

## INDEPENDENT AUDITOR'S REPORT

To the Members of

**AYM Syntex Limited**

**Report on the Audit of the Financial statements**

### Opinion

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

### Basis for Opinion

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

### Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of realisability of Minimum Alternate Tax ('MAT') credit entitlement</b> (Refer note 8 and 36 of the financial statements)</p> <p>The Balance of Minimum Alternate Tax ('MAT') credit entitlement classified under Deferred Tax Assets (net) in the balance sheet as on March 31, 2022 is Rs. 6074.16 lakhs.</p> <p>Entitlement of MAT credit is recognised to the extent there is convincing evidence that the Company will be able to utilise the said credit against normal tax payable during the period of fifteen years succeeding the year of filing of return of Income tax. Thus, the deferred tax asset is recognised to the extent it is recoverable based on the Company's probable taxable profits in the forthcoming years.</p> <p>We considered the realisability of MAT credit entitlement to be a key audit matter as the amount is material to the financial statements and there is significant management judgement involved while applying various assumptions in preparation of forecasts which mainly include future business growth rates and expected taxable profits.</p>	<p><b>To evaluate the realisability of MAT Credit entitlement, our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• Understood and evaluated the design and tested the operating effectiveness of the Company's controls over preparation of forecasts.</li> <li>• Assessed the historical accuracy of the Company's Board approved forecasts by comparing the forecast approved in the prior year with the actual performance in the current year.</li> <li>• Tested the mathematical accuracy of the underlying calculations and compared the forecasts with the budgets approved by the Board of Directors.</li> <li>• Assessed the reasonableness of assumptions used in the preparation of forecasts with external and internal factors including business and industry growth rates, impact of COVID-19 and the Company's past performance.</li> <li>• Applied sensitivity to the forecasts to assess whether the MAT credit carried as an asset would be utilised by the Company within the permitted remaining time period.</li> </ul> <p>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.</p>

## INDEPENDENT AUDITOR'S REPORT

### Other Information

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

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

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

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

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

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

### Responsibilities of management and those charged with

### governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

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

## INDEPENDENT AUDITOR'S REPORT

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

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

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

cause the Company to cease to continue as a going concern.

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

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 to the financial statements;
    - ii. The Company has long-term contracts as at March 31, 2022 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at March 31, 2022.
- iii. The instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022 are as follows:
- (a) Unclaimed preference dividend of Rs. 0.16 lakhs was due to be transferred to the Investor Education and Protection Fund on November 30, 2021, was transferred subsequent to the year end on April 28, 2022.
  - (b) Redemption amount of preference shares of Rs. 0.21 lakhs was due to be transferred to the Investor Education and Protection Fund on November 30, 2021, was transferred subsequent to the year end on April 28, 2022.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50(a) to the financial statements);
- (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any

person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50(a) to the financial statements); and

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

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

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

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

Sd/-  
**Pankaj Khandelvia**  
Partner

Place: Mumbai  
Date: May 07, 2022

Membership Number: 102022  
UDIN: 22102022AI0COG9623

## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE A

#### TO INDEPENDENT AUDITORS' REPORT

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

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

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

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls with reference to financial statements

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

## INDEPENDENT AUDITOR'S REPORT

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

### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

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

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Sd/-

**Pankaj Khandelia**

Partner

Place: Mumbai

Date: May 07, 2022

Membership Number: 102022

UDIN: 22102022AI0C0G9623

## INDEPENDENT AUDITOR'S REPORT

## ANNEXURE B

## TO INDEPENDENT AUDITORS' REPORT

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

- I (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in Note 3(a) on Property Plant and Equipment and Note 3(b) on Right of Use Assets to the financial statements, are held in the name of the Company, except for the following:
- | Description of property | Gross carrying value | Held in the name of  | Whether promoter, director or their relative or employee | Period held indicate range, where appropriate | Reason for not being held in the name of the Company |
|-------------------------|----------------------|--|--|---|--|
| Freehold Land           | Rs. 4.63 lakhs       | Mr. Mulji Ravji Bhagat, Mr. Harji Ravji Bhagat and others. | No   | Since March 31, 2003                          | Under process of name change                         |
| Residential Flats       | Rs. 14.85 lakhs      | Documents of title deeds are not traceable                 | No   | Since September 30, 1998                      | Documents of title deeds are not traceable           |
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also refer Note 50(a) to the financial statements)
- iii The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

## INDEPENDENT AUDITOR'S REPORT

- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of Income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 40 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of sales tax, value-added tax, excise duty and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax and customs duty referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)*	Period to which the amount relates	Forum where the dispute is pending
The Income tax Act, 1961	Income tax	5.33	Assessment Years 2013-14 and 2014-15	Commissioner of Income Tax (Appeals), Mumbai
The Finance Act, 1994	Service Tax	1.95	Financial Years 2005-06 and 2006-07	Central Excise and Service Tax Appellate Tribunal, Ahmedabad

	111.92	Financial Year 2006-07	Commissioner CGST & CE, Vapi
	213.37	Financial Years 2007-08 to 2012-13	Commissioner CGST & CE, Vapi
	95.27	Financial Years 2013-14 and 2014-15	Commissioner CGST & CE, Vapi
	461.40	Financial Year 2014-15	Central Excise and Service Tax Appellate Tribunal, Ahmedabad
	62.10	Financial Year 2015-16	Commissioner CGST & CE, Vapi
	15.03	Financial Years 2015-16 to 2017-18	Commissioner (Appeal), CGST & CE, Surat

  

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

\*Net of amount paid under protest

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which

## INDEPENDENT AUDITOR'S REPORT

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

- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
  - (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, clauses ix(e) are not applicable to the Company.
  - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, clauses ix(f) are not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

## INDEPENDENT AUDITOR'S REPORT

- (b) The Company has not conducted non-banking financial activities or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, clauses xvi(d) are not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 50(b) to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and

based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Sd/-  
**Pankaj Khandelia**  
Partner

Place: Mumbai  
Date: May 07, 2022

Membership Number: 102022  
UDIN: 22102022AI0COG9623

**BALANCE SHEET**

as at March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Notes forming part of the financial statements

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

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

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N/ N500016

Pankaj Khandelia

Partner

Membership No. 102022

Place: Mumbai

Date: May 07, 2022

For and on behalf of the Board of Directors

Rajesh Mandawewala

Chairman

DIN 00007179

Himanshu Dhaddha

Chief Financial Officer

Abhishek Mandawewala

CEO and Managing Director

DIN 00737785

Ashitosh Sheth

Company Secretary

# STATEMENT OF PROFIT AND LOSS

for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Notes forming part of the financial statements

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

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

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No: 012754N/ N500016

**Pankaj Khandelwa**

Partner

Membership No. 102022

Place: Mumbai

Date: May 07, 2022

**For and on behalf of the Board of Directors**

**Rajesh Mandawewala**

Chairman

DIN 00007179

**Himanshu Dhaddha**

Chief Financial Officer

**Abhishek Mandawewala**

CEO and Managing Director

DIN 00737785

**Ashitosh Sheth**

Company Secretary

# STATEMENT OF CASH FLOW

for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Notes :

- 1) Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS) 3 "Statement of Cash Flows".
- 2) Previous year figures are regrouped/reconsidered wherever necessary.

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

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

**For and on behalf of the Board of Directors**

**Pankaj Khandelia**  
Partner  
Membership No. 102022

**Rajesh Mandawewala**  
Chairman  
DIN 00007179

**Abhishek Mandawewala**  
CEO and Managing Director  
DIN 00737785

Place: Mumbai  
Date: May 07, 2022

**Himanshu Dhatta**  
Chief Financial Officer

**Ashitosh Sheth**  
Company Secretary

## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### A EQUITY SHARE CAPITAL

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

### B OTHER EQUITY

Particulars	Notes	Capital reserve	Securities premium reserve	Reserves and Surplus General Reserve	Share options outstanding account	Capital Redemption Reserve	Retained earnings	Total Other Equity
<b>Balance as at 1 April 2020</b>		<b>2,664.93</b>	<b>6,996.35</b>	<b>107.06</b>	<b>94.39</b>	<b>293.36</b>	<b>19,194.64</b>	<b>29,350.73</b>
Profit for the year		-	-	-	-	-	1,409.48	1,409.48
Other comprehensive income		-	-	-	-	-	(29.33)	(29.33)
<b>Total comprehensive income for the year</b>		-	-	-	-	-	<b>1,380.15</b>	<b>1,380.15</b>
Share options outstanding account	17(b)	-	20.04	-	31.59	-	-	51.63
Employee stock options exercised	17(b)	-	-	-	(20.04)	-	-	(20.04)
<b>Balance as at 31 March 2021</b>		<b>2,664.93</b>	<b>7,016.39</b>	<b>107.06</b>	<b>105.94</b>	<b>293.36</b>	<b>20,574.79</b>	<b>30,762.47</b>
<b>Balance as at 1 April 2021</b>		<b>2,664.93</b>	<b>7,016.39</b>	<b>107.06</b>	<b>105.94</b>	<b>293.36</b>	<b>20,574.79</b>	<b>30,762.47</b>
Profit for the year		-	-	-	-	-	5,081.42	5,081.42
Other comprehensive income		-	-	-	-	-	13.06	13.06
<b>Total comprehensive income for the year</b>		-	-	-	-	-	<b>5,094.48</b>	<b>5,094.48</b>
Share options outstanding account	17(b)	-	40.20	-	125.03	-	-	165.23
Employee stock options exercised	17(b)	-	-	-	(40.20)	-	-	(40.20)
<b>Balance as at 31 March 2022</b>		<b>2,664.93</b>	<b>7,056.59</b>	<b>107.06</b>	<b>190.77</b>	<b>293.36</b>	<b>25,669.27</b>	<b>35,981.98</b>

Notes :

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

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

#### For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N/ N500016

#### Pankaj Khandelwa

Partner  
Membership No. 102022

Place: Mumbai  
Date: May 07, 2022

#### For and on behalf of the Board of Directors

#### Rajesh Mandawewala

Chairman  
DIN 00007179

Himanshu Dhaddha  
Chief Financial Officer

#### Abhishek Mandawewala

CEO and Managing Director  
DIN 00737785

Ashitosh Sheth  
Company Secretary

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### GENERAL INFORMATION

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

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

#### Note 1: Significant Accounting Policies

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

#### 1.1 Basis of Preparation of Financial Statements

##### (i) Compliance with Ind AS

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

##### (ii) Historical cost convention

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

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

#### 1.2 Foreign currency translation

##### a) Functional and presentation currency

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

##### b) Transactions and balances

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

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

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

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

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

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### 1.3 Revenue recognition

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

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

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

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

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

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

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

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

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

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

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

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

### Export Incentives

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

### 1.4 Government grants

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

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

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

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

### 1.5 Income Tax

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

#### a) Current income tax

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

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

#### b) Deferred income tax

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

carry-forwards and unused tax credits could be utilized.

