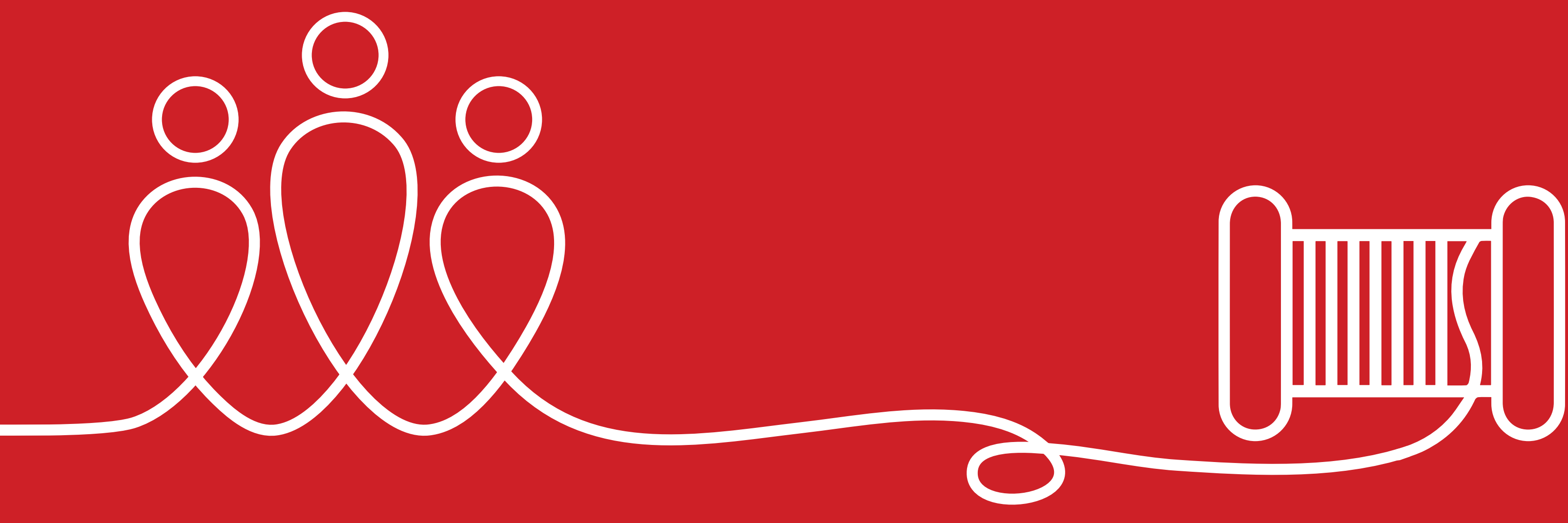
AYM Syntex

THE STRENGTH WITHIN

Annual Report
2020 - 2021

EMERGING STRONGER
TOGETHER



Corporate Information

Board of Directors

Rajesh R. Mandawewala
Chairman & Non-Executive Director

Abhishek Mandawewala
Managing Director & CEO

Atul Desai
Independent Director

Mohan Tandon
Independent Director

KH Viswanathan
Independent Director

Kushboo Mandawewala
Whole-time Director

Chief Financial officer

Himanshu Dhaddha

Auditors

Price Waterhouse
Chartered Accountants, LLP

Company Secretary

Ashitosh Sheth

Bankers

Bank of Baroda

Central Bank of India

IDBI Bank Limited

Karur Vysya Bank

State Bank of India

Audit Committee

Atul Desai

KH Viswanathan

Mohan Tandon

Stakeholders Relationship Committee

Atul Desai

Rajesh R. Mandawewala

Abhishek Mandawewala

Nomination & Remuneration

Atul Desai

Mohan Tandon

KH Viswanathan

Rajesh R. Mandawewala
(upto 15th May, 2021)

Corporate Social Responsibility Committee

Atul Desai

Rajesh R. Mandawewala

Abhishek Mandawewala

Kushboo Mandawewala

Registered Office

Survey No. 394 (P), Village Saily, Silvassa,
Union Territory of Dadra & Nagar Haveli

Corporate Office

9th Floor, Trade World, 'B' Wing, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

Plant Locations

- Survey No. 374/1/1, Village Saily, Silvassa, Union Territory of Dadra and Nagar Haveli.
- Plot I, 40 to 45, 86 to 88, 116 to 118, Dewan Industrial Estate Village, Mahim, Taluka Palghar - 401 404, Dist. Palghar, Maharashtra.
- Survey no.174/2, Village Naroli, Silvassa, U.T of Dadra & Nagar Haveli.

Registrar and Transfer Agents

Link Intime India Pvt Limited

Website

www.aymsyntex.com

Contents

About this Report

This Annual report of AYM Syntex comprehends both qualitative and quantitative disclosures regarding our financial performance, transformation Journey over the years, critical sustainability impact and socially inclusive endeavors conducted during the year.

Reporting Frameworks

The financial statements and statutory disclosures including the Board's Report, Management Discussion and Analysis (MDA), and Corporate Governance Report are presented in conformance to the requirements of the Companies Act, 2013 (and the rules made there under), Indian Accounting Standards, the Securities and Exchange Board of India (SEBI) – Listing Obligations and Disclosure Requirements, 2015 and Secretarial Standards issued by the Institute of Company Secretaries

Reporting Period

The FY21 Annual Report covers financial and non- financial performance of the Company from April 01, 2020 to March 31, 2021.

Forward-Looking Statement

In this Annual Report, we have also disclosed certain forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe', and words of similar nature in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

AYM at a Glance

Innovation in Action for 36 Years

AYM Syntex is India's leading multi-polymer and speciality synthetic yarn manufacturer and a pioneer in texturizing, spinning, draw twisting, floor covering, and dyeing.

AYM Syntex is a leading speciality synthetic yarns manufacturer with world class manufacturing technology for multipolymer yarns. It is the one of largest Indian seller of Bulk Continuous Filament Yarns and has one of the largest Yarn dyeing house in Asia.

With plants located at Silvassa, Naroli (Dadra Nagar Haveli) and Palghar (Maharashtra), AYM Syntex is well equipped to meet both domestic and international customer demand for synthetic yarns.

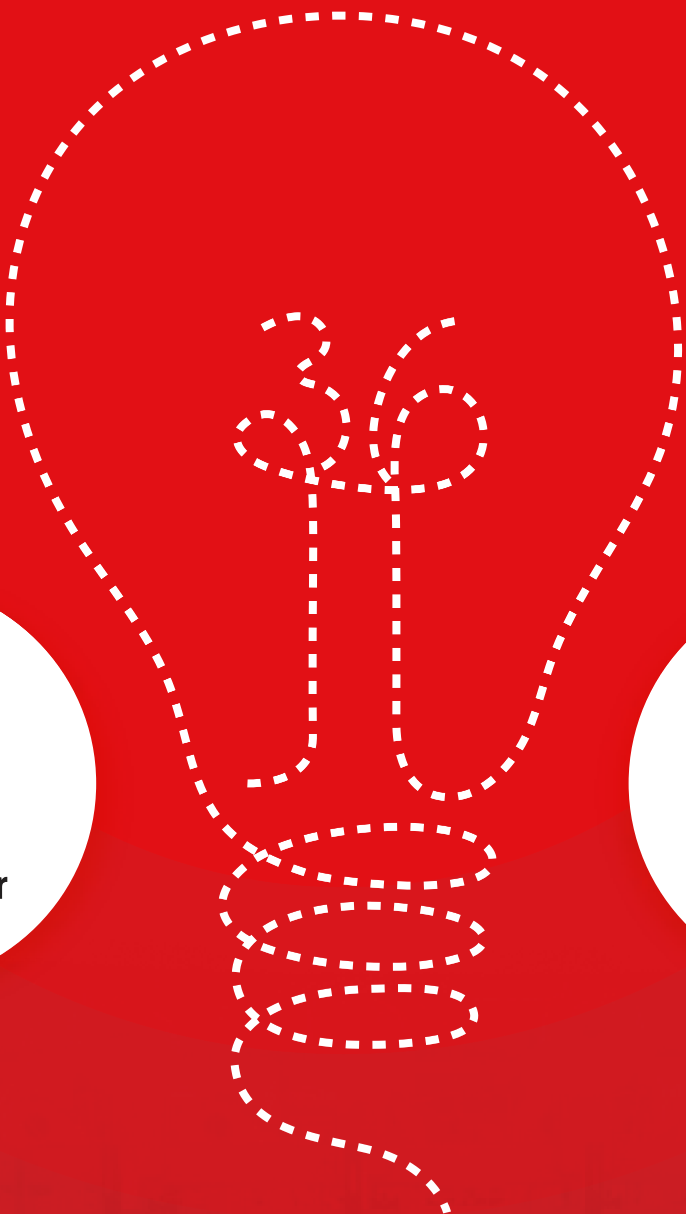
Our state-of-the-art manufacturing facilities in India produce globally benchmarked products, driven by our differentiation strategy based on Branding, Innovation and Sustainability.

The company's state-of-the-art multipolymer Textile & BCF yarn manufacturing facility at Silvassa (India) serves the diversified global textile & floor covering industry. These lines are capable of manufacturing speciality yarns, first-of-its-kind across the globe. The plant is equipped with an R&D facility for masterbatch colour development, pilot spinning and sample tufting (MTUFT) for the customer's tailor-made needs.

Our Palghar facility houses India's largest, 100% environment-friendly and automated dyeing facility with a zero liquid discharge system. Dyed house is capable of yarn dying for various polymer and nylon filament yarn including recycled (environmentally sustainable) polymers in both variants. To service customers'

36 YEARS OF INNOVATION

Pioneer in Spinning, Texturizing, Draw Twisting and Dyeing



India's Leading Speciality Yarn Producer

Touching Lives Across 50+ Countries

« OUR VALUES »

Customer Focus

Keeping our customers at the center of every activity

Innovation

Fostering new ideas and creating new solutions

People Development

Empowering people through service and support

Our Journey

1984
Shares of the Company were listed on Bombay Stock Exchanges Ltd.

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

1992
POY, FDY spinning and texturising launch at Silvassa, India.

2000
Commercialized dope dyeing in India.

2004
Manufacture of polyester mother and mono yarn first time in India, leading to huge import substitution.

2012
Pioneered manufacturing of BCF (Bulk Continuous Filament) yarn for floor covering industry and became the first merchant exporter of BCF yarns.

2013
Established R&D center for excellence and innovation.

2015
Company's name changed to AYM Syntex Limited consequent to the change in shareholding.
Capacity expansion in BCF yarn manufacturing.

2017
First in Asia to manufacture yarns for sewing threads using NovacoreTM technology.
Only Indian manufacturer of low denier high tenacity polyester yarns for industrial applications.
manufacture fine denier Industrial yarn.

2018
Capacity expansion in BCF yarn production from 1000 to 1500 MTPM. Production of Tri-Color yarns.
Launch of BCF yarn line through conventional dyeing
First in India to successfully manufacture fine denier Industrial yarn.

2019
200% capacity expansion in Industrial yarn segment.

2020
Commissioning of new plant at Naroli

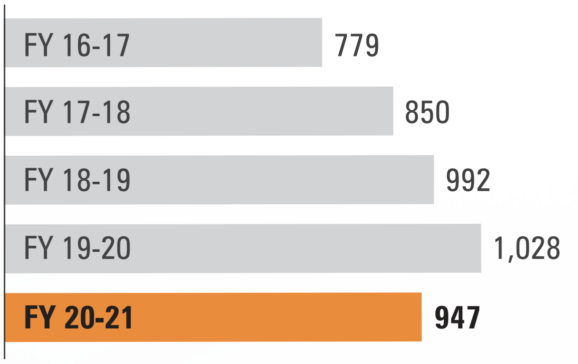
2021
Highest ever quarterly revenue & margins in Q4 FY 2021

Metrics of Progress

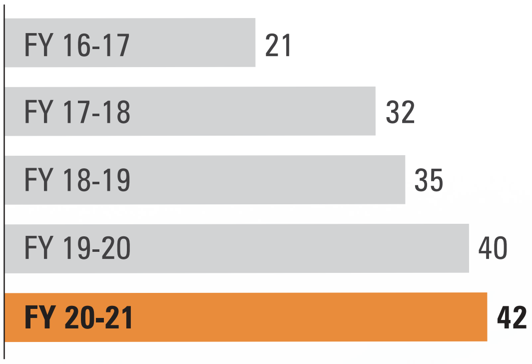
A steady progress in Topline and margins over the years despite macro-economic challenges ensured that we continue our transformation Journey on the business front with sustainable and profitable growth.

While our Net Debt has reduced, we have seen a continuous improvement of RoCE. Our investment in enhancing capacities in strategic segments will yield better cash flows in the future.

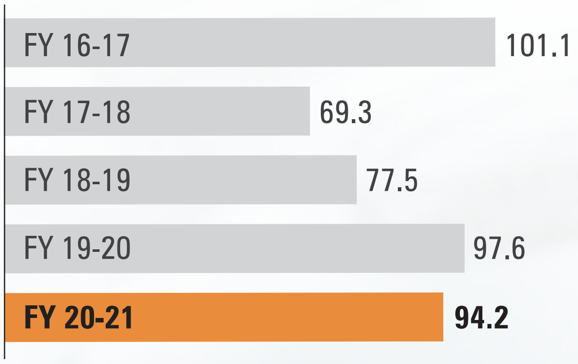
Revenue from Operations *(₹ in Crs)*



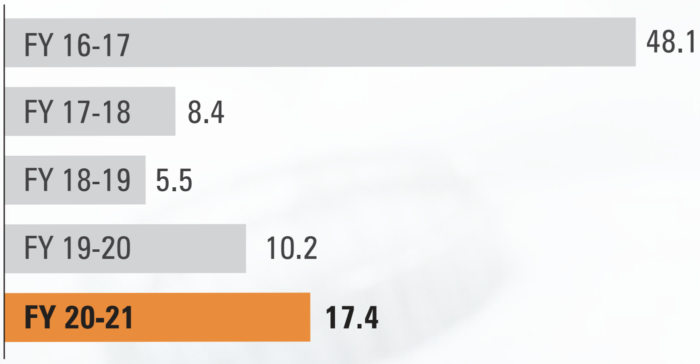
Export Share



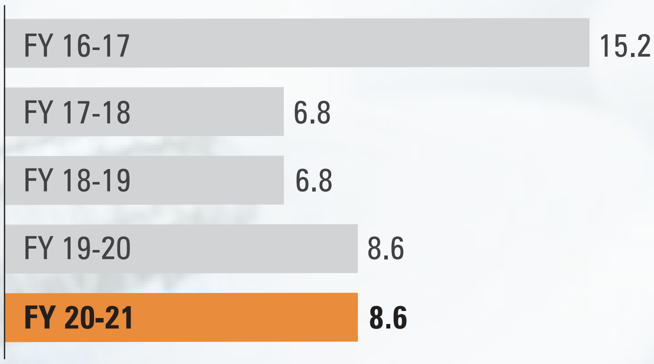
EBITDA *(₹ in Crs)*



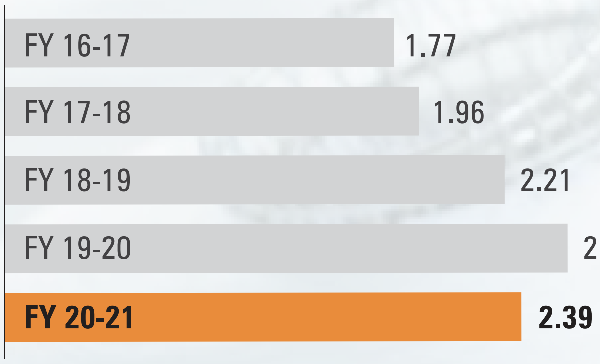
PBT *(₹ in Crs)*



Return on Capital Employed *(%)*



Fixed Assets Coverage Ratio



Message from MD & CEO

"Our strategic initiatives and prompt response to the pandemic made FY21 a year of strong recovery and record-breaking performance for AYM Syntex. We expect this trajectory to continue in FY22 and beyond, as we keep on innovating and identifying further opportunities to improve."

Dear Shareholders,

FY 2021 was another year amongst a string of years since 2016 marked by major external disruptions to our business. Covid-19 wreaked havoc across the world affecting demand in the first half of the year and supply chains across the second. Like with all of the difficult years before this one, I believe that we have ended this year a stronger organization as compared to when we started. We have several things to be proud of:

- We ended the year with the highest ever quarterly EBITDA of Rs 43 crore. The margins stood at 12%.
- We successfully executed Several low-capex throughput improvement initiatives across almost every area of the plant thereby improving output further. This was done through a mix of efficiency improvements, speed increases and engineering. This has led to record tonnage and improved profitability on a sustained basis.
- Our share of exports which was under 20% when we started this journey in 2016 is now inching closer to 50%. We expect this number to increase going forward. This diversifies and de-risks our business to country risks and events such as demonetization, GST, covid waves, etc.
- We launched a number of new products this year and I am extremely excited about many of these. Few of these products have been liked by our customers who are currently carrying out commercialization trials. We have filed for patents for few of these products.
- The Palghar plant which we have been struggling with in the past, has seen a dramatic turnaround this year. We have been able to significantly improve cost and bring down the breakeven volume. The business is now a lot more competitive and I also feel good about some of the business development initiatives which should help us finally see some improvement in volumes.
- The share of our innovative and value added products and brands such IDY, Wonderfeel, Comfeel, SDN, Ecose, and Silkenza further increased as a percentage of total sales.

H2 FY21 was an important milestone for us as it ratified what the business could do in a more positive external environment. However, despite the numbers that we achieved in Q4, there are opportunities to achieve further improvement. We benchmarked our operations against other players in the market and found that there is still scope to improve further. While we continue to specialize more, move up the value chain and enter niche spaces not catered to by local competition, we already happen to have one of the most specialized and diverse product mix in the country today. If we can operate our plants at the industry median level of efficiency, our margins will better reflect the quality of business and customer we already have. There are plenty of opportunities, particularly in the Rakholi plant to improve output to input yield, machine speeds, value losses, conversion costs, OEE amongst others and bring it at par with industry. This is one of the lowest hanging fruits available to us to significantly improve profitability. The same business without product mix improvement can look very different if we achieve this.

As we start to see some consistency in results, it is also important to look to grow areas of the business which show promise and are in line with our strategic direction such as industrial yarns and flooring yarns in a highly calibrated manner. I say calibrated as it is important to continue our journey of deleveraging and strengthening the balance sheet. We also need to effectively use outsourcing as a tool to move out parts of the business which can be capital intensive or more suited to volume-based commodity players and be easily sourced at competitive prices. This will help us to ensure that we only deploy capital to grow parts of the business where the product is differentiated, there is a strategic barrier to entry and in cases which promise a healthy return on invested capital in a sustained fashion. Finally, it is important to continue to remain close to the customer and continue to innovate based on their need. With a good portfolio of products available, the focus needs to be to commercialize some of these developments. This will allow us to always stay a step ahead of the competition.

While the past 5 years have been difficult for AYM, I continue to believe that the annual financial results do not completely depict the quality of progress we have made in the journey of transformation over these last few years. As we execute on some of the areas I have highlighted above and a little bit of a supportive business environment as was evident in Q4, I am certain our performance can look vastly different.

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

Yours Sincerely,
Sd/-
Abhishek Mandawewala
Managing Director & CEO

Marching on the Right Path

AYM has been on a transformational journey over the last few years, where its operating model and focus areas have seen a significant shift. Among our biggest steps in the period is the company's transition from being a commodity-driven business to a manufacturer of niche, high-margin products like Bulk Continuous Filament (BCF) and Industrial Dyed Yarn (IDY). Moreover, we have also made major investments in improving our throughput, quality control, and R&D, the results of which are beginning to show now. The company is founded on the principle of business resilience, and over the years we have demonstrated it across all segments, both international and domestic.

Our biggest challenge in recent years was the COVID-19 pandemic, which disrupted the textile industry, but AYM Syntex, thanks to its business strategy, remained unaffected. The company's revenue broke all records in the company's history, and we have entered a mode of active expansion. The pandemic was the ideal time for us to enter new markets, diversify our segments and products, and invest more resources into research and development.

Product development and commercialization are also in full swing at the moment, with several throughput strategies and initiatives in the pipeline. We have invested over INR 100 crores as CAPEX into BCF, IDY, and Cabling and Heat Setting capabilities, increasing production efficiency by 10% to 15% across all segments and 50% in BCF production.

Product development is aided by our newest Research & Development center. At the R&D center, we will drive more innovation than ever and bring more products and segments to expand into the market. The company aims to use this center to fill the various gaps present in the current market with new products. Additionally, the company has also set up a Quality Control department. AYM Syntex is known for its consistently high quality standards, and with this QC department, the stakes will rise even further.

The outsourcing strategy for commodity products is continuing, too, and we are building better capabilities with every quarter through MIS and systems that manage this additional activity. These initiatives are made possible by the stable, Sustainable cash flow, and the goal is to keep climbing like a pyramid towards the top.

Apart from expansion and product diversification, the company has also undertaken several other value initiatives such as recycling and reusing waste, energy optimization, waste reduction at the factories, and other CSR initiatives to improve work efficiency and aid human resources. The period has been a transformational journey for AYM Syntex, and it has given tremendous solidarity to the business. Our resilience and belief in our strategic business has enabled us to overcome the challenges and become stronger than ever.

9%

Revenue CAGR Growth over the last 11 years

12%

EBITDA CAGR Growth over the last 11 years

17% to 42%

Exports as a % of revenue over last 11 years

Stronger Than Ever

STRONG LEADERSHIP

AYM is stronger than it has ever been, in terms of revenue, exports, sustainability, and other aspects. Instead of slowing down during the pandemic, we used the time as an opportunity to keep innovating and improving our processes and products, which has led to this stage. Our leadership, ensures transparency and accountability at every level of the organization. The management strives to enable growth, profitability, stability, and sustainability across our businesses in an equitable manner and create value for all stakeholders by promoting the highest standards of professionalism and integrity.

IMPROVED OPERATING PARAMETERS

The Company has delivered sustainable and profitable volume-led growth. While our Net Debt has reduced, we have seen a continuous improvement of RoCE. Our investment in enhancing capacities in various businesses will yield significant cash flows in the future.

The company has also ramped up the exports to over 50+ countries, rising from 17% to 42% over last few years. This is due to the increase in demand for our products across various geographies and segments.

To meet these requirements and prepare for future growth, we have also undertaken several throughput initiatives to increase efficiency and production capacity at both plants and at the same time reducing wastage and downgrades. Even the Palghar plant, which experienced some setbacks last year, has seen a turnaround as new inquiries for the products have started to pour in faster than before.

BOOSTED RESEARCH AND DEVELOPMENT

The R&D and QC departments set up are also playing a significant role in strengthening the core business for the company in a two-fold manner. One, it is helping us innovate new products that are unique to us that fulfill niche demands, and two, they are helping us further improve our products' quality across segments.

We have developed an innovative range of products to attract new business and customers and gain leadership in market. Upgradation of products to new requirements has been possible because of R&D done in our Company on a continuous basis. We remain closely connected with Customers through research which is central to our Product development and Innovation process.

BUILDING TEAMS AND LONG-TERM RESILIENCE

Our people are the backbone of our organization and we take pride in our culture that recognizes and promotes talent, openness, transparency, and inclusion. Our passion was displayed by our workforce who worked relentlessly in the time of crisis to ensure that our customers received the best of our products and services. We have also under-

Solidifying Global Presence

AYM is continuously working on increasing its footprint in newer geographies

With strategic initiative towards increase in global outreach, AYM has a foot hold in over

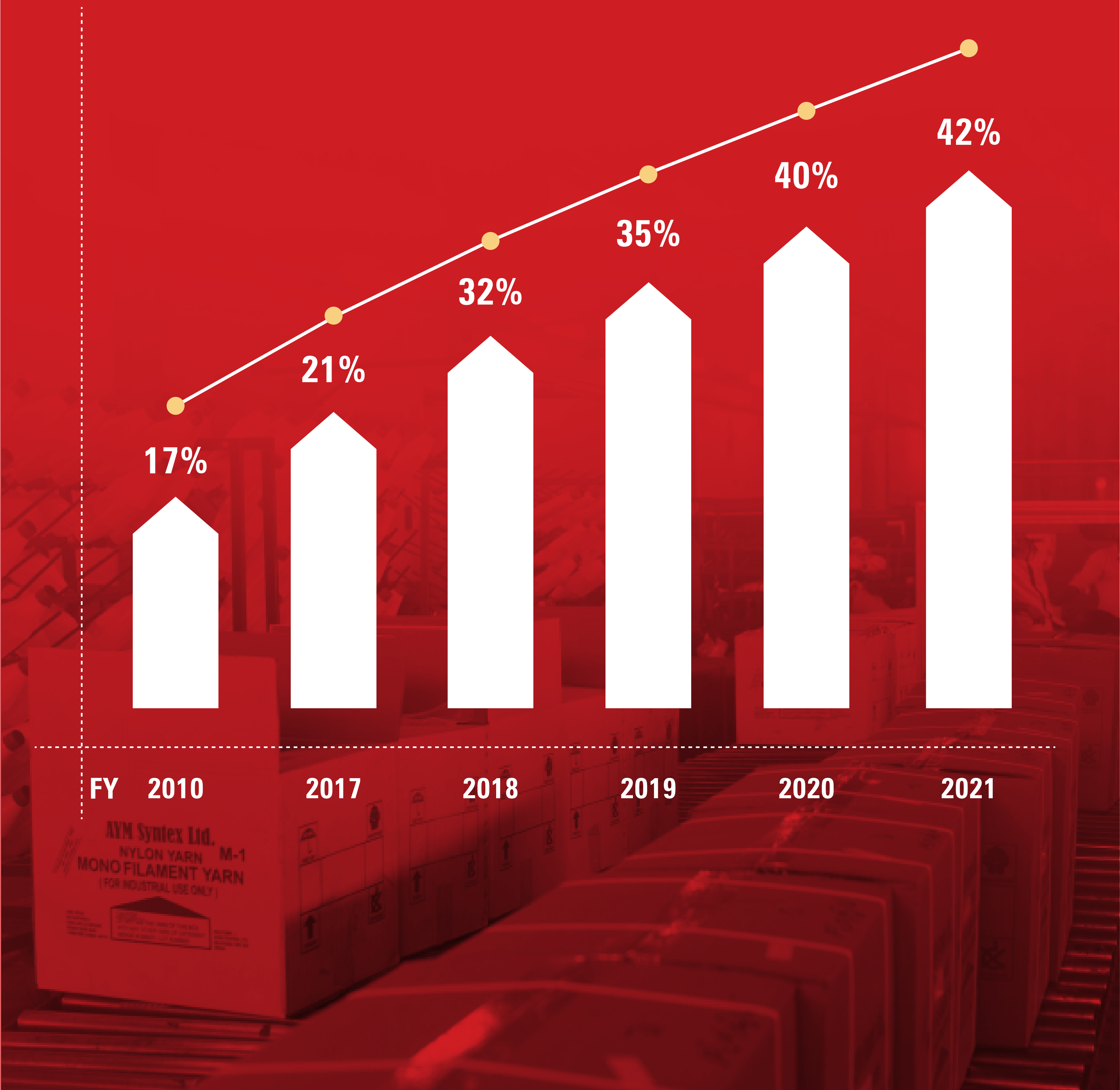
50+ COUNTRIES AROUND THE WORLD.


Netherland
Germany
Belgium
Belarus
Italy
Turkey
Israel
Jordan
China
South Korea
Japan
Pakistan
Egypt
Nepal
Saudi Arabia
Dubai
INDIA
Bangladesh
Oman
Thailand
Vietnam
Philippines
Sri Lanka
Australia
South Africa
New Zealand


2010
17%
Export
Share
42%
Export
Share
2021

Increasing share of Exports

AYM has ramped up its exports by diversifying its portfolio in over 50+ countries and witnessed an increase in the sales volume of strategic products and share of exports by 42% this year. The export share is now expected to further grow quarter on quarter in the coming years. We will also continue to invest towards developing new export markets and scaling business profitably.



Product Diversification

With innovation in our DNA and well equipped R&D center, we continue to diversify our strategic segments.

AYM Syntex is the pioneer of innovative products and processes across the value chain, and we are steadily growing towards a well-diversified portfolio of products and segments that meet all niche demands. By entering new markets and offering products, shades, features, and quality that our customers are looking for but can't find elsewhere, we are giving what's missing in the market.

Our continual focus is to expand the total addressable market for our products portfolio through diversification in carefully selected categories.

Bulk Continuous Filament Yarn (BCF)

Industrial Dyed Yarn (IDY)

Automotive Yarn

Textile Yarn

Packaged Dyed Yarn (PDY)

Sewing Thread

Our Growing Product Portfolio

Our Innovation portfolio growth is a guided by our strategy of product differentiation and creating a unique customer experience. We continue to build owned brand portfolio to cater to changing consumer preferences across geographies which generate additional revenue streams for us.

