of ₹ 10/- each	2,800.00
	12,000.00
Issued, subscribed and fully paid up equity share capital	
50,35,3314 Equity Shares of ₹ 10/- each fully paid up	5,035.33
Total	**5,035.33**

(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in equity share capital	Number of equity shares
As at April 1, 2022	**50,153,634**
Add: Exercise of options - proceeds received	199,680
As at March 31, 2023	**50,353,314**

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, 2023
Mandawewala Enterprises Limited	36,734,927

Details of shareholders holding more than 5% equity shares		As at March 31, 2023
Mandawewala Enterprises Limited	Number of equity shares	36,734,927
Mandawewala Enterprises Limited	Percentage of holding	72.95%

Details of shareholding of promoters	As at March 31, 2023		
	Number of Shares	Percentage of total number of shares	Percentage of change during the year
Mandawewala Enterprises Limited	36,734,927	72.95%	0.00%
RRM Family Trust	500,000	0.99%	0.00%

NOTE 17 (B): OTHER EQUITY - RESERVES AND SURPLUS

Particulars	As at March 31, 2023
Capital reserve	2,664.93
Capital redemption reserve	293.36
Securities premium	7,159.85
General reserve	107.06
Share options outstanding account	303.89
Retained earnings	26,460.39
Total	**36,989.48**

NOTES
to the Consolidated Financial Statements for the Year ended March 31, 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

Movement	As at March 31, 2023
- Capital reserve	
As per last balance sheet	2,664.93
Add/(less): Changes during the year	-
	2,664.93
- Capital redemption reserve	
As per last balance sheet	293.36
Add/(less): Changes during the year	-
	293.36
- Securities premium	
As per last balance sheet	7,056.59
Add: Exercise of options - proceeds received	103.26
	7,159.85
- General reserve	
As per last balance sheet	107.06
Add/ (Less): Changes during the year	-
	107.06
- Share options outstanding account	
As per last balance sheet	190.77
Add: Employee share based payment expense	216.38
Less: Employee stock options exercised	103.26
	303.89
- Retained earnings	
Opening balance	25,669.27
Restated Balance	25,669.27
Add/(Less):	
Net profit for the year	716.20
Item of other comprehensive income recognized directly in retained earnings	
- Remeasurement of post-employment benefit obligation, net of tax	74.92
	26,460.39

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.

Debenture redemption reserve (DRR)

DRR was created on issue of debentures in the earlier years. This has been transferred to general reserve as the debentures have been redeemed.

General reserve

General reserve represents appropriation of profits by the Group.

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.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 18 : NON-CURRENT BORROWINGS

Particulars	As at March 31, 2023
Secured	
Term loans from banks	
- Rupee loans	18534.56
Unsecured, considered good	
Inter-corporate deposits from related parties	2400.00
Less: Current maturities of long-term debt (included in current borrowings)	(5,772.19)
Total	**15,162.37**

Note:

The rate of interest on the borrowings are in range of 7.75% to 9.30% p .a. 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, 2023
Cash and cash equivalent	908.80
Lease liabilities	(774.02)
Term Loans from banks	(20,934.56)
Current borrowings (including overdraft)	(5,865.77)
Net debt	**(26,665.55)**

Particulars	Other assets	Liabilities from financial activities			
	Cash and Cash equivalents	Lease Liabilities	Non Current borrowings*	Current borrowings	Total
Net debt as at March 31, 2022	**385.07**	**(1,645.76)**	**(18,965.72)**	**(8,356.94)**	**(28,583.35)**
Cash flows (net)	523.73	615.28	(1,968.84)	2,491.17	1,661.34
New leases	-	(67.38)	-	-	(67.38)
Interest expense	-	(107.23)	(1,765.07)	(513.34)	(2,385.64)
Interest paid	-	107.23	1,765.07	513.34	2,385.64
Non-cash movements					
- Fair value adjustment	-	323.84	-	-	323.84
Net debt as at March 31, 2023	**908.80**	**(774.02)**	**(20,934.56)**	**(5,865.77)**	**(26,665.55)**