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

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

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

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

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

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

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

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### 1.6 Leases

#### - As a lessee

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

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

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

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

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

To determine the incremental borrowing rate, the Company:

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

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

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

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

#### **The ROU assets are measured at cost comprising the following:**

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

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

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

### 1.7 Property, plant and equipment

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

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

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

#### Depreciation methods, estimated useful lives and residual value

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

Assets	Useful life
Office Equipment	05 years
Furniture and fixtures	10 years
Computer Hardware and Software	03/05 years
Vehicles	08 years
Plant and machinery*	7 to 25 years

Electrical installation	10 years
Factory Building	30 years
Residential and other Buildings	60 years
Other Building (Carpeted Roads)	10 years

\*Extra shift depreciation is provided.

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

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

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

### 1.8 Intangible assets

#### a) Intangible assets with finite useful lives:

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

#### b) Research and Development

Research expenditure and development expenditure that do not meet the criteria in Note 1.8(a) above are recognised as an expense as

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent period.

### c) Amortization methods and periods

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

### 1.9 Impairment of non-financial assets

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

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

### 1.10 Non-current assets held for sale

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

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

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

### 1.11 Inventories

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

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

### 1.12 Financial Instruments

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

#### Investments and Other Financial Assets

##### a) Classification

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

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

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

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

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

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

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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

### b) Recognition

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

### c) Measurement

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

#### (i) Debt instruments:

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

- **Amortized cost:**

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

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

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognized, the cumulative gain or loss

previously recognised in OCI is reclassified from equity to profit or loss and recognised in other expenses or other incomes, as applicable. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign Exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

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

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

#### (ii) Equity instruments:

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

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

### d) Impairment of financial assets

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

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

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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

### e) **Derecognition of financial assets revenue recognition**

A financial asset is derecognized only when

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

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

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

### f) **Income recognition**

#### (i) **Interest income**

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

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

#### (ii) **Dividends**

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

### g) **Cash and cash equivalents**

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

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

### h) **Trade receivable**

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

### **Financial liabilities**

#### a) **Measurement:**

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

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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 derecognition 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

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

### h) **Embedded foreign currency derivatives:**

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

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

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

### i) **Offsetting financial instruments**

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

### 1.13 **Borrowing costs**

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

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

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

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

### 1.14 **Employee benefits**

#### **Short-term obligations**

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

#### **Other long-term employee benefit obligations**

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

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

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

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### Post-employment obligations

The Company operates the following post-employment schemes:

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

#### a) Defined Benefit Plans

##### (i) Gratuity obligations

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other

comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

#### b) Defined contribution plans

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

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

##### (ii) Superannuation Fund

Contribution towards superannuation fund for certain employees is made to defined contribution scheme administered by insurance Company where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from contribution made on monthly basis.

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

#### c) Shared based payments

##### Employee options

The fair value of options under the AYM Syntax Limited Employee Option scheme is recognised as an employee benefits expense at the grant date with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

### Bonus Plan

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

## 1.15 Provisions and contingent liabilities

### a) Provisions

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

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised

even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

### b) Contingent liabilities

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

### c) Contingent Assets

Contingent Assets are disclosed, where an inflow of economic benefits is probable. The Company shall not recognise 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.

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### 1.18 Earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (Note 42).

#### Diluted earnings per share

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

### 1.19 Segment Reporting

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

The Managing Director, who has been identified as the chief operating decision maker, assesses the financial performance and position of the Company and makes strategic decisions. Refer Note 48 for the segment information presented.

### 1.20 Exceptional items

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

### 1.21 Rounding of amounts

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

**Note 2: Significant accounting assumptions, estimates and judgements**

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

#### a) Estimation of current tax expense and deferred income tax

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (Refer Note 36).

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

#### b) Estimation of Provisions and Contingent Liabilities.

The Company exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

this evaluation process, actual liability may be different from the originally estimated as provision (Refer Note 40).

### c) **Estimated useful life of Property, Plant and Equipment**

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

### d) **Provision for inventories**

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

Write-downs of inventories to net realisable value amounted to ₹ 316.15 lakhs (March 31, 2021: ₹ 425.43 lakhs). These were recognised as an expense during the year and included in 'changes in

the inventories of work-in-progress and finished goods' in statement of Profit and Loss.

### e) **Estimation of Defined Benefit Obligation**

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

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer Note 32 for the details of the assumptions used in estimating the defined benefit obligation.

### f) **Estimation of impairment of non-current assets**

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

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

## NOTE 3A: PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Leasehold Improvements	Building	Plant & Machinery	Vehicles	Furniture and Fixtures	Equipments	Computers	Total	Capital work in progress
<b>Year ended March 31, 2021</b>										
<b>Gross carrying amount</b>										
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)
<b>Closing gross carrying amount</b>	<b>1,607.42</b>	<b>17.31</b>	<b>8,154.91</b>	<b>47,956.55</b>	<b>183.42</b>	<b>242.17</b>	<b>186.36</b>	<b>490.38</b>	<b>58,838.52</b>	<b>1,722.22</b>
<b>Accumulated depreciation</b>										
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)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>16.27</b>	<b>1,195.86</b>	<b>15,614.49</b>	<b>68.25</b>	<b>90.31</b>	<b>123.92</b>	<b>411.28</b>	<b>17,520.38</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>1,607.42</b>	<b>1.04</b>	<b>6,959.05</b>	<b>32,342.06</b>	<b>115.17</b>	<b>151.86</b>	<b>62.44</b>	<b>79.10</b>	<b>41,318.14</b>	<b>1,722.22</b>
<b>Year ended March 31, 2022</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount	1,607.42	17.31	8,154.91	47,956.55	183.42	242.17	186.36	490.38	58,838.52	1,722.22
Additions	-	-	-	62.55	9.41	17.81	4.01	17.62	111.40	7,463.35
Disposals	-	-	-	(482.34)	-	-	(2.91)	(27.11)	(512.36)	-
Transfers from CWIP	-	-	-	7,523.62	-	1.31	5.31	160.01	7,690.25	(7,690.25)
<b>Closing gross carrying amount</b>	<b>1,607.42</b>	<b>17.31</b>	<b>8,154.91</b>	<b>55,060.38</b>	<b>192.83</b>	<b>261.29</b>	<b>192.77</b>	<b>640.90</b>	<b>66,127.81</b>	<b>1,495.32</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	-	16.27	1,195.86	15,614.49	68.25	90.31	123.92	411.28	17,520.38	-
Depreciation charge during the year	-	-	313.05	4,200.55	21.90	24.46	26.96	42.90	4,629.82	-
Disposals	-	-	-	(247.03)	-	-	(2.79)	(1.29)	(251.11)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>16.27</b>	<b>1,508.91</b>	<b>19,568.01</b>	<b>90.15</b>	<b>114.77</b>	<b>148.09</b>	<b>452.89</b>	<b>21,899.09</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>1,607.42</b>	<b>1.04</b>	<b>6,646.00</b>	<b>35,492.37</b>	<b>102.68</b>	<b>146.52</b>	<b>44.68</b>	<b>188.01</b>	<b>44,228.72</b>	<b>1,495.32</b>

## Notes:

- (i) Refer to Note 18 for information on property, plant and equipment pledged as security by the Company.
- (ii) Contractual obligations : Refer to Note 41 for disclosure of contractual commitments for acquisition of property, plant and equipment.
- (iii) Borrowing costs allocated to fixed assets / capital work in progress is ₹ 39.12 (March 31, 2021 : ₹ Nil).
- (iv) Capital work-in-progress - Capital work-in-progress mainly comprises of new plant and machinery for spinning and texturising process, being installed/constructed in India.
- (v) In accordance with para D13AA of Ind AS 101 First time adoption of Indian Accounting Standards and the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the Company has adjusted the exchange rate difference arising on long term foreign currency monetary items, in so far as they relate to the acquisition of a depreciable capital asset, to the cost of the asset.

Accordingly, the Company has adjusted exchange gain of ₹ 8.95 lakhs (March 31, 2021 : ₹ 45.28 lakhs) to the cost of property, plant and equipment as the long term monetary items relate to depreciable capital asset.

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 3a (i) CAPITAL WORK IN PROGRESS

#### (A) AGING OF CWIP:

Projects in progress	Amounts in capital work-in-progress for				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
March 31, 2022	1,495.32	-	-	-	1,495.32
March 31, 2021	1,559.76	64.43	10.13	87.90	1,722.22

### NOTE 3a (ii) COMPLETION SCHEDULE FOR CAPITAL WORK-IN-PROGRESS WHOSE COMPLETION IS OVERDUE :

Projects in progress	To be Completed in				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
March 31, 2022	-	-	-	-	-
March 31, 2021	98.03	-	-	-	98.03

### NOTE 3a (iii) TITLE DEEDS OF IMMOVABLE PROPERTY NOT IN THE NAME OF THE COMPANY

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Freehold Land	Building - Residential flats - Flat No. C-4-18 to C-4-23 (6 flats) at Vardhman Co-op. Hsg Soc.Ltd. Survey No. 91, Village Lavachha Tal. Pardi.	14.85	Original title deeds not traceable	No	30-Sep-98	Original title deeds not traceable
Building	Freehold land : Survey No.393/3,Hectre:8	4.63	'Mr. Mulji Ravji Bhagat, Mr. Harji Ravji Bhagat and others.	No	31-Mar-03	'Company is in process of executing Conveyance Deed and same is expected to be completed by the end of financial year 2022-23

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 3(b): LEASES**

This note provides information for leases where the Company is a lessee.

The Company leases various offices, warehouses and vehicles etc. Rental contracts are typically made for fixed periods of 6 months to 3.5 years, but may have extension options as described in (ii) below.

**(i) Amounts recognised in balance sheet**

The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Right-of-use assets</b>		
Buildings	1,634.92	505.98
Vehicles	2.35	13.17
<b>Total</b>	<b>1,637.27</b>	<b>519.15</b>

  

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Lease Liabilities</b>		
Current	698.79	341.93
Non-current	946.97	249.70
<b>Total</b>	<b>1,645.76</b>	<b>591.63</b>

Additions to the right-of-use assets during the current financial year were ₹ 1533.78 lakhs (March 31, 2021: ₹ 394.80 lakhs).

