



AYM Syntex
THE STRENGTH WITHIN

Annual Report
2019 - 2020

STEADY PROGRESS

STRATEGIC REPORTS

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CORPORATE INFORMATION

Board of Directors

Mr. R.R.Mandawewala
Chairman & Non-Executive Director

Mr. Abhishek Mandawewala
Managing Director & CEO

Mr. Atul Desai
Independent Director

Mr. Mohan Tandon
Independent Director

Mr. K H Viswanathan
Independent Director

Mrs. Khushboo Mandawewala
Whole time Director

Chief Financial Officer

Mr. Himanshu Dhaddha

Company Secretary

Mr. Ashitosh Sheth

Auditors

Price Waterhouse
Chartered Accountants, LLP

Bankers

**Bank of Baroda,
State Bank of India,
IDBI Bank Limited,
Central Bank of India,
Karur Vysya Bank**

Audit Committee

Mr. Atul Desai

Mr. K. H. Viswanathan

Mr. M.K.Tandon

Nomination & Remuneration

Mr. Atul Desai

Mr. R. R. Mandawewala

Mr. M. K. Tandon

Mr. K. H. Viswanathan

Stakeholders

Relationship Committee

Mr. Atul Desai

Mr. R. R. Mandawewala

Mr. Abhishek Mandawewala

Corporate Social Responsibility Committee

Mr. Atul Desai

Mr. R R Mandawewala

Mr. Abhishek Mandawewala

Mrs. Khushboo Mandawewala

Registered Office

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

Corporate Office

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

Plant Locations

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

II. Plot I, 40 To 45, 86 To 88, 116 To 118, Dewan Industrial Estate Village
Mahim, Taluka Palghar-401404, Dist. Palghar, Maharashtra

Registrar and Transfer Agents

Link Intime India Pvt Ltd

Website

www.aymsyntex.com

CIN L99999DN1983PLC000045

35 YEARS

AYM Syntex Limited is a **leading Multi Polymer Specialty Yarn manufacturer** specializing in

Texturizing | Draw Twisting | Dyeing



OUR VISION

We wish to create a **legacy** by **touching lives globally** through **Innovative Products, Processes and Business Models**

OUR VALUES

People Development | Customer Focus | Innovation



STEADY PROGRESS

**Expansion in the
Strategic Businesses**

Diversification

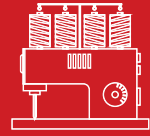
Continuous Innovation

**Operational Excellence
& Customer Centricity**

Increasing Global Outreach

Preparing for the Future

Corporate Social Responsibility



Expansion in the Strategic Businesses

Bulk Continuous Filament & Industrial Dyed Yarns



2018-19

With over 100 Crore capex the BCF, IDY, Cabling & Heat Setting Capacities were increased.



50%

increase in BCF
production capacity

2.5 times

more IDY production
than previous year



2019-20



Witnessed an **increase in the sale volumes of strategic products** as well as an **increase in our share of exports** contributing to the **overall profitability**



Growth in Sales of Wonderfeel, IDY, Sewing threads, Comfeel, Automotive & Solution Dyed Nylon BCF yarns



Not only were we able to add **additional capacity** but also **capability** in the form of **specialised industrial yarns** as well as **tri-color BCF yarns** which helped us **stay ahead of competition**



BCF Production capacities were **completely utilized**



Diversification

A well-diversified product portfolio & customer base across different geographies.



Bulk Continuous Filament Yarn (BCF)



Industrial Dyed Yarn (IDY)



Automotive Yarn



Textile Yarn



Packaged Dyed Yarn (PDY)



Sewing Thread

BULK CONTINUOUS FILAMENT YARN

APPLICATIONS



Residential Wall to Wall Carpets



Contract / Hospitality Carpets



Outdoor Carpets



Handmade Carpets



Rugs



Bath Mats



Carpet Tiles



Automotive Carpets

CAPABILITIES

Air Entangled | Air Twisted | Power Heat Set
Superba Heat Set | BCF Singles | Tri-color Yarns

INDUSTRIAL YARN

APPLICATIONS



Sewing Threads



Coated Fabrics



Wet Filtration



Ropes & Nets

CAPABILITIES

High Tenacity Low Shrinkage (HTLS) | High Tenacity Regular Shrinkage (HTRS)
High Tenacity (HT) | Drawn Texturised Yarn (DTY)

AUTOMOTIVE YARN

APPLICATIONS



Bolsters



Inserts



Door Panels



Headliners

CAPABILITIES

Fully Drawn Yarn (FDY) | Drawn Texturised Yarn (DTY)
Air Textured Yarn (ATY) | Air Covered Yarn (ACY)

TEXTILE YARN

APPLICATIONS



Apparel & Fashion



**Sarees & Dress
Materials**



Hosiery & Socks



Home Textiles



Medical Textiles



Narrow Fabrics



Sports Wear

CAPABILITIES

Partially Oriented Yarn | Fully Drawn Yarn | Highly Oriented Yarn | Mother FDY Yarn
Mono Yarn | Drawn Texturised Yarn | Air Textured Yarn | Air Covered Yarn

PACKAGED DYED YARN

APPLICATIONS



Fashion & Apparel



**Sarees & Dress
Materials**



Hosiery & Socks



Home Textiles



Medical Textiles



Narrow Fabrics



Sports Wear

CAPABILITIES

Drawn Texturised Yarn (DTY) | Air Textured Yarn (ATY)
Air Covered Yarn (ACY)

SEWING THREADS

APPLICATIONS



Home Textiles



Shape Wear



Formal Wear



Leisure Wear



Denim

CAPABILITIES

High Tenacity Low Shrinkage (HTLS) | High Tenacity Regular Shrinkage (HTRS)
High Tenacity (HT) | Drawn Texturised Yarn (DTY) | 100% Texturized Polyester

OUR BRANDS



Continuous Innovation

Innovation is our DNA at AYM. We pioneer the introduction of innovative products and processes across the value chain.

Bulk Continuous Filament Yarn



Comfeel[™]
FEEL THE COMFORT

Comfeel[™] is our latest innovation in the yarn industry for resilient floor covering which is anti-static, stain, UV and bleach resistant.



Ecose[™]

Ecose[™] is a supremely soft, yarn dyed brand that eliminates carpet shedding. It exhibits stain resistance and provides the end product a natural handmade look.



Silkenza[™]
Soft & Silky

Silkenza[™] is a supremely soft Nylon Package Dyed yarn exhibiting silk like features & offers luxurious home styling. Its handmade look & excellent color fastness, ideal performance in tufting & weaving make it the best yarn for residential spaces.

Textile Yarn



It is a recycled polyester yarn, born through a unique recycling process using a proprietary technology that is eco-conscious & future-oriented. It is a Carcinogenic Chemical free product.



A synthetic textured yarn designed to suit all denim, knitwear, leisure wear, narrow width tape & textile applications. Created for weaver comfort, material durability & stretch recovery, Comfeel™ is durable, supremely soft, skin friendly & highly resilient.



It is a bicomponent yarn manufactured using specialized extrusion technology, where each filament comprises two different polymers. Spinovate™ lends its fabrics exceptional softness, superior luster, suede leather-like appearance.

Industrial Dyed Yarn



Recycled HT Polyester yarn

It is an environmentally-friendly Polyester filament yarn made by recycling post-consumer waste. The product range is from 60D to 125D used in various form of sewing threads.



DD HT Polyester yarn

An ideal low-carbon green fibre, the Dope Dyed Polyester High Tenacity Yarn has high durability, toughness & chemical resistance to withstand extreme environments.



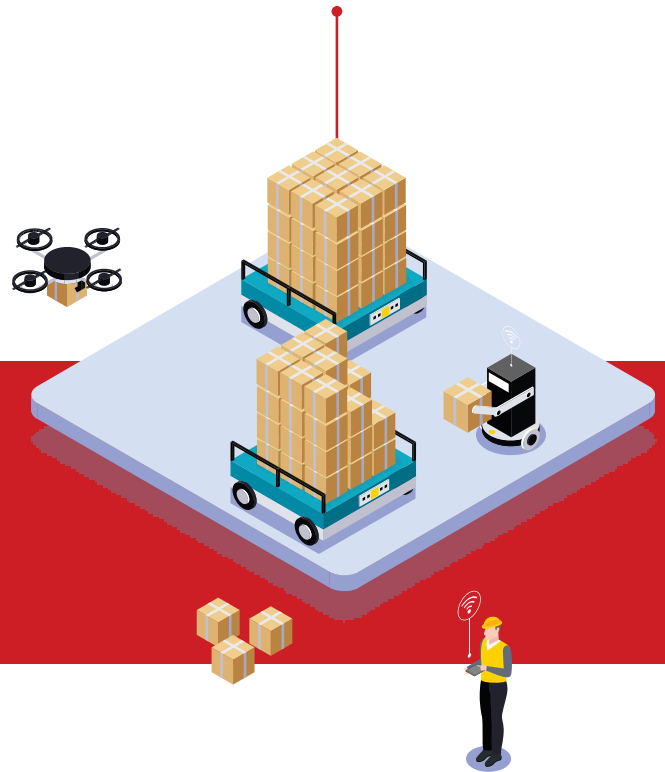
Foray into Nylon HT yarn

Nylon yarn for industrial applications with outstanding tensile strength & scrub resistance, high elasticity and a higher specific heat capacity compared to other materials.