NOTES

to the Consolidated Financial Statements for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Last installment due	Terms of Repayment	As at March 31, 2023
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	340.78
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	486.95
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	448.58
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	771.03
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	851.32
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	528.84
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	1,558.94
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	**Jun-2026**	Repayable in 29 quarterly installments commencing from December 2019	4,383.15
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	-
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.	678.13
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.	1,808.33
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	**March- 2026**	Repayable in 48 Monthly installments commencing from April 2022.	225.00
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	1,932.40
Rupee term loan is secured by 1st pari passu charge over the entire fixed assets, and 2nd pari passu charge over the entire current asset of the Company	**August- 2027**	Repayable in 16 quarterly installments commencing from Nov 2023	2,488.96
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	**Mar- 2028**	Repayable in 20 quarterly installments commencing from Jun 2023	2,032.15
Total			**18,534.56**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 19 : OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2023
Creditors for capital purchases	242.28
Total	**242.28**

NOTE 20 : NON-CURRENT EMPLOYEE BENEFIT OBLIGATIONS

Particulars	As at March 31, 2023
Provision for gratuity (Refer Note 33)	742.27
Total	**742.27**

NOTE 21 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	As at March 31, 2023
Secured	
Working capital loan from banks	
- Rupee loans	5,560.51
Current maturities of long-term borrowings (Refer Note 19)	**5,772.19**
Unsecured	
Buyers' credit from banks	305.26
Total	**11,637.96**

Note:

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 Group and second charge on entire fixed assets of the Group.

NOTE 22 : TRADE PAYABLES

Particulars	As at March 31, 2023
Acceptances	11,721.69
Dues to micro, small and medium enterprises (Refer Note 42)	1,590.41
Dues to other	5,939.77
Total	**19,251.87**

For payables to Related parties (Refer Note 46)

AGING OF TRADE PAYABLES: FOR MARCH 31, 20223

Particulars	Not Due	Outstanding for following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables						
Mono enterprises and small enterprises	1,590.41	-	-	-	-	1,590.41
Others	15,263.59	2,235.09	49.55	30.95	82.28	17,661.46
Total	**16,854.00**	**2,235.09**	**49.55**	**30.95**	**82.28**	**19,251.87**

NOTES
to the Consolidated Financial Statements for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 23 : OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2023
Interest accrued but not due on borrowings	116.20
Creditors for capital purchases	664.32
Security deposits	166.20
Total	**946.72**

NOTE 24 : CURRENT EMPLOYEE BENEFIT OBLIGATIONS

Particulars	As at March 31, 2023
Provision for gratuity	80.64
Provision for compensated absences (Refer Note 32)	256.17
Employee benefit payables	198.51
Total	**535.32**

Note:

The entire amount of the provision of ₹ 256.17 lakhs is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group 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 25 : INCOME TAX LIABILITIES (NET)

Particulars	As at March 31, 2023
Opening balance	581.61
Add : Current tax payable for the year	-
Less : Taxes paid	(578.29)
Closing Balance	**3.32**

The above liabilities are net of advance taxes paid of ₹ 1830.51 lakhs. (Refer Note 35)

NOTE 26 : OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023
Contact Liabilities	543.46
Statutory dues	171.25
Deferred capital subsidy	0.47
Total	**715.18**

NOTE 27: REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2023
Revenue from contract with customers	
Sale of products	142,287.38
Sales of Services	343.00
Other Operating Revenue	
Sale of scrap	606.88
Export incentives (Refer Note 1.3)	2,540.96
Total	**145,778.22**

NOTE 28: OTHER INCOME

Particulars	Year ended March 31, 2023
Exchange difference (net)	359.32
Interest on:	
- Fixed deposits	59.53
- Others	161.87
Profit on sale of current investments	-
Insurance claim	11.43
Miscellaneous	194.70
Total	**786.85**

NOTE 29: COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2023
Raw material consumed	
Inventory at the beginning of the year	7,281.04
Add: Purchases	88,072.26
	95,353.30
Less: Inventory at the end of the year	7,956.51
Total	**87,396.79**

NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS AND GOODS-IN-PROCESS

Particulars	Year ended March 31, 2023
Inventory at the end of the year	
Goods-in-process	2,363.58
Finished goods	7,542.92
	9,906.50
Less: Inventory at the beginning of the year	
Goods-in-process	1,795.73
Finished goods	7,918.06
	9,713.79
Total changes in inventories of finished goods and goods-in-process	**(192.71)**

NOTE 31: EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2023
Salaries, wages and allowances	5364.80
Employee share based payment expense (Refer note 49)	216.38
Managerial remuneration	223.46
Contribution to provident and other funds	355.56
Gratuity	169.48
Workmen and staff welfare expenses	218.30
Total	**6547.98**

*Provident fund contribution ₹ 12.37 lakhs and gratuity ₹ 5.03 lakhs are included in managerial remuneration.