Synthetic textured yarn for comfortable knitwear

Ayurveda-based antimicrobial and antifungal yarn for activewear

Smooth-textured, lustrous yarn for sarees and apparel

Bicomponent yarn for suede-like appearance in home textiles

100% recycled polyester yarn for denim and apparel

Modified raw white yarn for carpets, rugs, and bath mats

Super soft and luxurious-looking yarn for bath mats and rugs

Polyester yarn with wool-like luxurious texture for decor and flooring

Highly-lustrous BCF yarn for residential rugs and carpets

Partially bio-based yarn for plush carpets - by DuPont Sorona®

Solution-dyed nylon yarn for luxurious carpets

Dyed nylon yarn that gives silk-like sheen for luxurious home styling

Dope-dyed yarn ideal for bath mats and decorative rugs

Performance yarn designed for excellent moisture management

Uniquely-engineered yarn for contract and residential floor covering

Supremely soft nylon yarn for fancy rugs and bath mats

Ultrasoft nylon yarn for active wear and household textiles

Super-high tenacity polyester sewing threads

Special synthetic yarn for garments

High quality yarn for denims and mattresses

High-stretch yarn for flexible garments

Yarn ideal for insulating clothing

Yarn for long-lasting hygiene and freshness

Sustainable bio-based HCF yarn

Soft dyed yarn for durable, stain-resistant carpets and rugs

Eco-friendly and antimicrobial yarn made with therapeutic

Highly-durable yarn with flame-resistant properties

Polyamide 6 yarn with inherent radiance ideal for hosiery

Ultrasoft nylon yarn for active wear and household textiles

High-performance BCF yarn for extremely soft carpets and rugs

Strengthening the Balance Sheet

A strong balance sheet is the foundation for future growth and expansion, and also a cornerstone of trust for our investors and partners. A strong balance sheet also demonstrates our ability to minimize risks and set ourselves up to capitalize on emerging growth opportunities. Strengthening the Balance Sheet has been a top priority for the Company, even more so during challenging times. To that end, we have been constantly working on improving our key ratios to put us in an increasingly strong liquidity position as well as to a comfortable gearing position. As we continue these efforts, we expect further improvements in the future. We ensure adequate access to funding and leverage the surplus to meet our operating needs and strategic objectives while managing the cash flows in a cost-efficient manner. Moreover, in case any exigencies arise in future affecting the liquidity position, we would be in a comfortable position to borrow capital. Owing to this approach, there have been steady improvement in the capital efficiency ratios and Return on Capital Employed (ROCE) over last few years and it is expected to improve further significantly in coming years.

Key ratio	FY 18-19	FY 19-20	FY 20-21
Debt Equity Ratio	1.03	0.74	0.62
Net Debt/ EBITDA	3.53	2.38	2.01
Debt Service Coverage Ratio	0.98	1.23	1.39
Current Ratio*	1.20	1.21	1.31
Fixed Assets Coverage Ratio	2.21	2.46	2.39
Book Value Per Share	66.38	68.73	71.48

*Current ratio excludes Term debt

We have maintained the right mix of debt and equity and by improving the ratio of Debt to Equity further, we have right mix of funds availability from debt and equity for expansion plans while ensuring to have more avenues for our operations and growth initiatives.

Our Net Debt to EBIDTA ratio has also constantly improved even throughout these difficult years, demonstrating the ability of our company to cut down debts while still maintaining our upward growth trajectory

Our Debt Service Coverage Ratio is also improving due to increased income from operations, and leaves us in a better position to meet our short term liabilities.

Similarly, with effective working capital management and better liquidity position, we have been able to improve our Current Ratio, making us better equipped to meet our near-term payment obligations.

We have been able to maintain our Fixed Asset Coverage Ratio which helps us to not just meet our existing debt obligations but also to raise more funding easily in the future if required.

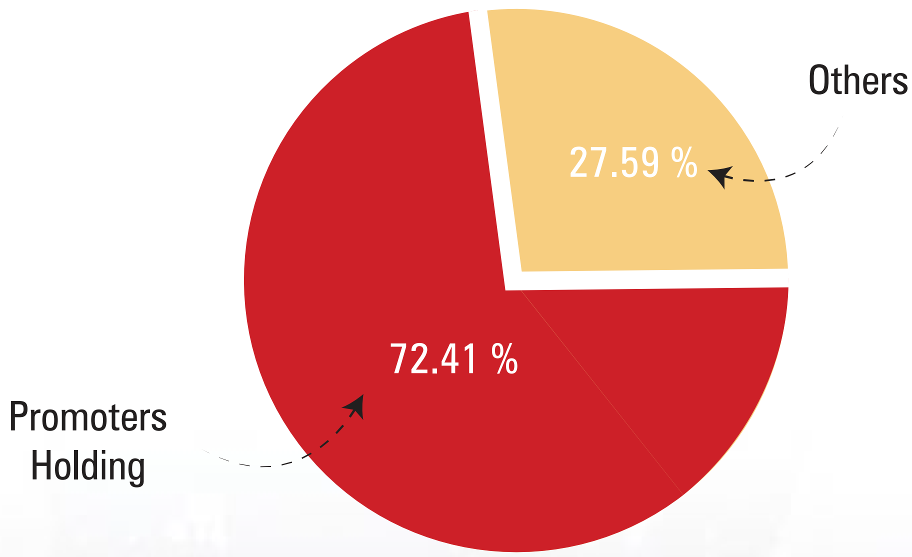
Promoter's Commitment

Promoters have significantly contributed towards building and evolving the company over the last 35+ years and thereby creating long-term value for the Company's stakeholders.

With over 4 decades of experience in the textile industry and holding key positions on the Boards of several companies, Mr. Rajesh Mandawewala is regarded as a dynamic business entrepreneur who has created long-term value the community as a whole.

Our promoters remained committed and invested in growth plans of the Company over the last few years, demonstrating their strong conviction in the Company's fundamentals, as well as its long-term growth trajectory.

As a sign of increased confidence, the company promoter has raised their share from 65.15% to 72.41% infusing fresh funding of Rs 90+ crs in the company in the form of equity and long term loans over the last few years which has helped the company not only to stay ahead of the curve but also continue its transformation and expansion journey amidst macroeconomic uncertainty.



SHAREHOLDING

Our Board Members

The members of our Board are drawn from diverse backgrounds, qualifications, skills, and experiences that contribute to a well-rounded leadership at the helm. It balances several deliverables, achieves sound corporate governance objectives in a promoter-owned organisation and acts as a catalyst in creation of stakeholder value. The Board and its Committees are able and equipped to effectively guide our strategy and oversee our operations in a rapidly evolving industry.

Rajesh R Mandawewala

Non-Executive Chairman

Mr.Rajesh Mandawewala, a dynamic business leader with over four decades of experience in the textile industry. He believes in driving innovation, catering to the needs of the customers, and unlocking India's socio-economic potential. He is a fellow member of The Institute of Chartered accountant of India.

Atul Desai

Independent Director

Mr. Atul Desai, a specialist in mergers and amalgamation, corporate law advisory, National Company Law Tribunal proceedings, and commercial arbitrations, He adds immense value in the field of compliances and controls. He is the Chairman of our Audit Committee and Nomination & Remuneration Committee at AYM. He holds a graduate degree in Law and practises at the Bombay High Court.

Abhishek Mandawewala

Managing Director & CEO

Mr. Abhishek Mandawewala, a visionary young entrepreneur who transformed AYM into a technologically - advanced world class manufacturer. He has been driving force behind AYM's Innovation and product differentiation strategy. He holds a M.Eng (Honours.) degree in Manufacturing Engineering from University of Cambridge.

Mohan Tandon

Independent Director

Mr. MK Tandon, former MD of General Insurance Corporation of India, has spent over two decades on the boards of over a dozen publicly listed companies from a diverse range of industries. Being Industry veteran, he spearheads the company in Strategy and people management. He is graduate form Lucknow university .

Kushboo Mandawewala

Whole Time Director & CHRO

Ms. Kushboo Mandawewala, is a certified marketing expert from the Indian School of Business (ISB). She heads HR and drives the CSR initiatives at AYM while also leading the company's corporate communications and brand building efforts. She has a bachelor's degree in engineering.

KH Viswanathan

Independent Director

Mr. KH Viswanathan, with 33 years+ of experience in the field of tax and legal advisory, audits, business strategy, and mergers and acquisitions has been a guiding force for establishing internal controls and systems and in the journey of automation. He is a fellow member of The Institute of Cost Accountants of India.

Key Business Highlights 2020-21

Our Strategic businesses demonstrated a strong performance during the year. Our cost rationalization initiatives, through put initiatives at Plant, the growing share of value-added products and improved efficiency across helped us deliver a robust performance in second half of the year.

Growth in Strategic and Core Business

Highest ever Quarterly Revenue
Q4 FY21 ~ INR 350 crores

Increase in Share of Export
40% to 42%

Highest ever Production
Q4 FY21 17000 + MT

Increase in Capacity in Key Segments by 10% to 15%

Value Initiatives

Recycling and reuse of waste

Energy optimization at the Palghar and Silvassa plants

Reduction in waste and in consumption of power, water and coal

Covid-19 Protocols

Frequent sanitisation of the workspaces

Vaccination drive for employees and their families

Quarantine rooms for infected employees

Digital Transformation

Robust digital workspace for employees

Virtual health and wellness programs for the employees

Automation of various processes

Innovation: New Products Introduced

With our well equipped R&D centre, we have managed to innovate even more products in niche segments that fulfil the demands of various customers. For the past couple of years, the product development and commercialisation have been in full force, and we have a good requirement of sampling requests from many of our customers for these new products. Our continual focus is to expand the total addressable market for our power brands through diversification in carefully selected categories and moving in this direction we have filed patents of few of these new products developed. These new products are unique to AYM Syntex, especially Ecose and Silkenza, We expect a good response from the customers and the market regarding these new products, especially those belonging to the tri-colour line. AYM Syntex continues to push these new products in the market, and the volumes keep growing month on month. In the coming quarters, we are also expecting to launch several new products, some of which are already close to the finish line.

Throughput Initiatives

AYM Syntex has undertaken several throughput initiatives this year to improve efficiencies across all segments, and the results have been encouraging. With minor change and modifications to the machines and product mix, our production capacity has gone up by 10% to 15% at Palghar and Silvassa in select areas, which has enabled us to grow further into strategic segment.

We have also undertaken several value throughput initiatives this year. We have reduced the overhead cost by recycling and reusing waste, organization in packing costs, energy-optimising and reducing usage of power, water, and coal. We have also installed a solar power generation capacity of 850 KWP at Silvassa to meet our energy needs in a sustainable manner.

These initiatives are helping us emerge stronger than ever and allowing us to balance against the external factors of demand. we plan to invest our efforts further in such throughput initiatives that are expected to go further up in the coming year.

Adopted new technology to reduce energy usage in chemical treatment

Invested in new measures at both plants to reduce power consumption

Taken new measures like manufacturing recycled yarn and recycling of packing material

INCREASED MACHINE OUTPUT

10%-15% ↑

CAPACITY OF THE POLYESTER MOTHER YARN LINES

2X

REDUCTION IN THE WATER TREATMENT COST

50%

INCREASED PRODUCTION IN SPINNING DIVISION, RAKHOLI

33% ↑

WITH MINIMAL CAPEX TOWARDS THROUGHPUT IMPROVEMENT

Unlocking Potential Through Pandemic:

FINANCIAL MEASURES

Minimizing financial risks and capitalizing on emerging opportunities through prompt responsive action.

Although on the whole, the pandemic led to undesirable outcomes for most industries, the nature of our business and our prompt responsive actions have allowed us to financially stay afloat and even thrive in certain areas during the pandemic.

Liquidity fund Management & Debt reduction

In times of crisis, decision making needs to be well-informed and quick to avert financial distress and unintended consequences. With liquidity, which can deteriorate quickly, the ability to act promptly can mean the difference between survival or failure in times of distress. Implementing a liquidity management and mitigation approach is critical to providing short-term cash needs in the face of declining sales prospects. Our company has worked tirelessly on closing the critical gaps especially on working capital management and for urgent needs like cash visibility which was the priority considering the likelihood of multiple waves of the pandemic and a prolonged economic crisis. Developing a liquidity management approach which incorporates an effective decision framework through improved cash forecasting lead to strengthening the cash culture across the organization and has helped us to ensure that we maintain a robust liquidity position and be better prepared for the next crisis.

Optimizing operational expenses

During the period, Significant efforts are undertaken to rationalize the overall costs in the value chain based on principles of resource optimization, recycling, alternate sourcing and improving productivity. The business therefore delivered healthy earnings growth in second half of the year through pricing interventions, aggressive cost management and rationalization of discretionary spends.

The lockdown saw AYM achieve historically unprecedented levels of output due to maximized efficiencies and accelerated production speeds. We were aided by the value engineering initiatives we had planned in the past two years, which finally began to bear fruit during the pandemic. These initiatives, which include recycling and reuse of waste, improved agreement terms with vendors, and utility optimization, have now increased our capacity on a permanent basis and will continue to reflect in our operational performance going forward

Cost Optimization Measures

Reduction in wastage and downgrade

Energy and utility cost optimization

Harder negotiation with vendors

Manpower productivity improvement

Leveraging evolving market trends

Consumer trends resulting from nationwide lockdowns favored specific sections of AYM Syntex's product portfolio. In general, there was an increase in the purchase of products at the expense of travel and outdoor leisure activities. As a result, the demand for key product categories like BCF and IDY rebounded to pre-lockdown levels faster than other products. This resulted in, the demand restoration across all segments to pre-pandemic levels but also exceeded them in certain categories, leading to an increase in sales volumes. We expect this growth trajectory to continue beyond the pandemic as more and more of our throughput initiatives begin to fructify. As we start to see some consistency in results, we look to grow areas of the business which show promise and are in line with our strategic direction such as industrial yarns and flooring yarns in a highly calibrated manner. It is important to continue to remain close to the customer and continue to innovate based on their need. With a good portfolio of products available, the focus needs us to always stay a step ahead of the competition

Unlocking Potential Through Pandemic:

DIGITAL TRANSFORMATION

Leveraging Technology Towards Inclusive Growth.

Work From Home Technologies

Process Automation

Cloud Data Storage and Transfer

Digital Communication Encryption

DIGITAL WELLBEING OF ALL

Virtual Activities to Keep the Workforce Motivated

Digital Learning Activities for the Employees

Virtual Health and Awareness Programs to Aid the Workforce

The power of digitalisation is believed to be of utmost importance in transforming business.

The COVID-19 pandemic and the lockdowns accentuated our core value of leveraging technology towards inclusive growth. During the year, we continued to upgrade our systems, tools, processes, and people while focusing on digital. The aim is to make our system leaner and more agile so as to enhance the user experience, reduce risks and increase stakeholder value.Our digital transformation journey is focused on enhanced system efficiency, real-time information collection and decreasing human intervention

Technology became the bedrock of our digital transformation in the time of the pandemic, where we implemented a multi-layer integration of various technologies and processes to navigate the New Normal, and as a result, gear up for the future.

While the digital embrace was rapid, our employees, partners, and vendors were receptive to it, ensuring a successful transformation that kept our operations on track during the lockdowns. The digital transformation was a synthesis of various technologies, processes, ideas, and a lot more—which came together seamlessly to help us pivot online.

While switching to a digital workplace, there were some concerns that cropped up. For instance, the workforce was apprehensive of the physical distance, the reduced workforce at the factory to handle the machinery and equipment, and cybersecurity concerns that came with the transformation, among others.

At AYM Syntex, we believe in turning concerns into opportunities, and that's what we did with this too. Our digital technologies enabled the workforce to engage despite the distances, automate various processes with ease, enable work from home, and secure communications.

The first technology that our business adopted was virtual workspaces and collaboration tools like Microsoft 365 and Teams. This enabled our workforce to collaborate and communicate virtually across distances, ensuring social distancing during the pandemic. To tackle the challenges of monotonous work from home, we even organized various fun and engaging virtual activities to keep our workforce motivated.

In addition, the team leaders also organized various digital learning activities to train teams to work efficiently and effectively on the digital platforms. We also organized several virtual health and wellness programs to aid the workforce while working from home to keep them motivated and help them maintain a healthy work-life balance.

The organisation integrated a robust IT Platforms that enabled the processes behind working from home. This infrastructure enabled our employees, partners, and vendors to virtually handle the operations, transactions, and documentations seamlessly.

More importantly, this infrastructure was backed by secure, encrypted communication systems that prevented cyber leaks or attacks.

As per the government mandates, AYM Syntex took several measures to file taxes, share critical legal documents, and carry out other obligations virtually with government and auditory agencies securely, ensuring minimum physical interaction of our workforce with others.

As a textile company, there are several processes that could not be handled virtually. For such operations, the company implemented strategies of automation that automated a lot of the workload processes, enabling continuity of operations despite work from home. Various initiatives like Warehouse management system and Bar code were taken during the year to enable better controls and also ease out operations. This also minimised the number of employees required on-site for these processes.

Our digital transformation boosted employee morale, made communications more accessible, and helped us do more from anywhere.

The digital endeavour of AYM Syntex provided us with a sudden yet welcome glimpse into the future of digital workplaces, where technology is central to every interaction, transaction, and operation. The transformation impelled us to learn and progress digitally more quickly than ever.

Our learning from this digital transformation will profoundly influence our progress in the coming years. Today's digital transformation will empower us to retain greater agility, maintain closer ties, and sail through challenges with resilience towards inclusive growth for all better tomorrow.

Unlocking Potential Through Pandemic:

COVID PROTOCOLS

Values, procedures, and practices with well-being and safety at heart for our employees and partners.

COVID-19 Warriors

Appointed employees to help their team members stay safe with the right COVID-19 precautions.

Vaccination Drive

Administering vaccinations to all our employees and their dependents as per the government norms.

Sanitization Measures

Sanitization tunnels, sanitizer stands, and colony purification to safeguard our employees and their families.

Quarantine Rooms

Dedicated quarantine rooms at the Worker Colony with adequate medical support for the infected employees.

The COVID-19 outbreak made the year 2020-21 a huge challenge, which was further complicated by the second wave. However, AYM Syntex was better prepared to handle it. After all, our core values have always been long-term business resilience and responsibility to support the lives we touch upon. These two values have helped us stay on course throughout the year and adapt to the new normal. The transition to the New Normal wasn't straightforward, but thanks to our employees' dedication and support, we managed to turn this challenge into an opportunity for better growth for our employees and partners, with phenomenal results. Our operations remain undisrupted, our employees and partners are confident despite the second wave, and our facilities are healthier than ever.

We achieved these results by implementing various COVID-19 protocols, which were further strengthened to tackle the second wave. We implemented a company-wide social transformation and laid down several practices and values to be followed by all our employees and partners. Foremost, we appointed Covid Warriors within our workforce to act as a guiding beacon for their team members. These Warriors were responsible for creating awareness and educating their team members about the COVID-19 protocols, encourage precautionary discipline like social distancing and mandatory use of masks, and monitoring their health regularly.

Apart from the base level COVID-19 protocols, we set up robust sanitisation measures across our colonies, offices, and factories during the second wave. These measures include sanitisation tunnels at entrances, mandatory temperature and oxygen level checks at gateways, sanitizer stands at high-traffic areas, and extensive use of awareness posters. To protect our employees during the emergence of the second wave, we also carried out colony sanitization and purification. We cleaned the offices and factories with antiseptic cleaners multiple times a day, too. Lack of vaccinations was another concern during the recent months, which is why we carried out a vaccination drive, as per the government norms, for all our employees and their dependents. Additionally, for our infected employees, we arranged quarantine rooms for them at the Worker Colony and guest house with all the right medical support they needed so that they could recover with ease.

AYM Syntex has always been driven by technology, and the pandemic months weren't any different. We pivoted our operations to a digital sphere to ensure continuity and aid work from home. Some of the digital technologies we have implemented as part of our COVID-19 protocols are digital workspaces with Microsoft 365, automation strategies at the factories, WMA systems, and cloud computing and documentation. This allowed our workforce to collaborate over distances efficiently and securely.

Our aim is to ensure that our employees feel supported and valued, while ensuring the well-being of their families.The COVID Care Measures we initiated have been done so keeping in mind the health requirements of our employees. We set up various facilities such as a vaccination drive, COVID-care centers and other hospital facilities for our workforce and their families. These challenging times also led to the loss of some of our employees. We have decided to provide their families 50% of monthly salary for two years as living allowance and education fees for two kids up to graduation and medical insurance to the family of our employees for a duration of 10 years. With the second wave of COVID-19, we continue to stand in solidarity with every member to ensure their mental, physical and financial well-being, as they navigate through these challenging times.

Unlocking Potential Through Pandemic: SOCIAL RESPONSIBILITY

Empowering and educating our people and communities through responsible action.

20 Water purification units installed across Palghar & Silvassa

7700 Community members supported through safe drinking water initiative

90 Students supported through quality education

14,000 Food packets distributed during Covid-19 lockdown

2400 Vaccinations provided

« A closer look at our Performance »

While H1 FY 21 was largely disrupted on account of COVID 19, our propensity to adapt swiftly helped us not only withstand the challenges and come out stronger in H2 FY 21 and deliver all time high results, backed by a healthy balance sheet and prudent management of our working capital

FY 2020-21 ₹ in Crs

Particulars	Quarter Ended				Annual
	30-Jun-20	30 Sep 20	31 Dec 20	31 Mar 21	FY 2021
Revenue from operations	91.2	212.4	294.2	349.7	947.4
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA)	(5.6)	21.1	35.4	43.4	94.2
Finance Charges	8.7	8.8	8.2	8.5	34.1
Depreciation	10.9	10.8	10.7	10.4	42.7
Profit Before Tax (PBT)	(25.2)	1.5	16.5	24.6	17.4
Profit After Tax (PAT)	(16.4)	0.9	10.8	18.8	14.1
Earning Per Share (EPS) [in ₹]	(3.3)	0.3	2.2	3.7	2.8

FY 2019-20 ₹ in Crs

Particulars	Quarter Ended				Annual
	30 Jun 19	30 Sep 19	31 Dec 19	31 Mar 20	FY 2020
Revenue from operations	249.3	269.2	264.1	245.4	1,028.0
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA)	22.4	25.2	25.9	24.1	97.6
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA)	22.4	25.2	25.9	24.1	97.6
Finance Charges	9.3	10.2	9.8	9.0	38.2
Depreciation	11.0	11.2	11.4	11.2	44.8
Profit Before Tax (PBT)	2.1	3.8	0.3	4.0	10.2
Profit After Tax (PAT)	1.8	2.3	4.4	8.9	17.4
Earning Per Share (EPS) [in ₹]	0.4	0.5	0.9	1.8	3.6

Looking Ahead

In any crisis, it is important to move quickly to reset objectives in line with changing market realities. While the external environment continues to remain uncertain, given the recurrent waves of the pandemic, however, our propensity to adapt swiftly to changing times and respond within minimum time is the only way forward to drive success. Moving ahead in next few quarters we look upon the opportunities of further improvement

Continued focus on research and development

To build on the success of our previous innovations and patented products, AYM Syntex plans to file more patents in the coming quarters which will lead to a richer product mix and minimize the risk of commoditization.

Purposeful increase in capital expenditure

A majority of future capital expenditure will now be for strategic initiatives. The company will also optimize overall expenditure by first focusing on low hanging fruits in terms of opportunities for improving capacity utilization and debottlenecking in the existing processes.

Capitalizing on cost-saving opportunities

While efforts to reduce costs on energy, water, and other utilities and supplies have always been ongoing, we have still identified areas where savings can be further boosted. The company will actively focus on bringing these costs down using measures including but not limited to finding suppliers that are more competitive than our current suppliers.

Outsourcing for low-margin and low-value products

Our throughput initiatives have been a key driver of our growth in recent years. They will continue to be so in the coming quarters while many other such initiatives will also begin to show results. Additionally, we have identified a few more opportunities like improving output to input yield, machine speeds, value losses etc which we will work on capitalizing in the coming years.

Pushing on with throughput initiatives

Our throughput initiatives have been a key driver of our growth in recent years. They will continue to be so in the coming quarters while many other such initiatives will also begin to show results. Additionally, we have identified a few more few more opportunities like improving output to input yield, machine speeds, value losses etc which we will work on capitalizing in the coming years.

MANAGEMENT DISCUSSION & ANALYSIS

This discussion covers the financials results, operational performance and other developments for the year ended 31st March 2021 in respect of AYM Syntex business. The Management Discussion and Analysis (MD&A) should be read in concurrence with the Audited Financial Statements of AYM Syntex Limited, and the notes for the year ended March 31, 2021. The statements made in this report are forward-looking and are made on the basis of certain assumptions and expectations of future events. The Company cannot guarantee that these forward-looking statements will be realized, though they are set out based on anticipated results and management plans. The Company's actual results, performance or achievements are subject to risk, uncertainties and even inaccurate assumptions, which could thus differ materially from those projected in any such forward looking statements. The Board of Directors of the Company assumes no responsibility in respect of the forward-looking statements mentioned herein, which may differ in future on account of subsequent developments, events or otherwise and the Company is under no obligation to publicly update any forward-looking statements on the basis of subsequent developments, information, future events or otherwise.

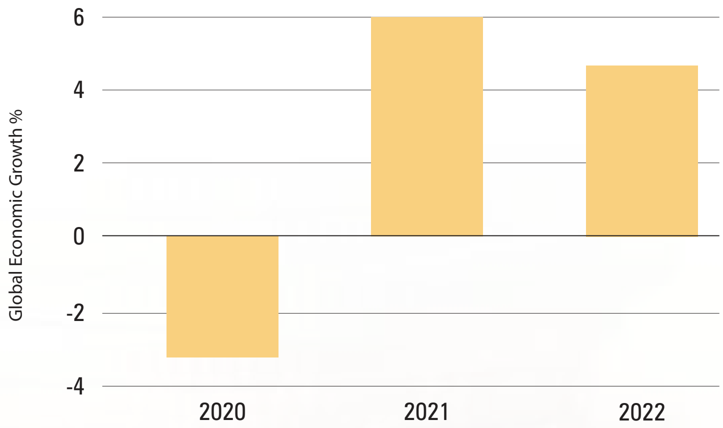
ECONOMIC OVERVIEW

Global Economy

The COVID-19 crisis has delivered a significant shock to trade, restricting cross-border travel, disrupting international production networks and depressing demand worldwide. The fear of coronavirus has even limited the movement of the individuals. People avoided going to buy the daily essentials, which impacted the economy of the world as a whole. The pandemic hit the developed economies the hardest due to the strict and prolonged lockdown measures imposed in many European countries and some parts of the US during the outbreak, while the contraction was comparatively milder in developing countries.

The Organization for Economic Cooperation and Development (OECD) has reportedly cut their expectation for global growth to 2.4% from 2.9%, and warns that it could fall as low as 1.5%.Covid-19 has disrupted global supply chains and this is generating spillover effects throughout different levels of supplier networks. Global trade in 2020 fell in every region of the world, and will take a few years to recover to pre-pandemic levels. The World Trade Organization (WTO) expects global trade to fall up to 32% this year due to the coronavirus pandemic. However, Several monetary authorities also announced changes in their monetary policy frameworks to enhance policy flexibility and improve monetary transmission in their efforts to improve demand and revive economies After an estimated contraction of –3.3% in 2020, the global economy is projected to grow at 6% in 2021, moderating to 4.4% in 2022. After an estimated contraction of –3.3% in 2020, the global economy is projected to grow at 6% in 2021, moderating to 4.4% in 2022. The contraction for 2020 is smaller than initially projected, reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working.

Global growth is expected to moderate to 3.3% over the medium term—reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labor force growth in advanced economies and some emerging market economies. Thanks to unprecedented policy response, the COVID-19 recession is likely to leave smaller scars than the 2008 global financial crisis. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses.



Source: www.imf.org/en/Publications/WEO

Increased vaccination to accelerate reopening

Global economic growth to rebound in 2021-22

Indian Economy

India is the fastest-growing trillion-dollar economy in the world and the fifth-largest overall, with a nominal GDP close to 3 trillion. The ramifications of the pandemic have taken a heavy human toll, not just in terms of afflicting lives and human well-being, but also by impacting incomes and livelihoods.

The Indian economy, after subdued growth in 2019, had begun to regain momentum from January 2020 onwards, only to be stalled by the once-in-century health crisis. The economy witnessed a sharp contraction of 23.9% in Q1 FY21 and 7.5% in Q2 Q2FY21, due to the stringent lockdown imposed during March-April, 2020.