Operational Excellence & Customer Centricity

Cohesive customer centric team
across the entire organisation
providing excellent
customer service

Focus on consistent quality
and **timely delivery**



Advanced management systems,
production planning through
merchandisers, statistical process
control & visual management



Increase in **utilization & efficiency** at the Rakholi plant



Decrease in **downgrade & wastage** at the Palghar plant

All operating Metrics at an **significant improved performance: Utilization, Efficiency, Downgrades and Wastages**

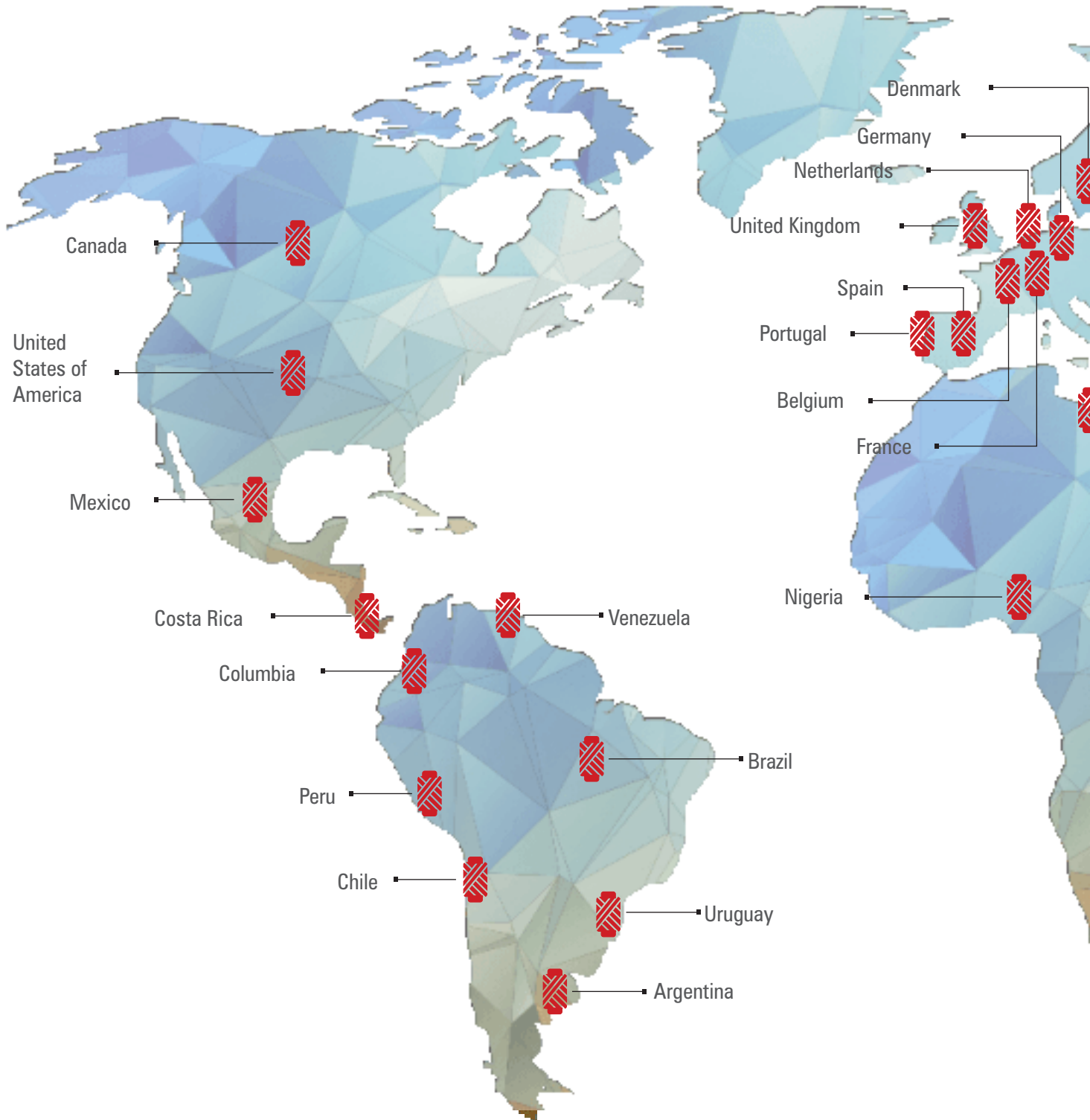
Cost optimization across several areas of the plant



Better labour engagement through kaizen programs, training, rewards & recognition

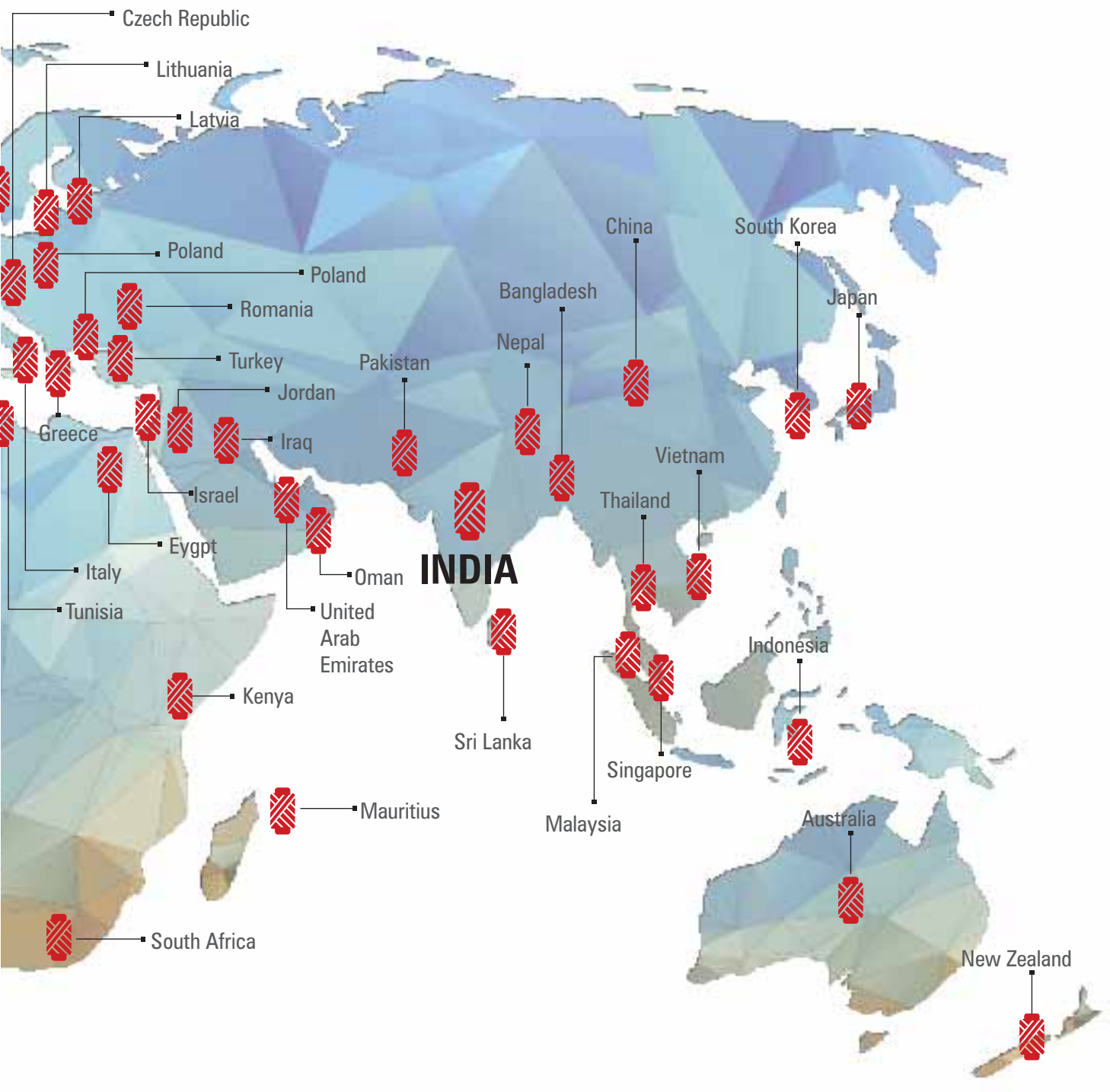
Increase in throughput of existing machines

Increasing Global Outreach



With an extraordinary focus on exports, AYM is consistently increasing its **Global outreach** with its presence across

52 COUNTRIES



Preparing for the Future

At AYM, to build a long term resilient business has always been at the core. While over the years measures have been taken to make the business more robust, going forward, we believe the importance of digital collaboration.