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to the Consolidated Financial Statements for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Defined Contribution Plans	Year ended March 31, 2023
During the year, the Company has recognized the following amounts in the statement of Profit and Loss:	
Employers' Contribution to Provident Fund*	329.17
Employers' Contribution to Employees' State Insurance *	26.08
Employers' Contribution to Labour welfare fund*	0.31
Total	**355.56**

* Included in Contribution to Provident and Other Funds

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, 2023 % p.a.
Discount Rate	7.50
Salary Escalation Rate *	7.00
Rate of Employee Turnover:	
-Upto 30 years	4.00
-From 31 to 44 years	6.00
-Above 44 years	2.00
Mortality Rate During Employment	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, 2023
Opening Present Value of Obligation	846.88
Current Service Cost	112.52
Interest Cost	61.99
Total amount recognized in profit or loss	**174.51**
Remeasurement	
(Gain)/Loss from change in demographic assumptions and experience adjustments	(26.24)
(Gain)/Loss from change in financial assumptions	(88.93)
Total amount recognized in other comprehensive income	**(115.17)**
Benefit/ Exgratia paid	83.31
Closing Present Value of Obligation	**822.91**

(All amounts in ₹ Lakhs, unless otherwise stated)

Amount recognized in the Balance sheet	**Year ended March 31, 2023**
Present value of Obligation	822.91
Funded Status [(Surplus/ (Deficit)]	(822.91)
Expense recognized in Statement of Profit and Loss	174.15
Expense recognized in Other comprehensive income	115.17
Net (liability)/ Asset Recognized in the Balance Sheet	**(822.91)**

Expenses Recognized in Profit and Loss	**Year ended March 31, 2023**
Current Service Cost	112.52
Interest Cost	61.99
Expenses recognized in the of profit or loss*	**174.51**

* Included in Employee Benefits Expense

Expenses recognized in Other Comprehensive Income	**Year ended March 31, 2023**
Re-measurement (Refer Note b above)	
Actuarial (Gains)/Losses on Obligation For the year	(115.17)
Net (Income)/Expenses for the Period Recognized in OCI	**(115.17)**

Sensitivity Analysis	**Year ended March 31, 2023**
Projected Benefit Obligation on Current Assumptions	822.91
Delta Effect of	
+0.5% Change in Rate of Discounting	(42.86)
-0.5% Change in Rate of Discounting	32.60
+0.5% Change in Rate of Salary	32.60
-0.5% Change in Rate of Salary	(31.31)
+0.5% Change in Rate of Employee Turnover*	1.16
-0.5% Change in Rate of Employee Turnover*	(1.23)

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 Group 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.

NOTES

to the Consolidated Financial Statements for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

The weighted average duration of the defined benefit obligation is 16.37 years. The expected maturity analysis of undiscounted gratuity is as follows:

	Less than a year
As at March 31, 2023	
Defined benefit obligation (gratuity)	80.64
As at March 31, 2022	
Defined benefit obligation (gratuity)	40.05

Maturity Profile of Defined Benefit Obligation

Year	Amount
2023 - 2024	183.90
2024 - 2025	100.15
2025 - 2026	91.98
2026 - 2027	113.89
2027 -2028	100.61

Other employee benefit

The liability for compensated absences as at year end is ₹ 256.17 Lakhs .