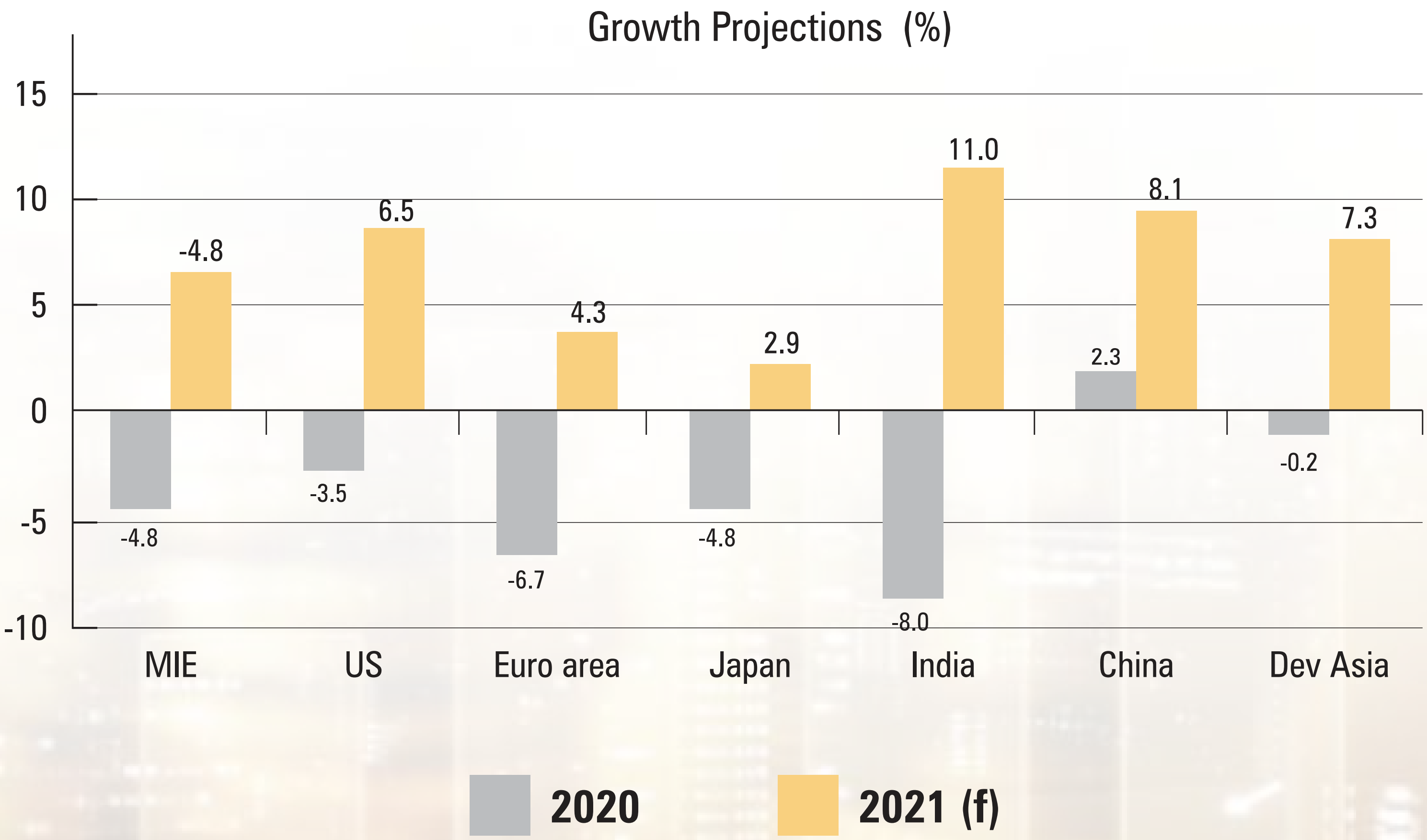
The countrywide shutdown has brought an immediate end to almost all economic activities. The instability of demand and supply powers is continuing even after the listing of the lockdown. The Indian economy will need time to return to its normal state.

The Indian economy, after subdued growth in 2019, had begun to regain momentum from January 2020 onwards, only to be stalled by the once-in-a century health crisis. India's growth fell to 3.1% in the fourth quarter of the fiscal year 2020, according to the Ministry of Statistics. The unemployment rose to 26% in April, from 6.7% in March 2020. During the first phase of lockdown (25 March-14 April 2020), the Indian economy was expected to lose $4.5 billion every day. For the complete lockdown period, the economic loss predicted to near $2.8 trillion.

It has significantly affected the small and large business in the Country. This coronavirus pandemic has also impacted export and imports given the healthcare challenges posed by the enormity of the second wave and expectation of an impending third wave, restrictions imposed by states could stay for longer in one form or the other – at least for as long as a larger proportion of the population is not vaccinated against Covid-19. Ramping up vaccinations to cover a larger proportion of the population seems the only way to usher in speedier and broad-based recovery. The Indian government's target is to fully vaccinate the adult population by end-2021.

The fundamentals of the economy remain strong, and the gradual scaling back of lockdowns along with the astute support of the Atmanirbhar Bharat Abhiyan have placed the economy firmly on the path of revival. looking forward, projections for the Indian Economy paint a positive picture. As suggested by an Ernst & Young report, while the Indian Economy may have seen the hardest fall due to the pandemic, it will also be the one to recover more than other leading economies, outpacing the likes of China.

11% **Growth rate forecasted for 2021**



Source: Asian Development Outlook 2021 (April 2021)

*(f): forecasted, *data for India pertains to fiscal year; MIE: Major Industrial economies*

INDUSTRY OVERVIEW »

Global Textile Market

One of the largest providers of employment after agriculture, the global textile and apparel industry is dynamic and ever-evolving. It has undergone enormous changes over the years, witnessing multiple shifts in consumption and production patterns, as also significant changes in geographies and manufacturing, given its dependence on the availability of cheap labour. Global textile and apparel trade is estimated at US$ 823 billion which has grown at a CAGR of 4% since 2005 and is estimated to exhibit a CAGR of 4.3% from 2020 to 2027 owing to the increased demand for apparels, especially in developing countries such as China, India, Mexico, and Bangladesh (Source : Grand View Research). However it is expected to decline in 2020 at an annual growth rate (CAGR) of -2.8%. The decline is mainly due to economic slowdown across countries owing to the COVID-19 outbreak and the measures to contain it.

Presently, China holds the largest share in textile and apparel global trade, aided by its vertically integrated supply chain from production of fibre to the weaving of fabric and garmenting. But increasing labour and energy costs are eroding China's competitive advantage to some extent. Moreover, the pandemic has forced several Global brands to think of shifting the manufacturing set up from China to other parts of Asia. The global apparel manufacturers are finding Bangladesh, Vietnam and India equally attractive destinations.

The global flooring market size was estimated at US$ 369 billion in 2019 and is expected to expand at a CAGR of 5.9% from 2020 to 2027. The rising need for aesthetic interior materials in building structures is anticipated to fuel the product demand. The growth of construction sector, especially in the emerging economies is expected to further support the market growth.

Outlook

The pandemic-induced lockdowns have initiated and driven new trends in consumer behaviour favouring the demand for our products. The most prominent and pertinent of these is the increasing demand for work-from-home-friendly products. Specifically, athleisure wear, which is the apparel category most dependent on synthetic yarns, saw unprecedented growth during the pandemic. This trend is expected to extend well into the coming years.

Similarly, the rise of the work-from-home culture has also led to an increase in demand for domestic-use textiles and other home decor products. Consumer behaviour is also evolving as the health and safety concerns suddenly became the purchase driver, and the industry had to go for technological adaption in a matter of months that would typically have taken years to occur. While the pandemic accelerated innovation, it also set in force trends that will not subside with the virus.

The general outlook for the global technical textile industry also looks promising. Driven by demand for synthetic polymers for residential and industrial applications, it is poised for steady growth at 8% CAGR from 2021 to 2029.

Highlights

4.3%
Growth rate forecasted for 2021

5.9%
Expected CAGR of global flooring market till 2027

Key figures: Global

30%
Share of synthetic fibre in total global textile fibre demand

8%
Estimated CAGR of global technical textile market till 2029

Key opportunities

Demand rebound in automotive industry

Growth in demand for Floor c overing and home furnishings

Indian Textile Market

The government of India has initiated various policies to support textile and apparel sector's growth for the long-term horizon. With the allowance of 100% FDI in the sector under the automatic route it is expected to attract USD 140 billion (INR 10,485 billion) foreign investments in the coming years and also carried out high investments under various schemes like Integrated Textile Parks (SITP) and Technology Upgradation Fund Scheme (TUFS) to encourage the flow of more private equity and to train the workforce. For further accelerating the growth in the textile industry, the Textile Ministry assigned INR 6,900 Million (USD 106.58 million) for the setup of 21 readymade garment manufacturing units in seven states for the development and modernization of Indian Textile Sector Being largely a consumer driven industry, textile and apparel sector's growth and performance is majorly dependent on India's growing economy.

The growth in the textile and apparel sector is sustained by the strong domestic consumption as well as export demand over the medium term. India has cost competitiveness in raw material, together with healthy infrastructure and skilled labour force as compared to neighbouring countries like Bangladesh and Sri Lanka, which is expected to provide support in expanding the country's share in the global textile and apparel market.

Though short-term hiccup due to the ongoing Coronavirus pandemic will result into contraction and lower growth and market value for the next couple of quarters as compared to historical average, it is still estimated that India has the potential to reach USD 70-80 billion in exports and achieve much higher share of the global market by 2024.

Indian domestic textile and apparel market is estimated at $75 billion in FY21. The market fell 30% from $106 billion in FY20. The market is expected to recover and grow at healthy CAGR from FY20 to reach $190 billion by FY26. Apparel constitutes ~74% share of the total T&A market in India and Home Textile constitutes ~19%. . India ranked 2nd in textile export with 6% of global share and stood 5th in apparel export with 4% of global share. In terms of employment, Indian textile industry is the second largest employer after agriculture, providing direct and indirect employment to nearly 100 million people in India. The sector is broadly classified into three categories, with cotton accounting for 50% share, followed by man-made fibres and jute textiles.

Despite the large share in the global market and contribution of 2.3% of the Indian GDP, the Textile and Apparel industry has been majorly affected ever since the implementation of the GST, post which the imports in the sector has surged especially due to the apparels from low cost manufacturing destinations like Bangladesh and Sri Lanka. It has been additionally facing hurdles due to decline in exports of yarns amidst withdrawal of various government incentives. The industry is highly capital intensive in nature and is dependent for its capital requirements through borrowings from banks and financial institutions.

The widespread impact of the covid-19 which has let no sectors unturned and is expected to decelerate the growth projection of the textile and apparel industry in India, which was once projected to grow at a CAGR of ~12% to reach USD 220 billion (INR 16,637 billion) by 2025-26 (as per the data released by the Ministry of Textiles).

However, According to Grand View Research, the global flooring market size was valued at $388 billion in CY20 and is expected to grow at a compound annual growth rate of 6.1% till CY28. The rising need for comfort and privacy, owing to noisier surroundings, has spurred the demand for insulation across the flooring market as a well-insulated floor creates an improved sound environment. This has resulted in the growing demand for insulation, thereby supporting market growth. Moreover, consumer preferences for aesthetically improved designs, textures, and colors and low-maintenance and easy-to-install floorings are anticipated to ascend the market growth.

Highlights

2.3%
Textile and Apparel Industry contribution to GDP

2nd
Largest employer in India

Key figures

USD 70 Bn
Expected Export by 2024

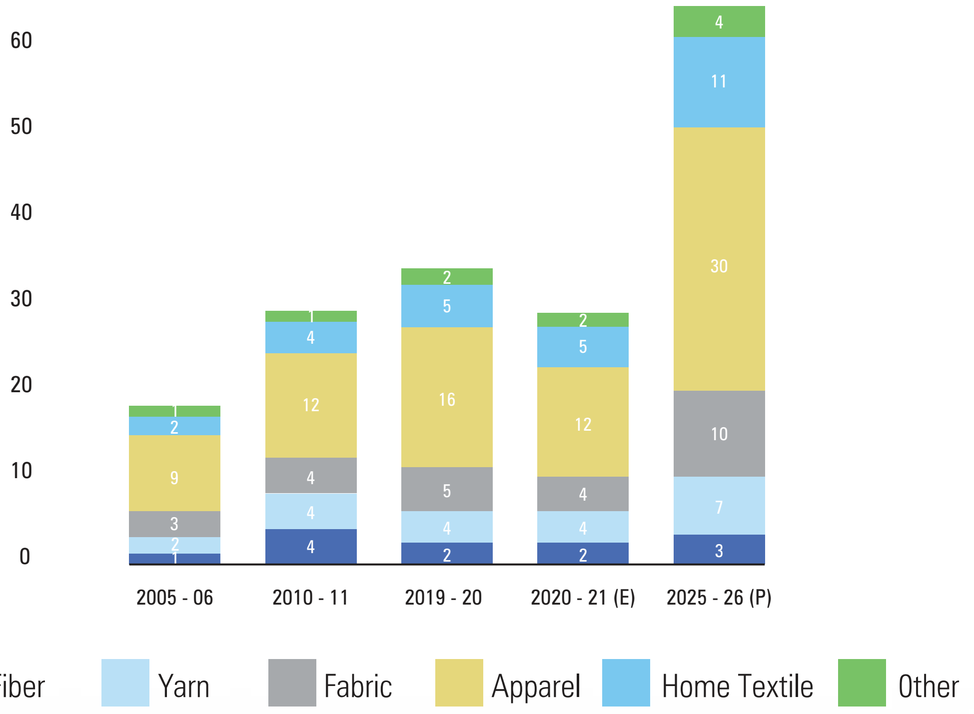
10%
CAGR in domestic textile market till 2026

Key opportunities

Switch to hybrid working model

Favourable government policies

India's Domestic Textile and Apparel Market Size (US$ billion)

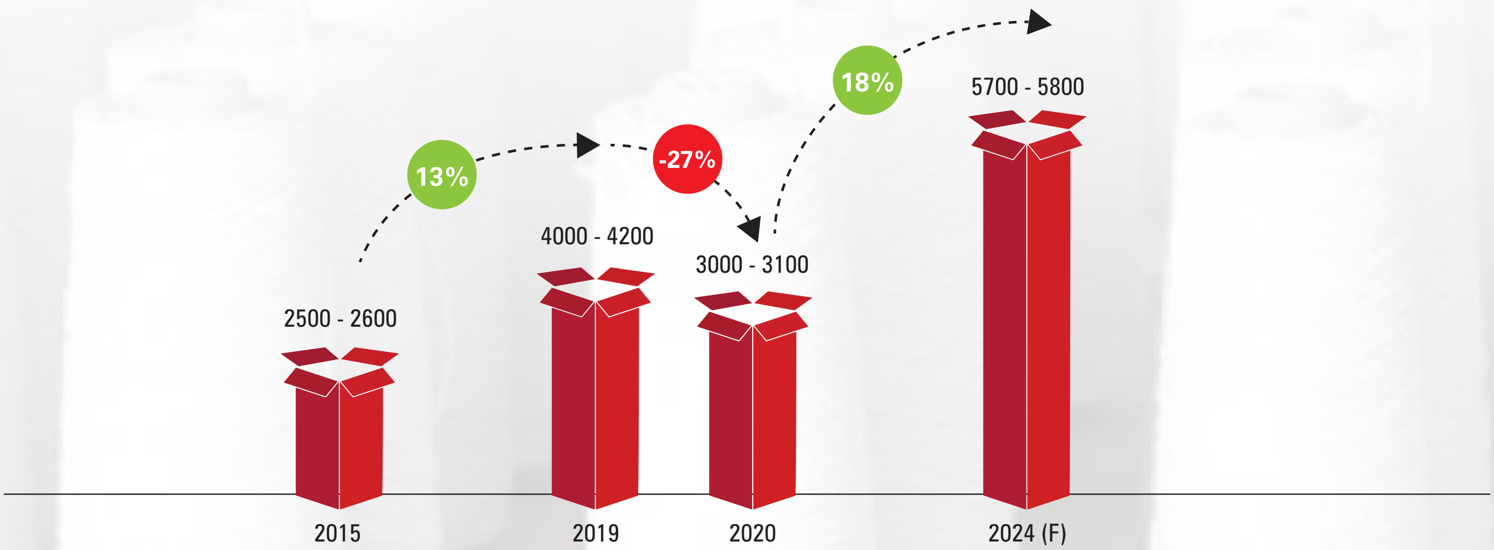


Source: DGCI&S Analysis

Outlook

Taking its cue from global trends, the Indian textiles and apparel markets have embarked on a growth trajectory after a significant dip in 2020. The apparel market is expected to soar at 18% CAGR to nearly double in market size by 2024. Notably, the athleisure segment is estimated to outpace this trend and achieve a CAGR of 20-25% in the same period. The Aatmanirbhar Bharat initiative is gaining steam in the country, under which the government continues to announce new schemes to support the textile sector, from minimized export duties to production-linked incentives. This is likely to have knock-on effects on the industry and result in ease of export and expansion for businesses involved. In summary, the increased pull from consumers and push from the government makes the upcoming period favourable for the domestic textile market.

Expected Growth in Apparel Market



(Sources: Boston Consulting Group & Retailers Association of India)

BUSINESS OVERVIEW

The Financial year 2020-21 was the year of challenges with COVID – 19 disrupting the economic demand in first and supply chain across the second half of the year. Just as the business was starting to recover from series of macro-economic turbulence over last few years and years of hard work were starting to culminate in the form of improving results, the Covid-19 has delivered a significant shock to trade, restricting cross border travel, disrupting international production networks, and depressing demand worldwide.

After and unprecedent lows of first quarter of FY 21 on account of stringent lockdown imposed during March-April 2020, business started improving on the exports side in second quarter although the domestic market demand was struggling due to restrictions in economic activities in most of the parts of the country. However, the overall movement of Exports showed a speedy pickup in Q2 FY 21 while resurrecting to pre-pandemic levels in H2 FY 21 and in some strategic areas also surpassed previous year levels. During the lockdown in initial part of the year, company focused on improving operating efficiencies, reducing costs, improving throughput and most importantly, increasing the share of value-added products in our product mix. As a result, the strategic business has gone from strength to strength despite setbacks. Increasing share of value added business has not just improved margins but also provided stability and predictability in the face of volatility. All this helped us improving the quality and resilience of the business with sustainable margins and growth, free cash generation and consequent debt reduction.

The year ended with highest ever quarterly Top line and EBITDA with exports share increasing to 42%.

The share of value-added innovative products such as Wonderfeel, Industrial Yarn, Comfeel, Solution Dyed Nylon, Ecose, Silkenza, EQ Dyed Nylon continues to grow overall in volumes. Company is able to squeeze out far higher output at efficiencies and speeds during the FY 2020-21.

Nylon and Polyester

Textile business was impacted drastically on account of the COVID lockdown during the year. However few strategic segments like IDY etc remained largely unaffected. Company has also initiated several throughput improvement initiatives which have progressed well. Company have doubled the capacity on one of our polyester mother yarn lines and are expected to repeat this in one of our nylon mother yarn lines also. Company can squeeze out more of the machines without incurring any major CAPEX in order to grow the bottom line and top line. There are two important changes that we must bring to the POY TEX business; simplify the operation that is fairly complex and start outsourcing processes which are capital intensive to the companies that are willing to do it at a lower return Lot of work has been done on cost rationalization including recycling and reusing of waste, harder negotiation with vendors, energy and utility optimization, and lower consumptions of dyes and chemicals through value Engineering. Going forward the company will focus on key priority areas like supply chain integration, cost realignment, health and safety as well as digital investments. This means Company will focus more on the downstream processes such as texturizing, air texturizing, splitting, twisting, and which are more customer-facing.

Conventional Dyeing

Conventional Dyeing business of the company is hosted at the Palghar Plant, which have been struggling with in the past, has seen a dramatic turnaround this year. The company has been able to significantly improve cost and bring down the breakeven volume. The breakeven level of the plant is now down by 200 to 250 tonnes conclusively. This was achieved by improving right first time (RFT) buying, reducing downgrades and wastage, bringing about significant improvement in labor productivity and savings achieved in auxiliaries amongst others. The business is now a lot more competitive and some of the business development initiatives which should help us finally see some improvement in volumes. Operational costs like water treatment, consumption of dyes and chemicals etc has reduced significantly resulting in extra cushion to margins. The floor covering space is also gradually increasing its volumes through the Palghar plant and continues to garner interest and over the next year or two it is these products that will fill the gap of the weakened capacity. Company has also been able to strengthen the structure in Palghar which will enable us to build new customer relationships. The product development work in the conventional dyeing space is also in full swing and will help us increase in volumes as well as margins going forward.

Opportunities	Actions taken
Throughput initiatives taking effect	Outsource capital-intensive processes
Expected increase in production volume	Increased focus on downstream, customer-facing processes

Opportunities	Actions taken
High operating leverage	De-bottlenecked upstream processes
Expected increase in production volume	Launched new products

Bulk Continuous Filament Yarn (BCF)

The rising need for comfort and privacy, owing to noisier surroundings, has spurred the demand for insulation across the flooring market as a well-insulated floor creates an improved sound environment. This has resulted in the growing demand for insulation, thereby supporting market growth on floor covering space. Moreover, consumer preferences for aesthetically improved designs, textures, and colors and low maintenance and easy-to-install floorings are ascending the market growth. The impact of slowness in demand on account of COVID was least felt in the floor covering segment.

It is the exports in this segment, value added products and strategic customers that saw the lowest dip in volumes. This year we were not only been able to fill up capacities (post COVID 19 lockdown) faster, but also improve margins with increasing share of differentiated products, better sales mix, new product developments.

Innovation pipeline looks strong with variety of customized products as well as few patent – pending products ready for the launch. Company is also focusing on growing this line of business by incurring some additional debottleneck capex in coming year to cater to the demand and service customer needs

Opportunities

- High-entry-barrier products
- Launched new products

Actions taken

- Expanded capacity by 60%
- Increased focus on customized products

HUMAN RESOURCES

Adhered to health and safety guidelines: The Company is operating in accordance with the health and safety guidelines as issued by the respective government authorities. We have adopted several additional measures encompassing Industry best practices across our offices and plants to keep our employees and service providers safe. So, all the plants are completely working COVID-free.

Driving change through Human Capital: Our employees are our greatest resource and we ensure we provide adequate opportunities for their professional development. We see them as the main pillars in taking our organization forward and constantly take efforts in providing an enabling environment for them to learn new skills, develop competencies and deliver value. We focus on the needs of our employees and provide adequate employee benefits, while supporting a healthy work-life balance, to enhance productivity and employee retention.

Employee engagement and well-being: Employee engagement is central to retain our workforce. We understand the role employee engagement programs play in keeping employees motivated and involved in their work. To encourage employee engagement, our HR department regularly undertakes various programs and initiatives. The aim of these programs is to maintain communication, keep employees informed about our organization's progress and understanding their aspirations and concerns. We diligently promote a conducive work environment with a good work-life balance for all employees. We have a comprehensive employee benefit plan which includes parental leave, medi-claim policy, personal accident insurance, term life insurance, travel insurance, leave benefits, provident fund, and car lease, among other benefits, to all our employees. Besides this, socio-cultural activities like get-togethers, birthday celebrations, yoga, meditation, festival celebrations and training and development are also organized. As it is equally important to reward and recognise the performance to the employees who stood up during the time of need, we subsequently launched GloryUs 2.0 which was curated in the concept of "on the spot recognition".

Providing a safe and healthy environment: Ensuring a healthy and safe work environment is never compromised at AYM. We strive to maintain the highest safety standards to reduce incidents from occurring. The safety culture is driven by the top management and executed at every level through the EHS Management System. Specific responsibilities have been defined for each level and have been implemented by various types of management programs and by conducting regular audits. AYM is accredited with OHSAS 45001 that enables risk assessment of all activities for achieving organizational HSE goals. Our Safety Committees at the facilities ensure adherence to Occupational Health, Safety and Environment (OHSE) policy, compliance with regulations and provide safety trainings to our employees and contract staff. In addition to general practices there were several other measures taken to support the employees during the pandemic, where we have rolled out salaries 15 days in advance for our blue collared people strength during the nation-wide lock down to support them for procuring of daily necessities in advance and to restrict movement to keep them safe. Additionally we rolled out a policy for supporting the families of deceased employees for Covid, where we have decided to pay 50% of the annual salary for 2 years, along with the same kids education up to the graduation level, medical policy for the family along with the same we will be providing job assistance for the spouse. Going by the vision statement of "People focus" we have vaccinated all our employees and their families across all locations.

Learning & Development: As we ponder in performance of the organisation, we constantly keep on nurturing the talent for building a performance driven culture. We devised training programmes with the three objectives namely

1. To bring in efficiency in the daily operations,
2. To groom talents to take up the next level role and
3. To make the employees aligned with the organisational culture. As we pondered upon the three objectives, we planned for training programmes like SAP, Skill Matrix, Process training for specific departments, Social media well-being, safety, behavioural and developmental trainings were organised across the organisation.

Focus areas

Talent retention

Strengthening the culture of Performance

Innovation, Robust Talent Management

RISK MANAGEMENT FRAMEWORK

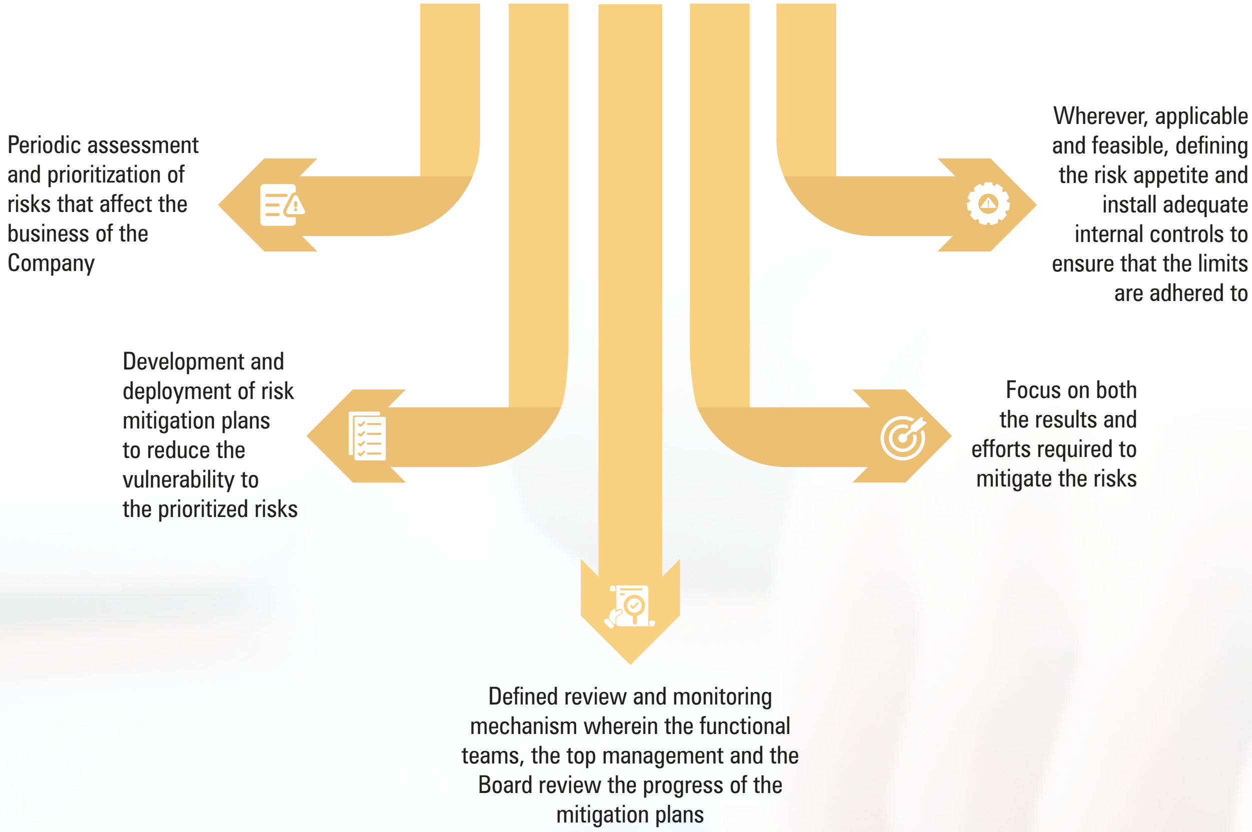
Risk is an integral and unavoidable component of any businesses. The Company has established comprehensive Risk Management System to ensure that risks to the Company's continued existence as a going concern and its development are identified, measured, managed and mitigated on a timely basis. Management identifies and evaluates – especially such risks which could jeopardize continued existence, at an early stage and defines and implements measures to control these risks.