**(ii) Amounts recognised in the statement of profit and loss**

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
<b>Depreciation charge of right-of-use assets</b>			
Buildings	33	394.45	250.51
Vehicles	33	9.79	21.18
<b>Total</b>		<b>404.24</b>	<b>271.69</b>

  

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
Interest expense (included in finance costs)	35	69.57	50.65
Expense relating to short-term leases (included in other expenses)	34	13.06	18.18
<b>Total</b>		<b>82.63</b>	<b>68.83</b>

The total cash outflow for leases for the year ended March 31, 2022 was ₹ 513.8 lakhs (March 31, 2021: ₹ 320.5 lakhs). The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. During the previous year ended March 31, 2021 the Company received Covid -19 related rent concessions for ₹ 73.57 lakhs which was recognised as gain in the Statement of Profit and Loss.

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### Note 4 INTANGIBLE ASSETS

Particulars	Computer Software
<b>Year ended March 31, 2021</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount	116.81
Additions	13.85
Disposals	(7.00)
<b>Closing gross carrying amount</b>	<b>123.66</b>
<b>Accumulated amortisation</b>	
Opening accumulated amortisation	70.64
Amortisation charge during the year	18.94
Amortisation on disposals	(5.91)
<b>Closing accumulated amortisation</b>	<b>83.67</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>39.99</b>
<b>Year ended March 31, 2022</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount	123.66
Additions	13.59
Disposals	-
<b>Closing gross carrying amount</b>	<b>137.25</b>
<b>Accumulated amortisation</b>	
Opening accumulated amortisation	83.67
Amortisation charge during the year	21.76
Amortisation on disposals	-
<b>Closing accumulated amortisation</b>	<b>105.43</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>31.82</b>

### NOTE 5: LOANS- NON-CURRENT

Particulars	As at March 31, 2022	As at March 31, 2021
Loans and advances to employees	55.38	11.11
<b>Total</b>	<b>55.38</b>	<b>11.11</b>

### NOTE 6 : NON-CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	200.45	80.22
Deposits with banks with maturity period of more than 12 months	28.54	7.76
<b>Total</b>	<b>228.99</b>	<b>87.98</b>

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

## NOTE 7: INCOME TAX ASSETS (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax assets (net of provision for tax ₹2439.27 lakhs, March 31, 2021: ₹2041.17 lakhs)	108.64	108.25
<b>Total</b>	<b>108.64</b>	<b>108.25</b>

## NOTE 8: DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Unabsorbed tax losses - depreciation	-	1,834.51
Defined benefit obligation	430.73	436.15
Provision for doubtful debts	58.00	56.44
MAT credit entitlement*	6,074.16	5,473.83
Lease liabilities	575.10	206.74
Others including expenses allowable on payment basis	393.52	442.32
	<b>7,531.51</b>	<b>8,449.99</b>
Deferred tax liabilities		
Depreciation	4,763.83	4,594.24
Right-of-use assets	572.13	181.41
	<b>5,335.96</b>	<b>4,775.65</b>
<b>Net deferred tax assets</b>	<b>2,195.55</b>	<b>3,674.34</b>

Note:

\*In assessing the realizability of deferred tax on MAT credit entitlement, the Company considers the extent to which it is probable that the credit will be realized. Entitlement of MAT credit is recognised to the extent there is convincing evidence that the Company will be able to utilise the said credit against normal tax payable during the period of fifteen years succeeding the year of filing of return of Income tax. The Company considers the expected projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company will realize the benefits of this MAT credit entitlement.

## MOVEMENT IN DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

	Deferred tax assets					Deferred tax liabilities		Net deferred tax assets
	Unabsorbed tax losses-depreciation	MAT credit entitlement	Defined benefit obligation	Provision	Lease Liabilities	Depreciation	Right-of-use assets	
<b>At April 1, 2020</b>	<b>3,075.17</b>	<b>5,075.77</b>	<b>271.50</b>	<b>18.50</b>	<b>195.60</b>	<b>4,908.54</b>	<b>138.46</b>	<b>3,589.54</b>
Charged/credited:								
- to profit or loss	(1,240.66)	398.06	148.90	480.26	11.14	(314.30)	42.95	69.05
- to other comprehensive income	-	-	15.75	-	-	-	-	15.75
<b>At March 31, 2021</b>	<b>1,834.51</b>	<b>5,473.83</b>	<b>436.15</b>	<b>498.76</b>	<b>206.74</b>	<b>4,594.24</b>	<b>181.41</b>	<b>3,674.34</b>
<b>As at April 1, 2021</b>	<b>1,834.51</b>	<b>5,473.83</b>	<b>436.15</b>	<b>498.76</b>	<b>206.74</b>	<b>4,594.24</b>	<b>181.41</b>	<b>3,674.34</b>
Charged/credited:								
- to profit or loss	(1,834.51)	600.33	1.60	(47.24)	368.36	169.59	390.72	(1,471.77)
- to other comprehensive income	-	-	(7.02)	-	-	-	-	(7.02)
<b>At March 31, 2022</b>	<b>-</b>	<b>6,074.16</b>	<b>430.73</b>	<b>451.52</b>	<b>575.10</b>	<b>4,763.83</b>	<b>572.13</b>	<b>2,195.55</b>

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 9 : OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	527.07	429.70
Prepaid expenses	17.95	4.99
Balances with government authorities	97.76	118.74
<b>Total</b>	<b>642.78</b>	<b>553.43</b>

### NOTE 10: INVENTORIES

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Raw Materials</b>		
-In stock	3,241.57	3,848.66
-In transit	4,039.47	3,009.07
<b>Goods-in-process</b>	<b>1,795.73</b>	<b>1,542.43</b>
<b>Finished goods</b>		
-In stock	4,647.70	2,942.87
-In transit	3,270.36	2,760.97
Consumables, packing materials, stores and spares	1,833.82	1,713.65
<b>Total</b>	<b>18,828.65</b>	<b>15,817.65</b>

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

### NOTE 11 : TRADE RECEIVABLES - UNSECURED

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current Trade receivables from contracts billed with:</b>		
Related parties (Refer Note 46)	173.73	830.77
Others	11,183.43	9,332.15
Less: Loss allowance	(165.97)	(161.39)
<b>Total</b>	<b>11,191.19</b>	<b>10,001.53</b>

### AGING OF TRADE RECEIVABLES : FOR MARCH 31, 2022

Particulars	Not Due	Outstanding for following periods from the due date					As at March 31, 2022
		Less than 6 Months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>							
considered good	7,281.69	3,903.29	5.46	0.64	0.11	-	11,191.19
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	43.36	7.59	24.37	89.11	1.55	165.97
Less: Loss allowance	-	(43.36)	(7.59)	(24.37)	(89.11)	(1.55)	(165.97)
<b>Total</b>	<b>7,281.69</b>	<b>3,903.29</b>	<b>5.46</b>	<b>0.64</b>	<b>0.11</b>	<b>-</b>	<b>11,191.19</b>

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

## AGING OF TRADE RECEIVABLES : FOR MARCH 31, 2021

Particulars	Not Due	Outstanding for following periods from the due date					As at March 31, 2021
		Less than 6 Months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>							
considered good	7,447.24	2,480.23	62.50	8.55	2.94	0.06	10,001.53
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	9.99	31.75	103.35	14.88	1.42	161.39
Less: Loss allowance	-	(9.99)	(31.75)	(103.35)	(14.88)	(1.42)	(161.39)
<b>Total</b>	<b>7,447.24</b>	<b>2,480.23</b>	<b>62.50</b>	<b>8.55</b>	<b>2.94</b>	<b>0.06</b>	<b>10,001.53</b>

## NOTE 12 : CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Banks		
- in current accounts	320.65	669.23
- in EEFC account	49.97	10.64
Cash on hand	14.45	22.52
<b>Total</b>	<b>385.07</b>	<b>702.39</b>

Note: There are restricted bank balances on account of unpaid dividend - ₹ 0.36 lakhs (March 31, 2021 : ₹ 0.36 lakhs) (Refer Note :24)

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance with Banks in</b>		
- in escrow accounts (Refer Note (a) below)	-	666.83
- in fixed deposits with banks having maturity period upto twelve months (Refer(b) below}	1,688.72	1,712.22
<b>Total</b>	<b>1,688.72</b>	<b>2,379.05</b>

Notes:

- (a) Balances in escrow accounts are restricted bank balances against maturities and interest payments of borrowings.
- (b) Fixed money deposits with banks having maturity period more than 12 months are disclosed under "Non-current financial assets - Other financial assets" (Refer Note 6).

## NOTE 14 : LOANS

Particulars	As at March 31, 2022	As at March 31, 2021
Loans and advances to employees	59.62	40.22
<b>Total</b>	<b>59.62</b>	<b>40.22</b>

## NOTE 15 : CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	70.76	70.76
Less : Provision for doubtful balances	(70.76)	(70.76)
Interest accrued on fixed deposits	31.20	51.39
<b>Total</b>	<b>31.20</b>	<b>51.39</b>

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 16 : OTHER CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Assets held for disposal	5.60	5.37
Advances to vendors (recoverable in cash or kind)	1,758.98	1,057.78
Prepaid expenses	151.58	252.94
Balances with government authorities	7,601.91	4,927.93
Export benefits receivable	338.03	289.83
Technology upgradation fund subsidy receivable	391.31	391.31
Less: Doubtful	(391.31)	(391.31)
<b>Total</b>	<b>9,856.10</b>	<b>6,533.85</b>

### NOTE 17(A) : EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorized equity share capital</b>		
9,20,00,000 (March 31, 2021: 9,20,00,000) Equity Shares of ₹ 10/- each	9,200.00	9,200.00
2,80,00,000 (March 31, 2021: 2,80,00,000) Optionally Convertible Cumulative Preference Shares of ₹ 10/- each	2,800.00	2,800.00
	12,000.00	12,000.00
<b>Issued, subscribed and fully paid up equity share capital</b>		
50,153,624 (March 31, 2021: 50,035,304) Equity Shares of ₹ 10/- each fully paid up	5,015.36	5,003.53
<b>Total</b>	<b>5,015.36</b>	<b>5,003.53</b>

Movement in equity share capital	Number of equity shares	Amount
<b>As at March 31, 2020</b>	<b>49,975,104</b>	<b>4,997.51</b>
Add: Exercise of options - proceeds received	60,200	6.02
<b>As at March 31, 2021</b>	<b>50,035,304</b>	<b>5,003.53</b>
Add: Exercise of options - proceeds received	118,320	11.83
<b>As at March 31, 2022</b>	<b>50,153,624</b>	<b>5,015.36</b>

#### Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. All issued shares rank pari-passu and have same voting rights per share. The Company declares and pays dividend in Indian Rupees.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Equity shares held by holding company	As at March 31, 2022	As at March 31, 2021
Mandawewala Enterprises Limited	36,734,927	36,230,298