Creating High Entry Barrier Segments



Strengthening Our Core



Expanding Strategic Businesses



Innovation



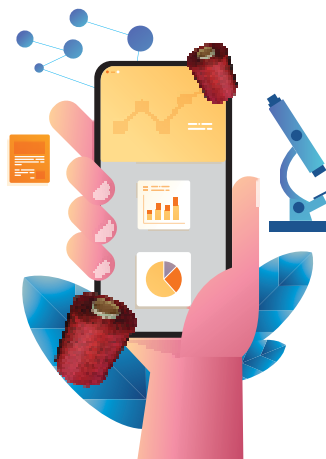
A New Website



Virtual factory tours



Digital Shade Cards, E-Sample Catalogues, E-Brochures



Digitization of Masterbatch Recipes, Samples & all the Research & Development Materials



Realtime Factories Tour



Virtual Exhibitions



Realtime order status app for customers



Showroom at the Factories & Office



Real Time Marketing Kits

Corporate Social Responsibility



Initiatives for the Under-privileged Community

20

water purification
units installed across
Palghar & Silvassa

110

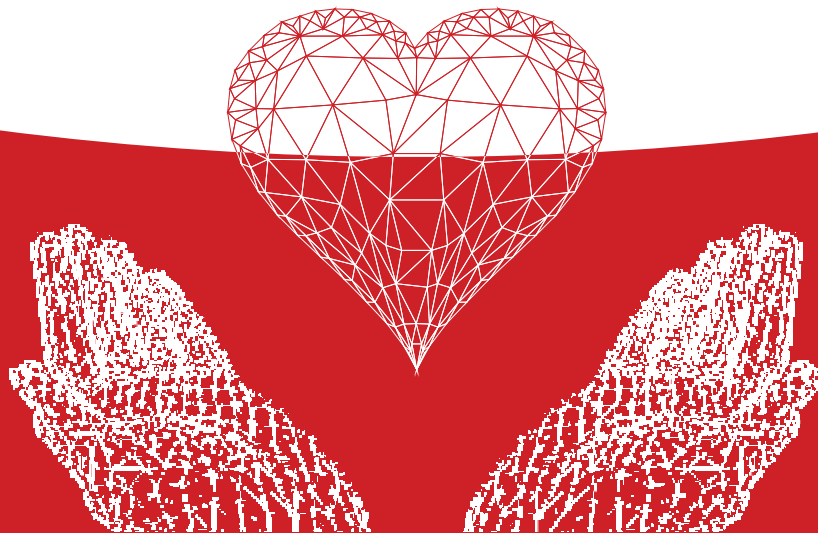
students supported
through quality
education

2000+

community members
supported through safe
drinking water initiative

20,000

food packets distributed
during Covid-19 lockdown





**MANAGING DIRECTOR
& CEO'S LETTER TO
SHAREHOLDERS**

Dear Shareholders,

The financial year gone by presented yet another difficult challenge in what seems like a string of years marked by a series of “once in a lifetime” events. Just as the business was starting to recover from previous shocks, and years of hard work were starting to culminate in the form of improving results, the Covid-19 global pandemic completely disrupted business yet again, bringing it to a complete standstill for more than a month. This event was yet another Black Swan in addition to the several other disruptive low probability events that I highlighted in some of my previous annual report commentaries. I continue to maintain that the last 4-5 years are not “normal” times for our business and that the financial results of these years do not fully reflect either the potential or foundational strength that we continue to build.

Despite the trying circumstances, there are a few areas to be happy about.

- Our operational excellence initiative has progressed well throughout the year. Despite new records being set last year, we managed to continue to repeatedly break several historical production records such as Downgrade %, Breaks per ton and OEE amongst many others despite a more complex product mix. Many of our throughput improvement initiatives were successfully executed, leading to higher production without meaningful Capex.
- The share of value-added products such as Comfeel, SDN, IDY, Sewing Thread and Wonderfeel continued to increase and surpass last year's numbers.
- The share of business coming from exports as well as quality conscious strategic customers continued to increase and surpass previous records.
- Our BCF capacities post expansion were fully utilized just before Covid hit us.

In fact, it is the exports, value added products and strategic customers that saw the lowest dip in volumes (in many cases, it increased) and held down the fort in the most difficult months following the global lockdown. Covid-19 was a stress test for the overall strategic direction of the business that we had embarked upon a few years back and I believe it was ratified.

As I write, capacity utilizations are gradually inching up towards the levels at which we were prior to the lockdown. The demand in some segments such as home furnishings, flooring, elastics and certain segments of Polyester textile yarns, which are used to produce lower cost items is better than the rest. A similar trend is generally seen across past recessions. Unless the world or India goes into another lockdown, we can hope to achieve pre-Covid utilization levels sometime in the second half of the year. Further, the uncertainty created by the lockdown has helped us to re-examine several areas of our business in more depth and has resulted in a few initiatives that will help us to emerge stronger:

- The availability of time as well as idle machine capacity has helped us to accelerate New Product Development to a whole new level during the course of the lockdown. We have taken up several new projects in both the BCF as well as the Textiles business to create a very robust new product pipeline. I believe a few of these ideas can have very good potential. 2 new patents were filed during the course of the lockdown and several other patentable ideas are in the making. There is a sharp new focus on business development and a slightly better stage gate process to ensure we select and work on the right ideas to ensure a higher rate of commercialization, an area that we need to improve on.
- Cost reduction is another obvious area that we focused on heavily. The lockdown and pursuant uncertainty created an environment that helped us distinguish between the really necessary and the discretionary. A lot of the rationalization exercise that we undertook during these months is likely to be permanent in nature, i.e. it will continue even after we scale back up. We are a significantly leaner organization as compared to before. Our staff to workman ratio has significantly improved for the better. This is despite the fact that I expect the labour productivity to improve too due to some of the initiatives that we have undertaken. There has been a tremendous focus on consumables and auxiliaries and I expect savings in these areas in the coming months.
- Our Palghar plant has been the joker in the pack during the lockdown. The improvement in cost structure and operating metrics have been significant and the sustainable break-even level of the plant is now about 10-15% lower. It is a similar (if not better) kind of turnaround that we saw in the textiles operations last year. Our auxiliary and consumable cost as well as consumption patterns have been reduced dramatically. The accuracy of operations including right first-time levels, downgrades, wastages and efficiencies are at never seen before levels in the history of the plant. While the sales side has not seen significant improvement, improvement in costs and operating metrics will certainly help the competitiveness of the business further.

Going forward, due to the relatively higher fixed cost higher gross margin nature of our business, it is imperative that we first focus on getting back to the utilization levels seen Pre-Covid. Following this, we need to build on the projects that we had undertaken pre-Covid and during the lockdown. Over the course of the next year our focus will be on the following opportunities:

- Despite better operating metrics, the Palghar assets continue to remain grossly underutilized. We must continue to look for young talent that will help us build new customer relationships. Last year we launched exciting new products in the flooring market from Palghar. While the market response for these products was extremely positive and continues to remain so, we still have work to do to stabilize the quality of these new products. I believe that the market for these products ultimately has the potential to fill the plant.
- Our throughput improvement initiatives in the textiles business in the Rakholi plant took a back seat as we were hit by Covid-19. I believe that once we reach full capacity utilizations, there is potential to further improve throughput by 10% from earlier peak levels without the need for major Capex. This increased throughput can contribute directly to the bottom-line with very little marginal cost. Similarly, we will also look to improve our BCF throughput with small debottlenecking capital expenditure (minimal spend).
- Our Textiles business has one of the widest range of products in the world. This has been further enhanced with the addition of new products developed during the lockdown. Our focus this year will be to commercialize some of these new products and simultaneously increase our reach (particularly in exports) to improve the sales of value-added products in our range.
- Several cost reduction and operational excellence initiatives were taken pre-Covid as well as during the course of the lockdown. While some of them have been seen through to completion and will start reflecting in results soon, there is still a tremendous amount of savings that can be realized through sharp execution focus on the unfinished projects.

A lot of resources including capital and time have been spent over the last few years to build capacity and capability. Our objective now is to milk our existing assets and generate higher returns on invested capital before we commit further capex. This is possible through a combination of better operating efficiencies, reducing costs, improving throughput and most importantly, increasing the share of value-added products in our product mix, particularly in Palghar and Textiles. Further, time and again, as disruptions like GST, Demonetization and Covid-19 Pandemic have hit us, the commodity part of the business has been the first to suffer and the last to recover. On the other hand, our strategic business has gone from strength to strength despite setbacks. Increasing share of value-added business will not just improve margins but also stability and predictability in the face of volatility. Good execution on the focus areas can help us achieve record profitability and take us back on the path of growth, free cash generation and consequent debt reduction in the absence of capex. All this while improving the quality and resilience of the business.

Our team remains committed to staying on course to the point where our business is resilient enough, such that events such as those we have faced in the past seem like minor blips, as opposed to major disruptions affecting business for months. We are certainly a stronger organization today than we were, say, 3 years back and I hope to say the same in all of my subsequent letters.

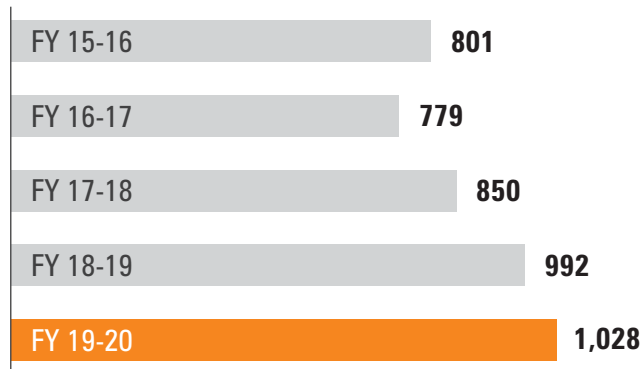
I would like to end this letter on a note of thanks to all our shareholders, who have continued to support us through this journey. Finally, I would also like to thank all of our employees for continuing to believe in our vision and working tirelessly towards it.