NOTE 32: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended March 31, 2023
Depreciation on property, plant and equipment (Refer Note 3a)	4,980.52
Depreciation of right-of-use assets (Refer Note 3b)	658.86
Amortization of intangible assets (Refer Note 4)	12.49
Total	**5,651.87**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 33: OTHER EXPENSES

Particulars	Year ended March 31, 2023
Consumption of stores and spares	3,606.65
Packing materials	4,488.71
Dyes and chemicals	4,219.33
Power, fuel and water	10,374.64
Contract labour charges	4,433.65
Repairs and maintenance:	
-Buildings	162.85
-Property, plant and equipment	581.84
-Others	244.30
Rent	18.00
Rates and taxes	45.93
Insurance	328.27
Directors sitting fees	14.49
Printing and stationery	33.50
Travelling and conveyance expenses	479.08
Legal and professional charges	826.42
Payment to auditors [Refer Note (a) below]	32.80
Communication charges	38.69
Vehicle expenses	63.18
Loss on sale/discarding of property, plant and equipment (net)	110.65
Freight and forwarding expenses	9,164.23
Brokerage and commission	2,004.68
Donations	5.11
Corporate social responsibility expenditure (Refer Note:52)	72.41
Miscellaneous expenses	1,149.28
Total	**42,498.69**
Note (a) Payment to auditors for:	
As auditor:	
-Audit fees	29.00
-Tax audit	2.25
In other capacities:	
-Certifications	1.15
-Reimbursement of expenses	0.40
Total	**32.80**

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to the Consolidated Financial Statements for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 34: FINANCE COSTS

Particulars	Year ended March 31, 2023
Interest and finance charges on lease liabilities and financial liabilities	
- Long term borrowings	1,765.07
- Short term borrowings	513.34
- Others	252.03
Bank and other financial charges	1,068.98
Total	**3,599.42**

Note: Total borrowing costs is ₹ 3,640.25 out of which, ₹ 40.83 lakhs allocated to fixed assets / capital work in progress.

NOTE 35: INCOME TAX EXPENSE

a) This note provides an analysis of the Group'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 Group'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, 2023
Current tax		
Current tax on profits for the year		435.59
	(A)	**435.59**
Deferred tax		
Decrease/(increase) in deferred tax assets#		339.16
(Decrease)/increase in deferred tax liabilities		(427.92)
	(B)	**(88.76)**
Income tax expense charged to profit or loss (C) = (A) + (B)		**346.83**

ii) Deferred tax related to items recognized in other comprehensive income (OCI)

Particulars	As at March 31, 2023
Deferred tax on remeasurement gains/(losses) on defined benefit plan	40.25
Deferred tax credited to other comprehensive income	**40.25**

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, 2023
Profit before income tax	1063.03
Tax at the Indian tax rate of 34.94% (March 31, 2022: 34.94%)	371.47
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	
CSR Expenditure and Donations	27.09
Other items	4.49
2) Tax benefit items	(7.81)
3) Re-measurement of Deferred tax assets / Deferred tax liabilities	(48.41)
Income tax expense charged to the statement of profit and loss	**346.83**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 36: FAIR VALUE MEASUREMENTS

Financial instruments by category:

Financial assets	Note	As at March 31, 2023 Amortised cost	FVTPL
Trade receivables	11	10,404.75	-
Margin money deposits with banks	13	1,312.21	-
Cash and cash equivalents	12	908.80	-
Bank balances other than cash and cash equivalents above	6, 13	106.36	-
Security deposits	6, 15	227.56	-
Loans	5, 14	109.19	-
Interest accrued on fixed deposits	15	19.35	-
Total financial assets		**13,088.22**	**-**

Financial liabilities	Note	As at March 31, 2023 Amortised cost	FVTPL
Borrowings	18, 21	26,800.33	-
Trade payables	22	19,251.87	-
Payable for capital goods	19, 23	906.60	-
Interest accrued but not due on borrowings	23	116.20	-
Security deposits received	23	166.20	-
Lease liabilities	3(b)	774.02	-
Total financial liabilities		**48,015.22**	**-**

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 Group 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 Group 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.