Details of shareholders holding more than 5% equity shares		As at March 31, 2022	As at March 31, 2021
Mandawewala Enterprises Limited	Number of equity shares	36,734,927	36,230,298
Mandawewala Enterprises Limited	Percentage of holding	73.24%	72.41%

Details of shareholding of promoters	As at March 31, 2022			As at March 31, 2021		
	Number of Shares	Percentage of total number of shares	Percentage of change during the year	Number of Shares	Percentage of total number of shares	Percentage of change during the year
Mandawewala Enterprises Limited	36,734,927	73.2%	0.83%	36,230,298	72.41%	-0.09%
RRM Family Trust	500,000	1.00%	100.00%	-	0.00%	0.00%

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	2,664.93	2,664.93
Capital redemption reserve	293.36	293.36
Securities premium	7,056.59	7,016.39
General reserve	107.06	107.06
Share options outstanding account	190.77	105.94
Retained earnings	25,669.27	20,574.79
<b>Total</b>	<b>35,981.98</b>	<b>30,762.47</b>
Movement	As at March 31, 2022	As at March 31, 2021
<b>- Capital reserve</b>		
As per last balance sheet	2,664.93	2,664.93
Add/(less): Changes during the year	-	-
	<b>2,664.93</b>	<b>2,664.93</b>
<b>- Capital redemption reserve</b>		
As per last balance sheet	293.36	293.36
Add/(less): Changes during the year	293.36	293.36
<b>- Securities premium</b>		
As per last balance sheet	7,016.39	6,996.35
Add: Exercise of options - proceeds received	40.20	20.04
	<b>7,056.59</b>	<b>7,016.39</b>
<b>- General reserve</b>		
As per last balance sheet	107.06	107.06
Add/ (Less): Changes during the year	-	-
	<b>107.06</b>	<b>107.06</b>
<b>- Share options outstanding account</b>		
As per last balance sheet	105.94	94.39
Add: Employee share based payment expense	125.03	31.59
Less: Employee stock options exercised	40.20	20.04
	<b>190.77</b>	<b>105.94</b>
<b>- Retained earnings</b>		
Opening balance	20,574.79	19,194.64
Add/(Less):		
Net profit for the year	5,081.42	1,409.48
Item of other comprehensive income recognized directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	13.06	(29.33)
	<b>25,669.27</b>	<b>20,574.79</b>

## Nature and purpose of reserves

Capital reserve

Capital reserve represents capital surplus and is not available for distribution as dividend.

## Securities premium reserve

Securities premium is used to record the premium received on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

## Capital redemption reserve (CRR)

CRR is created on redemption of Preference Shares in accordance with the provisions of the Act.

## General Reserve

General Reserve represents appropriation of profits by the Company.

## Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under AYM Syntex Limited employee stock option plan.

## Retained earnings

Retained earnings represent the accumulated undistributed earnings.

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 18 : NON-CURRENT BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<b>Term loans from banks</b>		
- Rupee loans	17,765.72	17,694.89
- Foreign currency loans	-	558.91
<b>Unsecured, considered good</b>		
Inter-corporate deposits from related parties	1,200.00	1,200.00
Less: Current maturities of long-term debt (included in current borrowings)	(4,297.31)	(3,912.69)
<b>Total</b>	<b>14,668.41</b>	<b>15,541.11</b>

#### Note:

The rate of interest on the rupee borrowings are in range of 7.35% to 11% (March 31, 2021 : 7.6% to 11% ) and foreign currency loans are in the range 3.37% to 5.2% (March 31, 2021 : 3.37% to 5.2%). The rupee term loans from banks are eligible for Central and State Government interest subsidies/ rebates.

#### Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalent	385.07	702.39
Lease liabilities	(1645.76)	(561.63)
Term Loans from banks	(18965.72)	(19,453.80)
Current borrowings (including overdraft)	(8,356.94)	(2,573.11)
<b>Net debt</b>	<b>(28,583.35)</b>	<b>(21,916.15)</b>

Particulars	Other assets		Liabilities from financial activities		Total
	Cash and Cash equivalents	Lease Liabilities	Non Current borrowings*	Current borrowings	
<b>Net debt as at April 1, 2020</b>	<b>173.21</b>	<b>(559.53)</b>	<b>(19,381.05)</b>	<b>(6,120.19)</b>	<b>(25,887.56)</b>
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)
<b>Other non-cash movements</b>					
- Fair value adjustments	-	73.57	-	-	73.57
<b>Net debt as at March 31, 2021</b>	<b>702.39</b>	<b>(591.63)</b>	<b>(19,453.80)</b>	<b>(2,573.11)</b>	<b>(21,916.15)</b>
Cash flows (net)	(317.32)	513.80	488.08	(5,783.83)	(5,099.27)
Interest Funded	-	-	-	-	-
New leases	-	(1,498.36)	-	-	(1,498.36)
Interest expense	-	(69.57)	1,715.30	204.98	1,850.71
Interest paid	-	-	(1,715.30)	(204.98)	(1,920.28)
<b>Net debt as at March 31, 2022</b>	<b>385.07</b>	<b>(1,645.76)</b>	<b>(18,965.72)</b>	<b>(8,356.94)</b>	<b>(28,583.35)</b>

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Last installment due	Terms of Repayment	As at March 31, 2022	As at March 31, 2021
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	July- 2021	Repayable in 28 quarterly installments commencing from April 2014	-	407.46
External Commerical Borrowings is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	September - 2021	Repayable in 28 quarterly installments commencing from June 2014	-	558.91
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	September - 2021	Repayable in 24 quarterly installments commencing from July 2015	-	151.57
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	April-2024	Repayable in 28 quarterly installments commencing from Jan 2017	565.78	746.66
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	April-2024	Repayable in 28 quarterly installments commencing from Jan 2017	825.99	1,165.02
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	September - 2024	Repayable in 27 quarterly installments commencing from July 2017	710.61	937.99
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	January 2025	Repayable in 30 quarterly installments commencing from July 2017	1,031.99	1,292.94
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	April-2025	Repayable in 28 quarterly installments commencing from June 2018	1,215.82	1,551.67
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	April-2025	Repayable in 28 quarterly installments commencing from October 2018	722.53	916.23
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	July-2026	Repayable in 28 quarterly installments commencing from October 2018	1,900.72	2,210.67
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	Jun-2026	Repayable in 29 quarterly installments commencing from December 2019	5,345.64	6,121.35
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	June-2022	Repayable in 18 Monthly installments commencing from January 2021	69.33	277.33
Rupee working capital term loan is secured by 2nd pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	February-26	Repayable in 48 Monthly installments commencing from March 2022.	910.63	930.00
Rupee working capital term loan is secured by 2nd pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	February-26	Repayable in 48 Monthly installments commencing from April 2022.	2,428.33	686.00
Rupee working capital term loan is secured by 2nd pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	March- 2026	Repayable in 48 Monthly installments commencing from April 2022.	300.00	300.00
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties of the Company	November- 2026	Repayable in 18 quarterly installments commencing from August 2022	1,738.34	-
<b>Total</b>			<b>17,765.71</b>	<b>18,253.80</b>

**Note:**

Pursuant to the Covid 19 pandemic, the Reserve Bank of India, vide its notifications reference RBI/2019-20/186 dated March 27, 2020 and RBI/2019-20/244 dated May 23, 2020, announced a "Covid 19 Regulatory Package" to mitigate the adverse impact of the pandemic and ensure continuity of businesses. As per this package, banks were, inter alia, permitted to grant a moratorium of six months on payment of all instalments (principal and interest) on Term loans falling due between March 1, 2020 and August 31, 2020. The Company opted to avail the package relating to term loans and the same was approved by the lenders in line with RBI's notification. Accordingly, the financial statements have been prepared giving effect to the above.

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 19: OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for capital purchases	502.96	-
<b>Total</b>	<b>502.96</b>	<b>-</b>

### NOTE 20: NON-CURRENT EMPLOYEE BENEFIT OBLIGATIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity (Refer Note 32)	806.83	853.14
<b>Total</b>	<b>806.83</b>	<b>853.14</b>

### NOTE 21: OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred capital subsidy	0.45	5.87
<b>Total</b>	<b>0.45</b>	<b>5.87</b>

### NOTE 22 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
Working capital loan from banks		
- Rupee loans	2,414.06	-
<b>Current maturities of long-term borrowings (Refer Note 18)</b>	<b>4,297.31</b>	<b>3,912.69</b>
<b>Unsecured</b>		
Buyers' credit from banks	5,942.88	2,573.11
<b>Total</b>	<b>12,654.25</b>	<b>6,485.80</b>

#### Note:

- (i) The working capital loans, which includes cash credit and packing credit from banks, are secured by hypothecation of raw material, stock-in-process, finished goods, semi finished goods, stores, spares and book debts and other current assets of the Company and second charge on entire fixed assets of the Company.
- (ii) The Company has changed the classification/presentation of current maturities of long-term borrowings, in the current year consequent to amendments to Schedule III of the Companies Act, 2013 on March 24, 2021.

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

## NOTE 23 : TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Acceptances	12,991.76	13,146.66
Dues to micro, small and medium enterprises (Refer Note 43)	1,904.83	1,185.50
Dues to other	3,297.40	7,280.50
<b>Total</b>	<b>18,193.99</b>	<b>21,612.66</b>

For payables to Related parties (Refer Note 47)

## AGING OF TRADE PAYABLES: FOR MARCH 31, 2022

Particulars	Not Due	Outstanding for following periods from the due date				As at March 31, 2021
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>						
Mono enterprises and small enterprises	1,904.83	-	-	-	-	1,904.83
Others	13,909.64	2263.62	109.66	4.72	1.52	16,289.16
<b>Total</b>	<b>15,814.47</b>	<b>2263.62</b>	<b>109.66</b>	<b>4.72</b>	<b>1.52</b>	<b>18,193.99</b>

## AGING OF TRADE PAYABLES: FOR MARCH 31, 2021

Particulars	Not Due	Outstanding for following periods from the due date				As at March 31, 2021
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>						
Mono enterprises and small enterprises	1,185.50	-	-	-	-	1,185.00
Others	16,444.85	3,972.45	6.85	3.01	-	20,427.16
<b>Total</b>	<b>17,630.35</b>	<b>3,972.45</b>	<b>6.85</b>	<b>3.01</b>	<b>-</b>	<b>21,612.66</b>

## NOTE 24 : OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	82.74	83.04
Unclaimed dividend (Refer Note (a) below)	0.36	0.36
Creditors for capital purchases	924.76	1,166.56
Security deposits	131.94	124.53
<b>Total</b>	<b>1,139.79</b>	<b>1,374.49</b>

Note:

- (a) The amount due for payments to the investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end have since been transferred to the fund.