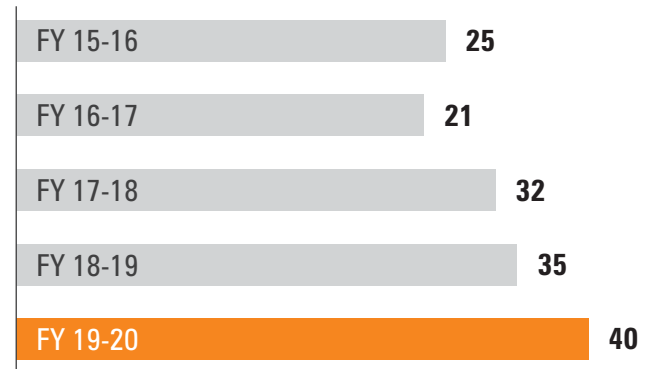
Yours Sincerely,
Abhishek Mandawewala

Key Financial Highlights

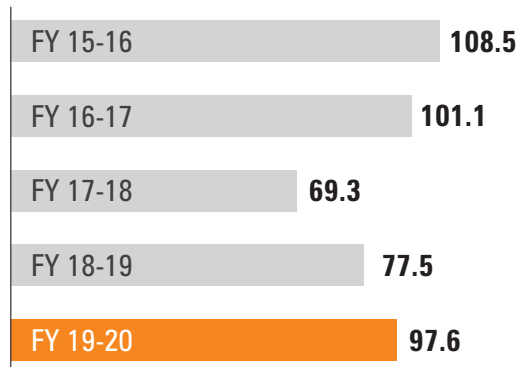
Net Sales (₹ in Cr)



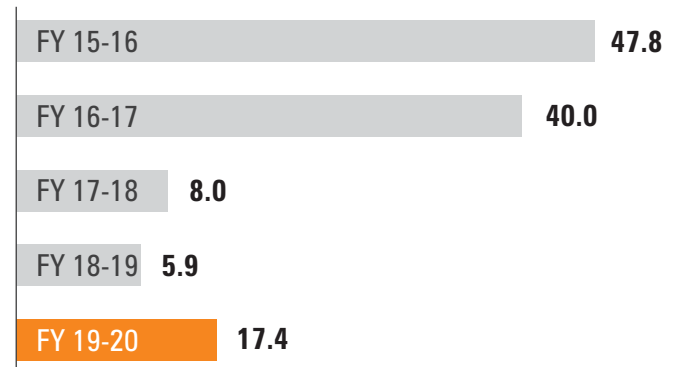
Export % to Turnover (%)



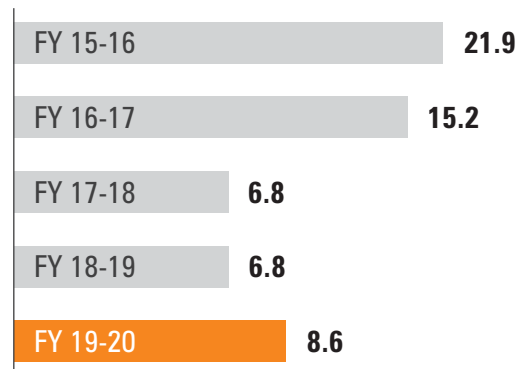
EBITDA before exceptions (₹ in Cr)



PAT (₹ in Cr)



Return on Capital Employed (%)



KEY RATIOS	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Debt Equity Ratio	1.05	1.01	0.86	1.03	0.74
Current Ratio*	1.52	1.56	1.49	1.20	1.21
Net Debt/ EBITDA	1.37	1.93	3.18	3.53	2.38
Debt Service Coverage Ratio	1.57	1.45	1.00	0.98	1.23
Interest Coverage Ratio	3.92	3.09	1.30	1.16	1.27
Fixed Assets Coverage Ratio	1.51	1.76	1.96	2.20	2.46

*Current Ratio excludes Term Debt

Figures for FY 15-16 are as per India GAAP, rest all years figures are as per IND AS

Quarterly Financials

FY 2019-20

₹ in Cr

Particulars	Three Months Ended				Annual
	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20	FY 2020
Total Revenue	249.3	269.2	264.1	245.4	1028.0
Other Income	0.9	1.0	0.8	0.7	3.4
Total Expenditure	227.8	245.0	238.9	222.0	933.7
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA) before exceptions	22.4	25.2	25.9	24.1	97.6
Finance Charges	9.3	10.2	9.8	9.0	38.2
Depreciation	11.0	11.2	11.4	11.2	44.8
Profit Before Tax (PBT)	2.1	3.8	0.3	4.0	10.2
Tax Expense (net of MAT credit entitlement)	0.3	1.6	(4.1)	(5.0)	(7.2)
Profit After Tax (PAT)	1.8	2.3	4.4	8.9	17.4
Other Comprehensive Income (Net of Tax)	(0.0)	(0.1)	(0.0)	-	(0.1)
Total Comprehensive Income	1.8	2.2	4.4	8.9	17.3
Equity Share Capital	45.6	50.0	50.0	50.0	50.0
Earning Per Share (EPS)* - ₹	0.4	0.5	0.9	1.8	3.6

FY 2018-19

₹ in Cr

Particulars	Three Months Ended				Annual
	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19	FY 2019
Total Revenue	231.1	251.8	245.3	263.8	992.0
Other Income	0.8	2.6	0.4	2.1	5.9
Total Expenditure	215.5	236.1	225.8	242.9	920.4
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA) before exceptions	16.4	18.3	19.9	23.0	77.5
Finance Charges	7.0	7.9	9.3	10.2	34.4
Depreciation	8.7	8.8	9.8	10.3	37.6
Profit Before Tax (PBT)	0.7	1.6	0.8	2.5	5.5
Tax Expense (net of MAT credit entitlement)	0.4	0.2	0.1	(1.1)	(0.4)
Profit After Tax (PAT)	0.3	1.4	0.7	3.6	5.9
Other Comprehensive Income (Net of Tax)	(0.0)	0.0	0.0	(0.1)	(0.0)
Total Comprehensive Income	0.3	1.4	0.8	3.4	5.8
Equity Share Capital	45.6	45.6	45.6	45.6	45.6
Earning Per Share (EPS)* - ₹	0.1	0.3	0.2	0.8	1.3

* EPS is not annualized for quarterly numbers



STATUTORY REPORTS

MANAGEMENT DISCUSSION & ANALYSIS

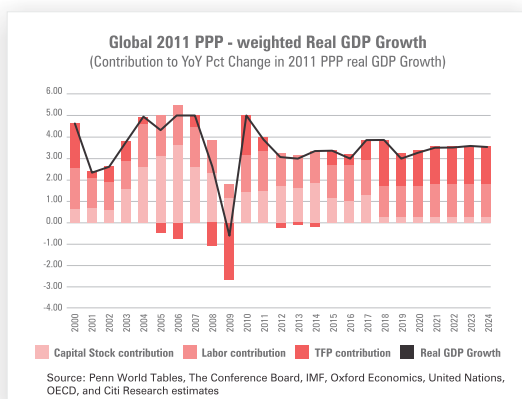
This discussion covers the financials results, operational performance and other developments for the year ended 31st March 2020 in respect of AYM Syntex business. The Management Discussion and Analysis (MD&A) should be read in concurrence with the Audited Financial Statements of AYM Syntex Limited, and the notes for the year ended March 31, 2020.

The Statements made in this report are forward-looking and are made on the basis of certain assumptions and expectations of future events. The Company cannot guarantee that these forward-looking statements will be realized, though they are set out based on anticipated results and management plans. The Company's actual results, performance or achievements are subject to risk, uncertainties and even inaccurate assumptions, which could thus differ materially from those projected in any such forward looking statements. The Board of Directors of the Company assumes no responsibility in respect of the forward looking statements mentioned herein, which may differ in future on account of subsequent developments, events or otherwise and the Company is under no obligation to publicly update any forward-looking statements on the basis of subsequent developments, information, future events or otherwise.

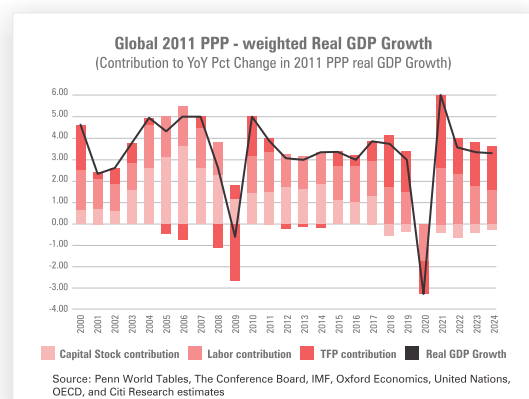
Economic Overview:

Global Economy

FY 2019-20 carried forward the challenges to economic growth observed during the latter part of FY 2018-19. During the year under



Pre-COVID-19 Global Growth Estimates (December 2019)



Post-COVID-19 Global Growth Estimates (June 2020)

To fight output contraction, public authorities across the globe announced a huge fiscal stimulus estimated at USD 11 trillion. Complementing it was a massive injection of liquidity by the central banks. These measures appear to have arrested a free fall of global output as seen in the recent movement of high frequency real activity indicators. Crude oil markets are re-balancing after unprecedented demand-induced fall in prices in March and early April. However, downside risks to global recovery stem from an over-leverage in the non-financial sector including external debt financing risks, simmering trade and geo-political tensions, and unprecedented COVID-19 induced unemployment losses, amid fears of second major wave of infections.