NOTES
to the Consolidated Financial Statements for the Year ended March 31, 2023
(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 Group'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, 2023**		
	Level 1	**Level 2**	**Level 3**
Financial assets			
Margin money deposits with banks	-	-	1312.21
Security deposits	-	-	227.56
Loans	-	-	109.19
Interest accrued on fixed deposits	-	-	19.35
Financial liabilities			
Borrowings	-	-	26800.33
Interest accrued but not due on borrowings	-	-	116.20
Security Deposits received	-	-	166.20

Financial assets and liabilities measured at amortised cost	**As at March 31, 2023**	
	Carrying Amount	**Fair Value**
Financial assets		
Security deposits	227.56	245.34

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.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 37 : CAPITAL MANAGEMENT

Risk management

The Group'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 Group's overall strategy remains unchanged from previous year.

The Group 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 Group's policy is to use short-term and long-term borrowings to meet anticipated funding requirements.

For the purpose of the Group'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 Group's strategy is to maintain a gearing ratio within 2:1.

The capital composition is as follows:

Particulars	As at March 31, 2023
Gross debt (inclusive of long term and short term borrowing)	27,574.35
Less: - Cash and bank balances	908.80
Net debt	**26,665.55**
Total equity	**42,024.81**
Total capital	**68,690.36**
Net debt to equity ratio	**0.63**

Loan covenants

Bank loan agreements contain certain debt covenants relang to limitation on indebtedness, debt-equity ratio, debt service coverage ratio and fixed assets coverage ratio. The lower than mandated debt service coverage ratio has no implications on the cash flows as the Group complies with and satisfies all other conditions in the respective sanction of the banks.

NOTE 38 : FINANCIAL RISK MANAGEMENT

The Group'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 Group's risk management is carried out by a central treasury department under policies approved by the Board of Directors. Group's treasury team identifies, evaluates and hedges financial risks in close cooperation with the Group'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, non derivative financial instruments and investment of excess liquidity.

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to the Consolidated Financial Statements for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

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 Group is exposed to credit risk from its operating activities (primarly 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 Group 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 Group determines default by considering the business environment in which the Group operates and other macro-economic factors. The Group 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 Group 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 Group 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 Group.

i) Trade receivables

The Group extends credit to customers in normal course of business. The Group 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 Group 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 Group, the agents being del credere agents most of the credit risk emanating thereto is borne by agents and the Group's exposure to risk is limited to sales made to customers directly. In case of direct sale, the Group 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.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.The expected loss rates for trade receivables has been computed based on reasonable approximation of the loss rates and paste trend of outstanding debtors

(All amounts in ₹ Lakhs, unless otherwise stated)

A. Trade receivables

Loss allowance as at 31 March 2023 was determined as follows for trade receivables and contract assets under the simplified approach:

As at 31 March 2023	Not Due	0 - 30 days	31 - 60 Days	61 - 90 Days	91 - 180 Days	181-360 Days	Over 360 Days	Total
Gross carrying amount	7,966.32	1,843.80	182.38	106.20	291.84	55.34	21.40	**10,467.28**
Expected loss rate	0.00%	0.30%	1.23%	3.24%	4.29%	31.25%	100.00%	-
Expected credit losses	-	5.62	2.24	3.44	12.53	17.30	21.40	**62.53**
Carrying amount (net of impairment)	7,966.32	1,838.18	180.14	102.76	279.31	38.04	-	**10,404.75**

Reconciliation of loss allowance provision of trade receivables :

Particulars	As at March 31, 2023
Loss allowance - opening	165.97
Increase in loss allowance recognised in profit or loss during the year	-
Receivables written off during the year as uncollectible	31.87
Unused amount reversed	71.57
Loss allowance - closing	**62.53**

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, 2023
Not due	7,756.33
Up to 6 months	2,424.22
More than 6 months	76.74
Total	**10,257.29**

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.

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(All amounts in ₹ Lakhs, unless otherwise stated)

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, 2023
Floating rate	
- Expiring within one year (Packing credit, cash credit, post shipment credit and term loans	7,443.99
- Expiring beyond one year (Term Loans)	-
Total	**7,443.99**

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, 2023	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Maturities of non – derivative financial liabilities				
Long term borrowings	5,772.19	15,162.37	-	20,934.56
Short term borrowings	5,865.77	-	-	5,865.77
Interest accrued and not due	116.20	-	-	116.20
Lease liabilities	602.84	171.18	-	774.02
Trade payables	19,251.87	-	-	19,251.87
Other financial liabilities	830.52	242.28	-	1,072.80
Total	**32,439.39**	**15,575.83**	**-**	**48,015.22**

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 Group'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 Group's activities expose it to risks on account of changes in foreign currency exchange rates and interest rates.