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 25 : CURRENT EMPLOYEE BENEFIT OBLIGATIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity	40.05	25.51
Provision for compensated absences (Refer Note 32)	385.75	369.48
Employee benefit payables	312.64	362.08
<b>Total</b>	<b>738.44</b>	<b>757.07</b>

#### Note:

The entire amount of the provision of ₹ 385.75 lakhs (31 March 2021 – ₹ 369.48 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

### NOTE 26 : INCOME TAX LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	64.82	34.74
Add : Current tax payable for the year	1,403.55	398.06
Less : Taxes paid	(886.76)	(367.98)
<b>Closing Balance</b>	<b>581.61</b>	<b>64.82</b>

The above liabilities are net of advance taxes paid of ₹ 1833.82 lakhs, (March 31, 2021 : ₹ 828.34 lakhs).

### NOTE 27 : OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Contact Liabilities	549.75	380.54
Statutory dues	180.02	122.13
Deferred capital subsidy	5.42	5.43
<b>Total</b>	<b>735.19</b>	<b>508.10</b>

### NOTE 28: REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contract with customers		
Sale of products	145,386.19	92,733.46
Sales of Services	403.16	424.13
Other Operating Revenue		
Sale of scrap	584.21	289.43
Export incentives (Refer Note 1.3)	2,772.39	1,294.01
<b>Total</b>	<b>149,145.95</b>	<b>94,741.03</b>

### NOTE 29: OTHER INCOME

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Exchange difference (net)	160.67	-
Interest on:		
- Fixed deposits	89.61	100.30
- Others	76.68	50.98
Profit on sale of current investments	3.92	3.25
Insurance claim	23.00	-
Miscellaneous	82.03	126.19
<b>Total</b>	<b>435.91</b>	<b>280.72</b>

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

## NOTE 30: COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw material consumed		
Inventory at the beginning of the year	6,857.73	4,652.89
Add: Purchases	88,286.58	53,678.29
	95,144.31	58,331.18
Less: Inventory at the end of the year	7,281.04	6,857.73
<b>Total</b>	<b>87,863.27</b>	<b>51,473.45</b>

## NOTE 31: CHANGES IN INVENTORIES OF FINISHED GOODS AND GOODS-IN-PROCESS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Inventory at the end of the year</b>		
Goods-in-process	1,795.73	1,542.43
Finished goods	7,918.06	5,703.84
	<b>9,713.79</b>	<b>7,246.27</b>
<b>Less: Inventory at the beginning of the year</b>		
Goods-in-process	1,542.43	1,352.34
Finished goods	5,703.84	4,202.15
	7,246.27	5,554.49
<b>Total changes in inventories of finished goods and goods-in-process</b>	<b>(2,467.52)</b>	<b>(1,691.78)</b>

## NOTE 32: EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and allowances	5,324.94	5,233.27
Employee share based payment expense (Refer note 49)	125.03	31.59
Managerial remuneration	199.38	123.98
Contribution to provident and other funds	323.24	300.57
Gratuity	156.60	155.82
Leave encashment	65.94	221.88
Workmen and staff welfare expenses	263.22	174.94
<b>Total</b>	<b>6,458.35</b>	<b>6,242.05</b>

Defined Contribution Plans	Year ended March 31, 2022	Year ended March 31, 2021
<b>During the year, the Company has recognized the following amounts in the statement of Profit and Loss:</b>		
Employers' Contribution to Provident Fund*	300.48	276.25
Employers' Contribution to Employees' State Insurance *	27.49	23.99
Employers' Contribution to Labour welfare fund*	0.31	0.33
<b>Total</b>	<b>328.28</b>	<b>300.57</b>

\* Included in Contribution to Provident and Other Funds

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### Defined Benefit Plan

#### Contribution to Gratuity

The Company provides for every employee who is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

#### Risk exposure

These defined benefit plans expose the Company to actuarial risk such as longevity risks, interest rate risks, market (investment) risks.

Major Assumptions	Year ended March 31, 2022 % p.a.	Year ended March 31, 2021 % p.a.
Discount Rate	7.32	6.91
Salary Escalation Rate *	8.00	8.00
Rate of Employee Turnover:		
-Upto 30 years	4.00	3.00
-From 31 to 44 years	4.00	3.00
-Above 44 years	2.00	2.00
Mortality Rate During Employment	100% of IALM (2012-2014)	100% of IALM (2012-2014)

\* The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Change in the Present Value of Obligation	Year ended March 31, 2022	Year ended March 31, 2021
Opening Present Value of Obligation	878.65	778.50
Current Service Cost	95.89	102.73
Interest Cost	60.71	53.09
Total amount recognized in profit or loss	156.60	155.82
Remeasurement		
(Gain)/Loss from change in demographic assumptions and experience adjustments	18.85	(80.67)
(Gain)/Loss from change in financial assumptions	(38.94)	125.75
<b>Total amount recognized in other comprehensive income</b>	<b>(20.08)</b>	<b>45.08</b>
Benefit/ Exgratia paid	168.28	100.75
Closing Present Value of Obligation	846.88	878.65

Amount recognized in the Balance sheet	Year ended March 31, 2022	Year ended March 31, 2021
Present value of Obligation	846.88	878.65
Funded Status [(Surplus/ (Deficit)]	(846.88)	(878.65)
Expense recognized in Statement of Profit and Loss	156.60	155.82
Expense recognized in Other comprehensive income	20.08	45.08
Net (liability)/ Asset Recognized in the Balance Sheet	(846.88)	(878.65)

Expenses Recognized in Profit and Loss	Year ended March 31, 2022	Year ended March 31, 2021
Current Service Cost	95.89	102.73
Interest Cost	60.71	53.09
Total Expenses recognized in the of profit or loss*	156.60	155.82

\* Included in Employee Benefits Expense

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Expenses recognized in Other Comprehensive Income	Year ended March 31, 2022	Year ended March 31, 2021
Re-measurement (Refer Note b above)		
Actuarial (Gains)/Losses on Obligation For the year	(20.08)	45.08
<b>Net (Income)/Expenses for the Period Recognized in OCI</b>	<b>(20.08)</b>	<b>45.08</b>

Sensitivity Analysis	Year ended March 31, 2022	Year ended March 31, 2021
Projected Benefit Obligation on Current Assumptions	846.88	878.65
Delta Effect of +0.5% Change in Rate of Discounting	(41.10)	(48.34)
Delta Effect of -0.5% Change in Rate of Discounting	46.32	52.89
Delta Effect of +0.5% Change in Rate of Salary	45.80	52.08
Delta Effect of -0.5% Change in Rate of Salary	(41.03)	(48.07)
Delta Effect of +0.5% Change in Rate of Employee Turnover*	1.12	3.78
Delta Effect of -0.5% Change in Rate of Employee Turnover*	(1.49)	-5.13

\* Amounts less than Rs. 1000 are denoted by "- "

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**Defined benefit liability and employer contributions**

The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contribution to post-employment benefit plans for the year ending March 31, 2022 is ₹ 173.58 Lakhs.

The weighted average duration of the defined benefit obligation is 15.21 years (2021 -14.71 years). The expected maturity analysis of undiscounted gratuity is as follows:

	Less than a year	More than one year
<b>As at March 31, 2022</b>		
Defined benefit obligation (gratuity)	40.05	806.83
<b>As at March 31, 2021</b>		
Defined benefit obligation (gratuity)	25.51	853.14

**Maturity Profile of Defined Benefit Obligation**

Year	Amount
2022- 2023	82.97
2023- 2024	150.02
2024- 2025	102.19
2025- 2026	77.56
2026- 2027	112.89

**Other employee benefit**

The liability for compensated absences as at year end is ₹ 385.75 Lakhs (March 31, 2021: ₹ 369.48 Lakhs)

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 33: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (Refer Note 3a)	4,629.83	3,979.11
Depreciation of right-of-use assets (Refer Note 3b)	404.24	271.69
Amortization of intangible assets (Refer Note 4)	21.76	18.94
<b>Total</b>	<b>5,055.83</b>	<b>4,269.74</b>

### NOTE 34: OTHER EXPENSES

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	3,410.92	2,961.84
Packing materials	4,473.58	3,392.40
Dyes and chemicals	4,223.21	3,395.05
Power, fuel and water	8,973.27	7,366.79
Contract labour charges	4,613.09	3,409.97
Repairs and maintenance:		
-Buildings	144.37	135.08
-Property, plant and equipment	524.46	271.16
-Others	242.28	276.15
Rent	13.06	18.18
Rates and taxes	39.38	35.20
Insurance	268.69	242.87
Directors sitting fees	15.24	15.24
Printing and stationery	32.45	21.04
Travelling and conveyance expenses	213.62	152.31
Legal and professional charges	785.11	428.79
Payment to auditors [Refer Note (a) below]	24.83	26.36
Communication charges	35.69	37.21
Vehicle expenses	41.73	28.99
Loss on sale/discarding of property, plant and equipment (net)	234.59	247.19
Freight and forwarding expenses	10,112.03	4,645.96
Exchange difference (net)	-	142.28
Brokerage and commission	1,856.67	1,228.79
Donations	1.52	8.34
Corporate social responsibility expenditure (Refer Note:48)	25.45	17.29
Miscellaneous expenses	816.05	1,076.19
<b>Total</b>	<b>41,121.29</b>	<b>29,580.67</b>
<b>Note (a) Payment to auditors for:</b>		
As auditor:		
-Audit fees	21.75	21.75
-Tax audit	1.75	1.75
In other capacities:		
-Certifications	1.30	2.70
-Reimbursement of expenses	0.03	0.16
<b>Total</b>	<b>24.83</b>	<b>26.36</b>

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

## NOTE 35: FINANCE COSTS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest and finance charges on lease liabilities and financial liabilities		
- Long term borrowings	1,715.30	1,826.03
- Short term borrowings	204.98	424.53
- Others	511.55	179.89
Bank and other financial charges	1,162.06	978.68
<b>Total</b>	<b>3,593.89</b>	<b>3,409.13</b>

## NOTE 36: INCOME TAX EXPENSE

a) This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

## i) Income tax related to items recognised directly in profit or loss of the Statement of Profit and Loss

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax		
Current tax on profits for the year	1,403.55	398.06
<b>(A)</b>	<b>1,403.55</b>	<b>398.06</b>
Deferred tax		
Decrease/(increase) in deferred tax assets#	911.47	202.29
(Decrease)/increase in deferred tax liabilities	560.31	(271.34)
<b>(B)</b>	<b>1,471.78</b>	<b>(69.05)</b>
<b>Income tax expense charged to profit or loss (C) = (A) + (B)</b>	<b>2,875.33</b>	<b>329.01</b>