Nevertheless, the IMF also forecasts a 'V' shaped recovery for the world economy during 2021 with a 5.8% growth rate, in a baseline scenario where the pandemic recedes in the second half of 2020 and containment efforts can be gradually unwound and as economic activity normalizes, helped by policy support. The risks for even more severe outcomes, however, are substantial.

review, several factors like the US-China trade tiff, a no-deal Brexit on the cards, trade policy uncertainty, geopolitical tensions, and idiosyncratic stress in key emerging market economies continued to weigh on global economic activity especially manufacturing and trade in the second half of 2019. Despite these headwinds, some indications emerged toward year-end that global growth may be bottoming out. Moreover, monetary policy easing and improved investor sentiments continued into the second half of 2019 in several economies.

However, global economic activity was brought to a standstill by the COVID-19 pandemic transcending borders. To contain the spread of this deadly virus, most nations, including India promptly declared a lockdown, halting all non-essential economic activities. Due to the impact of COVID-19, the outlook for CY2020 looks bleak for the global economy. According to the International Monetary Fund's (IMF's) Apr. 20 predictions, the global economy is to contract by 3% and is likely to experience its worst recession since the Great Depression of 1930's as a result of COVID-induced lockdowns. The cumulative loss to global GDP over 2020 and 2021 is estimated at around 9 trillion US dollars. Adding fuel to the fire, an unprecedented collapse in oil demand, surge in oil inventories and steepest one month decline in oil prices have further escalated the economic distress. The fall in oil prices to some extent might help mitigate the misery of the emerging market and developing economies in their recovery path.

Indian Economy

India continues to be one of the fastest growing emerging economies in the world and remains an attractive investment and manufacturing destination for investors from across the world on the back of its young demography, rapidly urbanizing population, robust consumption demand and a development focused government policies.

Despite these factors, FY 2019-20 began on a muted tone for India. A slowdown in the manufacturing and construction sector has lately affected GDP growth which was slightly below 5%. This was primarily due to weak rural income, decline in domestic demand and liquidity crunch in the capital markets. Moreover, subdued global exports led to a decrease in capacity utilization and clogged fresh investments.

The Government of India stepped in with agility to offset these market conditions and infuse positivity in the economy. To boost demand, thrust on policy initiatives continued with consolidation of Public Sector Banks, which should strengthen the banking sector, reduction of corporate tax rates, offered credit guarantee for Non-

Banking Financial Institution (NBFCs) and facilitated the Reserve Bank of India's (RBI) interest rate cut to inject significant liquidity into the economy. India's focused approach to bolster growth and strong fundamentals has led international investors and businesses to view India as a viable option for relocating their manufacturing base from China and other neighboring countries. With continued policy initiatives, India further continued its climb in the Ease of Doing Business rankings, climbing up 14 places to reach the 63rd rank.

The coronavirus pandemic came at a time when India's economy was already slowing, and the severe disruption of economic activities caused by COVID-19, both through demand and supply shocks, has overtaken the incipient recovery in the Indian economy leading to massive job losses, migration of labour, increased expenses in medical and health infrastructure, lower tax collections and high fiscal deficit. India responded to the threat of the pandemic with pre-emptive, proactive and graded initiatives, prioritizing the lives of its citizens. The Government of India undertook a slew of measures to limit the economic fallout of the nation-wide lockdown. This includes ₹ 1.7 trillion relief package, equivalent to 1% of the country's GDP, especially directed towards citizens suffering due to loss of livelihoods. The government has also announced a special package worth ₹ 20 trillion, which is 10% of India's GDP to remain on course towards its ambitious target of crafting a US \$ 5-trillion economy by 2025. However, with the resurgence of COVID-19 in China, New Zealand and the United States, with no cure or vaccine being found as yet, we are looking at uncertain and challenging times ahead.

As a result, the IMF expects India to record a growth of 1.9% during FY 2019-20 and 7.4% in the next financial year with the baseline scenario in place. For 2021, however, the IMF projects sizable V-shaped recoveries: close to 9 percentage points for global GDP. India is expected to post a sharp turnaround and resume its pre-COVID pre-slowdown trajectory by growing at 7.4 per cent in 2021-22.

Real GDP Growth (YoY)	2019	Projections	
		2020	2021
World	2.9	-3.0	5.8
Advanced Economies	1.7	-6.1	4.5
EMDE	3.7	-1.0	6.6
Advanced Economies			
United States	2.3	-5.9	4.7
European Union	1.2	-7.5	4.7
Japan	0.7	-5.2	3.0
United Kingdom	1.4	-6.5	4.0
Asia			
China	6.1	1.2	9.2
India	4.2	1.9	7.4

EMDE: Emerging Markets and Developing Economies
Source: World Economic Outlook by International Monetary Fund

Industry Overview

Global Textile Industry

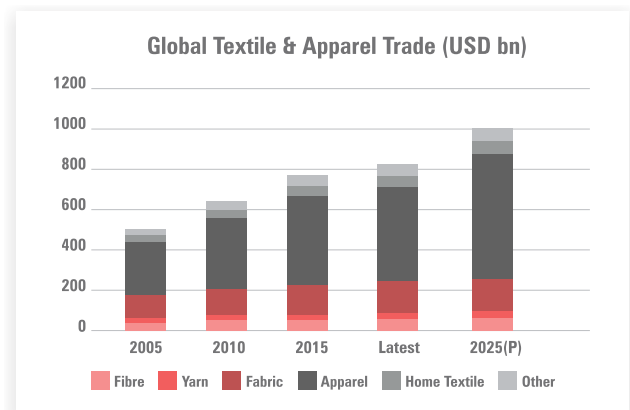
One of the largest providers of employment after agriculture, the global textile and apparel industry is dynamic and ever-evolving. It has undergone enormous changes over the years, witnessing multiple shifts in consumption and production patterns, as also significant changes in geographies and manufacturing, given its dependence on the availability of cheap labour.

Global textile and apparel trade is estimated at US\$ 823 billion which has grown at a CAGR of 4% since 2005 and is estimated to exhibit a

CAGR of 4.3% from 2020 to 2027 owing to the increased demand for apparels, especially in developing countries such as China, India, Mexico, and Bangladesh (Source : Grand View Research). However it is expected to decline in 2020 at an annual growth rate (CAGR) of -2.8%. The decline is mainly due to economic slowdown across countries owing to the COVID-19 outbreak and the measures to contain it.

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

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



Domestic Textile Industry

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries and is the world's second largest producer of textiles and garments. India's textiles industry contributed seven per cent of the industry output (in value terms) in FY19. It contributed 2% to the GDP of India and employed more than 45 million people in FY19. The sector contributed 15 per cent to India's export earnings in FY19. Textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country. India's domestic textile and apparel market is worth US\$ 106 Bn in 2019-20 and is expected to grow at a CAGR of 12% to reach US\$ 220 Bn by 2025-26.

India's textile and apparel export stood at US \$ 38.70 billion in FY19 and is expected to increase to US \$ 70 billion by 2025-26 from the estimated of US \$ 36 Billion in FY 20, growing at a CAGR of 12%. India has strengthened its position as an alternative to China resulting from a favorable ease of doing business ranking, better compliance and political stability. The labor cost in India are highly competitive in the region and significantly lower than China.

The deadly Coronavirus (COVID-19), has globally infected more than a million people and taken several lives. The Indian textile and

apparel industry has been adversely impacted in the short to mid-term due to lockdown, supply chain disruptions, declining exports, uncertainty in orders and lower consumer spends. The sector is reeling under liquidity and cost pressure as well due to the unprecedented damage caused by COVID-19. The year ahead looks very grim for the Indian Textile Industry as both domestic consumption as well as export demand would be badly affected at least in the 1st half of 2020-21. Production activity would also be affected on account of shortage of raw material and workmen due to migration as well as on account of the credit crunch. Recovery in the 2nd half of 2020-21 would be dependent on how the pandemic is controlled and on measures taken by the Government to revive the economy as well as the support it extends to the Textile Industry in the form of a relief package along with modification in existing schemes is required from the government to cushion the potential collapse in the form of fiscal stimulus, financial support, clearing pending subsidies.

Emerging Changes in Textile and Apparel Market (as an aftermath of Pandemic)

Consumer Trends	<ul style="list-style-type: none"> · Health, Hygiene & Safety - a prime concern · More online presence · Cutting down of discretionary spends
Retail Trends	<ul style="list-style-type: none"> · Steep Decline in Domestic Market & Exports especially retail · Rapid growth of e-commerce · Direct to Consumer brands · 'Fast fashion' to 'slow fashion'
Sourcing Trends	<ul style="list-style-type: none"> · Brands look to reduce dependency on China, an opportunity for India · Global Demand of Medical Textiles Increases · Digitalization of Supply Chain
Product Trends	<ul style="list-style-type: none"> · Innovative products in demand including Anti-microbial / Anti-viral · Disposable but circular products

The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand particularly post the pandemic, many countries and companies are likely to expand their supply nations like India rather than relying on a few countries like China. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players in the market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. Moreover rising government focus and favourable policies is leading to growth in the textiles and clothing industry.