The Risk Management System consists of multi phased process. Initially, all risks are identified by different departments and functions as bottom-up approach. These risks are then analyzed and evaluated by the Company's management team before they are reported to the Audit Committee. Risks are classified in different categories such as Primary Risk & Secondary Risk.

These risks are then classified and quantified depending on probability of occurrence and the extent of potential damage. The management presents the Enterprise Risk Management report along with planned mitigation measures to the Audit Committee. We continuously evolve our risk management system which is enabling our business to achieve its strategic objectives; and deliver sustainable, long-term growth and a commitment to responsible business practices.

The Internal Risk Committee constituted by the management assists the Board in monitoring and reviewing the risk management plan, implementation of the risk management framework of the Company and such other functions as Board may deem fit.

The key cornerstones of our Risk Management Framework are:



The Company has established a risk management policy that defines the overall risk management framework covering guidelines for risk identification, assessment, prioritization, mitigation and monitoring. Management identifies and evaluates – especially such risks which could jeopardize continued existence, at an early stage and defines and implements measures to control these risks.The Risk Management System consists of multi phased process. Initially, all risks are identified by different departments and functions as bottom-up approach. These risks are then analyzed and evaluated by the Company's management team before they are reported to the Audit Committee. Risks are classified in different categories such as Primary Risk & Secondary Risk. These risks are then classified and quantified depending on probability of occurrence and the extent of potential damage. The management presents the Enterprise Risk Management with planned mitigation measures to the Audit Committee. The committee reports its findings and recommendations to the Board. We continuously evolve our risk management system which is enabling our business to achieve its strategic objectives; and deliver sustainable, long-term growth and a commitment to responsible business practices.

The Company has established a risk-aware culture across the organization and established risk management committee at each location (plants and head office) that meets on a quarterly/half yearly basis to assess risks and monitor mitigation measures. Risk registers are developed for each location and drilled down to each function. Risk prioritization and monitoring is performed at Company level as well as plant level and function level. Plant head and functional heads are responsible to manage the risks and report emerging risks to the executive management.

S. No.	Risk Category	Risk Description	Mitigation Plan
1	**Strategic risks**	**Demand Disruption –** Sluggish demand and business interruptions due to Covid19 Manpower and RM availability; Lack of geographical diversified base **Failure to service additional demand** / changed need of customers	• Long term orders / commitments from customers • Diversifying product mix and geographical mix • Adequate stocking of material - own space or at vendors space for continued supply; monthly contracts with trusted suppliers • Moving skilled workers from contract to on rolls • Skilled manpower - new incentive schemes, productivity bonus, temporary stay arrangements / incentives • Acquiring additional capacities with minimum lead time for strategic long term business • Work with Job Work partners to bridge the supply gap
2	**Human resource risks**	**Talent retention / management**, Succession planning of Key leadership roles **Downfall in employee motivation / productivity** while working from home. Inadequate communication & clarity of strategic initiatives throughout the organization leading to lack of buy-in and poor execution	• Adequate employee engagement activities, trainings, providing access to workshops / webinars etc and motivating them with various awards / incentive schemes • Moving skilled workers from contract to on rolls • Create bench strength in the high margin business • Financial growth and long-term benefits like ESOPs, profit sharing to retain the best talent • Differential treatment in way of Job enrichment / financially to retain talent • Appropriate systematic program to be put in place to retain senior people as consultants • Training and integrator of learning and development activities • Proper communication & clarity of strategic initiatives • Flexibility in working environment to Employees
3	**Commodity availability and price risks**	Volatility in raw material prices may impact the profitability Shortage of material required/ stoppage of operations by vendors	• Increase in share of Value added products and product differentiation. • Pre-emptive vendor development practices - developing alternate source of vendor • Adequate stocking of material if required • Minimum supply to be contractually ensured with existing supplier • Logistic costs: Tie up with Shipping co. to book Premium destination Containers at Bulk • Engage with more CHA's and start reverse auction • Packaging costs: Focus on Recycling of Pallets, Paper Tubes and Cartons • Find alternative methods to optimize packing cost
4	**Innovative /New product development**	**Slower pace of New product development (NPD)** / Failure to commercialize new developed products in market to its potential - New demand generation strategy may fails to drive desired new customers	• Key products to be shortlisted for dedicated focus. Backing by Market research data for informed decision. • Clear cut Timelines /ROI to be defined and monitored regularly • Allocation of resources to be predefined for ensuring focused responsibility and accountability • Reduce new Sampling - dedicated efforts to market already developed products
5	**Information technology risks - Cyber security / Data security**	Risks related to Information Technology (IT) systems; data integrity, digital and physical assets, cybercrime and fraud Work from home environment being more prone to cyber risks	• Adequate security systems to ensure multi-layer data security - Regular monitoring / Alerts to process owners for any deviations • SOD conflicts to be reviewed thoroughly and regularly – MDM changes have to have proper approvals • System related controls to be established - standardized back-up tools, services and procedures to ensure that information and data are stored at two or more diverse locations.
6	**Liquidity Risks**	Inadequate Liquidity to operate Business smoothly Reduction in revenues due to unforeseen COVID-19 outbreak and resultant lockdown of plant operations	• Adequate Banking tie ups for incremental borrowing lines for exigencies • Providing additional liquidity for operations through fungibility options • Strong emphasis on debtors realization / reducing payment terms • Initiated cost rationalization measures • Capex planning basis cashflow availability

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has a strong Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal controls in the Company, its compliance with operating systems, accounting procedures and policies at all company locations. Internal controls are evaluated by the Internal Auditors and supported by the Management reviews covering various areas across the value chain , such as procurement, manufacturing, supply chain, sales, marketing and finance. The Audit Committee review the adequacy of design and the effectiveness of the internal control systems, significant audit observations and monitor the sustainability of remedial measures. All audit observations and follow up actions thereon are tracked for resolution by the Internal Auditors and reported to the Audit Committee. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. The statutory auditors, as part of their audit process, also carry out a systems and process audit to ensure that the ERP and other IT systems used for transaction processing have adequate internal controls embedded to ensurepreventive and detective controls.

The key constituents of the internal control system are:

- Establishment and periodic review of business plans
- Identification of key risks and opportunities and regular reviews by top management and the Board of Directors
- Clear and well-defined organization structure and limits of financial authority
- Continuous identification of areas requiring strengthening of internal controls
- Standard Operating procedures to ensure effectiveness of business processes
- Well-defined principles and procedures for evaluation of new business proposals/capital expenditure
- Robust management information system

Coping up with new normal of working from home, additional controls and processes have been laid to mitigate the risks of cyber attacks, and ensuring data security,

The Company also has a system of Internal Control over Financial reporting (IFC) ensuring the accuracy of the accounting system and the related financial reporting. It adheres to local statutory requirements for orderly and efficient conduct of business, safeguarding of assets, the detection and prevention of frauds and errors, adequacy and completeness of accounting records and timely preparation of reliable financial information. The management assesses the appropriateness and effectiveness of these financial controls on yearly basis. The efficacy of the internal checks and control systems are validated by Internal Auditors as well as Statutory Auditors.

The Company Management has assessed the effectiveness of internal controls over financial reporting for the year ended March 31, 2021 and based on the assessment believed that the same are adequate and working effectively. The Statutory Auditors have issued an audit report expressing satisfaction on the adequacy and effectiveness of the internal financial control systems over financial reporting.

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

FINANCIAL PERFORMANCE OVERVIEW

The operating environment during the year was rendered extremely challenging by the outbreak of the pandemic, which caused unprecedented disruptions across the Company's operating segments. The Company pivoted smartly to address these dynamic challenges demonstrating agility and speed in adapting to the 'new normal' by resuming operations expeditiously and making suitable changes to the products and production process in record time to address emergent consumer needs. the Company instituted the highest standards of hygiene and safety protocols across all nodes of operations. Relentless focus on cost reduction across Businesses aided in partially mitigating the impact of negative operating leverage.

During the year ended 31st March 2021, the company sequentially pickup in all the operating segments in the second half of the year help mitigated the impact the disruptions in the first half caused. Operational performance was on an improving trend after first two quarters in the current year and the same got reflected in the financials. Overall, Revenue from Operations of Rs 947.40 Cr lower by 7.8% as compared to the previous year. The volume growth underlying this revenue de-growth over last year was lower by 10.4% as compared to the previous year.

The operations of the Company were impacted during the first two quarters, due to shutdown of both the plants and offices at various locations following lockdown imposed by the government authorities to contain spread of COVID-19 pandemic. The Company has resumed operations in April 20 end in a phased manner as per the directives from the respective government authorities.

The Company has evaluated the impact of this pandemic on its business operations and financial position and made an assessment of its liquidity position for the foreseeable future and of the recoverability and carrying values of its assets as at the balance sheet date, and has concluded that there are no adjustments required in the financial statements for the year ended March 31, 2021. However, the impact assessment of COVID-19 is a continuous process given the uncertainty associated with its nature and duration.

The following tables summarize the results of operations for the year ended March 31st, 2021:

PARTICULARS	For the year ending March 31			
	2021		2020	
	Rs Crores	% of Revenue	Rs Crores	% of Revenue
Sales Volumes (MT)	50,031		55,859	
Net revenue from operations	**947.4**		**1028.0**	
Expenditure				
Cost of Materials	497.8	52.5%	565.2	55.0%
Employee costs	62.4	6.6%	62.1	6.0%
EBITDA margins	**94.2**	**9.9%**	**97.6**	**9.5%**
Finance Charges	34.1	3.6%	38.2	3.7%
Depreciation	42.7	4.5%	44.8	4.4%
Tax	3.3	0.3%	-7.2	-0.7%
Profit after Tax	**14.1**	**1.5%**	**17.4**	**1.7%**
Other Comprehensive Income	-0.3	0.0%	-0.1	-0.0%
Total Comprehensive Income	**13.8**	**1.5%**	**17.3**	**1.7%**
Earnings per share (EPS)(in ₹)	2.8		3.6	

Revenue

Revenue from operations stood at Rs 947.4 crs, lowered by 7.8% over previous year. Sales down by 12.8% over the previous year in terms of volumes. Company continues to retain focus on throughput improvement, filling up the enhanced capacities and getting the product sales mix right in the current year for sustainable profitable growth in future. The export sales in line with strategy has increased from 39.9% in FY 20 to 42.3% in FY 21.

Cost of Materials

The cost of materials comprises consumption of raw material, packing material, dyes & chemicals, changes in inventories of finished goods, work-in-process. The cost of materials at 52.5% of Revenue declined by 2.44% as compared to previous year on account of improved sales mix and operational metrics at the plant level. Raw material costs have impacted mainly due to favorable movement in Brent Crude prices from $ 60 per barrel to below $ 30 per barrel during the year. The reduction is due to lower economic activity owing to COVID-19. It is expected that as the virus weakens over the year and economy activity resumes this rate per barrel will move up to the last to last year level. With the shift towards favorable mix in the coming years this is going to improve gradually.

Employee costs

Employee cost includes salaries, wages, annual performance incentives, statutory bonus and gratuity, contribution to provident and other funds and staff welfare schemes expenses (except actuarial gain / (loss) on defined benefit plans). It also excludes labour engaged on contractual basis. During the year under review, employee cost at Rs 62.4 crs has gone up marginally as compared with last year. It is in accordance with the company's efforts to put in place the adequate team structures during the last year to fuel the future growth, some of which were carried forward in the current year also. With resource optimization in mind, it had worked upon restructuring the roles to ensure focused approach towards key goals. With the team structures in place, the employee cost going ahead will not be in proportionate to revenue.

Earnings before Interest, Tax, Depreciation & Amortization(EBITDA) Margins

EBITDA (before exception) in FY21 was reported at Rs 94.2 crs (9.9% margin) going up in terms of percentage of revenue compared to previous year of 9.5% margin. EBITDA margin has close in compared to previous year, even after reduced slowdown & lockdown in first two quarters, also has improved year on year with ramp up in Topline after the BCF capacities were fully utilized in the later half of the year. However, the last quarter ended on a slightly lower note due to lower economic activity & slump in both domestic & export orders owing to lockdown & slowdown for the period starting April to June 20 on account of COVID-19. The part of the year was also adversely affected by the pressure on sales price due to lack luster demand and increase in input costs including dyes, power etc.

The Company has adopted Ind AS 116 - "Leases", effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, adjusted in opening retained earnings. In the current year financials, the nature of expenses in respect of operating leases has changed from lease rent (included in other expenses) in previous periods to depreciation for Right-to-use Assets and finance cost for interest accrued on Lease Liabilities.

Finance Charges

Finance charges include interest on loans and other financial charges. The reduction in finance charges is on account of full year impact of the fresh debt taken in previous years and also increase in operations of the company. Net Financial Expenses in FY21 was Rs 34.1 crs as compared to Rs 38.2 crs in the previous year. During the year net debt improved by Rs 42.9 crs and with no major Project capex in pipeline, the finance charges is expected to gradually come down from these levels. The costs of these facilities are continuously monitored and negotiated with lenders to garner the benefits accruing from money market changes.

Depreciation

Depreciation has decreased from Rs 44.8 crs in FY 20 to Rs 42.7 crs in the current year. The decrease is on account of lower capitalization of on-going modernization and expansion projects. There is no further project capex in pipeline, and depreciation is expected to be at similar levels going forward with no sizeable capex planned in the coming year.

Tax Expense

The company continues to be pay taxes under MAT provision in FY 21. Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued on 20th September 2019 which is effective 1st April 2019, domestic Companies have the option to pay corporate income tax at the rate of 22% plus applicable surcharge and cess ('New tax rate'). The Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilization of accumulated minimum alternstive tax (MAT) credit. However, the Company has also evaluated the outstanding deferred tax liability and deferred tax asset, and written back an amount to the extent of Rs 69.05 lakhs to the statement of profit and loss. This is arising from the re-measurement of deferred tax liability and deferred tax asset that is expected to reverse in future when the company would migrate to the new tax regime.

Profit after Tax

Profit after Tax stood at Rs 14.1 crs in FY21 as compared to Rs 17.4 crs in FY20 lower by around 20 bps as a % of revenue as compared to previous year.

Total Debt

Debt figure includes all the long-term & short-term borrowings, cash credits, Interest bearing acceptances as well as Buyers Credit. Gross Debt as on March 31, 2021, stands at Rs 220.27 crs as against Rs 255.01 crs at the end of FY 20. Cash and cash equivalents of the Company in FY20 stood at Rs 22.64 crs as compared to Rs 30.81 crs in the current year. Net Debt as on March 31, 2021, stands at Rs 189.45 crs after reducing the cash and bank balance and liquid investment versus Rs 232.37 crs at the end of FY20. The debt has reduced on account of improved EBITDA performance and no major capex during the year. This is expected to remain at similar levels in the coming year with topline and margins getting affected amid Pandemic.

Fixed Assets

Fixed assets (tangible and intangible) including Capital work-inprogress stands at Rs 436 crs at end of FY21 as compared to Rs 447.53 crs at the end of previous year. There has been no meaningful capex incurred during the year apart from routine operational capex.

Foreign Exchange

During the FY 21, The Indian rupee has registered more than 4% gain so far this fiscal year. FY21 has been a roller-coaster ride for the local unit due to coronavirus led the rupee to breach a record low of 76.90. The global economy plunged into its deepest contraction in living memory in April-June 2020 as COVID-19 took its toll. In India, real GDP fell by a record low. Supply bottlenecks and higher taxes pushed inflation above the upper tolerance band of the target. Downside risks from a delayed vaccine, persistence of supply bottlenecks, volatile international financial markets and high food inflation acquiring a structural character are clear and present dangers to the macroeconomic outlook

The INR exhibited movements in both directions against the US dollar during H1 FY21 due to the generalized flight out of EME's (Emerging Market Economy) to the safety of the US dollar amidst COVID-related concerns. After depreciating to its lowest level of Rs. 76.81 on April 22, 2020, the INR subsequently appreciated owing to FPI flows to the domestic equity market with the return of risk appetite for Emerging Market Economies assets and the depreciation of the US dollar. This was driven by the surge in portiolio inflows to India on expectations of highly accommodative monetary policies in advanced economies continuing for longer, and improving prospects of potential vaccines for COVID-19. In the light of these developments, the exchange rate is assumed at INR 73.6 per US dollar in the baseline.

During H2:2020-21, the Indian rupee (INR) traded mostly with an appreciating bias against the US dollar on the back of growth revival and robust foreign investments amidst a weakening US dollar. After some depreciation in November 2020, the INR appreciated to Rs. 72.29 on February 24, 2021 owing to sustained strong FPI inflowsbut depreciated somewhat thereafter due to:

- Elevated global financial market volatility on the back of rising US yields,
- Firming global crude prices, global crude oil prices have hardened notably since November 2020 on the back of production cuts by the OPEC and non-OPEC allies (OPEC plus) and expected revival in demand with vaccine rollouts. Reflecting these developments as well as the attack on Saudi Arabia's oil facilities, Brent crude crossed US$ 70 per barrel in early March. Prices, however, corrected to around US$ 65 in the second half of March over concerns of demand faltering on rising COVID-19 infections and increase in crude stockpiles
- Moderation in FPI inflows, to rising bond yields and
- Expectations of higher inflation and higher interest rates.

KEY RATIOS »

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

	FY 21	FY 20
Return on Capital Employed (ROCE)	8.6%	8.6%
Debt: Equity	0.62	0.74
Net Debt: EBITDA	2.01	2.38
Debt Service Coverage Ratio	1.39	1.23
Interest Coverage Ratio	1.51	1.27
Working Capital (no. of days)	17	10
Inventory turnover ratio (no. of days)	61	46
Current Ratio (Ex Current portion of Long term Debt)	1.31	1.21

OUTLOOK »

Our strategic initiatives and prompt response to the lockdowns made FY21 a year of strong recovery for AYM Syntex. We expect this trajectory to continue in FY22 and beyond, as we keep on innovating and identifying further opportunities to improve. Our relentless efforts and investments in strategic areas has helped the company withstood the disruptions across the value chain.

In the near term, the company's operations might be temporarily impacted due to due to exposure to the pandemic, restriction in economic activities in different parts of the world which could impact revenue growth.

The company is largely focused on its customer centric approach along with improving throughput at both the plants, new product developments as well as various cost reduction initiatives which are underway. The short to medium term outlook for AYM remains optimistic with constant efforts to drive sustained, profitable, volume led growth through a focus on strengthening core segments, innovation, and throughput initiatives. With expected favourable government policies towards textile industry and its efforts to increase exports the demand is expected to rise. However, macroeconomic challenges stemming from the resurgence of COVID 19 or any geo-political instability in our key markets pose downside risks to our outlook in near term

Our future growth and value creation will be driven by our differentiation strategy based on innovation, customer centricity, sustainability and focus on the exports market. Our differentiated business model will enable sustained revenue growth despite pricing pressures and regulatory concerns that impacted the industry.

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present 38th Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March 2021.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2020-21	2019-20
Revenue from operations*	94,741.03	102,797.63
Other Income	280.72	336.92
Total revenue	95,021.75	103,134.55
EBIDTA	9,417.36	9,764.75
EBIDTA Margin (%)	9.91	9.47
Finance Costs	3,409.13	3,824.32
Depreciation and amortization expense	4,269.74	4,477.66
Profit Before Tax	**1,738.49**	**1,017.89**
Current Tax	398.06	175.08
Deferred tax	(69.05)	(897.75)
Profit After Tax	**1,409.48**	**1,740.56**
Other comprehensive income for the year, net of tax	(29.33)	(10.90)
Total Comprehensive Income for the Year	**1,380.15**	**1,729.66**
Earning per share (Basic)	2.82	3.61
Earning per share (Diluted)	2.81	3.61

** Revenue from operations excludes other operative income.*

DIVIDEND

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

AMOUNT TRANSFER TO RESERVES

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

COVID-19

The COVID-19 pandemic has emerged as a global challenge, creating disruption across the world. Global solutions are needed to overcome the challenges – businesses & business models have transformed to create a new work order.

As we live in the unprecedented times of the Covid-19 (coronavirus) pandemic, the health and safety of our employees and their families were the utmost priority to the Company. The Company was actively engaged and proactively taking all the necessary steps required to be taken to deal with such pandemic in the areas of employees and their families – health and safety through vaccination, mediclaim, Strategy, Financial, operational and technology intervention needed. This response has reinforced stakeholder's confidence and many of them have expressed their appreciation and gratitude for the timely response under most challenging conditions.

The lockdown gave India time to make a concerted effort to flatten the outbreak curve. However, towards later part of the year consequent to significant opening of the economic activity across the nation the demand picked up compared to that during the initial period of Covid-19.

The textile industry which had really slowed down at the initial stages of the lockdown due to pandemic has started showing signs of recovery.

India is currently experiencing a massive second wave of Covid-19 infections. However, we expect no major changes in the economic activity as the nation is preparing to face the Pandemic with vaccines and preparedness.

PERFORMANCE AND OUTLOOK

During the year under review, revenue from operations (net) was at ₹ 94,741.03 Lakhs as compared to ₹ 102,797.63 Lakhs in previous year. Exports during the financial year 2020-21 were of ₹ 39,590.25 Lakhs as compared to ₹ 40,378.38 Lakhs during the previous year.

The Profit Before Tax for the full year has also increased to ₹ 1738.49 Lakhs as compared to ₹ 1017.89 Lakhs in financial year 2020-21, even though the operations were affected during the year on account of COVID 19 lockdown.

The Pandemic had disrupted operations of our company in first half of the financial year, however with our relentless efforts in the areas of operational excellence, throughput improvement initiatives and focus on the costs front, the business got restored to normalcy faster in H2 FY 21.

The fact that the financial year has ended on a higher note and the last Quarter (Q4 FY 21) ending with highest ever Sales and EBITDA numbers, has set up an encouraging tone and given us an assurance that the business is far more robust as we enter the next Financial year. It is now crucial to sustain the present efforts to be able to return to the path to prosperity and development in our journey of growth and transformation.

SHARE CAPITAL AND LISTING

Issue of Employee Stock Options

The Shareholders of the Company has approved AYM Employee Stock Option scheme 2021 vide Postal ballot result of which was declared on 5th March 2021. The Company has applied to BSE and NSE for In-principle approval for listing of 15,00,000 Equity shares of Rs.10 each. The Company has granted 6,00,000 Options to be converted into 6,00,000 Equity shares of Rs.10 each payable at par.

During the Financial year 2020-21, 60,190 equity shares were allotted to the ESOP grantees pursuant to the AYM ESOP Scheme 2018. The said shares are listed on The BSE Limited and The National Stock Exchange of India Limited.

In compliance with the provisions of Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014, as amended thereto, the details of Employees Stock Option Schemes of the Company as on 31st March, 2021 are furnished in **Annexure A** attached herewith and forms part of this Report.

Issue of Equity Shares With Differential Rights

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

Issue of Sweat Equity Shares

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

BOARD'S REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2021 and of the profit and loss of the Company for that period;

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

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

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

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

DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP)

The Company's Board comprises of a mix of executive and non-executive directors with considerable experience and expertise across a range of fields such as finance, accounts, general management and business strategy. The details of the directors and their meetings held during the year have been given in the Corporate Governance Report, which forms part of the Annual Report.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajesh R. Mandawewala is retiring by rotation at the 38th Annual General Meeting and being eligible has been recommended for re-appointment as a director liable to retire by rotation by the Board. His brief resume and other details as required under the Act and Listing Regulations for his re-appointment as Director are provided in the Notice of the 38th AGM of your Company.

COMMITTEES OF THE BOARD OF DIRECTORS

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

DECLARATION BY AN INDEPENDENT DIRECTOR(S)

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

Your Board confirms that in its opinion the independent directors fulfill the conditions prescribed under the SEBI LODR, 2015 and they are independent of the management. All the independent directors on the Board of the Company are registered with the Indian Institute of Corporate Affairs (IICA), Manesar, Gurgaon, Haryana-122052 as notified by the Central Government under Section 150(1) of the Companies Act, 2013 and exempted from undergoing online proficiency self-assessment test.

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

BOARD EVALUATION

In compliance with the Act and SEBI Regulations 2015, the Board of Directors, as per the process recommendation by the Nomination and Remuneration Committee, has evaluated the effectiveness of the Board, its committees and Directors. The evaluation process invited graded responses to a structured questionnaire, which was largely in line with SEBI Guidance Note on Board evaluation, for each expect of the evaluation.

The evaluation process invited through IT enabled platform sought graded responses to a structured questionnaire for each aspect of the evaluation viz. time spent by each of the directors; accomplishment of specific responsibilities and expertise; conflict of interest; integrity of the Director; active participation and contribution during discussions.

For the financial year 2020-21, the annual performance evaluation was carried out by the Independent Directors, Nomination and Remuneration Committee and the Board, which included evaluation of the Board, Independent Directors, Non-independent Directors, Executive Directors, Chairman, Committees of the Board, Quantity, Quality and Timeliness of Information to the Board. All the results were satisfactory.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR policy of our Company as approved by the Board of directors' is hosted on the Company's website and web link thereto is:
https://www.aymsyntex.com/investors/corporate-governance/policies-code-compliances

Disclosure as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is annexed as **Annexure B;**

MEETINGS OF BOARD OF DIRECTORS

Five meetings of Board of directors were conducted during the financial year 2020-21. The details of which are given in the Corporate Governance Report forming part of the Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

HOLDING, SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company is a subsidiary of Mandawewala Enterprises Limited.

The Company does not have any subsidiary, joint ventures and associate companies.

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

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

Ratio of remuneration of the Managing Director, Whole time Director & KMP to the median employee's remuneration and other details are as under:

(₹ In Lakhs)

Name	Designation	Remuneration Paid	% Increase	Ratio of remuneration of each Whole - Time Director to median remuneration of employees
Abhishek Mandawewala	Managing Director & CEO	77.40	5.22%	33.97
Khushboo Mandawewala	Whole time Director	25.68	-12.70%	11.27
Himanshu Dhaddha	Chief Financial Officer	70.74	-2.58%	31.04
Ashitosh Sheth	Company Secretary	22.16	NA	9.72

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

Notes:

i. Average increase in remuneration of employees other than managerial personnel: - **0.08 % and managerial persons: 7.88%.**

ii. the number of permanent employees on the rolls of Company: **1260.**

iii. The percentage increase in the median remuneration of employees in FY 2020-21 was-**0.17%**.

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

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

Details in respect of adequacy of Internal Financial Controls (IFC) with reference to the Financial Statements:

Your Company has designed and implemented a framework for internal finance controls and the same are adequate and were operating effectively. The Company periodically reviews the internal controls to align it with the changing business needs and to improve governance and enhance compliance with evolving regulation.

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

For the year ended 31st March 2021, the Board is of the opinion that your Company has sound IFC commensurate with the nature of its business operations, wherein adequate controls are in place and operating effectively and no material weakness exists. Your Company has a process in place to continuously monitor existing controls and identify gaps and implement new and / or improved controls wherever the effect of such gaps would have a material effect on your Company's operation.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

All related party transactions entered during the year 2020-21 were in ordinary course of the business and on an arm's length basis. No material related party transactions i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the Financial Year by your Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC 2 is not applicable to your Company.

Members may refer to note no. 45 to the financial statement which sets out related party disclosures pursuant to IND AS-24.

VIGIL MECHANISM

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

ANNUAL RETURN

A copy of Annual return referred to in Section 92 (3) of the Companies Act 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is placed on website of the Company and weblink thereto is : https://www.aymsyntex.com/investors/financial-report/investors-financial-relation-annual

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

a. Conservation of energy:

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

- Installation of biological & MBR system resulting in reduction of power usage
- Replaced all faulty/leaked pneumatic fittings all over the plant
- Installation of low-pressure compressor 1360 CFM for Tex machine

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- Steam and thermo pack pipeline insulation work
- Drive installation at Dyeing Machine
- Installation of steam hot air blower for drying the finished cones instead of electric heaters reducing the energy consumption
- Power optimization in AHUs all over the plant
- Installation of automatic pressure regulating valve in Tex machines
- Provided Separate individual switches for Lightnings of Machines having long Doff time to avoid power usage during idle time.
- Daily check of steam traps to reduce steam wastage

(ii) the steps taken by the Company for utilizing alternate sources of energy: Reduction in coal consumption by increasing the boiler efficiency.