#Deferred tax includes minimum alternate tax credit availed: ₹ 600.39 lakhs (March 31, 2021: ₹ 398.06 lakhs)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax on remeasurement gains/(losses) on defined benefit plan	7.02	15.75
Deferred tax credited to other comprehensive income	7.02	15.75

b) The reconciliation of estimated income tax expense at the Indian statutory income tax rate to the income tax expenses reported in statement of profit and loss is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Profit before income tax	7,956.75	1,738.49
Tax at the Indian tax rate of 34.94% (March 31, 2021: 34.94%)	2,780.41	607.50
Expected tax expense at the enacted tax rate in India		
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
1) Non-deductible expenses		
Donations and CSR Expenditure	9.43	8.96
Other items	26.70	23.13
2) Tax benefit items		
Other items	(4.15)	(27.54)
3) Adjustment in deferred tax relating to prior year	(5.75)	(18.36)
4) Re-measurement of Deferred tax assets / Deferred tax liabilities	68.69	(264.68)
<b>Income tax expense charged to the statement of profit and loss</b>	<b>2,875.33</b>	<b>329.01</b>

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 37: FAIR VALUE MEASUREMENTS

#### Financial instruments by category:

Financial assets	Note	As at March 31, 2022		As at March 31, 2021	
		Amortised cost	FVTPL	Amortised cost	FVTPL
Trade receivables	11	11,191.19	-	10,001.53	-
Margin money deposits with banks	13	1,688.72	-	1,712.22	-
Cash and cash equivalents	12	385.07	-	702.39	-
Bank balances other than cash and cash equivalents above	6, 13	28.54	-	674.59	-
Security deposits	6, 15	200.45	-	80.22	-
Loans	5, 14	115.00	-	51.33	-
Interest accrued on fixed deposits	15	31.20	-	51.39	-
<b>Total financial assets</b>		<b>13,640.17</b>	<b>-</b>	<b>13,273.67</b>	<b>-</b>

Financial liabilities	Note	As at March 31, 2022		As at March 31, 2021	
		Amortised cost	FVTPL	Amortised cost	FVTPL
Borrowings	18, 22	27,322.66	-	22,026.91	-
Trade payables	23	18,193.99	-	21,612.66	-
Payable for capital goods	19, 24	1,427.72	-	1,166.56	-
Interest accrued but not due on borrowings	24	82.74	-	83.04	-
Security deposits received	24	131.94	-	124.53	-
Lease liabilities	3(b)	1,645.76	-	591.63	-
Unclaimed dividend	24	0.36	-	0.36	-
<b>Total financial liabilities</b>		<b>48,805.17</b>	<b>-</b>	<b>45,605.69</b>	<b>-</b>

#### 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.

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

There are no internal transfers of financial assets and financial 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 measured at amortised cost for which fair values are disclosed	As at March 31, 2022			As at March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Margin money deposits with banks	-	-	1,688.72	-	-	1,712.22
Security deposits	-	-	200.45	-	-	80.22
Loans	-	-	115.00	-	-	51.33
Interest accrued on fixed deposits	-	-	31.20	-	-	51.39
<b>Financial liabilities</b>						
Borrowings	-	-	27,322.66	-	-	22,026.91
Interest accrued but not due on borrowings	-	-	82.74	-	-	83.04
Security Deposits received	-	-	131.94	-	-	124.53

Financial assets and liabilities measured at amortised cost	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Security deposits	200.45	232.55	80.22	97.38

The carrying amounts of trade receivables, cash and cash equivalents, fixed deposit having maturity period upto 12 months and its interest accrued, export benefits receivable, current loans, current borrowings, trade payables and other financial liabilities are considered to be approximately same as their value, due to the short-term maturities of these financial assets/liabilities.

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

**Valuation techniques used to determine fair value:**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of foreign exchange forward contracts is determined using forward exchange rates at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 38 : CAPITAL MANAGEMENT

#### Risk management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company determines the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other long term borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements.

For the purpose of the Company's capital management, equity includes paid up capital, securities premium and other reserves. Net debt are long term and short term interest bearing debt as reduced by cash and cash equivalents, other bank balances (including earmarked balances) and current investments. The Company's strategy is to maintain a gearing ratio within 2:1.

The capital composition is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Gross debt (inclusive of long term and short term borrowing)	27,322.66	22,026.91
Less: - Cash and bank balances	2,073.79	3,081.44
Net debt	25,248.87	18,945.47
Total equity	40,997.34	35,766.00
Total capital	66,246.21	54,711.47
Net debt to equity ratio	0.62	0.53

### NOTE 39 : FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to market risk, liquidity risk and credit risk which may adversely impact the fair value of its financial instruments. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian Rupee (₹)	Cash flow forecasting Sensitivity analysis	Forward Foreign Exchange Contracts
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in Bonds	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department under policies approved by the Board of Directors. Company's treasury team identifies, evaluates and hedges financial risks in close cooperation with the Company's respective department heads. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and nonderivative financial instruments, and investment of excess liquidity.

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### A. Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The 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 exchange transactions and other financial instruments. The credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. To manage this, the Company periodically assesses the financial reliability of counter party, taking into account the financial condition, current economic trends, analysing the risk profile of the counter party and the analysis of historical bad debts and ageing of accounts receivable etc. Individual risk limits are set accordingly.

The Company determines default by considering the business environment in which the Company operates and other macro-economic factors. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counterparty;
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- iv) Significant increase in credit risk on other financial instruments of the same counterparty;
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees.

None of the financial instruments of the Company result in material concentration of credit risk. The carrying value of financial assets represent the maximum credit risk. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.

#### i) Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. Credit risk is managed through credit approvals, establishing credit limits, payment track record, monitoring financial position of the customer and other relevant factors. Outstanding customer receivables are regularly monitored and reviewed.

The Company evaluates the concentration of risk with respect to trade receivables as limited, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The exposure to customers is diversified and no substantial concentration of risk as no single customer contributes more than 10% of revenue and of the outstanding receivables. Sales made in domestic market predominantly are through agents appointed by the Company, the agents being del credere agents most of the credit risk emanating thereto is borne by agents and the Company's exposure to risk is limited to sales made to customers directly. In case of direct sale, the Company has a policy of dealing only with credit worthy counter parties. The credit risk related to such sales are mitigated by taking advance, security deposit, letter of credit, setting and monitoring internal limits on exposure to individual customers as and where considered necessary.

An impairment analysis which includes assessment for indicators of impairment is performed at each reporting date on an individual basis for all major customers and provision for impairment taken. The allowance reduces the net carrying amount.

#### ii) Financial Instruments and Cash Deposits

The Company maintains exposure in Cash and Cash equivalents, term deposits with banks and investments in mutual funds, the same is done after considering factors such as track record, size of the institution, market reputation and service standards. Generally, the balances are maintained with the institutions from whom the Company has also availed borrowings. Individual risk limits are set for each counter party based on financial position, credit rating and past experience. Credit risk and concentration of exposure are actively monitored by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

#### iii) The ageing analysis of the trade receivables (other than due from related parties) has been considered from the date the Invoice falls due.

Particulars	As at March 31, 2022	As at March 31, 2021
Not Due	7,168.57	6,616.48
Up to 6 months	3,886.04	2,490.59
More than 6 months	128.82	225.08
<b>Total</b>	<b>11,183.43</b>	<b>9,332.15</b>

During the year, doubtful debts written off ₹ 9.9 Lakhs (March 31, 2021: ₹ Nil lakhs)

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations, by delivering cash or other financial assets, on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade and other payables, derivative instruments and other financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate cash and drawable reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The Company regularly monitors liquidity position through rolling forecast based on estimated free cash flow generated from business. The Company invests its surplus funds in bank fixed deposits and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

#### i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2022	As at March 31, 2021
Floating rate		
- Expiring within one year (Packing credit, cash credit, post shipment credit and term loans)	2,606.97	3,547.00
- Expiring beyond one year (Term Loans)	764.00	2,358.00
<b>Total</b>	<b>3,370.97</b>	<b>5,905.00</b>

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, 2022	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Maturities of non – derivative financial liabilities				
Long term borrowings	4,297.31	14,668.41	-	18,965.72
Short term borrowings	8,356.94	-	-	8,356.94
Interest accrued and not due	82.74	-	-	82.74
Lease liabilities	698.79	946.97	-	1,645.76
Trade payables	18,193.99	-	-	18,193.99
Other financial liabilities	1,560.01	-	-	1,560.01
<b>Total</b>	<b>33,189.78</b>	<b>15,615.38</b>	<b>-</b>	<b>48,805.16</b>
As at March 31, 2021	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Maturities of non – derivative financial liabilities				
Long term borrowings	3,912.69	15,541.11	-	19,453.80
Short term borrowings	2,573.11	-	-	2,573.11
Interest accrued and not due	83.04	-	-	83.04
Lease liabilities	341.93	249.70	-	591.63
Trade payables	21,612.66	-	-	21,612.66
Other financial liabilities	1,291.45	-	-	1,291.45
<b>Total</b>	<b>29,814.88</b>	<b>15,790.81</b>	<b>-</b>	<b>45,605.69</b>

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity or commodity prices will affect the Company's income/cash flows or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of postemployment benefit obligations provisions and on the non-financial assets and liabilities. Financial instruments affected by market risk include receivables, loans and borrowings, advances, deposits, investments and derivative financial instruments. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

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

The Company uses derivative financial instruments such as foreign exchange forward contracts of varying maturity depending upon the underlying contract as a risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