Business Overview:

The Financial year 2020-21 was the year of recovery with gradual growth happening qtr on qtr both in Topline as well as bottom line. From the second half of the year, the Company was able to fully utilize enhanced capacity in Bulk continuous Filament (BCF) and Industrial Yarn (IDY) segments post expansion in FY 19 which resulted in an increase in margins for that period. Exports as a percentage of net revenue increased to 40% in FY 20 as compared to 35% in overall last year FY19. Our operational excellence initiative has progressed well throughout the year with lower downgrades, breaks per ton and higher Overall Equipment Effectiveness (OEE) etc with a more complex product mix. This coupled with some of our throughput improvement initiatives led to higher production without meaningful Capex. The share of value-added products such as Comfeel, Space Dyed Nylon, IDY, Sewing Thread and Wonderfeel continued to increase and surpass last year's numbers.

Our Company Sales for the year FY 20 have grown in value, volumes and the Company also witnessed growth in EBIDTA and profits. In the last financial year, Company have been able to improve quarter after quarter with last quarter ending on a higher note on account of improved Product Mix, Efficiency Improvement and Better Asset Utilization.

As the business was starting to move towards its growth journey, the Coronavirus (Covid-19) global pandemic completely disrupted business in the last month of FY 2020 and the Company's operations got impacted by the lockdown. The outbreak of Covid-19 pandemic is causing disturbance and slowdown of economic activity throughout the world and is impacting operations of our businesses, by way of interruption in production, supply chain disruption, unavailability of personnel, closure of production facilities etc. The Company has taken adequate steps to ensure the health and safety of its employees and customers. During the national lockdown announced by the Government of India, Company closed its operations and resumed after few months in a phased manner, adhering to all government guidelines for social distancing, hand hygiene and people safety and health. Apart from this, Company has also taken care of its frontline employees, contract employees, family members of employees residing in colonies as well as local people in the vicinity.

Several initiatives of cost rationalization, throughput improvement projects and minor debottlenecking continued in the year. The Company continuously develops new products to have better margin of profits. With the expansion projects involving BCF and IDY have been largely completed in FY 19, no major capex is planned in near future, the focus will be on cost rationalization, favourable product mix and optimum utilization of available capacity to generate adequate cash flows through operations which will ensure adequate liquidity in the immediate term and sustainable profits going forward. Digital capabilities are being scaled up to reach out to channel partners, customers and employees. In line with the prevailing market conditions and unprecedented challenges, the Company has undertaken the process of cost rationalization and various cost control measures related to sales and marketing, rentals and others to minimize the impact on business.

Company's business can be categorized into three, each one of which forms the significant part of the Topline.

Nylon and Polyester

Industry demand in the Nylon space was severely affected with the pricing pressure continued on account of persistent volatility in the raw material prices resulting in lower utilizations at the plant level which has largely got stabilized in Q4 however the impact of stock losses was felt the most in Q3 of the year. Nylon margins were low however with the improved product mix Company were able to retain margins. IDY products has also picked up pace and Company have crossed sizeable volumes this year.

Our throughput improvement initiatives in this part of the business which started Pre Covid is likely contribute significantly to the bottom-line with very little marginal cost once utilization levels reaches the Pre -Covid levels again in near future. Company has also focused upon product development in this area during the lockdown and plans to commercialize some of these new products with enhanced reach to improve the sales of value-added products in our range. Coming year, this segment could take some time to stabilize with impact of COVID 19 lasting in H1 of the coming year.

Conventional Dyeing

Conventional Dyeing business of the Company is hosted at the Palghar Plant, which during the year lost productivity initially on account of shortage of raw material supply, frequent power tripping as well as

slowness in domestic demand. Operating leverage is highest in Palghar and despite better operating metrics, the Palghar assets continue to remain grossly underutilized. Several initiatives were taken to de-bottleneck upstream process including business development activities in the carpet segment, strengthening the talent pipeline on sales as well as operations front. Few new products were launched in this floor covering segment which got good responses in the exhibitions. Over the next few years, these products will help us ramp up volume significantly in Palghar and bring us back onto the path of growth. Company is also looking to strengthen the structure in Palghar which will enable us to build new customer relationships.

Bulk Continuous Filament Yarn (BCF):

In BCF order positions continue to remain healthy, company's entire focus has moved towards throughput optimization. New product development like Comfeel and in solution dyed nylon (SDN) space the activities continued with full force to ensure that the pipeline of new orders is always healthy. In the first half of the year the focus was on filling up new capacities as in FY 19, we expanded our capacity by almost 50%, new lines got stabilized in this year and started getting fully utilized to add to our bottom line. In fact, as we are witnessing the COVID impact across segments, it is the exports in this segment, value added products and strategic customers that saw the lowest dip in volumes. Although, the prime focus of next year will be filling up capacities (post COVID 19 lockdown) which is going to continue in the first half of FY 21, the later part of the year our focus is to improve margins with increasing share of differentiated products, better sales mix, new product development as well as utilizing Tri colour line to its full potential.

AYM over last few years have established itself as a differentiated player, diversified into specialty and niche segments like BCF, IDY, Denims, Automotive, Sewing threads. With 50%+ business in non-apparel segment where there are high entry barriers and export share increasing in the strategic segments, Company is now focusing more on customized orders with 65%+ of current business being Make to Order. With strong R&D facility to cater new product developments, AYM now partners with its customers to develop customized colours / products.

In the later part of the year COVID 19 has disrupted operations of the company temporarily in the month of March amid lockdown and with its impact continues to stay longer over the industry, AYM having diversified portfolio and its positioning in floor covering space is likely to be poised better than its industry peers. Covid-19 was a stress test for the overall strategic direction of the business that we had embarked upon and going forward the primary focus is on getting back to the pre-covid utilization levels. Following this, we need to build on the several cost reduction and operational excellence initiatives that we had undertaken Pre-Covid and during the lockdown. Moreover, continued focus on its niche segments with the improved product mix and threshold margins and increase in volumes in different segments of Palghar business without incurring significant capex will make us stand in better state to deliver sustainable profitable growth in the medium term.

Human Resources

Human Resource business partners are responsible to provide internal services related to leadership development, talent management, employee compensation, labour relations and many other services essential to drive the organization's strategic objectives and priorities. Over the years, the Company has implemented several measures to ensure a positive work environment for all its employees. The permanent employee strength of the Company was 1317 as on March 31, 2020.

Building and developing our talent pool is our continuous and top priority and Company have been successful in attracting diverse talent with sound expertise, new perspectives and experience. In order to maximize employee satisfaction, Company provide comprehensive learning opportunities and good long-term prospects. The Company ensure free flow of knowledge across all tiers of the management in an endeavor to maintain transparency and a collaborative spirit.

At AYM, we pride ourselves in our people and their achievements. It is therefore important to us that we recognize their hard work, dedication and commitment. Our Rewards and Recognition program provides a framework for encouraging and recognizing long service and exemplary performance of our employees. The organization has a monthly and on the spot Reward and Recognition Program which recognizes and appreciates talent. The Company through a structured process identifies the potential amongst employees in order to confer rewards and recognition.

The Company promote an atmosphere of inclusion, by encouraging the next level of employees to take higher responsibilities. Managers along with Human Resources formulate a customized grooming and orientation of high potentials, by carefully planning their work experiences. Their skills and capabilities are developed through further training and mentoring.

The HR department continues to lead enhancements and standardization of the Performance Management process. The department provides innovative and responsive training programs. Safety and skill up-gradation training to various categories of employees are being rendered as per the regular requirement and internal guidelines.

To promote good health and high morale among employees, the Human Resources department has a well-designed annual health and wellness program and various employee engagement activities that are conducted throughout the year. The Company is committed towards creating a Safe and Healthy work environment by designing work stations and workflows based on the principles of Occupational Safety and ergonomics. The work force is well trained in preventive aspects of safety and is highly motivated to achieve the target of "ZERO" work related accidents. The Company is pursuing the goal of 'zero incidents', through senior leader ownership of safety, preventive actions and processes. The Company ensures that Safety, Health and Environment (SHE) related trainings are imparted to all relevant stakeholders at regular intervals. For this purpose, the Company conducts workshops to train employees with sessions targeted at shop floor employees. The Company has mandated the use of safety gadgets such as safety shoes, helmets on the shop floor, and the adherence is excellent.

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company this year conducted POSH (Prevention of Sexual Harassment) training for all employees. The training conducted played a major role in creating awareness among employees and in building a respectful work environment.

Our focus over the next few years would be to retain Talent, Strengthening the culture of Performance, Collaboration and Innovation, Robust Talent Management with defined roles and goals to ensure alignment with our vision and helps us in creating a Future-ready Organization.

Risk Management Framework

Risk is an integral and unavoidable component of any businesses. The Company has established comprehensive Risk Management System to ensure that risks to the Company's continued existence as a going concern and its development are identified, measured, managed and mitigated on a timely basis. Management identifies and evaluates –

especially such risks which could jeopardize continued existence at an early stage and defines and implements measures to control these risks.

The Risk Management System consists of multi phased process. Initially, all risks are identified by different departments and functions as bottom-up approach. These risks are then analyzed and evaluated by the Company's management team before they are reported to the Audit Committee. Risks are classified in different categories such as Primary Risk & Secondary Risk. These risks are then classified and quantified depending on probability of occurrence and the extent of potential damage. The management presents the Enterprise Risk Management report along with planned mitigation measures to the Audit Committee. We continuously evolve our risk management system which is enabling our business to achieve its strategic objectives; and deliver sustainable, long-term growth and a commitment to responsible business practices.