(iii) the capital investment on energy conservation equipment's: Rs.14 Lakhs

b. Technology absorption:

i. The efforts made towards technology absorption:

- Installation of MBR system at EDP
- RF Dryer usage for uniform drying of the yarn

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

- Resulting in water cost reduction
- Resulting in reduce the input cost

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

- New air compressors system form Germany installed in the plant
- MBR purchased from France to improve the water quality and reduce the input cost

iv. Research and Development expenditures:

(₹ In Lakhs)

Particulars	2020-21	2019-20
Revenue expenditure	1115.71	837.09
Capital expenditure	0.00	0.00
Total	**1115.71**	**837.09**

c. Foreign Exchange Earnings and Outgo:

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

Earning in Foreign exchange : ₹ 39,590.25 Lakhs

Outgo in Foreign exchange : ₹ 25,078.72 Lakhs

DEPOSITS

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

STATUTORY AUDITORS

As per Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in 34th Annual General Meeting approved the appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants (ICAI Registration No- 012754N/N-500016), as the Statutory Auditors of the Company for an initial term of 5 years i.e. 28th September 2017, the conclusion of 34th Annual General Meeting till the conclusion of 39th Annual General Meeting. Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every annual general meeting has been omitted with effect from 7th May, 2018. The Report given by M/s. Price Waterhouse Chartered Accountants LLP on the financial statement of the Company for the year 2020-21 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

AUDITORS' REPORT

There is no qualified opinion in the Auditors' Report. We refer to para i (c) of Annexure B of Independent Auditor's Report and state that the Company is in the process of executing document to transfer freehold land in respect of one plot of ₹ 4.63 Lakhs (net block) in the name of the Company. The Company is in possession of land without any interference for more than 12 years. Further in respect of documents of title deeds of six residential flats of ₹ 9.48 lakhs (net block), we clarify that the said flats are in the name of the Company and the Company is in the process of tracing the physical agreements of the said flats.

COST AUDITOR AND COST RECORDS

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

In terms of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed M/s. Kiran J Mehta & Co., Cost Accountants, being eligible, as Cost Auditors of your Company, to carry out the cost audit of products manufactured by the Company. Your Company had received their written consent that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee and in terms of the Companies Act, 2013 and Rules thereunder requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in the Notice of the 38th Annual General Meeting of your Company.

During the year 2020-21 the Cost Accountants had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

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

SECRETARIAL AUDITOR AND AUDIT REPORT

The Secretarial Audit as required under Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations was conducted was carried out by Gupta Baul & Associates, Company Secretaries (CP No. 12722) for the financial year 2020-21.

The Secretarial Audit Report is annexed as **Annexure C** and forms an integral part of this Report.

There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year 2020-21, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

In terms of Clause 3(b) of SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report for the year ended 31st March 2021 from Gupta Baul & Associates, Practising Company Secretaries, who are also the Secretarial Auditor of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year 2020-21, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Pursuant to amendment in SEBI (LODR), 2015, the Company has obtained a certificate from Gupta Baul & Associates, Practising Company Secretaries that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as a Director of the Company by SEBI / Ministry of Corporate Affairs or any such regulatory authority.

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

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

RISK MANAGEMENT POLICY

The Company has evolved risk management policy identifying primary risk and secondary risk. Primary risk includes manpower development, product efficiency, pace of development of new products, competition. Board has not identified any risk which threatens the existence of the Company.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The familiarization program aims to provide the Independent Directors with the scenario within the textile industry, this socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant development so as to enable them to take well-informed decisions in timely manner.

The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes.

The policy on Company's familiarization program (for independent directors) is hosted on the Company's website and a web link is : https://www.aymsyntex.com/investors/corporate-governance/policies-code-compliances

CODE OF CONDUCT

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

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

PARTICULARS OF EMPLOYEES

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

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

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

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

During the year 2020-2021 no cases of sexual harassment were reported in your Company. During the year, the Company has received NIL complaint and appropriate action has been taken by the Company in this regard.

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

CORPORATE GOVERNANCE

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

BOARD'S REPORT

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

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

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

MISCELLANEOUS

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

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

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

CAUTIONARY STATEMENT

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

ACKNOWLEDGMENT

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
sd/-
Rajesh R Mandawewala
Chairman
DIN: 00007179

Place: Mumbai
Date: 15/05/2021

ANNEXURE A

Disclosure of Information in respect of Employees Stock Option Scheme (ESOP)

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

The disclosure is provided in **Notes 47** to the financial statements of the Company for the year ended 31st March 2021

Sr. No.	Particulars	Employee Stock Options Scheme-2018 – Grant I
1.	Date of shareholder's approval	28th February 2018
2.	Options granted	7,81,700 Equity shares of the face value of ₹ 10/- each
3.	Exercise Price per stock option	₹ 10/-
4.	Vesting requirements	ESOPs will vest not earlier that One (1) year from the date of Grant
5.	Maximum term of options granted	5 years from the date of Vesting
6.	Source of shares	Primary
7.	**Options movement during the year**	
	Particulars	**Details**
	Number of options outstanding at the beginning of the year	6,14,020 Equity shares of the face value of ₹ 10/- each
	Number of options granted during the year	NIL
	Number of options forfeited/lapsed/Cancelled during the year	80,550
	Number of options vested during the year	60,190
	Number of options exercised during the year	60,190
	Number of shares arising as a result of exercise of options	60,190
	Money realizes by exercise of options (INR), if scheme is implemented directly by the Company	₹ 6,01,900
	Loan repaid by the Trust during the year from exercise price received	NA
	Number of options outstanding at the end of the year	4,73,280 Equity shares of the face value of ₹ 10/- each
	Number of stock exercisable at the end of the year	NIL
8.	Variation of terms of options	N.A.
9.	Money realized by exercise of Options	₹ 6,01,900
10.	Total Number of Options in force	4,73,280
11.	Employee-wise details of Options granted to	
	(I) Senior Managerial Personnel/Key Managerial Personnel	KMP-46,900
	(II) any other employee who receives a grant, in any one year, of Options amounting to 5% or more of Options granted during that year	3 Employees – 2,55,000
	(III) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL
12.	Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Indian Accounting Standard (Ind AS) 102	₹ 2.81
13.	Weighted average exercise price and weighted average fair value of options whose exercise price equals or exceeds or is less than market price of the stock-	
	a) Weighted average exercise price per stock option	₹ 10
	b) Weighted Average Fair Value of options	₹ 41.20
14.	Method and significant assumptions used to estimate the fair value of Options granted during the year	
	i) Method	Adopts the Black Scholes Model
	ii) Significant Assumptions:	a) Weighted average risk-free interest rate
		b) Weighted average remaining contractual life of options outstanding (years)
		c) Weighted average expected volatility
		d) Weighted average expected dividends
		e) Weighted average market price

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
Rajesh R Mandawewala
Chairman
DIN: 00007179

Place: Mumbai
Date: 15/05/2021

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ANNEXURE B

CSR Activities for the Financial year commencing on or after 1st April 2020

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

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

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

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

2. The composition of the CSR Committee:

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

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

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

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

Sr. no.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount available for set-off from preceding financial years (in Rs.)
		- Not Applicable -	
Total			

6. Average net profit of the Company for 2017-18, 2018-19 and 2019-20 : ₹ **864.59 Lakhs**

7. a) Two percent of average net profit of the company as per section 135(5) - ₹ **17.29 Lakhs**

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

c) Amount required to be set off for the financial year, if any - **Nil**

d) Total CSR obligation for the financial year (7a+7b-7c) - ₹ **17.29 Lakhs**

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

(₹ in Lakhs)

Total amount spent for the Financial Year	Amount Unspent				
	Total Amount Transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
19.01	Nil	NA	Nil	Nil	NA

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

1	2	3	4	5		6	7	8	9	10	11	
Sl.No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation -Direct(Yes/No).	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Reg.no.
- Not Applicable -												
	Total											

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

1	2	3	4	5		6	7	8	
Sl.No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount allocated for the project (` in Lakhs)	Mode of Implementation -Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Reg.no.
1	Implementing and supporting education Program	(ii) Promoting Education	Yes	Maharashtra	Palghar	6.29	Direct	NA	NA
2	Provision of safe drinking water	(ii) Promoting healthcare	Yes	U.T. of Dadra & Nagar Haveli	Silvassa	12.72	Direct	NA	NA
	Total					19.01			

(d) Amount spent in Administrative Overheads - **Nil**

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ **19.01 Lakhs**

(g) Excess amount for set off - ₹ **1.72 Lakhs**

Sl.No.	Particular	Amount (₹ in Lakhs)
i.	Two percent of average net profit of the company as per section 135(5)	17.29
ii.	Total amount spent for the Financial Year	19.01
iii.	Excess amount spent for the financial year [(ii)- (i)]	1.72
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.72

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

Sl.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) in Rs.	Amount spent in the reporting Financial Year in Rs.	Amount transferred to any fund specified under schedule VII as per section 135 (6), if any			Amount remaining to be spent in succeeding financial year in Rs.
				Name of the	Amount (in Rs.)	Date of transfer	
- Not Applicable -							
Total							

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

SI.No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project In Rs.	Amount spent on the project in the reporting Financial year in Rs.	Cumulative amount spent at the end of reporting Financial year in Rs.	Status of the project completed ongoing
					- Not applicable -			
Total								

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

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

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

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

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

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

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

Sd/-
Atul Desai
Chairman of CSR Committee
DIN-00019443

ANNEXURE C

FORM NO. MR-3
Secretarial Audit Report
For the Financial year ended 31st March, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

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

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

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

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

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

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

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

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

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

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

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the financial year under review);

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

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

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

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

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

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

   d. Employee's State Insurance Act, 1948;

   e. Environment Protection Act, 1986;

   f. Equal Remuneration Act, 1976;

   g. Factories Act, 1948;

   h. Industrial Dispute Act, 1947;

   i. Maternity Benefits Act, 1961;

   j. Minimum Wages Act, 1948;

   k. Payment of Bonus Act, 1965;

   l. Payment of Gratuity Act, 1972;

   m. Payment of Wages Act, 1936;

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

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

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

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

We further report that

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

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

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

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

We further report that during the audit period:

i. The Company has allotted 60,190 equity shares pursuant to exercise of ESOP options by employees under AYM ESOP Scheme 2018.

ii. The Shareholders of the Company by way of Special resolution through Postal Ballot have approved the "AYM Employee Stock Option Scheme- 2021."

For **Gupta Baul & Associates**
Company Secretaries
sd/-
Hitesh J. Gupta
ACS No. 33684
CP No.12722
UDIN: A033684C000313139

Place: Mumbai
Date: 15/05/2021

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

ANNEXURE A

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

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Gupta Baul & Associates**
Company Secretaries
sd/-
Hitesh J. Gupta
ACS No. 33684
CP No.12722
UDIN: A033684C000313139

Place: Mumbai
Date: 15/05/2021

ANNEXURE D

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

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

Sr. No	Name of the employee	Remuneration received (Refer Note) (₹ in lakhs)	Designation	Qualifications and experience of the employee	Date of commencement of employment	Age (Years)	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Umesh Krishna Shenoy*	144.31	President – Unit Head Rakholi	PG Diploma,FIE, C.Engg Exp: 42	16th July 2018	64	J.K.Tyre & Industries Limited	0.01	Nil
2	Mr. Sunil Karanjkar	84.80	President	PGDM in Marketing Exp:34 years	20th December 1989	56	Garware Nylon	0.03	Nil
3	Mr. Sudhanshu M Khire	81.43	Director (Operation)	B.Sc, MBA, Exp-34 years	2nd April 2007	62	M/s. Bhargavi Marketing Pvt. Ltd.,	0.04	Nil
4	Mr. Abhishek Mandawewala	77.40	Managing Director & CEO	B.A/M. Eng (Honours) Exp: 10 years	1st August 2015	34	Welspun India Limited	0.00	Son of Mr. Rajesh R. Mandawewala and Spouse of Mrs. Khushboo Mandawewala
5	Mr. Rahul Pareek	71.65	Business Head- BCF	B.Tech – Text Exp: 31 years	9th August 2012	53	ZYC Fibre Co	0.03	Nil
6	Mr. Himanshu Dhaddha	70.73	Chief Financial Officer	CA, CS, CWA Exp: 13 years	8th November 2016	35	Amazon India Group	0.02	Nil
7	Mr. Brijesh Kumar Srivastava	52.13	Vice President – BCF Production	B.Tech Exp- 37 years	1st November 2017	61	Oriental Weavers International	0.01	Nil
8	Mr. Neeraj Bhrigu	44.93	Vice President-Spinning	B.Tech –Text Tech Exp: 25 years	21st July 2017	46	Asia Pacific Fibre	0.00	Nil
9	Mr. Alok Kumar Upadhyay	44.57	Vice President – Palghar Unit	B.Tech- Text Exp: 26 years	30th December 2019	51	SRF (Thailand) Industrial Ltd.	0.00	Nil
10	Mr. Saugata Das	43.61	Assistant Vice President	B. Tech- Polymer Science & Tech. Exp: 22 years	13th December 2017	46	SRF Ltd	0.01	Nil

**Employed for the part of the financial year 2020-21*

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

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

Sr. No	Name of the employee	Remuneration received (Refer Note) (Rupees In lakhs)	Designation	Qualifications and experience of the employee	Date of commencement of employment	Age (Years)	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Umesh Krishna Shenoy	144.31	President – Unit Head Rakholi	PG Diploma,FIE, C.Engg Exp: 42 years	16th July 2018	64	J. K. Tyre & Industries Limited	0.01	Nil

Notes:

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

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

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

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

ANNEXURE E

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31st MARCH, 2021

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

AYM Syntex Limited believes that for a Company to succeed on a sustained basis, it must maintain global standards of corporate conduct towards its employees, shareholders, consumers and society.

The primary objective is to create and adhere to a corporate culture of consciousness, transparency and openness.

2. BOARD OF DIRECTORS

a) Composition

Present strength of the Board of Directors is 6. Details of composition of the existing Board of Directors as on 31st March 2021 is given below:

Sr. No.	Name of the Director	Category	No. of Directorship in other Companies		No. of shares and convertible instruments held by NE	Member / Chairman in No. of Committees in Companies#	No. of Board Meetings Attended	Attendance at last AGM
			Public	Private				
1.	Mr. Rajesh R. Mandawewala	P,NE,C	9^	07	Nil	(4)M	5	No
2.	Mr. Abhishek R. Mandawewala	P, E	01^	09	Nil	(1) C/(1)M	5	Yes
3.	Mr. Atul Desai	I, S, NE	05^	00	30 Equity shares	(5)C/(3)M	5	Yes
4.	Mr. Mohan Tandon	I, NE	01	Nil	Nil	(1)C/(2)M	5	Yes
5.	Mr. K. H. Viswanathan	I, NE	03^	01	Nil	(4)C/(2)M	5	Yes
6	Mrs. Khushboo Mandawewala	WTD	02^	02	Nil	Nil	5	Yes

^ Includes unlisted public companies.

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

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

Abbreviations:

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

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

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

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

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

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

d) Details of Date of Board Meetings:
Five meetings of the Board of Directors were held during the financial year 2020-21 i.e. 18th April 2020, 12th June 2020, 12th September 2020, 26th October 2020 and 30th January 2021.

e) Disclosure of relationship between Directors inter se:
Mr. Abhishek R. Mandawewala is son of Mr. Rajesh R. Mandawewala, Director.

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

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

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

3. AUDIT COMMITTEE

The Audit Committee consists of the following 3 Independent Non-Executive Directors (financially literate) as on 31st March 2021.

Sr.No.	Name	Designation
i.	Mr. Atul Desai	Chairman
ii.	Mr. K. H. Viswanathan	Member
iii.	Mr. Mohan Tandon	Member

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

Terms of Reference:

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

Four meetings of Audit Committee of Board of Directors were held on 12th June 2020, 12th September 2020, 26th October 2020 and 30th January 2021. The details of attendance of members of Audit Committee are as follows:

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

4. NOMINATION AND REMUNERATION COMMITTEE

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

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

Sr. No.	Name of the Member	Designation
i.	Mr. Atul Desai	Chairman
ii.	Mr. R. R. Mandawewala	Member
iii.	Mr. M. K. Tandon	Member
iv.	Mr. K. H. Viswanathan	Member

c. Two meetings of Nomination and Remuneration Committees were held on 12th June 2020 and 26th October 2020. The details of attendance of members of the committee are as follows:

Sr. No.	Name of the Member	Designation	Meetings Attended
1.	Mr. Atul Desai	Chairman	2
2	Mr. R. R. Mandawewala	Member	0
3.	Mr. K. H. Viswanathan	Member	2
4.	Mr. M. K. Tandon	Member	2

d. Performance Evaluation Criteria

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

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

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

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

5. REMUNERATION TO DIRECTORS

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

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

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

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

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

(₹ in Lakhs)

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

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

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

Particulars	Mr. Abhishek R. Mandawewala (MD & CEO)	Mrs. Khushboo Mandawewala (WTD)
Salary & allowances	60.66	24.26
Gratuity	0	0
Leave encashment	0	0
Contribution to Provident Fund	3.56	1.42
Commission	13.19	0
TOTAL	**77.41**	**25.68**
Service contracts	From 01 /08/18 to 31/07/21	From 29/07/19 to 28 /07/22
Notice period	3 months	3 months
Severance fees	-	-
Stock option	-	-

d. Meeting of Independent Directors

The Independent Directors of the Company shall hold at least one meeting in a year without the attendance of non-independent directors and members of management. The meeting of Independent Directors was held on 19th March 2021 and the following points were discussed:

- reviewed the performance of non-independent directors, individual directors, committees of Board and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- assessed the quality, quantity and timeliness of flow of information between the Company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

6. **STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

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

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

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

e. Number of complaints pending as on March 31, 2021 - **Nil**

Details of Stakeholders Relationship Committee Meeting:

During the year One meeting was held on 28th January 2021.

Sr.	Name of Member	Designation	Meeting Attended
1.	Mr. Atul Desai	Chairman	1
2.	Mr. R. R. Mandawewala	Member	1
3.	Mr. Abhishek. R. Mandawewala	Member	1

7. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)**

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

a) Composition:
The Committee comprises of:

Sr. No.	Name of the Member	Designation
i.	Mr. Atul Desai	Chairman
ii.	Mr. R R Mandawewala	Member
iii.	Mr. Abhishek Mandawewala	Member
iv.	Mrs. Khushboo Mandawewala	Member

The Company Secretary acts as the Secretary to the Committee.

b) Terms of reference of the Committee, inter alia include the following:
To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with the provisions of the Act and rules made thereunder.

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

c) Meetings and Attendance:
During the year under review, the Corporate Social Responsibility Committee met at once i.e. on 12th June 2020.

Sr.	Name of Member	Designation	Meeting Attended
1.	Mr. Atul Desai	Chairman	1
2.	Mr. R. R. Mandawewala	Member	0
3.	Mr. Abhishek. R. Mandawewala	Member	1
4.	Mrs. Khushboo Mandawewala	Member	1

8. **GENERAL BODY MEETING**

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

Financial Year	Date & Time	Location
2017-18	25/09/2018 11.30 a.m	S. No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2018-19	19/09/2019 12.00 Noon	S. No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2019-20	29/09/2020 12.30 p.m	Video Conferencing

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

Financial Year	Date		Item
2017-18	25/09/2018	(i)	Re-appointment of Mr. K H Viswanathan as Independent director for second term with effect from 1st August 2018 to 31st July 2023.
		(ii)	Re-appointment of Mr. Abhishek Mandawewala as Managing director & CEO for a further period of three years with effect from 1st August 2018 to 31st July 2021.
2018-19	19/09/2019	(i)	Appointment of Mrs. Khushboo Mandawewala as Whole time Director for a period of 3 years w.e.f 29th July 2019;
		(ii)	Amendment in AYM ESOP Scheme 2018
2018-19	20/03/2019 (postal ballot)	(i)	Extension of the term of Mr. Mohan Tandon, Independent Director and re appointment of Mr. Atul Desai and Mr. Mohan Tandon, Independent Directors for 5 years.
2019-20	29/09/2020		Nil

STRATEGIC REPORTS
STATUTORY REPORTS
FINANCIAL REPORTS

c. The following Special Resolutions, as set out in the Postal Ballot Notice dated 30th January 2021 and voted through Postal Ballot were assented to by the requisite majority (100% voted in favour) as per the result declared by the Chairman on 5th March 2021 and therefore taken as approved by the shareholders :

- ➢ Approval of Draft AYM Employees Stock Option Scheme 2021.

d. Person who conducted the postal ballot exercise - Mr. Hitesh Gupta, Practising Company Secretary was appointed as scrutinizer for conducting e-voting process.

9. MEANS OF COMMUNICATION

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

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

Quarter/ Year end	Date of publication	Name of Newspaper
31/03/2020	NIL*	NA
30/06/2020	13/09/2020	The Financial Express (E), Ahmedabad edition
	14/09/2020	The Financial Express (G), Ahmedabad edition
30/09/2020	27/10/2020	The Financial Express (E)+ (G), Ahmedabad edition
31/12/2020	31/01/2021	The Financial Express (E), Ahmedabad edition
	11/02/2020	The Financial Express (G), Ahmedabad edition

**SEBI vide circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 had exempted publication of advertisements in newspapers, as required under regulation 47, for all events scheduled till May 15, 2020, since some newspapers had stopped their print versions due to Covid -19 pandemic and further extended till June 30, 2020.*

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

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

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

10. GENERAL SHAREHOLDERS INFORMATION

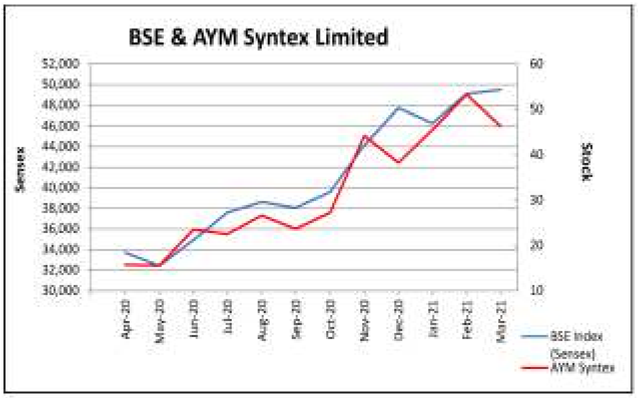
a.	38th Annual General Meeting Venue	:	Plot no. 1, Survey No. 374/1/1, Village saily, Silvassa, U. T. of Dadra & Nagar Haveli- 396230
	Time, Day and Date	:	Wednesday, 29th September 2021 at 12.30 P.M.
b.	Financial year	:	From 01st April to 31st March
c.	Dividend payment date	:	No Dividend recommended / declared during the year
d.	Listing on Stock Exchanges	:	i. National Stock Exchange of India Limited (NSE), Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra Kurla Complex Rd, Bandra East, Mumbai-400051. ii. Bombay Stock Exchange Limited (BSE), P. J. Tower, Dalal Street, Fort, Mumbai 400001. iii. Listing fees has been paid to BSE and NSE on 12th June 2020.
e.	Stock Code	:	Stock code No. is 508933 (BSE) and Symbol is AYMSYNTEX (NSE).

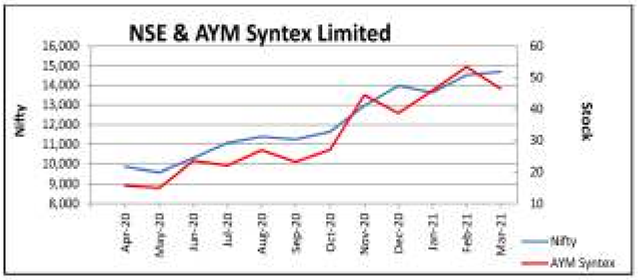
f. Market Price Data- High-Low Quotations on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), Mumbai during each month for the year 01 /04/ 2020 to 31/03/2021:

Month	Bombay Stock Exchange (₹)		Sensex		National Stock Exchange (₹)		Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr-20	18.35	15.10	33887.25	27500.79	18.90	15.00	9889.05	8055.80
May-20	16.90	14.10	32845.48	29968.45	17.00	14.25	9598.85	8806.75
Jun-20	27.85	15.35	35706.55	32348.10	27.55	14.50	10553.15	9544.35
Jul-20	25.00	20.30	38617.03	34927.20	25.50	20.15	11341.40	10299.60
Aug-20	30.40	21.00	40010.17	36911.23	30.60	21.05	11794.25	10882.25
Sep-20	28.15	23.55	39359.51	36495.98	28.75	23.10	11618.10	10790.20
Oct-20	33.30	23.55	41048.05	38410.20	33.45	23.15	12025.45	11347.05
Nov-20	45.40	26.20	44825.37	39334.92	45.00	25.60	13145.85	11557.40
Dec-20	47.90	34.95	47896.97	44118.10	48.00	34.75	14024.85	12962.80
Jan-21	45.55	38.30	50184.01	46160.46	46.20	38.70	14753.55	13596.75
Feb-21	60.90	46.60	52516.76	46433.65	61.35	46.30	15431.75	13661.75
Mar-21	54.00	44.00	51821.84	48236.35	55.95	43.20	15336.30	14264.40

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

Month	BSE Index (Sensex)	AYM Syntex Stock month end end Closing price (₹)	NSE (Nifty)	AYM Syntex Stock month end Closing price (₹)
Apr-20	33717.62	15.75	9859.90	15.75
May-20	32424.10	15.55	9580.30	15.05
Jun-20	34915.80	23.50	10302.10	23.50
Jul-20	37606.89	22.50	11073.45	22.00
Aug-20	38628.29	26.65	11387.50	26.90
Sep-20	38067.93	23.65	11247.55	23.15
Oct-20	39614.07	27.25	11642.40	27.05
Nov-20	44149.72	44.25	12968.95	44.40
Dec-20	47751.33	38.30	13981.75	38.70
Jan-21	46285.77	45.55	13634.60	45.90
Feb-21	49099.99	53.25	14529.15	53.40
Mar-21	33717.62	46.35	14690.70	46.45





h. Securities are not suspended from trading.

i. Registrar and Share Transfer Agent:

Link Intime India Private Limited

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

j. Share Transfer System

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

k. Distribution of Shareholding

The distribution of shareholding as on 31st March 2021 is as follows:

Shareholding of nominal value In ₹	Share holders Number	% of Total	Amount In ₹	% of Total
(1)	(2)	(3)	(4)	(5)
Upto- 5,000	5502	77.72	7687930	1.53
5,001- 10,000	603	8.51	5051740	1.00
10,001 – 20,000	371	5.24	5818290	1.16
20,001 – 30,000	153	2.16	3942040	0.78
30,001 – 40,000	72	1.01	2564510	0.51
40,001 – 50,000	62	0.87	2916530	0.58
50,001- 1,00,000	142	2.00	10767840	2.15
1,00,001 and above	174	2.4	461604160	92.25
TOTAL	**7079**	**100.00**	**500353040**	**100.00**

l. Dematerialization of shares and liquidity

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

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

The Company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March 2021, **99.95%** of the shares of the Company are dematerialized.

Bifurcation of shares are mentioned below:

Category	As on 31/03/ 2021	% of shareholding
No. of Shares held by NSDL	4,36,64,624	87.97
No. of Shares held by CDSL	63,46,940	11.98
Physical	23,740	0.05
Total	**5,00,35,304**	**100.00**

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

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

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

a. number of complaints filed during the financial year : **Nil**

b. number of complaints disposed of during the financial year : **Nil**

c. number of complaints pending as on end of the financial year : **Nil**

P. Location of plant

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

11. OTHER DISCLOSURES

i. Related party transactions:

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

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

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

iv. Credit Rating
During the year, your Company's long term credit rating and short-term credit rating has been affirmed by India Rating and Research Private Limited - IND A for long term and short term loans with negative Outlook and IND A 1 for non-fund based working capital facilities.

CARE rating has changed Rating to A Negative from A for long term loans and to A Two Plus from A One Plus for short term loans (fund based and non-fund based working capital facilities) with 'Stable' Outlook.

Kindly note that while the credit rating has been revised as the consequences of lockdown and temporary shutdown of manufacturing facilities due to COVID-19 pandemic in first half of the year, however the second half of the year reflects faster than anticipated recovery in demand resulting in sustained improvement in the Company's business and financial profile.

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

vi. Total fees paid to Statutory Auditors of the Company
The total amount of fees paid to the Statutory Auditors of the Company during the financial year 2020-21 is stated in Notes to financial statements, which forms part of this Annual Report.

12. DETAILS OF COMPLIANCE OF THE MANDATORY AND NON-MANDATORY CLAUSES OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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

- The Company has separate individuals occupying the position of Chairman and that of Managing Director and CEO;
- The Internal Auditor reports directly to the Audit Committee.

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

- The Company does not have subsidiary company.