The Group 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 market 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 Australian Dollar ("AUD"), 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 ("1 ") 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 Group 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 Group's exposure to foreign currency risk at the end of the reporting period are as under -

	As at March 31, 2023 Foreign Currency exposure in					
	USD	EUR	GBP	JYP	AUD	CHF
Financial assets						
- Trade receivables	5919.64	906.50	185.18	-	-	-
- Advance to Suppliers	578.20	17.18	-	47.18	-	-
- Capital advances	152.62	123.30	-	-	-	1.78
- Cash and Cash equivalents	107.46	-	-	-	-	-
- Other financial assets	44.22	55.33	-	-	-	-
Net exposure to foreign currency risk (Assets)	**6,802.14**	**1,102.32**	**185.18**	**47.18**	**-**	**1.78**
Financial liabilities						
- Buyers credit from banks	305.26	-	-	-	-	-
- Trade payables	5,233.49	130.49	10.03	-	16.73	-
- Creditors for Capital Purchases	-	491.67	-	-	-	-
- Advance from Customers	378.43	24.55	-	-	-	-
Net exposure to foreign currency risk Liabilities)	**5,917.18**	**646.71**	**10.03**	**-**	**16.73**	**-**
Net open exposure	**884.96**	**455.61**	**175.15**	**-**	**(16.73)**	**1.78**

* The net open exposure as at March 31, 2023 excludes export stock in transit of ₹ 1,013.98 lakhs.

Sensitivity to foreign currency risk

The following table demonstrates the foreign exchange sensitivity by assuming rates shift in the USD, EUR, CHF, GBP, JPY, CHF and other currencies with all other variables held constant. The impact below on the Group's profit/equity before considering tax impact is due to changes in the fair value of unhedged foreign currency monetary assets and liabilities at balace sheet date:

Currencies / Sensitivity	**As at March 31, 2023**	
	Increase by 5%	**Decrease by 5%**
	Gain / Loss	
USD	44.25	(44.25)
EUR	22.78	(22.78)
GBP	8.76	(8.76)
JPY	2.36	(2.36)
AUD	(0.84)	0.84
CHF	0.09	(0.09)

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.

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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 Group, the interest risk arises mainly from debt obligations, both short term and long term with floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate.

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 Group 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 Group by maintaining an appropriate mix between fixed and floating rate borrowings. As the Group 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, 2023
Variable rate borrowings	24,095.07
Fixed rate borrowings	2,705.26
Total borrowings	**26,800.33**

As at the end of the reporting period, the Group had the following variable rate borrowings:

Particulars	As at March 31, 2023		
	Weighted average interest rate	Balance	% of total loans
Borrowings - Term Loan	9.21%	24,095.07	90%
Net exposure to cash flow interest rate risk		**24,095.07**	

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, 2023
Interest rates - increase by 50basis points*	(120.48)
Interest rates - decrease by 50basis points*	120.48

*Holding all other variables constant including change in interest subsidy

NOTE 39: CONTINGENT LIABILITY DISCLOSURE

Particulars	As at March 31, 2023
Excise, Customs and Service Tax Matters	1,100.21
Income Tax Matters	6.32
Claims against Company not acknowledged as debts	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 Group and its employees are to contribute towards provident fund under the Employee's Provident Fund Act. Based on the current evaluation, the Group believes it is not probable that certain components of salary paid by the Group will be subject to contribution towards provident fund due to the Supreme Court order. The Group will continue to monitor and evaluate its position based on future events and developments.

Notes:

(a) It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Group does not expect any reimbursements in respect of the above contingent liabilities.

Description of contingent liabilities:

Excise, GST, customs and service tax matters

The Group 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 Group has ongoing disputes with Income tax authorities relating to tax treatment of certain items. These mainly includes disallowed expenses, claimed by the Group as deductions.

Claims against Group not acknowledged as debts

Represent claims disputed by the Group wherein the Group has filed application for dismissal of the matters.