### Foreign currency risk

Currency risk is the risk that the fair value of a financial instrument or future cash flows fluctuate because of changes in 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, 2022 Foreign Currency exposure in						As at March 31, 2021 Foreign Currency exposure in				
	USD	EUR	GBP	JYP	AUD	CHF	USD	EUR	GBP	JYP	CHF
<b>Financial assets</b>											
- Trade receivables	9,475.22	325.64	168.60	-	-	-	4,789.40	531.99	469.49	-	-
- Advance to Suppliers	361.30	39.69	-	0.78	-	-	713.33	60.33	5.84	7.88	-
- Capital advances	142.60	34.11	3.88	-	-	-	87.16	211.02	6.12	3.12	8.03
- Cash and Cash equivalents	55.67	-	-	-	-	-	11.40	-	-	-	-
- Bank balances	-	-	-	-	-	-	281.59	-	-	-	-
- Other financial assets	-	-	-	-	-	-	3.20	-	-	-	-
<b>Net exposure to foreign currency risk (Assets)</b>	<b>10,034.79</b>	<b>399.44</b>	<b>172.48</b>	<b>0.78</b>	<b>-</b>	<b>-</b>	<b>5,886.08</b>	<b>803.34</b>	<b>481.45</b>	<b>11.00</b>	<b>8.03</b>
<b>Financial liabilities</b>											
- Term loans from banks	-	-	-	-	-	-	558.91	-	-	-	-
- Working capital and buyers credit from banks	5,942.88	-	-	-	-	-	1,713.30	-	-	-	-
- Trade payables	3,873.36	54.77	31.35	-	17.25	-	4,595.09	68.09	-	-	-
- Creditors for Capital Purchases	-	704.48	-	-	-	7.43	12.28	112.48	1.24	-	1.14
- Advance from Customers	352.40	3.93	-	-	-	-	330.36	0.20	-	-	-
- Accrued interest on borrowings	-	-	-	-	-	-	12.78	-	-	-	-
<b>Net exposure to foreign currency risk (Liabilities)</b>	<b>10,168.64</b>	<b>763.18</b>	<b>31.35</b>	<b>-</b>	<b>17.25</b>	<b>7.43</b>	<b>7,222.72</b>	<b>180.77</b>	<b>1.24</b>	<b>-</b>	<b>1.14</b>
<b>Net open exposure</b>	<b>(133.85)</b>	<b>(363.74)</b>	<b>141.13</b>	<b>0.78</b>	<b>(17.25)</b>	<b>(7.43)</b>	<b>(1,336.64)</b>	<b>622.57</b>	<b>480.21</b>	<b>11.00</b>	<b>6.89</b>

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### Sensitivity to foreign currency risk

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

Currencies / Sensitivity	As at March 31, 2022		As at March 31, 2021	
	Increase by 5%	Decrease by 5%	Increase by 4%	Decrease by 4%
	Gain / Loss		Loss / Gain	
USD	(6.69)	6.69	(31.11)	31.11
EUR	(18.19)	18.19	24.90	(24.90)
GBP	7.06	(7.06)	19.21	(19.21)
JPY	0.04	(0.04)	0.44	(0.44)
AUD	(0.86)	0.86	-	-
CHF	(0.37)	0.37	0.28	(0.28)

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks. Appreciation and depreciation of USD with respect to the functional currency would result in increase and decrease in carrying value of property, plant and equipment by approximately ₹ 9.06 lakhs as at March 31, 2022 (Previous year: ₹ 22.36 lakhs)

### II Interest rate risk

This refers to risk to the fair value or future cash flows of a financial instrument on account of movement in market interest rates.

For the Company, the interest risk arises mainly from debt obligations with floating interest rates. To mitigate interest rate risk, the Company closely monitors market interest and as appropriate makes use of hedged products and optimise borrowing mix/ composition.

### III Cash flow and fair value interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like vendor bill discounting, suppliers' and buyers' credit. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. As the Company does not have exposure to any floating interest bearing assets, its interest income and related cash flows are not affected by changes in the market interest rates.

#### a) Interest rate risk exposure:

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	20,179.78	18,253.80
Fixed rate borrowings	7,142.88	3,773.11
<b>Total borrowings</b>	<b>27,322.66</b>	<b>22,026.91</b>

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Borrowings - Term Loan	8.92%	17,765.72	65%	9.43%	18,253.80	83%
<b>Net exposure to cash flow interest rate risk</b>		<b>17,765.72</b>			<b>18,253.80</b>	

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### b) Interest rate Sensitivity

The following table illustrates the sensitivity of profit and equity before considering tax impact to a reasonably possible change in interest rate of 50 basis point increase or decrease. The calculations are based on the risk exposures outstanding at the balance sheet date.

Particulars	Impact on Profit	
	As at March 31, 2022	As at March 31, 2021
Interest rates - increase by 50basis points*	(88.83)	(91.27)
Interest rates - decrease by 50basis points*	88.83	91.27

\*Holding all other variables constant including change in interest subsidy

### IV Price risk

#### (a) Exposure

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

### NOTE 40: CONTINGENT LIABILITY DISCLOSURE

Particulars	As at March 31, 2022	As at March 31, 2021
Excise, Customs and Service Tax Matters	1,091.04	1,091.04
Income Tax Matters	6.32	6.32
Claims against Company not acknowledged as debts	488.27	488.27

The Hon'ble Supreme Court of India, through a ruling in February 2019, provided interpretation on the components of Salary on which the Company and its employees are to contribute towards Provident Fund under the Employee's Provident Fund Act. Based on the current evaluation, the Company believes it is not probable that certain components of Salary paid by the Company will be subject to contribution towards Provident Fund due to the Supreme Court order. The Company will continue to monitor and evaluate its position based on future events and developments.

Notes:

- 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.
- 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 classification of finished goods.

##### Income Tax Matters

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

##### Claims against Company not Acknowledged as Debts

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

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 41: CAPITAL AND OTHER COMMITMENTS

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital Commitments		
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	2,176.10	2,566.51
(b) Other Commitments		
Custom duty on pending export obligation for import under Advance License and EPCG scheme	516.15	612.33

### NOTE 42: EARNINGS PER SHARE

Particulars	Year ended As at March 31, 2022	Year ended As at March 31, 2021
Profit after Tax (A) (₹ in lakhs)	5,081.42	1,409.00
Weighted average number of equity shares outstanding during the year (B)	50,110,186	50,008,095
Weighted average number of equity shares for basic earning per share	50,110,186	50,008,095
Adjustments for diluted earning per share - Options	678,303	214,943.00
Weighted average number of equity shares for diluted earning per share (C)	50,788,489	50,223,038
Basic earnings per share (A)/(B)	10.14	2.82
Diluted earnings per share (A)/(C)	10.01	2.81
Nominal value of an equity share (₹)	10.00	10.00

### NOTE 43: DISCLOSURE FOR MICRO, MEDIUM AND SMALL ENTERPRISES

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,760.52	1,073.50
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	144.31	112.00
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	7,416.43	4,234.31
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	8.95
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	32.31	46.02
Further interest remaining due and payable for earlier years.	112.00	65.98

### NOTE 44: DISCLOSURE PURSUANT TO THE REGULATION 34(3) READ WITH PARA A OF SCHEDULE V OF SEBI LISTING REGULATIONS, 2015

There are no loans and advances, in the nature of loans to firms/ companies in which directors are interested outstanding during the year ended March 31, 2022 and March 31, 2021.

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

**NOTE 45: RESEARCH AND DEVELOPMENT EXPENDITURE**

Details of Research and Development expenses incurred during the year, debited to the Statement of Profit and Loss account are ₹ 1,255.64 Lakhs (March 31, 2021: ₹ 1,115.71 Lakhs), which includes materials cost, power cost, employee cost.

Details of Capital Expenditure incurred during the year for Research and Development is given below:

Particulars	Year ended As at March 31, 2022	Year ended As at March 31, 2021
Plant and Machinery	23.86	-
<b>Total</b>	<b>23.86</b>	<b>-</b>

**NOTE 46: OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

There are no financial assets or financial liabilities which are subject to offsetting as at March 31, 2022 and March 31, 2021, since the Company neither has enforceable right or an intent to settle on net basis or to realise the asset and settle the liability simultaneously. Further, the Company has no enforceable master netting arrangements and other similar arrangements as at March 31, 2022 and March 31, 2021.

**NOTE 47: RELATED PARTY DISCLOSURES**

(i) Relationships

<b>Holding Company</b>	Mandawewala Enterprises Limited
<b>Key Management Personnel</b>	Mr. Abhishek Mandawewala Mrs. Khushboo Mandawewala
<b>Relatives</b>	Mr. R.R. Mandawewala Mrs. Pratima Mandawewala Mrs. Khushboo Mandawewala Mr. Yash Mandawewala
<b>Other Related parties</b>	Mertz Estates Limited RRM Enterprises Private Limited Welspun Global Brands Limited Welspun Corp Limited Welspun Usa Inc Welspun Steel Limited AYM Syntex Limited Superannuation Trust Welspun Flooring Limited Welspun India Limited

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### (ii) Terms and conditions

- All transactions were made on normal commercial terms and conditions and at market rates.
- All outstanding balances are unsecured and repayable in cash.

	Holding Company	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year							Key Management Personal	
	Mandawewala Enterprises Limited	RRM Enterprises Private Limited	Mertz Estates Limited	Welspun India Limited	Welspun Global Brands Limited	Welspun USA Inc	Welspun Flooring Limited	AYM Syntex Limited Superannuation Trust	Mr. Abhishek Mandawewala	Mrs. Khushboo Mandawewala
Transactions during the year										
Intercompany deposits received **	(1,200.00)	1,200.00	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cross charge	35.61	-	-	-	-	-	-	-	-	-
	(14.00)	-	-	-	-	-	-	-	-	-
Interest expense	81.37	26.63	-	-	-	-	-	-	-	-
	(108.00)	-	-	-	-	-	-	-	-	-
Salary	-	-	-	-	-	-	-	-	166.21	33.17
	-	-	-	-	-	-	-	-	(98.29)	(25.68)
Purchase of goods/services/ expenses incurred	3.36	-	355.72	117.22	8,308.63	-	-	-	-	-
	(7.67)	-	(267.22)	(47.71)	(7,135.62)	(6.58)	(51.21)	-	-	-
Sale of goods	-	-	-	4,031.28	-	-	2,013.85	-	-	-
	-	-	-	(5,002.32)	-	-	(3,030.20)	-	-	-
Closing balance										
Intercompany deposits received	-	1,200.00	-	-	-	-	-	-	-	-
	(1,200.00)	-	-	-	-	-	-	-	-	-
Debtors	-	-	-	6.04	60.61	-	167.70	-	-	-
	-	-	-	(642.23)	-	-	(188.55)	-	-	-
Creditors	-	-	-	-	231.88	-	-	-	-	-
	-	-	-	-	(259.05)	(19.64)	(50.80)	-	-	-

Year 2020-21 figures are given in round brackets ( ).

\* All amount is inclusive of taxes

\*\* Intercompany deposits transferred from Mandawewala Enterprises Limited to RRM Enterprises Private Limited as per scheme of demerger, dated September, 13 2021.

### Note 48: Segment information

#### i) Information about Primary Business Segment Identification of Segments:

The Company is engaged in the business of Synthetic Yarn which in the context of Ind AS 108 on Segment Reporting are considered to constitute single primary business segment.

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about profit or loss in the financial statements, Operating segment have been identified on the basis of Geographical segment and other quantitative criteria specified in the Ind AS 108.

#### (i) Segment revenue :

The segment revenue is measured in the same way as in the statement of profit or loss.