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

13. CODE OF CONDUCT

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

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

14. COMPLIANCE CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE SHALL BE ANNEXED WITH THE DIRECTORS' REPORT.

15. DISCLOSURE OF SHARES HELD IN SUSPENSE ACCOUNT UNDER CLAUSE F OF SCHEDULE V TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

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

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

On behalf of Board of Directors
sd/-

Place:Mumbai
Date:15/05/2021

Abhishek Mandawewala
Managing Director & CEO

INDEPENDENT AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of AYM Syntex Limited

We have examined the compliance of conditions of Corporate Governance by AYM Syntex Limited, for the year ended 31st March, 2021 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22,23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

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

In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

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

Pankaj Khandelia
Partner
Membership Number: 102022
UDIN: 21102022AAAABF8931

Place: Mumbai
Date:15/05/2021

INDEPENDENT AUDITORS' REPORT

To the Members of
AYM Syntex Limited
Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of AYM Syntex Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note 49 to the financial statements which describes the management's assessment of the impact of the outbreak of Coronavirus (COVID-19) pandemic on the assets and liabilities of the Company as at March 31, 2021. In the view of the management, such an assessment is a continuous process given the uncertainty associated with the nature and duration of any disruptions arising from the pandemic. Our opinion is not modified in respect of this matter.

Key audit matters

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

Key Audit Matter	How Our Audit Addressed The Key Audit Matter
Assessment of realisability of Minimum Alternate Tax ('MAT') credit entitlement (Refer note 7 and 34 of the financial statements) Minimum Alternate Tax ('MAT') credit entitlement of ₹ 5,075.77 lakhs is carried forward from March 31, 2020 and ₹ 398.06 lakhs is recognized as an asset by crediting the Statement of Profit and Loss for the year ended March 31, 2021 and this balance classified under Deferred Tax Assets (net) in the balance sheet. 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. We considered the realisability of MAT credit entitlement to be a key audit matter as the amount is material to the financial statements and there is significant management judgement involved while applying various assumptions in preparation of forecasts which mainly include future business growth rates and taxable profits.	To evaluate the realisability of MAT Credit entitlement, our procedures included the following: • Understanding and evaluating the design and testing the operating effectiveness of the Company's controls over preparation of forecasts. • Assessing 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. • Testing the mathematical accuracy of the underlying calculations and comparing the forecasts with the budgets approved by the Board of Directors. • Assessing the reasonableness of assumptions used in the preparation of forecasts with external and internal factors including business and industry growth rates, and impact of COVID-19 and Company's past performance. • Applying sensitivity to the forecasts to assess whether the MAT credit carried as an asset would be utilised within the specified time period of fifteen years as stated earlier. Based on the above procedures, we did not find any material exception to the Company's judgement in preparation of forecasts of future taxable profits for the assessment of realisability of the MAT credit entitlement.

INDEPENDENT AUDITORS' 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 (Refer note 2 (e) of the financial statements) The carrying amount of the entity's net assets exceeded the entity'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 ₹ 51,545.46 lakhs as at March 31, 2021. Based on such indications, an impairment testing was performed by the Company's management in accordance with the requirements of Ind AS 36, Impairment of Assets. Management calculated the value in use of the assets applying the discounted cash flow method. This is a key audit matter, because of the significance of the carrying value of the assets of the Company and the estimation uncertainty in assumptions used for calculating the RA of the net assets such as future sales, discount rate, cost of materials and rate of growth over the estimation period.	Our audit procedures related to testing impairment of the carrying amount of net assets included the following: • Understanding and evaluating the design and testing the operating effectiveness of controls for identification and assessment of any potential impairment, including determining the carrying amount and RA of the net assets. • Assessing 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. • Using auditor's expert for testing appropriateness of the key assumptions like discount rate, terminal growth rate, method and model used for determining RA and mathematical accuracy of the calculation. • Evaluating reasonableness of other key assumptions used in future cash flow projections such as future sales, Cost of materials, impact of COVID-19 and rate of growth over the estimation period. • Performing sensitivity analysis over key assumptions to corroborate that RA is within a reasonable range. • Assessing the appropriateness of the related presentation and disclosures in the financial statements. Based on the above procedures performed, we did not note any material exceptions in the management's assessment of the RA of the net carrying value of assets.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises of Director's report, Management discussion and analysis, Corporate Governance Report and Secretarial Audit report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Managing Director & CEO's letter to shareholders, which is expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITORS' REPORT

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(If the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

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

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 38 to the financial statements.

ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at March 31, 2021.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

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

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

Pankaj Khandelia
Partner
Membership No.: 102022
UDIN: 21102022AAAABG3811

Place: Mumbai
Date: May 15, 2021

ANNEXURE A

to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of AYM Syntex Limited on the financial statements for the year ended March 31, 2021

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

1. We have audited the internal financial controls with reference to financial statements of AYM Syntex Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

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

Pankaj Khandelia
Partner
Membership No.: 102022
UDIN: 21102022AAAABG3811

Place: Mumbai
Date: May 15, 2021

ANNEXURE B

to Independent Auditors' Report

Referred to in paragraph 17 of the Independent Auditors' Report of even date to the members of AYM Syntex Limited on the financial statements as of and for the year ended March 31, 2021

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

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

(c) The title deeds of immovable properties as disclosed in Note 3(a) on Property Plant and Equipment and Note 3(b) on Right of use Assets to the financial statements, are held in the name of the Company, except for the following immovable properties whose title deeds are not held in the Company's name:

Nature of immovable property	Number of cases	Amount as at March 31, 2021 (₹ in Lakhs)		Remarks
		Gross block	Net block	
Freehold land	1	4.63	4.63	Title is not transferred in the name of the Company
Residential Flats	6	14.85	9.48	Documents of title deeds not available with the Company

ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

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

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including goods and service tax, provident fund, income tax, sales tax, service tax, duty of customs, employees' state insurance, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 38 to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, value added tax, duty of excise and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax and duty of customs as at March 31, 2021, which have not been deposited on account of a dispute, are as follows:

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

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

* Net of amount paid under protest

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. As the Company has not issued any debentures as at Balance Sheet date, the provisions of Clause 3(viii) of the Order, to that extent, are not applicable to the Company.

Further, in view of the extension of time granted vide Reserve Bank of India notifications RBI/2019-20/186 dated March 27, 2020 and RBI/2019-20/244 dated May 23, 2020 for the payment of interest and principal for term loans falling due between March 1, 2020 and August 31, 2020, the Company has availed the moratorium for payment of the aforesaid dues on term loans outstanding to Central Bank of India, Karur Vysya Bank, Industrial Development Bank of India and Bank of Baroda in terms of the aforesaid notifications of the Reserve Bank of India (Refer note 18).

ix. In our opinion, and according to the information and explanations given to us, the money raised by way of term loans have been applied for the purposes for which they were obtained. As the Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments), the provisions of Clause 3(ix) of the Order, to that extent, are not applicable to the Company.

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

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Refer paragraph 19 of the Independent Auditor's Report on the financial statements.

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

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

xiv. The Company has made a preferential allotment of shares during the year under review, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

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

Pankaj Khandelia
Partner
Membership No.: 102022
UDIN: 21102022AAAABG3811

Place: Mumbai
Date: May 15, 2021

BALANCE SHEET

as at March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	3a	41,318.14	43,599.16
(b) Capital work-in-progress	3a	1,722.22	711.56
(c) Right-of-use assets	3b	519.15	396.20
(d) Intangible assets	4	39.99	46.17
(e) Financial assets			
Other financial assets	5	99.09	36.38
(f) Income tax assets (net)	6	43.43	73.51
(g) Deferred tax assets (net)	7	3,674.34	3,589.55
(h) Other non-current assets	8	553.43	616.12
Total Non-Current Assets		**47,969.79**	**49,068.65**
Current Assets			
(a) Inventories	9	15,817.65	12,889.63
(b) Financial assets			
i. Trade receivables	11	10,001.53	11,396.79
ii. Cash and cash equivalents	12	702.39	173.21
iii. Bank balances other than cash and cash equivalents above	13	2,379.05	2,090.77
iv. Loans	14	40.22	50.15
v. Other financial assets	15	51.39	58.32
(c) Other Current Assets	16	6,533.85	5,754.49
Total Current Assets		**35,526.08**	**32,413.36**
Total Asset		**83,495.87**	**81,482.01**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17(a)	5,003.53	4,997.51
(b) Other equity			
Reserves and Surplus	17(b)	30,762.47	29,350.73
Total Equity		**35,766.00**	**34,348.24**
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
i. Borrowings	18	15,541.11	16,407.34
ii. Lease Liabilities	3(b)	249.70	248.51
(b) Employee benefit obligations	19	853.14	736.11
(c) Other non current liabilities	20	5.87	11.29
Total non-current liabilities		**16,649.82**	**17,403.25**
Current liabilities			
(a) Financial liabilities			
i. Borrowings	21	2,573.11	6,120.19
ii. Trade payables	22		
Dues to micro, small and medium enterprises		1,185.50	1,132.59
Dues to creditors other than micro, small and medium enterprises		20,427.16	17,583.09
iii. Other financial liabilities	23	5,287.18	3,833.88
iv. Lease Liabilities	3(b)	341.93	311.02
(b) Employee benefit obligations	24	757.07	333.21
(c) Other Current Liabilities	25	508.10	416.54
Total Current Liabilities		**31,080.05**	**29,730.52**
Total Liabilities		**47,729.87**	**47,133.77**
Total Equity and Liabilities		**83,495.87**	**81,482.01**

Notes forming part of the financial statements

The above Balance Sheet should be read in conjunction with the accompanying notes.

This is the Balance Sheet referred to in our report of the even date.

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

Pankaj Khandelia
Partner
Membership No. 102022

Place: Mumbai
Date: May 15, 2021

For and on behalf of the Board of Directors

Rajesh Mandawewala
Chairman
DIN 00007179

Abhishek Mandawewala
CEO and Managing Director
DIN 00737785

Himanshu Dhaddha
Chief Financial Officer

Ashitosh Sheth
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the Year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from operations	26	94,741.03	102,797.63
Other income	27	280.72	336.92
Total income		**95,021.75**	**103,134.55**
EXPENSES			
Cost of materials consumed	28	51,473.45	57,228.39
Changes in inventories of finished goods and goods-in-process	29	(1,691.78)	(707.18)
Employee benefit expense	30	6,242.05	6,171.72
Depreciation and amortization expense	31	4,269.74	4,477.66
Other expenses	32	29,580.67	30,676.87
Finance costs	33	3,409.13	3,824.32
Total expenses		**93,283.26**	**101,671.78**
Profit Before Exceptional Items and Tax		**1,738.49**	**1,462.77**
Exceptional Items	33A	-	444.88
Profit Before Tax		**1,738.49**	**1,017.89**
Income Tax Expense	34		
Current tax		398.06	175.08
Deferred tax		(69.05)	(897.75)
Total Tax Expense		**329.01**	**(722.67)**
Profit for the year		**1,409.48**	**1,740.56**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	30	(45.08)	(16.75)
Income tax effect on above	34	15.75	5.85
Other comprehensive income for the year, net of tax		**(29.33)**	**(10.90)**
Total Comprehensive Income for the Year		**1,380.15**	**1,729.66**
Earnings per share	40		
Basic (₹) (Face value of ₹ 10/- each)		2.82	3.61
Diluted (₹) (Face value of ₹ 10/- each)		2.81	3.61

Notes forming part of the financial statements

The above statement of Profit and Loss should be read in conjunction with the accompanying notes

This is the 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 15, 2021

For and on behalf of the Board of Directors

Rajesh Mandawewala
Chairman
DIN 00007179

Abhishek Mandawewala
CEO and Managing Director
DIN 00737785

Himanshu Dhaddha
Chief Financial Officer

Ashitosh Sheth
Company Secretary

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

A EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Balance as at April 1, 2019		**4,558.96**
Changes in equity share capital during the year	17(a)	438.55
Balance as at March 31, 2020		**4,997.51**
Changes in equity share capital during the year	17(a)	6.02
Balance as at March 31, 2021		**5,003.53**

B OTHER EQUITY

Particulars	Notes	Reserves and Surplus							Money received against share warrants	Total Other Equity
		Capital reserve	Securities premium reserve	Debenture redemption reserve	General Reserve	Share options outstanding account	Capital Redemption Reserve	Retained earnings		
Balance as at 1 April 2019		**2,664.93**	**4,168.05**	**-**	**107.06**	**57.76**	**293.36**	**17,604.40**	**809.37**	**25,704.93**
(as originally presented)										
Change in accounting policy		-	-	-	-	-	-	(139.42)	-	**(139.42)**
Restated balance as at April 1,2019		**2,664.93**	**4,168.05**	**-**	**107.06**	**57.76**	**293.36**	**17,464.98**	**809.37**	**25,565.51**
Profit for the year		-	-	-	-	-	-	1,740.56	-	**1,740.56**
Other comprehensive income		-	-	-	-	-	-	(10.90)	-	**(10.90)**
Total comprehensive income for the year		-	-	-	-	-	-	**1,729.66**	-	**1,729.66**
Transactions with owners in their capacity as owners										
Preferential issue of equity shares net of transaction	**17(b)**	-	2,805.83	-	-	-	-	-	-	**2,805.383**
Share options outstanding account	**17(b)**	-	22.47	-	-	59.10	-	-	-	**81.57**
Employee stock options exercised	**17(b)**	-	-	-	-	(22.47)	-	-	-	**(22.47)**
Share warrants exercised by owners	**17(c)**	-	-	-	-	-	-	-	(809.37)	**(809.37)**
Balance as at 31 March 2020		**2,664.93**	**6,996.35**	**-**	**107.06**	**94.39**	**293.36**	**19,194.64**	**-**	**29,350.73**
Balance as at 1 April 2020		**2,664.93**	**6,996.35**	**-**	**107.06**	**94.39**	**293.36**	**19,194.64**	**-**	**29,350.73**
Profit for the year		-	-	-	-	-	-	1,409.48	-	**1,409.48**
Other comprehensive income		-	-	-	-	-	-	(29.33)	-	**(29.33)**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**1,380.15**	**-**	**1,380.15**
Transactions with owners in their capacity as owners										
Share options outstanding account	**17(b)**	-	20.04	-	-	31.59	-	-	-	**51.63**
Employee stock options exercised	**17(b)**	-	-	-	-	(20.04)	-	-	-	**(20.04)**
Balance as at 31 March 2021		**2,664.93**	**7,016.39**	**-**	**107.06**	**105.94**	**293.36**	**20,574.79**	**-**	**30,762.47**

Notes forming part of the financial statements

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

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

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

Pankaj Khandelia
Partner
Membership No. 102022

Place: Mumbai
Date: May 15, 2021

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

CASH FLOW STATEMENT

Statement of Changes in Equity for the year ended March 31, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,738.49	1,017.89
Adjustments for:		
Depreciation and amortisation expense	4,269.74	4,477.66
Finance costs	3,409.13	3,824.32
Net unrealised foreign exchange (gain)/loss (Net)	60.74	(84.21)
Lease concessions	(73.57)	-
Share based expense	31.59	59.10
Loss / (Gain) on sale of investments (Net)	(3.25)	(7.12)
Loss on sale/discard of property, plant and equipment (Net)	247.19	65.79
Interest income	(151.28)	(173.11)
Operating profit before changes in operating assets and liabilities	**9,528.78**	**9,180.32**
Adjustments for changes in operating assets and liabilities:		
(Increase) / decrease in inventories	(2,928.02)	(2,210.60)
(Increase) / decrease in trade receivables	1,239.96	(783.55)
Increase / (decrease) in trade payables	2,994.18	1,953.24
Increase / (decrease) in other current financial liabilities	21.44	16.27
Increase / (decrease) in employee benefit obligations	495.81	80.40
Increase / (decrease) in other current liabilities	91.56	37.05
Increase / (decrease) in other non-current liabilities	(5.42)	(5.43)
(Increase) / decrease in other current financial assets	9.93	106.15
(Increase) / decrease in other non-current financial assets	(62.71)	(16.56)
(Increase) / decrease in other non-current assets	108.45	340.13
(Increase) / decrease in other current assets	(1,120.16)	(658.22)
Cash Generated from Operations	**10,373.80**	**8,039.20**
Income tax paid	(367.98)	(122.05)
Net cash generated from operating activities	**10,005.82**	**7,917.15**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant, equipment and intangible assets	(2,420.41)	(2,369.87)
Proceeds from sale of property, plant and equipment	361.64	17.95
Realisation / (investment) in fixed deposit and margin money (Net)	(288.28)	(148.65)
Sale / (Purchase) of Investment (Net)	3.25	1,509.11
Interest received	158.21	144.82
Net cash used in investing activities	**(2,185.59)**	**(846.64)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	6.02	6.89
Proceeds / (Repayments) of long term borrowings	(829.12)	(3,181.45)
Proceeds / (Repayments) of short term borrowings	(3,547.08)	(55.48)
Principal elements of lease payments	(320.50)	(281.56)
Proceeds from Intercorporate deposit	-	28.12
Interest paid	(2,600.37)	(3,743.75)
Net cash used in financing activities	**(7,291.05)**	**(7,227.23)**
Net (decrease) / increase in Cash and Cash Equivalents	**529.18**	**(156.72)**
Cash and cash equivalents at the beginning of the year	173.21	329.93
Cash and cash equivalents at the end of the year	**702.39**	**173.21**
Non-cash investing/ financing activities		
- Acquisition of right-of-use assets	394.80	607.98
- Conversion of Intercorporate deposit to Equity shares on exercise of share warrants (Refer Note 17 (a) (iv)	-	2,428.12
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of:		
Cash on Hand (Refer Note 12)	22.52	38.34
Balance with banks in current accounts (Refer Note 12)	679.87	134.87
Cash and bank balances at the end of the year	**702.39**	**173.21**

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

Previous year figures are regrouped/reconsidered wherever necessary.

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

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

Pankaj Khandelia
Partner
Membership No. 102022

Place: Mumbai
Date: May 15, 2021

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

The financial statements were authorized for issue by the board of directors on May 15, 2021.

Note 1: Significant Accounting Policies

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

1.1 Basis of Preparation of Financial Statements

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

(iii) New and amended standards adopted by the group

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- COVID-19 related concessions - amendments to Ind AS 116

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

1.2 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

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

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

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

1.3 Revenue recognition

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

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

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

All the foregoing occurs at a point in time upon shipment or delivery of the documents of title/product or goods.

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

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

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

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

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

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

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

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

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

Export Incentives

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received. Export benefits arising from duty drawback scheme and merchandise export incentive scheme are recognised on shipment for export and is included in other operating income

1.4 Government grants

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

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

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate on a systematic basis and presented either under "other operating income" or are deducted in reporting the related expense. Government grants that are receivable as compensation for expenses or losses already incurred are recognised in the statement of profit and loss in the period in which they become receivable. The presentation approach is applied consistently to all similar grants.

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

1.5 Income Tax

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

a) Current income tax

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

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

b) Deferred income tax

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

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

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

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

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

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

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

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

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to Statement of Profit and Loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

1.6 Leases

With effective from April 01, 2019:

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

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

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

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

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

To determine the incremental borrowing rate, the Company:

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

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

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

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

The ROU assets are measured at cost comprising the following:

- initial amount of lease liability
- any lease payments made at or before the commencement date less any lease incentives received

(All amounts in ₹ Lakhs, unless otherwise stated)

- any initial direct costs, and
- restoration costs.

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

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

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

1.7 Property, plant and equipment

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

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

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

Depreciation methods, estimated useful lives and residual value

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

Assets	Useful life
Office Equipment	05 years
Furniture and fixtures	10 years
Computer	03 years
Vehicles	08 years
Plant and machinery*	15 to 25 years
Electrical installation	10 years
Factory Building	30 years
Residential and other Buildings	60 years

*Extra shift depreciation is provided.

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 asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately, if its useful life differs from that of other components of the asset.

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

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

1.8 Intangible assets

a) Intangible assets with finite useful lives:

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

b) Research and Development

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

c) Amortization methods and periods

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

1.9 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

1.10 Non-current assets held for sale

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

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

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

1.11 Inventories

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

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

1.12 Financial Instruments

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

Investments and Other Financial Assets

a) Classification

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

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

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

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

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

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

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

b) Recognition

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

c) Measurement

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

(i) Debt instruments:

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

- **Amortized cost:**

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

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

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI).

  Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other expenses or other incomes, as applicable. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign Exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

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

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

(ii) Equity instruments:

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

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

d) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the Company determines whether there has been a significant increase in credit risk.

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

e) Derecognition of financial assets Revenue recognition

A financial asset is derecognized only when

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

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

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

f) Income recognition

(i) Interest income

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

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

(ii) Dividends

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

g) Cash and cash equivalents

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

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

h) Trade receivable

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

Financial liabilities

a) Measurement:

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

b) Derecognition:

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

c) Borrowings:

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

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

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

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

d) Trade and other payables:

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

e) **Derivatives and hedging activities**

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

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

f) **Derivatives that are not designated as hedges**

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

g) **Embedded Derivatives**

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

h) **Embedded foreign currency derivatives:**

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

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

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

i) **Offsetting financial instruments**

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

1.13 Borrowing costs

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

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

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

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

1.14 Employee benefits

Short-term obligations

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

Long-term employee benefit obligations

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

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

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

Post-employment obligations

The Company operates the following post-employment schemes:

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

a) Defined Benefit Plans

(i) Gratuity obligations

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

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

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

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

Remeasurements are not reclassified to profit and loss in the subsequent periods.

b) Defined contribution plans

(i) Provident Fund, Employee State Insurance Corporation (ESIC) and Labour Welfare Fund (LWF).

The Contribution towards provident fund, ESIC, LWF for certain employees is made to the regulatory authorities where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations apart from the contributions made on a monthly basis.

(ii) Superannuation Fund

Contribution towards superannuation fund for certain employees is made to defined contribution scheme administered by insurance Company where the Company has no further obligations.

Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from contribution made on monthly basis.

Payment to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

c) Shared based payments

Employee options

The fair value of options under the AYM 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 entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period).

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the entity reviews its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity-settled employee benefits reserve.

Bonus Plan

The Company recognizes a liability and an expense for bonus where contractually obliged or where there is a past practice that has created a constructive obligation.

1.15 Provisions and contingent liabilities

a) Provisions

Provisions for legal claims, quality claims and volume discounts are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the nominal or present value of management's best estimate of the expenditure required, taking into account the risks and uncertainties surrounding the obligation, to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

c) Contingent Assets

Contingent Assets are disclosed, where an inflow of economic benefits is probable. An entity shall not recognised a contingent asset unless the recovery is virtually certain.

1.16 Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.17 Dividends

Provision is made for any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.18 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. (Note 40)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The managing director, who has been identified as the chief operating decision maker, assesses the financial performance and position of the Company and makes strategic decisions. Refer Note 46 for the segment information presented.

1.20 Exceptional items

Exceptional items are items of income or expense recorded in the year in which they have been determined by management as being material by their size or incidence in relation to the financial statements and are presented separately within the results of the Company. The determination of which items are disclosed as exceptional items affect the presentation of profit for the year and requires a degree of judgment. Details relating to exceptional items reported are set out in Note 33A.

1.21 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs with two decimal as per the requirement of Schedule III, unless otherwise stated.

Note 2: Significant accounting assumptions, estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise assumptions, estimates and judgements in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. Accounting estimates could change from period to period.

a) Estimation of current tax expense and deferred income tax

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Refer Note 34).

The recognition of deferred income tax assets (including MAT Credit)/ liabilities is based upon management's assessment of future taxable profits for recoverability of the deferred benefit. Expected recoverability may result from sufficient and suitable taxable profits in the future, planned transactions and planned tax optimizing measures. To determine the future taxable profits, reference is made to the latest available profit forecasts.

b) Estimation of Provisions and Contingent Liabilities.

The Company exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. (Refer Note 38).

c) Estimated useful life of Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. Internal and external factors such as changes in the expected level of usage, technological developments, product life cycle, relative efficiencies and operating costs may impact their life and the residual value of these assets. This reassessment may result in change in depreciation and amortization expense and have an impact on profit in future years. For the relative size of the Company's property, plant and equipment and intangible assets (Refer Note 3 and 4).

d) Provision for inventories

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the carrying balances may not realised. The identification of write-downs requires the use of estimates of net selling prices, age and quality/condition of downgraded materials/inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

Write-downs of inventories to net realisable value amounted to ₹ 425.43 lakhs (March 31, 2020: ₹ 210.53 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 impairment of non-current assets**

Ind AS 36 requires that the Company assesses whether there is any indication of impairment to a cash generating unit assets. Based on the indications/conditions which can be external or internal, impairment testing requires an estimate of value in use of the assets. The company applies the discounted cash flow method based on the continued use of the assets in the present condition for calculation of value in use. In considering the value in use, the management requires the use of estimates of, among other uncertain variables, capacity utilization, sales, cost of materials, operating margins, rate of growth, currency rate movements and discount rates of the underlying business/operations. Any consequent changes to the cash flows due to changes in any of the above factors could impact the carrying value of the assets.

f) **Estimation of Defined Benefit Obligation**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Significant judgements are required when setting these assumptions which include estimation of appropriate discount rate, inflation, salary growth, attrition rates and mortality rates. Any changes in these assumptions will impact the carrying amount of such obligations. All assumptions are reviewed at each reporting date.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer Note 30 for the details of the assumptions used in estimating the defined benefit obligation.

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
Year ended March 31, 2020 **Gross carrying amount**										
Opening gross carrying amount	1,446.43	17.31	7,989.72	44,378.05	147.18	183.80	193.53	464.04	54,820.06	2,229.87
Additions	146.21	-	-	173.02	-	19.02	4.50	4.55	347.30	1,143.11
Disposals	(2.22)	-	(0.68)	(37.65)	-	-	(11.73)	-	(52.28)	-
Transfers from CWIP	-	-	158.74	2,489.57	-	4.68	1.03	7.40	2,661.42	(2,661.42)
Closing gross carrying amount	**1,590.42**	**17.31**	**8,147.78**	**47,002.99**	**147.18**	**207.50**	**187.33**	**475.99**	**57,776.50**	**711.56**
Accumulated depreciation										
Opening accumulated depreciation	-	11.96	571.88	8,924.32	64.20	47.49	79.64	268.79	9,968.28	-
Depreciation charge during the year	-	3.99	312.38	3,735.49	18.53	20.03	36.14	99.33	4,225.89	-
Disposals	-	-	(0.14)	(5.72)	-	-	(10.97)	-	(16.83)	-
Closing accumulated depreciation	**-**	**15.95**	**884.12**	**12,654.09**	**82.73**	**67.52**	**104.81**	**368.12**	**14,177.34**	**-**
Net carrying amount as at March 31, 2020	**1,590.42**	**1.36**	**7,263.66**	**34,348.90**	**64.45**	**139.98**	**82.52**	**107.87**	**43,599.16**	**711.56**
Year ended March 31, 2021 Gross carrying amount										
Opening gross carrying amount	1,590.42	17.31	8,147.78	47,002.99	147.18	207.50	187.33	475.99	57,776.50	711.56
Additions	17.00	-	-	53.37	76.11	28.45	6.95	2.42	184.30	2,793.87
Disposals	-	-	-	(856.03)	(39.87)	-	(9.59)	-	(905.49)	-
Transfers from CWIP	-	-	7.13	1,756.22	-	6.22	1.67	11.97	1,783.21	(1,783.21)
Closing gross carrying amount	**1,607.42**	**17.31**	**8,154.91**	**47,956.55**	**183.42**	**242.17**	**186.36**	**490.38**	**58,838.52**	**1,722.22**
Accumulated depreciation										
Opening accumulated depreciation	-	15.95	884.12	12,654.09	82.73	67.52	104.81	368.12	14,177.34	-
Depreciation charge during the year	-	0.32	311.74	3,554.38	18.85	22.79	27.87	43.16	3,979.11	-
Disposals	-	-	-	(593.98)	(33.33)	-	(8.76)	-	(636.07)	-
Closing accumulated depreciation	**-**	**16.27**	**1,195.86**	**15,614.49**	**68.25**	**90.31**	**123.92**	**411.28**	**17,520.38**	**-**
Net carrying amount as at March 31, 2021	**1,607.42**	**1.04**	**6,959.05**	**32,342.06**	**115.17**	**151.86**	**62.44**	**79.10**	**41,318.14**	**1,722.22**

Notes:

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

(ii) Contractual obligations : Refer to Note 39 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iii) Borrowing costs allocated to fixed assets / capital work in progress is ₹ Nil (March 31, 2020 : ₹ 23.05 lakhs).

(iv) Net block of freehold land includes ₹ 1.38 Lakhs (March 31, 2020: ₹ 1.38 lakhs) and development expenses of ₹ 3.25 lakhs (March 31, 2020: ₹ 3.25 lakhs) incurred on such land for which the title is yet to be transferred in the name of the Company.

(v) Building include certain residential flats aggregating to ₹ 9.48 lakhs (March 31, 2020: ₹ 9.71 lakhs) for which document of title deeds are not available with the Company.

(vi) 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.

(vii) In accordance with para D13AA of Ind AS 101 First time adoption of Indian Accounting Standards and the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the Company has adjusted the exchange rate difference arising on long term foreign currency monetary items, in so far as they relate to the acquisition of a depreciable capital asset, to the cost of the asset.