The key cornerstones of our Risk Management Framework are:

- Periodic assessment and prioritization of risks that affect the business of the Company;

- Development and deployment of risk mitigation plans to reduce the vulnerability to the prioritized risks;
- Focus on both the results and efforts required to mitigate the risks;
- Defined review and monitoring mechanism wherein the functional teams, the top management and the Board review the progress of the mitigation plans;
- Wherever, applicable and feasible, defining the risk appetite and install adequate internal controls to ensure that the limits are adhered to.

The Internal Risk Committee constituted by the management assists the Board in monitoring and reviewing the risk management plan, implementation of the risk management framework of the Company and such other functions as Board may deem fit. Some of the key risks are listed below, with the appropriate actions that have been / to be initiated to mitigate the risks.

S No	Risk Category	Risk Description	Mitigation Plan
1	 <p>Liquidity Risks</p>	<p>Inadequate Liquidity to operate Business smoothly</p> <p>Reduction in revenues due to unforeseen COVID-19 outbreak and resultant lockdown of plant operations</p>	<ul style="list-style-type: none"> • Adequate Banking tie ups for incremental borrowing lines for exigencies • Providing additional liquidity for operations through fungibility options • Availing of moratorium period on loans offered by financial institutions • Strong emphasis on debtors realization / reducing payment terms • Initiated cost rationalization measures • No sizable capex this year
2	 <p>Human resource risks</p>	<p>Labour unavailability- Shortage of labour, Higher training cost, Increased safety measures</p> <p>Talent retention / management challenge – Inadequate growth, slowdown in business</p>	<ul style="list-style-type: none"> • Launch of Incentive schemes for workers • Moving skilled workers from contract to on rolls • Create bench strength in the high margin business • Adequate safety measures to ensure safe working conditions • Building depth of talent across levels to build capability • Training and integration of learning and development activities. • Employer branding efforts on social media to attract talent • Arranging employee engagement activities to strengthen relationships and develop a pleasant work environment • Flexibility in working environment to Employees
3	 <p>Strategic risks</p>	<p>Sluggish demand amid recession- Slowness in demand and business interruptions due to COVID 19.</p> <p>Competition from unorganized domestic market- pressure on margins</p>	<ul style="list-style-type: none"> • Moving towards high entry barrier products- focusing more on strategic business like BCF, automotive and IDY • Develop strategic relationships with customers • Increase customer base / reach for regular products- tapping new geographies • Working on NPD- Introducing economic alternative products • Seeking opportunity in Chinese products driven markets
4	 <p>Commodity availability and price risks</p>	<p>Volatility in raw material prices may impact the profitability</p> <p>Shortage of material required/ stoppage of operations by vendors</p>	<ul style="list-style-type: none"> • Increasing share of value-added products & product differentiation • Maintaining cost competitiveness through efficiency improvement • Pre-emptive vendor development practices- developing alternate source of vendor
5	 <p>Regulatory risks</p>	<p>Changes in international and domestic laws, rules, policies, tax regulations, technical standards and trade policies</p>	<ul style="list-style-type: none"> • Continuous monitoring of Govt. policies and takes measures to minimize any adverse impact. • Diversification of sales across geographies as well as diversification of product offerings to reduce trade barriers impact. • Implementation of an enterprise - wide compliance management system to effectively track and manage regulatory and internal compliance requirements including those related to COVID-19

S No	Risk Category	Risk Description	Mitigation Plan
6	Financial risks 	Foreign exchange rates fluctuation and increase of interest rates	<ul style="list-style-type: none"> Actively manage foreign exchange risk within the framework laid down in the forex policy approved by the Board. Maintaining an equilibrium between exports receipts and import payments- a natural hedge against currency fluctuations. Taking forward contracts to safeguard against currency volatility Encouraging sales in USD as against local currency of export country Adopting strategies to maintain an optimal balance of different loan types and maturities.
7	Information technology risks- Cyber security / Data security 	Risks related to Information Technology (IT) systems; data integrity, digital and physical assets, cybercrime and fraud Work from home environment being more prone to cyber risks	<ul style="list-style-type: none"> Adequate security systems to ensure multi-layer data security- Regular monitoring / Alerts to process owners for any deviations SOD conflicts to be reviewed thoroughly and regularly – MDM changes to have proper approvals. System related controls to be established- standardized back-up tools, services and procedures to ensure that information and data are stored at two or more diverse locations.

Internal Control system and its Adequacy

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

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

The Company Management has assessed the effectiveness of internal controls over financial reporting for the year ended March 31, 2020 and based on the assessment, believed that the same are adequate and working effectively. The Statutory Auditors have issued an audit report expressing satisfaction on the adequacy and effectiveness of the internal financial control systems over financial reporting.

The management believes that strengthening internal controls system is a continuous process and therefore, it will continue its efforts to make the controls smarter, with a focus on preventive and automated controls as opposed to mitigating and manual controls.

Financial Performance Overview

During the year ended 31st March 2020, the company touched the Rs 1000 cr mark for the first time after registering the revenue from operations at Rs 1028.0 crs, improved by 3.6% over previous year. The volume growth underlying this revenue growth improved by 10.5% over previous year. Operational performance was on a improving trend quarter on quarter in the current year and the same got reflected in the financials with overall yearly EBITDA of the company inching close to Rs 100 crs mark. As a result, Profit after tax (PAT) for the year improved to Rs 17.4 crs vs Rs 5.9 crs in FY 19.

The operations of the Company were impacted during the year in the month of March, due to shutdown of both the plants and offices at various locations following lockdown imposed by the government authorities to contain spread of COVID-19 pandemic. The Company has resumed operations after a month in a phased manner as per the directives from the respective government authorities. The Company has evaluated the impact of this pandemic on its business operations and financial position and made an assessment of its liquidity position for the foreseeable future and of the recoverability and carrying values of its assets as at the balance sheet date, and has concluded that there are no adjustments required in the financial statements for the year ended March 31, 2020. However, the impact assessment of COVID-19 is a continuous process given the uncertainty associated with its nature and duration.

The following tables summarize the results of operations for the year ended March 31, 2020:

Particulars	For the year ending March 31			
	2020		2019	
	Rs Crores	% of Revenue	Rs Crores	% of Revenue
Sales Volumes (MT)	55,862		50,564	
Net revenue from operations	1,028.0		992.0	
Expenditure				
Cost of Materials	565.2	54.9%	585.6	59.1%
Employee costs	61.7	6.0%	67.1	6.8%
EBITDA margins	97.6	9.5%	77.5	7.8%
Finance Charges	38.2	3.7%	34.4	3.5%
Depreciation	44.8	4.4%	37.6	3.8%
Tax	-7.2	-0.7%	-0.4	0.0%
Profit after Tax	17.4	1.7%	5.9	0.6%
Other Comprehensive Income	-0.1	-0.0%	0.0	0.0%
Total Comprehensive Income	17.3	1.7%	5.8	0.6%
Earnings per share (EPS) – Rs	3.6		1.3	

Revenue

Revenue from operations stood at Rs 1028.0 crs, improved by 3.6% over previous year. Sales grown by 10.5% over the previous year in terms of volumes. Company continues to retain focus on throughput improvement, filling up the enhanced capacities and getting the product sales mix right in the current year for sustainable profitable growth in future. The export sales in line with strategy has increased from 35% in FY 19 to 40% in FY 20.

Cost of Materials

The cost of materials comprises consumption of raw material, packing material, dyes & chemicals, changes in inventories of finished goods, work-in-process. The cost of materials at 54.9% of Revenue declined by 4.1% as compared to previous year on account of improved sales mix and operational metrics at the plant level. Raw material costs have impacted mainly due to favorable movement in Brent Crude prices from \$ 60 per barrel to below \$ 30 per barrel during the year. The reduction is due to lower economic activity owing to COVID-19. It is expected that as the virus weakens over the year and economy activity resumes this rate per barrel will move up to the last year level. With the shift towards favorable mix in the coming years this is going to improve gradually.

Employee Costs

Employee cost includes salaries, wages, annual performance incentives, statutory bonus and gratuity, contribution to provident and other funds and staff welfare schemes expenses (except actuarial gain / (loss) on defined benefit plans). It also excludes labour engaged on contractual basis. During the year under review, employee cost at ₹ 61.7 crs has gone down as compared with last year. It is in accordance with the company's efforts to put in place the adequate team structures during the last year to fuel the future growth, some of which were carried forward in the current year also. With resource optimization in mind, it had worked upon restructuring the roles to ensure focused approach towards key goals. With the team structures in place, the employee cost going ahead will not be in proportionate to revenue.

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

EBITDA (before exception) in FY20 was reported at ₹ 97.6 crs (9.5% margin) going up from ₹ 77.5 crs (7.8% margin) in FY 19. EBITDA margin has improved quarter after quarter with ramp up in Topline after the BCF capacities were fully utilized in the later half of the year. However, the last quarter ended on a slightly lower note due to lower economic activity & slump in both domestic & export orders owing to lockdown in the month of March on account of COVID-19. The part of the year was also adversely affected by the pressure on sales price due to lack luster demand and increase in input costs including dyes, power etc.

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

Finance Charges

Finance charges include interest on loans and other financial charges. The increase in finance charges is on account of full year

impact of the fresh debt taken in previous years and also increase in operations of the company. Net Financial Expenses in FY20 was ₹ 38.2 crs as compared to ₹ 34.4 crs in the previous year. During the year net debt improved by ₹ 40 crs and with no major Project capex in pipeline, the finance charges is expected to gradually come down from these levels. The costs of these facilities are continuously monitored and negotiated with lenders to garner the benefits accruing from money market changes.