NOTE 40: CAPITAL AND OTHER COMMITMENTS

Particulars	As at March 31, 2023
(a) Capital Commitments	
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	1,576.79
(b) Other Commitments	
Custom duty on pending export obligation for import under Advance License and EPCG scheme	475.79

NOTE 41: EARNINGS PER SHARE

Particulars	Year ended As at March 31, 2023
Profit after tax (A) (₹ in lakhs)	716.20
Weighted average number of equity shares outstanding during the year (B)	50,268,023
Weighted average number of equity shares for basic earning per share	50,268,023
Adjustements for dilluted earning per share - options	501,853
Weighted average number of equity shares for diluted earning per share (C)	50,769,876
Basic earnings per share (A)/(B)	1.42
Diluted earnings per share (A)/(C)	1.41
Nominal value of an equity share (₹)	10.00

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(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 42: DISCLOSURE FOR MICRO, MEDIUM AND SMALL ENTERPRISES

Particulars	As at March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,488.68
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	101.73
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	7,374.47
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	48.04
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-
Interest accrued and remaining unpaid at the end of each accounting year	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	101.73

NOTE 43: 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, 2023.

NOTE 44: RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue research and development expenses incurred during the year, debited to the Statement of Profit and Loss account are [1]1001.81 lakhs which include materials cost, power cost, employee cost.

There was no capital expenditure incurred during the year for research and development.

NOTE 45: OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

There are no financial assets or financial liabilities which are subject to offsetting as at March 31, 2023 since the Group neither has enforceable right or an intent to settle on net basis or to realise the asset and settle the liability simultaneously. Further, the Group has no enforceable matters netting arrangements and other similar arrangements as at March 31, 2023.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 46: RELATED PARTY DISCLOSURES

(i) Relationships

Holding Company	Mandawewala Enterprises Limited
Key Management Personnel	Mr. Abhishek Mandawewala (Managing Director & CEO) Mrs. Khushboo Mandawewala (Whole Time Director) Mr. Himanshu Dhaddha (Chief Financial Officer)
Independent Directors	Mr. Atul Desai Mr. K H Vishwanathan Mr. Mohan Tandon
Other Related parties	Mertz Estates Limited RRM Enterprises Private Limited Welspun Global Brands Limited Welspun Flooring Limited Welspun India Limited

(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.

Particulars	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	Independent Directors
	Mandawewala Enterprises Limited	Mertz Estates Limited	RRM Enterprises Private Limited	Welspun India Limited	Welspun Flooring Limited	Welspun Global Brands Limited		
Transactions during the year								
Intercorporate deposits received			1,200.00					
Cross charge	14.31							
Interest expense	-		205.35					
Short term employee benefit							313.96	
Stock Options							31.20	
Loan advanced							-	
Loan repaid							11.00	
Director sitting fees								14.49
Purchase of goods/services/ expenses incurred	3.13	221.25		45.51	55.26	3,579.92		
Sale of goods				452.84	1,914.64			
Closing balance								
Intercorporate deposits received			2,400.00					
Interest accrued			47.93					
Debtors				28.12	181.87			
Creditors					123.73	115.94		

*All amount is inclusive of taxes

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Note 47: Segment information

i) Information about primary business segment identiûcation of segments:

The Group 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 proût or loss in the ûnancial statements, Operating segment have been identiûed on the basis of geographical segment and other quantitative criteria speciûed 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	2023		
	India	Outside India	Total
Total segmental revenue*	**78,058.44**	**67,719.78**	**145,778.22**

*excluding other income

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, 2023
Australia and New Zealand	16,713.41
European Union	10,988.07
U.S.A	25,144.24
U.K.	1,804.05
Others	13,070.01
Total	**67,719.78**

(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, 2023		
	India	Outside India	Total
Carrying amount of segment assets	73,535.85	9,045.11	82,580.96
Additions to non-current assets#	65,48.09	-	6,548.09
Total segment assets	**80,083.18**	**9,045.11**	**89,129.05**
Unallocated:			
Right-of-use assets	-	-	730.88
Deferred tax assets (net)	-	-	1,995.82
Income tax assets (net)	-	-	180.37
Balancesheet Assets			**92,036.12**

Additions to non-current assets also includes expenditure incurred on capital work-in-progress.