Accordingly, the Company has adjusted exchange gain of ₹ 45.28 lakhs (March 31, 2020: ₹ 135.11 lakhs) to the cost of property, plant and equipment as the long term monetary items relate to depreciable capital asset.

NOTE 3(B): LEASES

This note provides information for leases where the Company is a lessee.

The Company leases various offices, warehouses and Vehicles etc. Rental contracts are typically made for fixed periods of 6 months to 3.5 years, but may have extension options as described in (ii) below.

(i) Amounts recognised in Balance Sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2021	As at April 1, 2020
Right-of-use assets		
Buildings	505.98	361.85
Vehicles	13.17	34.35
Total	**519.15**	**396.20**

Particulars	As at March 31, 2021	As at April 1, 2020
Lease Liabilities		
Current	341.93	311.02
Non-current	249.70	248.51
Total	**591.63**	**559.53**

Additions to the right-of-use assets during the current financial year were ₹ 394.79 lakhs (March 31, 2020: ₹ 19.21 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, 2021	As at March 31, 2020
Depreciation charge of right-of-use assets			
Buildings	31	250.51	209.90
Vehicles	31	21.18	20.86
Total		**271.69**	**230.76**

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
Interest expense (included in finance costs)	33	50.65	69.88
Expense relating to short-term leases (included in other expenses)	32	18.18	18.46
Total		**68.83**	**88.34**

*The total cash outflow for leases for the year ended 31 March 2020 was ₹ 320.5 lakhs.(March 31, 2020: ₹ 370.07 lakhs)

*During the year the Company has received Covid 19 related rent concessions for ₹ 73.57 lakhs and the same has been recognised as gain in the Statement of Profit and Loss.

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

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 4: INTANGIBLE ASSETS

Particulars	Computer Software
Year ended March 31, 2020	
Gross carrying amount	
Opening gross carrying amount	116.81
Additions	50.67
Disposals	(50.67)
Closing gross carrying amount	**116.81**
Accumulated amortisation	
Opening accumulated amortisation	52.00
Amortisation charge during the year	21.01
Amortisation on disposals	(2.37)
Closing accumulated amortisation	**70.64**
Net carrying amount as at March 31, 2020	**46.17**
Year ended March 31, 2021	
Gross carrying amount	
Opening gross carrying amount	116.81
Additions	13.85
Disposals	(7.00)
Closing gross carrying amount	**123.66**
Accumulated amortisation	
Opening accumulated amortisation	70.64
Amortisation charge during the year	18.94
Amortisation on disposals	(5.91)
Closing accumulated amortisation	**83.67**
Net carrying amount as at March 31, 2021	**39.99**

NOTE 5: NON-CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS - UNSECURED, CONSIDERED GOODS

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	80.22	15.53
Deposits with banks with maturity period of more than 12 months	7.76	0.25
Loans and advances to employees	11.11	20.60
Total	**99.09**	**36.38**

NOTE 6: INCOME TAX ASSETS (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax assets (Net of provision for tax ₹ 2,869.51 lakhs, March 31, 2020 : ₹ 2,474.11 lakhs)	43.43	73.51
	43.43	**73.51**

NOTE 7: DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets		
Unabsorbed tax losses- depreciation	1,834.51	3,075.17
Defined benefit obligation	436.15	271.50
Provision for doubtful debts/Advances	56.44	18.50
MAT credit entitlement*	5,473.83	5,075.77
Lease liabilities	206.74	195.60
Others including expenses allowable on payment basis	442.32	-
	8,449.99	**8,636.54**
Deferred Tax Liabilities		
Depreciation	4,594.24	4,908.54
Right-of-use assets	181.41	138.45
	4,775.65	**5,046.99**
Net defered tax assets /(liabilities)	**3,674.34**	**3,589.55**

Note:

Unrecognised deferred tax asset on temporary differences relating to unused tax losses (capital loss) : ₹ 742.39 lakhs (March 31, 2020 : ₹ 742.39 lakhs). This will expire by next financial year 2021-22.

*In assessing the realizability of deferred tax on MAT credit entitlement, the Company considers the extent to which it is probable that the credit will be realized. Entitlement of MAT credit is recognised to the extent there is convincing evidence that the Company will be able to utilise the said credit against normal tax payable during the period of fifteen years succeeding the year of filing of return of Income tax.The Company considers the expected projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company will realize the benefits of this MAT credit entitlement

Movement in deferred tax assets and deferred tax liabilities

	Deferred Tax Assets					Deferred Tax Liabilities		
	Unabsorbed tax losses depreciation	MAT Credit entilement	Defined benefit obligation	Provision	Lease Liabilities	Depreciation	Right of use Assets	Net Deferred tax Assets
At 31 March 2019	**2,859.45**	**4,895.74**	**302.22**	**-**	**287.26**	**5,450.93**	**212.45**	**2,681.29**
(Charged)/credited:								
- to profit or loss	215.72	175.37	(36.57)	18.50	(91.66)	(542.39)	(74.00)	897.75
- to other comprehensive income	-	-	5.85	-	-	-	-	5.85
Pertaining to earlier tax periods	-	4.66	-	-	-	-	-	4.66
At 31 March 2020	**3,075.17**	**5,075.77**	**271.50**	**18.50**	**195.60**	**4,908.54**	**138.45**	**3,589.55**
(Charged)/credited:								
- to profit or loss	(1,240.66)	398.06	148.90	480.26	11.14	(314.30)	42.96	69.04
- to other comprehensive income	-	-	15.75	-	-	-	-	15.75
Pertaining to earlier tax periods	-	-	-	-	-	-	-	-
At 31 March 2021	**1,834.51**	**5,473.83**	**436.15**	**498.76**	**206.74**	**4,594.24**	**181.41**	**3,674.34**

NOTE 8: OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	429.70	383.94
Prepaid expenses	4.99	8.35
Balances with Government authorities	118.74	223.83
Total	**553.43**	**616.12**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 9: INVENTORIES

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials		
-In stock	3,848.66	2,911.45
-In transit	3,009.07	1,741.44
Goods-in-process	1,542.43	1,352.34
Finished goods		
-In stock	2,942.87	4,195.98
-In transit	2,760.97	6.17
Consumables, stores, spares and packing material	1,713.65	2,682.25
Total	**15,817.65**	**12,889.63**

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

NOTE 11: TRADE RECEIVABLES - UNSECURED, CONSIDERED GOOD

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables from related parties (Refer Note 46)	830.77	620.62
Others	9,332.15	10,829.04
Less: allowance	(161.39)	(52.87)
Total	**10,001.53**	**11,396.79**

NOTE 12: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks in current accounts	679.87	134.87
Cash on hand	22.52	38.34
Total	**702.39**	**173.21**

Note:

There are restricted bank balances on account of unpaid dividend- ₹ 0.36 lakhs (March 31, 2020 : ₹ 0.36 lakhs).

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

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks in:		
- In escrow accounts [Refer Note (a) below]	666.83	270.15
- In fixed deposits with banks having maturity period upto twelve months [Refer Note (b) below]	1,712.22	1,820.62
Total	**2,379.05**	**2,090.77**

Notes:

(a) Balances in escrow accounts are restricted bank balances against maturities and interest payments of borrowings.

(b) Fixed money deposits with banks having maturity period more than 12 months are disclosed under "Non-current financial assets- Other financial assets" (Refer Note 5).

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 14: CURRENT FINANCIAL ASSETS - UNSECURED, CONSIDERED GOOD

Particulars	As at March 31, 2021	As at March 31, 2020
Loans and advances to employees	40.22	50.15
Total	**40.22**	**50.15**

NOTE 15: CURRENT FINANCIAL ASSETS - OTHERS - UNSECURED, CONSIDERED GOOD

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	70.76	70.76
Less: provision for doubtful deposits	(70.76)	(70.76)
Interest accrued on fixed deposits	51.39	58.32
Total	**51.39**	**58.32**

NOTE 16: OTHER CURRENT ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Assets held for disposal	5.37	346.17
Advances to vendors (recoverable in cash or kind)	1,057.78	450.34
Prepaid expenses	252.94	229.39
Balances with government authorities	4,927.93	4,131.77
Export benefits receivable	289.83	155.23
Other receivables	391.31	441.59
Less : Provision for doubtful balances	(391.31)	-
Total	**6,533.85**	**5,754.49**

NOTE 17 (a): EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021	As at March 31, 2020
Authorized Equity Share Capital		
9,20,00,000 (March 31, 2020: 9,20,00,000) Equity Shares of ₹ 10/- each	9,200.00	9,200.00
2,80,00,000 (March 31, 2020: 2,80,00,000) Optionally Convertible Cumulative Preference Shares of ₹ 10/- each	2,800.00	2,800.00
	12,000.00	**12,000.00**
Issued, subscribed and fully paid up Equity Share Capital		
5,00,35,304 (March 31, 2020: 4,99,75,114) Equity Shares of ₹ 10/- each fully paid up	5,003.53	4,997.51
Total	**5,003.53**	**4,997.51**

i) MOVEMENT IN EQUITY SHARE CAPITAL

Particulars	No. of Equity Shares	Amount
As at April 1, 2019	45,589,568	4,558.96
Add: Preferential allotment of equity shares on conversion of share warrants to holding Company (Refer Note 17(a)(iv) below)	4,316,666	431.67
Add: Exercise of options- proceeds received	68,880	6.89
As at March 31, 2020	**49,975,114**	**4,997.51**
Add : Exercise of options- proceeds received	60,190	6.02
As at March 31, 2021	**50,035,304**	**5,003.53**

ii) 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. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

iii) 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.

iv) Shares issued under warrants

43,16,666 warrants of ₹ 75 per warrant which were allotted to Mandawewala Enterprises Limited on March 8, 2018 have been exercised and converted to equity shares on August 31, 2019. 25% of the face value was received at the time of allotment and balance 75% was received by way of conversion of corporate loan into equity shares.

v) Equity shares held by holding Company

Particulars	As at March 31, 2021	As at March 31, 2020
Mandawewala Enterprises Limited	36,230,298	36,230,298

6,350,000 equity shares of ₹ 10 at a premium of ₹ 65 per share have been issued and allotted to Mandawewala Enterprises Limited, during the year. Out of this, 6,000,000 equity shares have been issued and allotted by converting corporate loan of ₹ 4,500 lakhs given by Mandawewala Enterprises Limited.

vi) Details of shareholders holding more than 5% equity shares

Particulars		As at March 31, 2021	As at March 31, 2020
Mandawewala Enterprises Limited	Number of equity shares	36,230,298	36,230,298
Mandawewala Enterprises Limited	Percentage of holding	72.41%	72.50%

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

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserve	2,664.93	2,664.93
Capital redemption reserve	293.36	293.36
Securities premium	7,016.39	6,996.35
General reserve	107.06	107.06
Share options outstanding account	105.94	94.39
Retained earnings	20,574.79	19,194.64
Total	**30,762.47**	**29,350.73**

Particulars	As at March 31, 2021	As at March 31, 2020
Movement:		
Capital reserve		
As per last balance sheet	2,664.93	2,664.93
Add/(less): Changes during the year	-	-
	2,664.93	**2,664.93**
Capital redemption reserve		
As per last balance sheet	293.36	293.36
Add/(less): Changes during the year	-	-
	293.36	**293.36**
Securities premium		
As per last balance sheet	6,996.35	4,168.05
Add: Preferential allotment of equity shares on conversion of share warrants by holding Company	-	2,805.83
Add: Exercise of options- proceeds received	20.04	22.47
	7,016.39	**6,996.35**
General reserve		
As per last balance sheet	107.06	107.06
Add/ (Less): Changes during the year	-	-
	107.06	**107.06**
Share options outstanding account		
As per last balance sheet	94.39	57.76
Add: Employee share based payment expense	31.59	59.10
Less: Employee stock options exercised	20.04	22.47
	105.94	**94.39**
Retained earnings		
Opening balance (as originally presented)	19,194.64	17,604.40
Change in accounting policy (see note 48)	-	(139.42)
Restated balance	**19,194.64**	**17,464.98**
Add/(Less):		
Net profit for the year	1,409.48	1,740.56
Item of other comprehensive income recognized directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	(29.33)	(10.90)
	20,574.79	**19,194.64**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 17 (c): OTHER EQUITY - MONEY RECEIVED AGAINST SHARE WARRANTS

Particulars	As at March 31, 2021	As at March 31, 2020
As per last balance sheet	-	809.37
Add: Share warrants exercised by Mandawewala Enterprises Limited [Refer Note 17(a)(iv)]	-	(809.37)
Total	**-**	**0.00**

Nature and purpose of reserves

i) **Capital reserve**

Capital reserve represents capital surplus and is not available for distribution as dividend.

ii) **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.

iii) **Capital redemption reserve (CRR)**

CRR is created on redemption of Preference Shares in accordance with the provisions of the Act.

iv) **Debenture redemption reserve (DRR)**

General Reserve represents appropriation of profits by the Company. DRR was created on issue of Debentures in the earlier years. This has been transferred to General Reserve as the Debentures have been redeemed.

v) **General Reserve**

General Reserve represents appropriation of profits by the Company.

vi) **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.

vii) **Retained earnings**

Retained earnings represent the accumulated undistributed earnings.

NOTE 18: NON-CURRENT BORROWINGS

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term loans from banks		
- Rupee loans	17,694.89	16,767.63
- Foreign currency loans	558.91	1,413.42
Unsecured, considered good		
Inter-corporate deposits from related parties	1,200.00	1,200.00
Amount disclosed under the head “Current maturities of long-term borrowings” (Refer note 23)	(3,912.69)	(2,973.71)
Total	**15,541.11**	**16,407.34**

Note:

The rate of interest on the rupee borrowings are in range of 7.6% to 11% (March 31, 2020 : 9% to 11%) and foreign currency loans are in the range 3.37% to 5.2% (March 31, 2020 : 4.5% to 5.2%). The rupee term loans from banks are eligible for Central and State Government interest subsidies/ rebates.

NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	702.39	173.21
Lease liabilities	(591.63)	(559.53)
Non-current borrowings	(19,453.80)	(19,381.05)
Current borrowings (including overdraft)	(2,573.11)	(6,120.19)
Net debt	**(21,916.15)**	**(25,887.56)**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Other assets	Liabilities from financing activities			Total
	Cash and cash equivalents	Lease liabilities	Non-current borrowings *	Current borrowings	
Net debt as at April 1, 2019	329.93	-	(24,962.50)	(6,175.66)	(30,808.23)
Recognised on adoption ofInd AS 116	-	(822.05)	-	-	(822.05)
Cash flows (net)	(156.72)	351.61	3,181.45	55.47	3,431.81
Conversion of Intercorporate deposit in to equity shares on exercise of warrants	-	-	2,400.00	-	2,400.00
New leases	-	(19.21)	-	-	(19.21)
Interest expense	-	(69.88)	1,935.31	441.81	2,307.24
Interest paid	-		(1,935.31)	(441.81)	(2,377.12)
Net debt as at March 31,2020	**173.21**	**(559.53)**	**(19,381.05)**	**(6,120.19)**	**(25,887.56)**
Cash flows (net)	529.18	320.50	829.12	3,547.08	5,225.88
Interest Funded	-	-	(901.87)	-	(901.87)
New leases	-	(377.63)	-	-	(377.63)
Interest expense	-	(48.54)	1,826.03	424.53	2,202.02
Interest paid	-	-	(1,826.03)	(424.53)	(2,250.56)
Other non-cash movements					-
- Fair value adjustments	-	73.57	-	-	73.57
Net debt as at March 31, 2021	**702.39**	**(591.63)**	**(19,453.80)**	**(2,573.11)**	**(21,916.15)**

* Includes current maturities of long-term borrowings

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Last installment due	Terms of Repayment	As at March 31, 2021	As at March 31, 2020
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	July- 2021	Repayable in 28 quarterly installments commencing from April 2014	407.46	836.95
External Commerical Borrowings is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	September -2021	Repayable in 28 quarterly installments commencing from June 2014	558.91	1,413.42
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	September -2021	Repayable in 24 quarterly installments commencing from July 2015	151.57	338.30
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	746.66	794.99
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	April-2024	Repayable in 28 quarterly installments commencing from Jan 2017	1,165.02	1,246.12
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	937.99	1,050.00
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	January 2025	Repayable in 30 quarterly installments commencing from July 2017	1,292.94	1,349.31
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	April-2025	Repayable in 28 quarterly installments commencing from June 2018	1,551.67	1,591.85
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	916.23	925.08
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	2,210.67	2,242.26
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	March-2026	Repayable in 29 quarterly installments commencing from December 2019	6,121.35	6,392.77
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.	277.33	-
Rupee working capital term loan is secured by 2nd pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	February-2026	Repayable in 48 Monthly installments commencing from March 2022.	930.00	-
Rupee working capital term loan is secured by 2nd pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	March- 2026	Repayable in 48 Monthly installments commencing from April 2022.	686.00	-
Rupee working capital term loan is secured by 2nd pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	March- 2026	Repayable in 48 Monthly installments commencing from April 2022.	300.00	-
Total			**18,253.80**	**18,181.05**

Note:

Pursuant to the Covid 19 pandemic, the Reserve Bank of India, vide its notifications reference RBI/2019-20/186 dated March 27, 2020 and RBI/2019-20/244 dated May 23, 2020, announced a "Covid 19 Regulatory Package" to mitigate the adverse impact of the pandemic and ensure continuity of businesses. As per this package, banks were, inter alia, permitted to grant a moratorium of six months on payment of all instalments (principal and interest) on Term loans falling due between March 1, 2020 and August 31, 2020. The Company opted to avail the package relating to term loans and the same was approved by the lenders in line with RBI's notification. Accordingly, the financial statements have been prepared giving effect to the above.

NOTE 19: NON-CURRENT EMPLOYEE BENEFIT OBLIGATIONS

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for gratuity (Refer Note 30)	853.14	736.11
Total	**853.14**	**736.11**

NOTE 20: OTHER NON CURRENT LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred capital subsidy	5.87	11.29
Total	**5.87**	**11.29**

NOTE 21: CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Working capital loan from banks		
- Rupee loans	-	4,445.10
Unsecured		
Buyers' credit from banks	2,573.11	1,675.09
Total	**2,573.11**	**6,120.19**

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

NOTE 22: TRADE PAYABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Acceptances	13,146.66	10,714.04
Dues to micro, small and medium enterprises (Refer Note 41)	1,185.50	1,132.59
Dues to creditors other than micro, small and medium enterprises	7,280.50	6,869.05
Total	**21,612.66**	**18,715.68**

NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings (Refer Note 18)	3,912.69	2,973.71
Interest accrued but not due on borrowings	83.04	224.69
Unclaimed dividend (Refer Note (a) below)	0.36	0.36
Creditors for capital purchases	1,166.56	532.03
Security deposits	124.53	103.09
Total	**5,287.18**	**3,833.88**

Note:

(a) There are no amounts due for payments to the investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

NOTE 24: CURRENT EMPLOYEE BENEFIT OBLIGATIONS

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for gratuity	25.51	42.39
Provision for compensated absences (Refer Note 30)	369.48	190.94
Employee benefit payables	362.08	99.88
Total	**757.07**	**333.21**

Note:

The entire amount of the provision of ₹ 369.48 lakhs (31 March 2020 – ₹ 190.94 lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to avail the full balance of accrued leave or require payment for such leave within the next 12 months.

NOTE 25: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Contract Liabilities	380.54	278.77
Statutory dues	122.13	132.34
Deferred capital subsidy	5.43	5.43
Total	**508.10**	**416.54**

NOTES
to financial statements for the Year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 26: REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	92,733.46	101,188.54
Sales of Services	424.13	383.44
Sale of scrap	289.43	267.97
Export incentives (Refer note below)	1,294.01	957.68
Total	**94,741.03**	**102,797.63**

Note:

Export incentives includes duty drawback and merchandise export incentive scheme. Also, Refer Note 1.3.

NOTE 27: OTHER INCOME

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Exchange difference (Net)	-	15.49
Interest income on:		
- Fixed deposits	100.30	113.33
- Others	50.98	59.78
Profit on sale of current investments/investments	3.25	7.12
Insurance claims	-	4.41
Miscellaneous income	126.19	136.79
Total	**280.72**	**336.92**

NOTE 28: COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Raw material consumed		
Inventory at the beginning of the year	4,652.89	3,509.94
Add: Purchases	53,678.29	58,371.34
	58,331.18	61,881.28
Less: Inventory at the end of the year	6,857.73	4,652.89
Total	**51,473.45**	**57,228.39**

NOTE 29: CHANGES IN INVENTORIES OF FINISHED GOODS AND GOODS-IN-PROCESS

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventory at the end of the year		
Goods-in-process	1,542.43	1,352.34
Finished goods	5,703.84	4,202.15
	7,246.27	5,554.49
Less: Inventory at the beginning of the year		
Goods-in-process	1,352.34	1,167.21
Finished goods	4,202.15	3,680.10
	5,554.49	4,847.31
Total changes in inventories of finished goods and goods-in-process	**(1,691.78)**	**(707.18)**

NOTE 30: EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and allowances	5,455.15	5,343.09
Employee share based payment expense (Refer note 47)	31.59	59.10
Managerial remuneration	123.98	93.41
Contribution to provident and other funds	300.57	306.96
Gratuity	155.82	142.98
Workmen and staff welfare expenses	174.94	226.18
Total	**6,242.05**	**6,171.72**

(All amounts in ₹ Lakhs, unless otherwise stated)

I Defined Contribution Plans

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
During the year, the Company has recognized the following amounts in the statement of Profit and Loss:		
Employers' Contribution to Provident Fund*	276.25	275.55
Employers' Contribution to Employees' State Insurance *	23.99	30.98
Employers' Contribution to Labour welfare fund*	0.33	0.43
Total	**300.57**	**306.96**

** Included in Contribution to Provident and Other Funds*

II 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 longitivity risks, interest rate risks, market (investment) risks.

a. Major Assumptions

Particulars	Year ended March 31, 2021 % p.a.	Year ended March 31, 2020 % p.a.
Discount Rate	6.91	6.82
Salary Escalation Rate *	8.00	6.50
Rate of Employee Turnover:		
-Upto 30 years	3.00	3.00
-From 31 to 44 years	3.00	3.00
-Above 44 years	2.00	2.00
Mortality Rate During Employment	100% of IALM (2012-2014)	100% of IALM (2012-2014)

* The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

b. Change in the Present Value of Obligation

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Present Value of Obligation	778.50	679.56
Current Service Cost	102.73	90.86
Interest Cost	53.09	52.12
Total amount recognized in profit or loss	**155.82**	**142.98**
Remeasurement		
(Gain)/Loss from change in demographic assumptions and experience adjustments	(80.67)	(36.33)
(Gain)/Loss from change in financial assumptions	125.75	53.07
Total amount recognized in other comprehensive income	**45.08**	**16.74**
Benefit/ Exgratia paid	100.75	60.79
Closing Present Value of Obligation	**878.65**	**778.49**

c. Amount recognized in the Balance sheet

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Present value of Obligation	878.65	778.49
Fair Value of Plan Assets	-	-
Funded Status [(Surplus/ (Deficit)]	(878.65)	(778.49)
Expense recognized in Statement of Profit and Loss	155.82	142.98
Expense recognized in Other comprehensive income	45.08	16.74
Net (liability)/ Asset Recognized in the Balance Sheet	**(878.65)**	**(778.49)**

d. Expenses Recognized in Profit and Loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Service Cost	102.73	90.86
Interest Cost	53.09	52.12
Total Expenses recognized in the profit or loss*	**155.82**	**142.98**

* Included in Employee Benefits Expense

e. Expenses recognized in Other Comprehensive Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Re-measurement (Refer Note b above)		
Actuarial (Gains)/Losses on Obligation For the year	45.08	16.74
Net (Income)/Expenses for the Period Recognized in OCI	**45.08**	**16.74**

f. Sensitivity Analysis

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Projected Benefit Obligation on Current Assumptions	878.65	778.49
Delta Effect of +0.5% Change in Rate of Discounting	(46.34)	(38.96)
Delta Effect of-0.5% Change in Rate of Discounting	52.89	45.33
Delta Effect of +0.5% Change in Rate of Salary	52.08	45.25
Delta Effect of-0.5% Change in Rate of Salary	(48.07)	(39.25)
Delta Effect of +0.5% Change in Rate of Employee Turnover*	3.78	2.49
Delta Effect of-0.5% Change in Rate of Employee Turnover*	(5.13)	0.18

* Amounts less than ₹ 1000 are denoted by "- "

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

g. Defined benefit liability and employer contributions

The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contribution to post-employment benefit plans for the year ending March 31, 2022 is ₹ 175.84 Lakhs.

The weighted average duration of the defined benefit obligation is 14.71 years (2020-14.75 years). The expected maturity analysis of undiscounted gratuity is as follows:

	Less than a year	More than one year
As at March 31, 2021		
Defined benefit obligation (gratuity)	25.51	853.14
As at March 31, 2020		
Defined benefit obligation (gratuity)	42.39	736.10

III Other Employee Benefit

The liability for compensated absences as at year end is ₹ 369.48 Lakhs (March 31, 2020: ₹ 190.94 Lakhs)

NOTE 31: DEPRECIATION AND AMORTISATION COSTS

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment (Refer Note 3a)	3,979.11	4,225.89
Depreciation of right-of-use assets (Refer Note 3b)	271.69	230.76
Amortization of intangible assets (Refer Note 4)	18.94	21.01
Total	**4,269.74**	**4,477.66**

NOTE 32: OTHER EXPENSES

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	2,961.84	3,185.33
Power, fuel and water	7,366.79	7,905.97
Packing materials	3,392.40	3,217.23
Dyes and chemicals	3,395.05	4,394.34
Contract labour charges	3,409.97	3,137.56
Repairs and maintenance:		
-Buildings	135.08	225.41
-Property, plant and equipment	271.16	415.30
-Others	276.15	427.58
Rent	18.18	18.46
Rates and taxes	35.20	86.68
Insurance	242.87	300.55
Directors sitting fees	15.24	12.35
Printing and stationery	21.04	35.00
Travelling and conveyance expenses	152.31	535.27
Legal and professional charges	428.79	473.48
Payment to auditors [Refer Note (a) below]	26.36	28.42
Communication charges	37.21	50.38
Vehicle expenses	28.99	34.09
Loss on sale/discarding of property, plant and equipment (net)	247.19	65.79
Freight and forwarding expenses	4,645.96	3,816.55
Exchange difference (net)	142.28	-
Brokerage and commission	1,228.79	1,478.77
Donations	8.34	12.45
Corporate social responsibility expenditure [Refer Note 48]	17.29	52.76
Miscellaneous expenses	1,076.19	767.15
Total	**29,580.67**	**30,676.87**
Note (a) Payment to auditors for:		
As auditor:		
-Audit fees	21.75	22.00
-Tax audit	1.75	1.75
In other capacities:		
-Certifications	2.70	3.70
-Reimbursement of expenses	0.16	0.97
Total	**26.36**	**28.42**

NOTE 33: FINANCE COST

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest and finance charges on lease liabilities and financial liabilities (net of interest subsidy for year ended March 31, 2021: ₹ Nil lakhs, March 31, 2020: ₹ 180.28 lakhs)		
- Long term borrowings	1,826.03	1,935.31
- Short term borrowings	424.53	441.81
- Others	179.89	253.37
Bank and other financial charges	978.68	1,193.83
Total	**3,409.13**	**3,824.32**

NOTE 33A : EXCEPTIONAL ITEMS

Particulars	As at March 31, 2021	As at March 31, 2020
Settlement of indirect tax cases opted under Sabka Vishwas (Legacy Dispute Resolution Scheme), 2019	-	444.88
Total	**-**	**444.88**

Exceptional item during the year ended March 31, 2020 represents amounts paid/ adjusted towards settlement of indirect tax cases opted under Sabka Vishwas (Legacy Dispute Resolution Scheme), 2019 ('SVLDRS'). The Company has obtained discharge certificates for full and final settlement amounting to ₹ 444.88 lakhs under SVLDRS.

NOTE 34: INCOME TAX EXPENSE

a) This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

i) Income tax related to items recognised directly in profit or loss of the Statement of Profit and Loss

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax		
Current tax on profits for the year	398.06	175.08
Current Tax (A)	**398.06**	**175.08**
Deferred Tax		
Decrease/(increase) in deferred tax assets#	202.29	(281.36)
(Decrease)/increase in deferred tax liabilities	(271.34)	(616.39)
Deferred Tax (B)	**(69.05)**	**(897.75)**
Income Tax Credit to Profit or Loss (C) = (A) + (B)	**329.01**	**(722.67)**

#Deferred tax includes minimum alternate tax credit availed: ₹ 398.06 lakhs (March 31, 2020: ₹ 175.08 lakhs).