Segment Revenue	2022			2021		
	India	Outside India	Total	India	Outside India	Total
Total segmental revenue*	82,988.20	66,157.75	149,145.95	55,150.78	39,590.25	94,741.03

\*excluding other income

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from outside India	Year ended As at March 31, 2022	Year ended As at March 31, 2021
Australia and New Zealand	15,486.27	11,135.00
European Union	10,685.13	5,833.75
U.S.A	24,626.79	4,894.75
U.K.	2,690.78	2,373.05
Others	12,668.79	15,353.70
<b>Total</b>	<b>66,157.75</b>	<b>39,590.25</b>

**(ii) Segment assets :**

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Segment Assets	As at March 31, 2022			As at March 31, 2021		
	India	Outside India	Total	India	Outside India	Total
Carrying amount of segment assets	72,444.99	8,618.57	81,063.56	66,509.35	9,757.58	76,266.93
Additions to non-current assets#	7,659.90	-	7,659.90	2,992.02	-	2,992.02
Total segment assets	80,104.89	8,618.57	88,723.46	69,501.37	9,757.58	79,258.95
Unallocated:						
Right-of-use assets	-	-	1,637.27	-	-	519.15
Deferred tax assets (net)	-	-	2,195.55	-	-	3,674.34
Income tax assets (net)	-	-	108.64	-	-	43.43
<b>Balancesheet Assets</b>			<b>92,664.92</b>			<b>83,495.87</b>

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

**(iii) Segment liabilities :**

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment and the physical location of the liability.

Segment Liabilities	As at March 31, 2022			As at March 31, 2021		
	India	Outside India	Total	India	Outside India	Total
Carrying amount of segment liabilities	15,002.74	5,044.97	20,047.71	20,010.39	5,692.57	25,702.96
Additions to non-current liabilities	-	-	-	-	-	-
Total segment liabilities	15,002.74	5,044.97	20,047.71	20,010.39	5,692.57	25,702.96
Unallocated:			-			
Borrowings	-	-	31,619.97	-	-	22,026.91
<b>Balancesheet Liabilities</b>			<b>51,667.68</b>			<b>47,729.87</b>

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

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 49: EMPLOYEE STOCK OPTION PLAN DISCLOSURE FOR IND AS

The Company has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Company as well as to incentivize and motivate them to contribute to its growth and profitability. At present two share-based payment schemes are in existence.

- 1) AYM Employee Stock Option (AYMSOP 2018) was approved by shareholders at Extra Ordinary general meeting in 2018.
- 2) AYM Employee Stock Option Scheme 2021 (AYM ESOP SCHEME 2021) was approved by the shareholders through postal ballot on March 05, 2021.

#### Details of these employee share-based schemes are given below:

Persons covered under this scheme include all permanent employees working in India or out of India, whole time and other directors.

The schemes however exclude employee outside india who is an employee of a subsidiary, holding or associate of the Company, promoters or person belonging to the Promoter group, promoter director, director holding directly or indirectly more than 10% of the outstanding share of the Company.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options shall not be less than face value of equity share and shall not exceed market price of the equity share of the Company as on the date of grant of Option.

#### AYM Employee Stock Option (AYMSOP 2018)

##### The Grant date is August 13, 2018

Vesting Proportion	Date of vesting
10% of the options granted	13-Aug-19
10% of the options granted	13-Aug-20
20% of the options granted	13-Aug-21
20% of the options granted	13-Aug-22
40% of the options granted	13-Aug-23

#### Set out below is a summary of options granted under the plan

	As at March 31, 2022		As at March 31, 2022	
	Average exercise price per share option (₹)	Number of Option	Average exercise price per share option (₹)	Number of Option
Opening balance	10	473,280	10	614,020
Granted during the year	-	-	-	-
Exercised during the year	10	118,320	10	60,190
Cancelled during the year	-	39,360	-	80,550
<b>Closing balance</b>	<b>-</b>	<b>315,600</b>	<b>-</b>	<b>473,280</b>

The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2022 was ₹ 26.65 per share.

Weighted average remaining contractual life of options outstanding at end of period	1.87 years	2.36 years
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No option expired during the periods covered in the above tables.

The fair value at grant date of options granted was ₹ 41.20

The fair value at grant date is determined using Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

The model input for the option granted during the year ended March 31, 2021 included:

- a) options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of one year after vesting.
- b) Exercise price: ₹ 10
- c) Grant date: August 13, 2018
- d) expiry date: August 13, 2024
- e) Share price at the grant date: ₹ 41.2
- f) expected price volatility of the Company's shares: 41.22%
- g) expected dividend yield: 0.00%
- h) risk free interest rate: 7.61%

The expected price volatility is based on historic volatility (Based on the remaining life of the option), adjusted for any expected changes to future volatility due to publicly available information.

**Expenses arising from share-based payment transactions**

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expenses were as follow:

Particulars	March 31, 2022	March 31, 2021
Employee - share based expense	125.03	31.59

**AYM ESOP SCHEME 2021 Grant -1**

The Grant date is April 24, 2021

Vesting Proportion	Date of vesting
10% of the options granted	24-Apr-22
10% of the options granted	24-Apr-23
20% of the options granted	24-Apr-24
20% of the options granted	24-Apr-25
40% of the options granted	24-Apr-26

Once vested, the option remains exercisable for a period of one year and expire thereafter.

The fair value at grant date of options granted was ₹ 43.50

Set out below is a summary of options granted under the plan

Particulars	March 31, 2022	
	Average exercise price per share options (₹)	Number of options
Opening balance	-	-
Granted during the year	-	600,000
Exercised during the year	-	-
Cancelled during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>600,000</b>
No option expired during the periods covered in the above table.		
Weighted Average remaining contractual life of options outstanding at end of period		3.77 years

The fair value at grant date is determined using Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

The model input for the option granted during the year ended March 31, 2022 included:

- a) options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of one year after vesting.
- b) Exercise price: ₹ 10
- c) Grant date: April 24, 2021
- d) Expiry date: April 24, 2027
- e) Share price at the grant date: ₹ 43.50
- f) Expected price volatility of the Company's shares: 64.09%
- g) Expected dividend yield: 0.00%
- h) Risk free interest rate: 4.15%

The expected price volatility is based on historic volatility (Based on the remaining life of the option), adjusted for any expected changes to future volatility due to publicly available information.

### AYM ESOP SCHEME 2021 Grant -2

The Grant date is January 29, 2022

Vesting Proportion	Date of vesting
10% of the options granted	29-Jan-23
10% of the options granted	29-Jan-24
10% of the options granted	28-Jan-25
15% of the options granted	28-Jan-26
15% of the options granted	28-Jan-27
40% of the options granted	28-Jan-28

Set out below is a summary of options granted under the plan

Particulars	March 31, 2022	
	Average exercise price per share options (₹)	Number of options
Opening balance	-	-
Granted during the year	-	390,000
Exercised during the year	-	-
Cancelled during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>390,000</b>
Weighted Average remaining contractual life of options outstanding at end of period		4.33 years

No options were vested or exercised during the period covered in the above table.

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

The fair value at grant date is determined using Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model input for the option granted during the year ended March 31, 2022 included:

- a) options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of one year after vesting.
- b) Exercise price: ₹ 10
- c) Grant date: January 29, 2022
- d) Expiry date: January 27, 2029
- e) Share price at the grant date: ₹ 136.95
- f) Expected price volatility of the Company's shares: 53.48%
- g) Expected dividend yield: 0.00%
- h) Risk free interest rate: 4.45%

The expected price volatility is based on historic volatility (Based on the remaining life of the option), adjusted for any expected changes to future volatility due to publicly available information.

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 50: (A) ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

- (i) No proceedings have been initiated on or are pending against the company as at March 31, 2022 for holding benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ii) The company has borrowings from banks on the basis of security of current assets. The quarterly returns filed by the Company with banks are in agreement with the books of accounts.
- (iii) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iv) The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- (v) 1. The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
2. The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (vi) There is no income surrendered or transaction disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (vii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (ix) The borrowings obtained by the company from banks have been applied for the purposes for which such loans were taken.

### (B) FINANCIAL RATIOS

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Variance	Reason for variance
Current Ratio	Current assets	Current liabilities	1.21	1.14	6%	-
Current Ratio (excluding Term debt)	Current assets	Current liabilities	1.38	1.30	6%	-
Debt-Equity Ratio	Total debt	Total equity	0.67	0.62	8%	-
Debt Service Coverage Ratio	Earning for debt	Debt service	2.12	1.44	47%	Higher earnings
Return on Equity Ratio	Net profit after tax	Average shareholders equity	0.13	0.04	229%	Higher Profit after Tax
Inventory turnover ratio	COGS	Average inventory	4.93	3.47	42%	Higher Turnover
Trade Receivables turnover ratio	Credit sales	Average trade receivable	13.81	8.73	58%	Higher Sales
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	5.49	3.51	57%	Higher Turnover
Net capital turnover ratio	Credit sales	working capita	20.06	21.33	-6%	-
Net profit ratio	Net profit after tax	Revenue from operations	3.41%	1.49%	129%	Higher Sales with improvement in Margin
Return on Capital employed	Earnings before interest and tax	capital employed	17.33%	8.99%	93%	Higher earnings
Return on investment**	Earnings before interest and tax	Closing total assets	12%	6%	102%	Higher earnings

## NOTES

to financial statements for the Year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

### NOTE 51: DISCLOSURES IN RELATION TO CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Corporate social responsibility expenditure:</b>		
Implementing and supporting education program	16.41	6.29
Provision of safe drinking water	6.40	12.72
Promotion of health care and welfare	18.23	-
	<b>41.04</b>	<b>19.01</b>
Amount Unspent, of Earlier Years as per Section 135 of the Act	-	-
Amount Required to be Spent During the Year, as per Section 135 of the Act	25.45	17.29
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	25.45	17.29
(iii) Excess spent, carried forward for next year	15.59	1.72
	<b>41.04</b>	<b>19.01</b>

#### Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at 1 April 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2022
1.72	25.45	39.32	(15.59)

### NOTE 52: COVID 19

The Company has evaluated the possible effects of Covid-19 in preparation of these financial statements for the year ended March 31, 2022 including recoverability of assets and assessment of its liquidity position and has concluded that there are no adjustments required in the financial statements.

### NOTE 53: EVENTS OCCURRING AFTER THE REPORTING DATE

No adjustments on account of events occurring after the reporting date have been identified to the figures reported.

Signatures to Notes to Financial Statements

#### For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N/ N500016

#### Pankaj Khandelia

Partner

Membership No. 102022

Place: Mumbai

Date: May 07, 2022

#### For and on behalf of the Board of Directors

#### Rajesh Mandawewala

Chairman

DIN 00007179

#### Abhishek Mandawewala

CEO and Managing Director

DIN 00737785

#### Himanshu Dhaddha

Chief Financial Officer

#### Ashitosh Sheth

Company Secretary