(All amounts in ₹ Lakhs, unless otherwise stated)

(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, 2023		
	India	Outside India	Total
Carrying amount of segment liabilities	16,148.24	6,285.40	22,433.64
Total segment liabilities	**16,148.24**	**6,285.40**	**22,433.64**
Unallocated:			
Borrowings	-	-	26,800.33
Lease liabilities	-	-	774.02
Income Tax Liabilities (net)	-	-	3.32
Balancesheet Liabilities			**50,011.01**

Additions to non-current liabilities also includes external commercial borrowings (ECB).

NOTE 48: EMPLOYEE STOCK OPTION PLAN DISCLOSURE FOR IND AS

The Group has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Group 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 Group,promoters or person belonging to the Promoter group, promoter director, director holding directly or indirectly more than 10% of the outstanding share of the Group.

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 Group 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, 2023	
	Average exercise price per share option (₹)	Number of Option
Opening balance	10	315,600
Granted during the year	-	-
Exercised during the year	10	102,680
Cancelled during the year	10	7,560
Closing balance		**205,360**

The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2023 was ₹ 86.53 per share.

Weighted average remaining contractual life of options outstanding at end of period	1.37 years

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(All amounts in ₹ Lakhs, unless otherwise stated)

No option expired during the periods covered in the above tables.

The fair value at grant date of options granted was ₹4 1.20

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.

The model input for the option granted during the year ended March 31, 2023 included:

a) options are granted for no consideration and vest upon completion of minimum employment of one year from the date of grant. Vesting options will be subject to continued employment with the Group. 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 Group's shares:	41.22%
g) expected dividend yield:	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.

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

	As at March 31, 2023	
	Average exercise price per share option (₹)	Number of Option
Opening balance	10	600,000
Granted during the year	-	-
Exercised during the year	10	60,000
Cancelled during the year	-	-
Closing balance	**-**	**540,000**

No option expired during the periods covered in the above table.

The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2023 was ₹ 133.38 per share.

Weighted average remaining contractual life of options outstanding at end of period	3.07 years

(All amounts in ₹ Lakhs, unless otherwise stated)

The model input for the option granted during the year ended March 31, 2023 included:

a) options are granted for no consideration and vest upon completion of minimum employment of one year from the date of grant. Vesting options will be subject to continued employment with the Group. 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

	As at March 31, 2023	
	Average exercise price per share option (₹)	Number of Option
Opening balance	10	390,000
Granted during the year	-	-
Exercised during the year	10	37,000
Cancelled during the year	10	20,000
Closing balance	**-**	**333,000**

The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2023 was ₹ 62.17 per share.

Weighted average remaining contractual life of options outstanding at end of period	3.56 years

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, 2023 included:

a) options are granted for no consideration and vest upon completion of minimum employment of one year from the date of grant. Vesting options will be subject to continued employment with the Group. 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 Group's shares:	53.48%
g)	Expected dividend yield:	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 the Consolidated Financial Statements for the Year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

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:

	31-Mar-23
Employee-share based expense	216.38

Note 49: Other regulatory information required by Schedule III

(i) No proceedings have been initiated on or are pending against the Group as at March 31, 2023 for holding benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) The Group has borrowings from banks on the basis of security of current assets. The quarterly returns filed by the Group with banks are in agreement with the books of accounts.

(iii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) 1. The Group 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 Group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

2. The Group 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.

(viii) The borrowings obtained by the Group from banks have been applied for the purposes for which such loans were was taken.

NOTE 50: ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III IN RESPECT OF SUBSIDIARY

Name of the Entity	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated total comprehensive income	Amount (₹ in lakhs)
Parent								
AYM Syntex Private Limited								
March 31, 2023	100.00%	42,025.35	100.00%	716.74	100.00%	74.92	100.00%	791.66
Subsidiary								
AYM Textiles Private Limited								
March 31, 2023	0.00%	0.46	-0.08%	(0.54)	0.00%	-	0.00%	-
March 31, 2023 (Total)	100.00%	42,024.81	100.00%	716.20	100.00%	74.92	100.00%	791.12

NOTE 51: 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 05, 2023

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