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

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax on remeasurement gains/(losses) on defined benefit plan	15.75	5.85
Deferred tax credited to other comprehensive income	**15.75**	**5.85**

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, 2021	As at March 31, 2020
Profit before income tax	1738.49	1,017.89
Tax at the Indian tax rate of 34.94% (March 31, 2020: 34.94%)		
Expected tax expense at the enacted tax rate in India	607.50	355.69
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
1) Non-deductible expenses		
Donations and CSR expenditure	8.96	18.44
Other items	23.13	19.62
2) Tax benefit items		
Research and development expenditure	-	(146.26)
Other items	(27.54)	6.90
3) Adjustment deferred tax relating to prior year	(18.36)	-
4) Re-measurement of Deferred tax assets / Deferred tax liabilities	(264.68)	(977.06)
Income tax expense charged to the statement of profit and loss	**329.01**	**(722.67)**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 35: FAIR VALUE MEASUREMENTS

Financial instruments by category:

Financial Assets	Notes	As at March 31, 2021 Amortised cost	As at March 31, 2021 FVTPL	As at March 31, 2020 Amortised cost	As at March 31, 2020 FVTPL
Trade receivables	11	10,001.53	-	11,396.79	-
Margin money deposits with banks	13	1,712.22	-	1,820.62	-
Cash and cash equivalents	12	702.39	-	173.21	-
Bank balances other than cash and cash equivalents above	5, 13	674.59	-	270.40	-
Security deposits	5, 15	80.22	-	15.53	-
Loans	14	51.33	-	70.75	-
Interest accrued on fixed deposits	15	51.39	-	58.32	-
Total Financial Assets		**13,273.67**	**-**	**13,805.62**	**-**

Financial Liabilities	Notes	As at March 31, 2021 Amortised cost	As at March 31, 2021 FVTPL	As at March 31, 2020 Amortised cost	As at March 31, 2020 FVTPL
Borrowings	18, 21, 23	22,026.91	-	25,501.24	-
Trade payables	22	21,612.66	-	18,715.68	-
Payable for capital goods	23	1,166.56	-	532.03	-
Interest accrued but not due on borrowings	23	83.04	-	224.69	-
Security deposits received	23	124.53	-	103.09	-
Lease liabilities	3(b)	591.63	-	559.53	-
Unclaimed dividend	23	0.36	-	0.36	-
Total Financial Liabilities		**45,605.69**	**-**	**45,636.62**	**-**

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Ind AS. An explanation for each level is given below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed Equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value (NAV), NAV represents the price at which, the issuer will issue further units and will redeem such units of mutual funds to and from the investors.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the Company include foreign exchange forward contracts.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in this level.

There are no internal transfers of financial assets and financial liabilities between Level 1, Level 2, Level 3 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period.

Financial assets and liabilities measure at fair value measurements	As at March 31, 2021 Level 1	As at March 31, 2021 Level 2	As at March 31, 2021 Level 3	As at March 31, 2020 Level 1	As at March 31, 2020 Level 2	As at March 31, 2020 Level 3
Financial Assets						
Investments	-	-	-	-	-	-

Financial assets and liabilities measure at amortised cost for which fair values are disclosed	As at March 31, 2021			As at March 31, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Margin money deposits with banks	-	-	1,712.22	-	-	1,820.62
Security deposits	-	-	80.22	-	-	15.53
Loans	-	-	51.33	-	-	70.75
Interest accrued on fixed deposits	-	-	51.39	-	-	58.32
Financial liabilities						
Borrowings	-	-	22,026.91	-	-	25,501.24
Interest accrued but not due on borrowings	-	-	83.04	-	-	224.69
Security Deposits received	-	-	124.53	-	-	103.09

Financial assets and liabilities measured at amortised cost	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Security Deposits	80.22	97.38	15.53	15.53

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.

Note 36: CAPITAL MANAGEMENT

Risk management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company determines the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other long term borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements.

For the purpose of the Company's capital management, equity includes paid up capital, securities premium and other reserves. Net debt are long term and short term interest bearing debt as reduced by cash and cash equivalents, other bank balances (including earmarked balances) and current investments. The Company's strategy is to maintain a gearing ratio within 2:1.

The capital composition is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Gross debt (inclusive of long term and short term borrowing)	22,026.91	25,501.24
Less:- Cash and bank balances	3,081.44	2,263.98
Net debt	**18,945.47**	**23,237.26**
Total equity	**35,766.00**	**34,348.24**
Total capital	**54,711.47**	**57,585.50**
Net debt to equity ratio	**0.53**	**0.68**

Loan Covenants

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, debt service coverage ratio and fixed assets coverage ratio. The Company has complied with these covenants during the reporting period.

Note 37: FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to market risk, liquidity risk and credit risk which may adversely impact the fair value of its financial instruments. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian Rupee (₹)	Cash flow forecasting Sensitivity analysis	Forward Foreign Exchange Contracts
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in Bonds	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department under policies approved by the Board of Directors. Company's treasury team identifies, evaluates and hedges financial risks in close cooperation with the Company's respective department heads. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and nonderivative financial instruments, and investment of excess liquidity.

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, investments in mutual funds, foreign exhange transactions and other financial instruments. The credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. To manage this, the Company periodically assesses the financial reliability of counter party, taking into account the financial condition, current economic trends, analysing the risk profile of the counter party and the analysis of historical bad debts and ageing of accounts receivable etc. Individual risk limits are set accordingly.

The Company determines default by considering the business environment in which the Company operates and other macro-economic factors. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business;

ii) Actual or expected significant changes in the operating results of the counterparty;

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

iv) Significant increase in credit risk on other financial instruments of the same counterparty;

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees.

None of the financial instruments of the Company result in material concentration of credit risk. The carrying value of financial assets represent the maximum credit risk. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.

i) Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. Credit risk is managed through credit approvals, establishing credit limits, payment track record, monitoring financial position of the customer and other relevant factors. Outstanding customer receivables are regularly monitored and reviewed.

The Company evaluates the concentration of risk with respect to trade receivables as limited, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The exposure to customers is diversified and no substantial concentration of risk as no single customer contributes more than 10% of revenue and of the outstanding receivables. Sales made in domestic market predominantly are through agents appointed by the Company, the agents being del credere agents most of the credit risk emanating thereto is borne by agents and the Company's exposure to risk is limited to sales made to customers directly. In case of direct sale, the Company has a policy of dealing only with credit worthy counter parties. The credit risk related to such sales are mitigated by taking advance, security deposit, letter of credit, setting and monitoring internal limits on exposure to individual customers as and where considered necessary.

(All amounts in ₹ Lakhs, unless otherwise stated)

An impairment analysis which includes assessment for indicators of impairment is performed at each reporting date on an individual basis for all major customers and provision for impairment taken. The allowance reduces the net carrying amount.

ii) Financial Instruments and Cash Deposits

The Company maintains exposure in Cash and Cash equivalents, term deposits with banks and investments in mutual funds, the same is done after considering factors such as track record, size of the institution, market reputation and service standards. Generally, the balances are maintained with the institutions from whom the Company has also availed borrowings. Individual risk limits are set for each counter party based on financial position, credit rating and past experience. Credit risk and concentration of exposure are actively monitored by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

iii) The Ageing Analysis of the Trade Receivables (other than due from Related Parties) has been considered from the date the Invoice falls due.

Particulars	As at March 31, 2021	As at March 31, 2020
Not Due	6,616.48	6,491.81
Up to 3 months	2,456.50	3,890.93
3 to 6 months	34.09	244.40
More than 6 months	225.08	201.90
Total	**9,332.15**	**10,829.04**

During the year and previous year, the Company made no write-offs of trade receivables. For the movement of provision for doubtful debts Refer Note 11.

B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations, by delivering cash or other financial assets, on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade and other payables, derivative instruments and other financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate cash and drawable reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.The Company regularly monitors liquidity position through rolling forecast based on estimated free cash flow generated from business. The Company invests its surplus funds in bank fixed deposits and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

i) Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2021	As at March 31, 2020
Floating rate		
- Expiring within one year (Packing credit, cash credit, post shipment credit and term loans)	3,547.00	5,315.00
- Expiring beyond one year (Term Loans)	2,358.00	-
Total	**5,905.00**	**5,315.00**

The working capital facilities may be drawn at any time and may be terminated by the bank without notice.

ii) Maturities of Financial Liabilities

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, 2021	Less than 1 year	Between 1 and 5 years	Beyond 5 Years	Total
Maturities of non – derivative financial liabilities				
Long term borrowings	3,912.69	15,541.11	-	**19,453.00**
Short term borrowings	2,573.11	-	-	**2,573.11**
Interest accrued and not due	83.04	-	-	**83.04**
Lease liabilities	341.93	249.70	-	**591.63**
Trade payables	21,612.66	-	-	**21,612.66**
Other financial liabilities	1,291.45	-	-	**1,291.45**
Total	**29,814.88**	**15,790.81**	**-**	**45,605.69**

STRATEGIC REPORTS

STATUTORY REPORTS

FINANCIAL REPORTS

(All amounts in ₹ Lakhs, unless otherwise stated)

As at March 31, 2020	Less than 1 year	Between 1 and 5 years	Beyond 5 Years	Total
Maturities of non – derivative financial liabilities				
Long term borrowings	2,973.71	14,650.60	1,756.74	**19,381.05**
Short term borrowings	6,120.19	-	-	**6,120.19**
Interest accrued and not due	224.69	-	-	**224.69**
Lease liability	311.02	248.51	-	**559.53**
Trade payables	18,715.68	-	-	**18,715.68**
Other financial liabilities	635.48	-	-	**635.78**
Total	**28,980.77**	**14,899.11**	**1,756.74**	**45,636.62**

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity or commodity prices will affect the Company's income/cash flows or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of postemployment benefit obligations provisions and on the non-financial assets and liabilities. Financial instruments affected by market risk include receivables, loans and borrowings, advances, deposits, investments and derivative financial instruments. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

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

The Company uses derivative financial instruments such as foreign exchange forward contracts of varying maturity depending upon the underlying contract as a risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

i) 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 Swiss Franc ("CHF") and Japanese Yen ("JPY"). Consequently, the Company is exposed primarily to the risk that the exchange rate of the Indian Rupees ("₹") relative to the USD, the EUR, the CHF, and the CNY may change in a manner that has a material effect on the reported values of the Company's assets and liabilities that are denominated in these foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policy wherein exposure is identified, a benchmark is set and monitored closely for suitable hedges, including minimising cross currency transactions, using natural hedge and the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

The Company's exposure to foreign currency risk at the end of the reporting period are as under -

	As at March 31, 2021 Foreign Currency exposure in					As at March 31, 2020 Foreign Currency exposure in				
	USD	EUR	GBP	JYP	CHF	USD	EUR	GBP	JYP	CHF
Financial assets										
- Trade receivables	4,789.40	531.99	469.79	-	-	5,786.70	508.15	164.49	-	-
- Advance to Suppliers	713.33	60.33	5.84	7.88	-	78.25	36.50	8.26	-	11.52
- Capital advances	87.16	211.02	6.12	3.12	8.03	12.33	-	-	-	-
- Cash and Cash equivalents	11.40	-	-	-	-	7.82	-	-	-	-
- Bank balances	281.59	-	-	-	-	324.12	-	-	-	-
- Other financial assets	3.20	-	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk (Assets)	**5,886.08**	**803.34**	**481.45**	**11.00**	**8.03**	**6,209.22**	**544.65**	**172.75**	**-**	**11.52**

	As at March 31, 2021 Foreign Currency exposure in					As at March 31, 2020 Foreign Currency exposure in				
	USD	EUR	GBP	JYP	CHF	USD	EUR	GBP	JYP	CHF
Financial liabilities										
- Term loans from banks	558.91	-	-	-	-	1,413.42	-	-	-	-
- Working capital and buyers credit from banks	1,713.30	-	-	-	-	1,636.70	-	-	-	-
- Trade payables	4,595.09	68.09	-	-	-	3,384.67	45.06	-	-	-
- Creditors for Capital Purchases	12.28	112.48	1.24	-	1.14	3.91	290.23	-	-	-
- Advance from Customers	330.36	0.20	-	-	-	151.89	4.61	-	-	-
- Accrued interest on borrowings	12.78	-	-	-	-	17.15	-	-	-	-
Net exposure to foreign currency risk (Liabilities)	**7,222.72**	**180.77**	**1.24**	**-**	**1.14**	**6,607.74**	**339.90**	**-**	**-**	**-**
Net open exposure	**(1,336.64)**	**622.57**	**480.21**	**11.00**	**6.89**	**(398.52)**	**204.75**	**172.75**	**-**	**11.52**

Sensitivity to foreign currency risk

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

Currencies / Sensitivity	As at March 31, 2021		As at March 31, 2020	
	Increase by 4%	Decrease by 4%	Increase by 4%	Decrease by 4%
	Gain/(Loss)		Gain/(Loss)	
USD	(31.11)	31.11	40.60	(40.60)
EUR	24.90	(24.90)	8.19	(8.19)
GBP	19.21	(19.11)	6.91	(6.91)
JPY	0.44	(0.44)	-	-
CHF	0.28	(0.28)	0.46	(0.46)

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks. Appreciation and depreciation of USD with respect to the functional currency would result in increase and decrease in carrying value of property, plant and equipment by approximately ₹ 22.36 lakhs as at March 31, 2021 (Previous year: ₹ 56.54 lakhs).

II Interest rate risk

This refers to risk to the fair value or future cash flows of a financial instrument on account of movement in market interest rates.

For the Company, the interest risk arises mainly from debt obligations with floating interest rates. To mitigate interest rate risk, the Company closely monitors market interest and as appropriate makes use of hedged products and optimise borrowing mix / composition.

III Cash flow and fair value interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like vendor bill discounting, suppliers' and buyers' credit. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. As the Company does not have exposure to any floating interest bearing assets, its interest income and related cash flows are not affected by changes in the market interest rates.

a) Interest rate risk exposure:

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	18,253.80	18,181.05
Fixed rate borrowings	3,773.11	7,320.19
Total borrowings	**22,026.91**	**25,501.24**

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	As at March 31, 2021			As at March 31, 2020		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Borrowings- Term Loan	9.43%	18,253.80	83%	8.78%	18,181.05	71%
Net exposure to cash flow interest rate risk		**18,253.80**			**18,181.05**	

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, 2021	As at March 31, 2020
Interest rates- increase by 50 basis points*	(91.27)	(90.91)
Interest rates- decrease by 50 basis points*	91.27	90.91

*Holding all other variables constant including change in interest subsidy

(All amounts in ₹ Lakhs, unless otherwise stated)

IV Price risk

(a) Exposure

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

(b) Sensitivity

The table below summarises the impact of increases/decreases of 0.75% increase in price of Mutual Fund / Bond.

Particulars	Impact on Profit	
	As at March 31, 2021	As at March 31, 2020
Increase in price 0.75% (March 31, 2020- 0.75%)	-	-
Decrease in price 0.75% (March 31, 2020- 0.75%)	-	-

Note 38: CONTINGENT LIABILITY DISCLOSURE

Particulars	As at March 31, 2021	As at March 31, 2020
Excise, Customs and Service Tax Matters	1,091.04	911.86
Income Tax Matters	6.32	26.32
Claims against Company not acknowledged as debts	488.27	127.82

The Hon'ble Supreme Court of India, through a ruling in February 2019, provided interpretation on the components of Salary on which the Company and its employees are to contribute towards Provident Fund under the Employee's Provident Fund Act. Based on the current evaluation, the Company believes it is not probable that certain components of Salary paid by the Company will be subject to contribution towards Provident Fund due to the Supreme Court order. The Company will continue to monitor and evaluate its position based on future events and developments.

Notes:

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

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

Description of contingent liabilities:

Excise, Customs and Service Tax Matters

The Company has ongoing disputes with tax authorities mainly relating to availment of input tax credit on certain items and classfication of finished goods.

Income Tax Matters

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

Claims against Company not Acknowledged as Debts

Represents a claim disputed by the Company wherein the Company has filed an application for dismissal of the matter.

Note 39: CAPITAL AND OTHER COMMITMENTS

Particulars		As at March 31, 2021	As at March 31, 2020
(a)	**Capital Commitments**		
	Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	2,566.51	1,629.69
(b)	**Other Commitments**		
	Custom duty on pending export obligation for import under advance License and EPCG	612.33	789.11

Note 40: EARNINGS PER SHARE

Particulars	As at March 31, 2021	As at March 31, 2020
Profit after Tax (A) (₹ in lakhs)	1,409.00	1,740.56
Weighted average number of equity shares outstanding during the year (B)	50,008,095	48,141,812
Weighted average number of equity shares for basic earning per share	50,008,095	48,141,812
Adjustments for diluted earning per share- Options	214,943	54,170
Weighted average number of equity shares for diuted earning per share (C)	50,223,038	48,195,982
Basic earnings per share (A)/(B)	2.82	3.61
Diluted earnings per share (A)/(C)	2.81	3.61
Nominal value of an equity share (₹)	10.00	10.00

Note 41: DISCLOSURE FOR MICRO, MEDIUM AND SMALL ENTERPRISES

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,073.50	1,057.66
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	46.02	53.91
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	4,234.31	3,298.83
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	8.95	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	46.02	45.36
Further interest remaining due and payable for earlier years.	65.98	21.02

Note 42: 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, 2021 and March 31, 2020.

Note 43: RESEARCH AND DEVELOPMENT EXPENDITURE

Details of Research and Development expenses incurred during the year, debited to the Statement of Profit and Loss account are ₹ 1,115.71 Lakhs (March 31, 2020 ₹ 837.09 Lakhs), which includes materials cost, power cost, employee cost and other expenses.

Note 44: OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

There are no financial assets or financial liabilities which are subject to offsetting as at March 31, 2021 and March 31, 2020, since the Company neither has enforceable right or an intent to settle on net basis or to realise the asset and settle the liability simultaneously. Further, the Company has no enforceable master netting arrangements and other similar arrangements as at March 31, 2021 and March 31, 2020.

Note 45: RELATED PARTY DISCLOSURES

(i) Relationships

Holding Company	Mandawewala Enterprises Limited
Key Management Personnel	Mr. Abhishek Mandawewala Mrs. Khushboo Mandawewala (w.e.f July 29, 2019)
Relatives	Mr. R.R. Mandawewala Mrs. Pratima Mandawewala Mrs. Khushboo Mandawewala (upto July 28, 2019) Mr. Yash Mandawewala
Other Related parties	Mertz Estates Limited Welspun Global Brands Limited Welspun Corp Limited Welspun Usa Inc Welspun Steel Limited AYM Syntex Limited Superannuation Trust Welspun Flooring Limited Welspun India Limited

(All amounts in ₹ Lakhs, unless otherwise stated)

(ii) Terms and conditions

- All transactions were made on normal commercial terms and conditions and at market rates.

- All outstanding balances are unsecured and repayable in cash.

	Holding Company	Enterprises over which Key Management Personal Exercise significant influence or control and with whom transactions have taken place during the year						Key Management Personal		Relatives of Key Management Personal
	Mandawewala Enterprises Limited	Mertz Estates Limited	Welspun India Limited	Welspun Global Brands Limited	Welspun USA Inc	Welsupn Flooring Limited	AYM Syntex Limited Superannuation Trust	Mr. Abhishek Mandawewala	Mrs. Khushboo Mandawewala	Mrs. Khushboo Mandawewala
Transactions during the year										
Intercorporate deposits received	-	-	-	-	-	-	-	-	-	-
	(28.12)	-	-	-	-	-	-	-	-	-
Issue of equity shares	-	-	-	-	-	-	-	-	-	-
	(2,428.12)	-	-	-	-	-	-	-	-	-
Cross charge	14.00	-	-	-	-	-	-	-	-	-
	(14.99)	-	-	-	-	-	-	-	-	-
Interest expense	108.00	-	-	-	-	-	-	-	-	-
	(198.60)	-	-	-	-	-	-	-	-	-
Salary	-	-	-	-	-	-	-	98.29	25.68	-
	-	-	-	-	-	-	-	(73.56)	(19.85)	(9.57)
Purchase of goods/services/ expenses incurred	7.67	267.22	47.71	7,135.62	6.58	51.21	-	-	-	-
	-	(356.29)	(147.10)	(2,470.07)	(11.92)	(2.16)	(2.72)	-	-	-
Sale of goods	-	-	5,002.32	-	-	3,030.20	-	-	-	-
	-	-	(11.58)	-	-	(1,143.61)	-	-	-	-
Closing balance										
Intercorporate deposits received	1,200.00	-	-	-	-	-	-	-	-	-
	(1,200.00)	-	-	-	-	-	-	-	-	-
Debtors	-	-	642.23	-	-	188.55	-	-	-	-
	-	-	(11.18)	-	-	(609.44)	-	-	-	-
Creditors	-	-	-	259.05	26.22	50.80	-	-	-	-
	(24.22)	-	(134.67)	(834.31)	(19.64)	(2.16)	-	-	-	-

Year 2019-20 figures are given in round brackets ( ).
* Amount is inclusive of taxes

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 46: SEGMENT INFORMATION

Information about Primary Business Segment

Identification of Segments :

The Company is engaged in the business of Synthetic Yarn which in the context of Ind AS 108 on Segment Reporting are considered to constitute single primary business segment.

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about profit or loss in the financial statements, Operating segment have been identified on the basis of Geographical segment and other quantitative criteria specified in the Ind AS 108.

(i) Segment Revenue :

The segment revenue is measured in the same way as in the statement of profit or loss.

Segment Revenue	For the year ended March 31, 2021			For the year ended March 31, 2020		
	India	Outside India	Total	India	Outside India	Total
Total segmental revenue*	**55,150.78**	**39,590.25**	**94,741.03**	**62,419.25**	**40,378.38**	**102,797.63**

**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	For the year ended March 31, 2021	For the year ended March 31, 2020
Australia and New Zealand	11,135.00	11,779.63
European Union	5,833.75	3,874.96
U.S.A	4,894.75	5,141.94
U.K.	2,373.05	2,417.18
Others	15,353.70	17,164.67
Total	**39,590.25**	**40,378.38**

(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, 2021			As at March 31, 2020		
	India	Outside India	Total	India	Outside India	Total
Carrying amount of segment assets	66,509.35	9,757.58	76,266.93	69,175.75	6,705.94	75,881.69
Additions to non-current assets#	2,992.02	-	2,992.02	1,541.06	-	1,541.06
Total segment assets	**69,501.37**	**9,757.58**	**79,258.95**	**70,716.81**	**6,705.94**	**77,422.75**
Unallocated:						
Right-of-use assets	-	-	519.15	-	-	396.20
Deferred tax assets (net)	-	-	3,674.34	-	-	3,589.55
Income tax assets (net)	-	-	43.43	-	-	73.51
Investments		-	-	-	-	-
Balance Sheet Assets	**-**		**83,495.87**	**-**	**-**	**81,482.01**

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

(iii) Segment Liabilities :

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment and the physical location of the liability.

Segment Liabilities	As at March 31, 2021			As at March 31, 2020		
	India	Outside India	Total	India	Outside India	Total
Carrying amount of segment liabilities	20,010.39	5,692.57	25,702.96	21,484.14	148.39	21,632.53
Additions to non-current liabilities	-	-	-	-	-	-
Total segment liabilities	**20,010.39**	**5,692.57**	**25,702.96**	**21,484.14**	**148.39**	**21,632.53**
Unallocated:						
Borrowings	-	-	22,026.91	-	-	25,501.24
Balance Sheet Liabilities	**-**	**-**	**47,729.87**	**-**	**-**	**47,133.77**

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

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 47: EMPLOYEE STOCK OPTION PLAN DISCLOSURE FOR IND AS

The establishment of the AYM Employee Stock Option (AYMSOP 2018) was approved by shareholders at Extra Ordinary general meeting in 2018.

The Employee Stock Option Plan is designed to provide incentives to employees as determined by NRC Committee to improve performance of employees and deliver long-term return

The employees covered under this scheme are as follows

(a) a permanent employee of the Company working in India or out of India or

(b) a director of the Company, whether a whole time director or not, or

And excludes

(i) an employee who is outside India and who is an employees of the subsidiary, holding or associate of the Company;

(ii) applicable for directors of the Company other than promoter director, independent director a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company.

Under the plan, participants are granted options which vest upon in the following manner:-

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

The condition of the vesting are such that the NRC shall take into account the strength and competency of the employee viz a viz business challenges and past track record of the employee in terms of achievements of targets and milestones.

Once vested, the option remains excercisable for a period of one year

Options are granted under the plan for no consideration and carry no dividend or voting rights.

When exercisable, each option is convertible into one equity share. The exercise price of the options shall not be less than face value of equity share and shall not exceed market price of the equity share of the Company as on the date of grant of Option.

Set out below is a summary of options granted under the plan

	As at March 31, 2021		As at March 31, 2020	
	Average exercise price Per share option (₹)	Number of Options	Average exercise price Per share option (₹)	Number of Options
Opening balance	10	614,020	10	781,700
Granted during the year	-	-	-	-
Exercised during the year	10	60,190	10	68,880
Cancelled during the year	-	80,550	-	98,800
Closing balance	**-**	**473,280**	**10**	**614,020**
Vested and exercisable	-	-	-	-

The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2020 was ₹ 26.65 per share.

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

Share option outstanding at the end of the year have the following expiry date and exercise price.

Grant date	Expiry date	Exercise price (INR)	Share options March 31, 2021	Share options March 31, 2020
13-Aug-18	13-Aug-20	10	-	61,402
13-Aug-18	13-Aug-21	10	-	61,402
13-Aug-18	13-Aug-22	10	118,320	122,804
13-Aug-18	13-Aug-23	10	118,320	122,804
13-Aug-18	13-Aug-24	10	236,640	245,608
Total			**473,280**	**614,020**
Weighted Average remaining contractual life of options outstanding at end of period			2.36 years	3.03 years

(All amounts in ₹ Lakhs, unless otherwise stated)

The fair value at grant date of options granted was ₹ 41.20

The fair value at grant date is determined using Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model input for the option granted during the year ended March 31, 2021 included:

a) Options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of one year after vesting.

b) Exercise Price: ₹ 10

c) Grant Date: August 13, 2018

d) Expiry Date: August 13, 2024

e) Share Price at the Grant Date: ₹ 41.2

f) Expected Price Volatility of the Company's Shares: 41.22%

g) Expected Dividend Yeild: 0.00%

h) Risk Free Interest Rate: 7.61%

The expected price volatility is based on historic volatility (Based on the remaining life of the option), adjusted for any expected changes to future volatility due to publicly available information.

Expenses arising from share-based payment transactions

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expenses were as follow:

Particulars	As at March 31, 2021	As at March 31, 2020
Employee-share based expense	31.59	59.10

Note 48: DISCLOSURES IN RELATION TO CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Particulars	As at March 31, 2021	As at March 31, 2020
Corporate social responsibility expenditure:		
Implementing and supporting education program	6.29	14.82
Provision of safe drinking water	12.72	37.94
	19.01	**52.76**
Amount Unspent, of Earlier Years as per Section 135 of the Act	-	4.01
Amount Required to be Spent During the Year, as per Section 135 of the Act	17.29	41.89
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	17.29	52.76
(iii) Excess spent as at March 31, 2021 are carry forward for next year	1.72	-
	19.01	**52.76**

DETAILS OF EXCESS CSR EXPENDITURE UNDER SECTION 135(5) OF THE ACT

Balance excess spent as at 1 April 2021	Amount required to be spent during the year	Amount spend during the year	Balance excess spent as at March 31, 2021
-	17.29	19.01	(1.72)

Note 49 : COVID 19 :

The operations of the Company were impacted during the year on account of Covid 19 pandemic, however, the Company had taken adequate measures to curb the spread of COVID-19 to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing and sanitization of workspaces during the year at factory and office locations. The Company has also evaluated the impact of this pandemic on its business operations and the financial position and made an assessment of its liquidity position and the recoverability and carrying values of its assets as at the balance sheet date and has concluded that there are no adjustments required in the financial statements for the year ended March 31, 2021. Even though the Company is adequately prepared to tackle further disruptions in the business environment on account of Covid 19, the assessment of the extent and duration of the underlying impact on the business environment is a continuous process given the uncertainty associated with its nature and duration.

Note 50: Events occurring after the reporting date

No adjustments on account of events occuring after the reporting date have been identified to the figures reported.

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

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

Pankaj Khandelia
Partner
Membership No. 102022

Place: Mumbai
Date: May 15, 2021

For and on behalf of the Board of Directors

Rajesh Mandawewala
Chairman
DIN 00007179

Abhishek Mandawewala
CEO and Managing Director
DIN 00737785

Himanshu Dhaddha
Chief Financial Officer

Ashitosh Sheth
Company Secretary

NOTES

AYM Syntex

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