Depreciation

Depreciation has increased from ₹ 37.6 crs in FY 19 to ₹ 44.8 crs in the current year. The increase is on account of capitalization of on-going modernization and expansion projects. There is no further project capex in pipeline, and depreciation is expected to be at similar levels going forward with no sizeable capex planned in the coming year.

Tax Expense

The company continues to be pay taxes under MAT provision in FY 20. Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued on 20th September 2019 which is effective 1st April 2019, domestic Companies have the option to pay corporate income tax at the rate of 22% plus applicable surcharge and cess ('New tax rate'). The Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilization of accumulated minimum alternative tax (MAT) credit. However, the Company has also evaluated the outstanding deferred tax liability and deferred tax asset, and written back an amount to the extent of ₹ 897.75 lakhs to the statement of profit and loss. This is arising from the re-measurement of deferred tax liability and deferred tax asset that is expected to reverse in future when the company would migrate to the new tax regime.

Profit After Tax

Profit after Tax stood at ₹ 17.4 crs in FY20 as compared to ₹ 5.9 crs in FY19 up by around 100 bps as a % of revenue as compared to previous year.

Total Debt

Debt figure includes all the long-term & short-term borrowings, cash credits, Interest bearing acceptances as well as Buyers Credit. Gross Debt as on March 31, 2020, stands at ₹ 255.01 crs as against ₹ 311.38 crs at the end of FY 19. Cash and cash equivalents of the Company in FY19 stood at ₹ 37.74 crs as compared to ₹ 22.64 crs in the current year. Net Debt as on March 31, 2020, stands at ₹ 232.37 crs after reducing the cash and bank balance and liquid investment versus ₹ 273.64 crs at the end of FY19. The debt has reduced on account of improved EBITDA performance and no major capex during the year. This is expected to remain at similar levels in the coming year with topline and margins getting affected amid Pandemic.

Fixed Assets

Fixed assets (tangible and intangible) including Capital work-in-progress stands at ₹ 447 crs at end of FY20 as compared to ₹ 471.5 crs at the end of previous year. There has been no meaningful capex incurred during the year apart from routine operational capex.

Foreign Exchange

During FY 20, India's currency saw substantial depreciation vis-à-vis the US dollar, particularly in the second half of the financial year, depreciating nearly by 10% or more than 600 paise loss during the 2019-20. The rupee opened the financial year at 69.12 vis-à-vis the

US dollar in April 2019. From that level, the phase of massive depreciation started till it hit its all-time intra-day low of 76.12 against the US dollar in the month of March and finally closed at 75.4 at FY20-end. The rupee's weakness initially began with risk-off sentiment as a result of the central bank's takeover of Yes Bank, which raised fears among investors regarding the banking sector's stability. The drop has since been sustained by investor concerns around the growing Covid-19 pandemic, which causing a massive sell-off in global risk assets.

India rupee being an emerging market currency with structural vulnerabilities such as its twin deficit (Current & Fiscal account), make the currency susceptible to sell off during the high risk-offs. Further as Reserve Bank of India (RBI) implement steep monetary easing to tide over and support the economy during Covid Lockdown period as it announced liquidity injection on March 20 into the markets through the purchase of short-term notes and government bonds to ease bond yields which have spiked due to risk aversion. However, the ongoing oil price war will support a sharp improvement in India's terms of trade over the near term given that the country imports 80 per cent of its total oil needs.

The company currently has a natural hedge with its exports similar to value of imports, however, company monitors and track the currency movement and take adequate steps to hedge the exposures as and when required.

Key Ratios

Key capital efficiency ratios for AYM Syntex has been highlighted here which provides a snapshot of the health of Balance sheet. With Improved performance in FY 20, the ratios in FY 20 has improved over the last year.

Key Ratios	FY 20	FY 19
Return on Capital Employed (ROCE) (%)	8.6	6.8
Debt: Equity	0.74	1.03
Net Debt: EBITDA	2.38	3.53
Debt Service Coverage Ratio	1.23	0.98
Interest Coverage Ratio	1.27	1.16
Working Capital (<i>no. of days</i>)	10	2
Debtor Turnover Ratio (<i>no of days</i>)	40	38
Inventory turnover ratio (<i>no. of days</i>)	46	39
Current Ratio	1.21	1.20

Outlook

In the near term, the company's operations might be temporarily impacted due to incapacitation of Plants due to exposure to the pandemic, reduced productivity which could impact revenue growth. The downturn could be less severe than forecast if economic normalization proceeds faster than currently expected in areas that have reopened. The Company has taken steps to ensure that it has adequate liquidity to meet its financial and other commitments. The company's relative competitiveness is expected to increase because of its traditional value focus and its strong track record in helping customers.

The short to medium term outlook for AYM remains optimistic with improved product mix, full year benefit of expanded BCF capacity utilization. With expected favorable government policies towards textile industry and stable raw material prices, the demand is expected to rise. The company is largely focused on its customer centric approach along with improving throughput at both the plants without incurring any major Capex, new product developments, optimum utilization of enhanced BCF capacity as well as various cost reduction initiatives which are underway.

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

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present 37th Annual Report together with Audited Statement of Accounts of the Company for the year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

Particulars	(₹ in Lakhs)	
	2019-20	2018-19
Revenue from operations*	102,797.63	99,198.16
Other Income	336.92	590.14
Total revenue	103,134.55	99,788.30
EBIDTA	9,764.75	7,751.51
EBIDTA Margin (%)	9.47	7.77
Finance Costs	3,824.32	3,442.56
Depreciation and amortization expense	4,477.66	3,760.97
Profit Before Tax	1,017.89	547.98
Current Tax	175.08	105.93
Deferred tax	(897.75)	(144.10)
Profit After Tax	1,740.56	586.15
Other comprehensive income for the year, net of tax	(10.90)	(2.79)
Total Comprehensive Income for the Year	1,729.66	583.36
Earning per share (Basic)	3.61	1.29
Earning per share (Diluted)	3.61	1.28

* Revenue from operations excludes other operative income.

DIVIDEND

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

AMOUNT TRANSFER TO RESERVES

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

COVID-19

The outbreak of Coronavirus (COVID-19) pandemic is causing disturbance and slowdown of economic activity throughout the world and is impacting operations of the businesses, by way of interruption in production, supply chain disruption, unavailability of personnel, closure of production facilities etc.

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lockdowns of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers globally. The Company was actively engaged and proactively taking all the necessary steps required to be taken to deal with such pandemic in the areas of employee – health and safety, Strategy, Financial, operational and technology intervention needed. This response has reinforced stakeholder's confidence and many of them have expressed their appreciation and gratitude for the timely response under most challenging conditions.

Although there are uncertainties due to the pandemic and reversal of the positive momentum gained in the last quarter of FY2020, the strong customer diversified customer base, healthy product Mix, best-in-class services and inherent resilience of the business model position the Company well to navigate the challenges ahead.

PERFORMANCE AND OUTLOOK

During the year under review, revenue from operations (net) was at ₹ 102,797.63 Lakhs as compared to ₹ 99,198.16 Lakhs in previous year. Exports during the financial year 2019-20 were of ₹ 41,027.20 Lakhs as compared to ₹ 34,455.97 Lakhs during the previous year.

The Financial year 2020-21 was the year of recovery with gradual growth happening qtr on qtr both in Topline as well as bottom line after the capacity expansion in BCF and IDY which was done last year in FY 19 started yielding results from Q2 FY 20 with improved the margins and increase in the Revenues for the company. Exports as a percentage of net revenue was at 40% in FY 20 as compared to 35% in overall last year FY19.

Industry demand in the Nylon space was severely affected with the pricing pressure continued on account of persistent volatility in the raw material prices resulting in lower utilizations at the plant level which has largely got stabilized in Q4.

In the last month of FY 20, Company's operations got impacted by the lockdown on account of the COVID-19 pandemic. The outbreak of Coronavirus (COVID-19) pandemic is causing disturbance and slowdown of economic activity throughout the world and is impacting operations of the businesses, by way of interruption in production, supply chain disruption, unavailability of personnel, closure of production facilities etc.

Several initiatives of cost rationalization, throughput improvement projects and minor debottlenecking continued in the year. The Company continuously develops new products to have better margin of profits. With the expansion projects involving BCF and IDY have been largely completed in FY 19, no major Capex is planned in near future and the focus will be on cost rationalization, favourable product mix and optimum utilization of available capacity.

During the year, your Company's long term credit rating and short term credit rating has been reaffirmed by CARE as CARE A and CARE A1 respectively.

SHARE CAPITAL AND LISTING

Issue of Employee Stock Options

The Shareholders of the Company has approved AYM ESOP scheme in 2018 which was further modified in 2019. During the Financial year 2019-20, 68,880 equity shares were allotted to the ESOP grantees pursuant to the AYM ESOP Scheme 2018. The said shares are listed on The BSE Limited and The National Stock Exchange of India Limited.

In compliance with the provisions of Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014, as amended thereto, the details of Employees Stock Option Schemes of the Company as on 31st March, 2020 are furnished in **Annexure A** attached herewith and forms part of this Report.

Preferential Issue of Equity Shares on Conversion of Warrants

During the year, Mandawewala Enterprises Limited (MEL), exercised their options and converted 43,16,666 share warrants of ₹ 75 per warrant into 43,16,666 Equity shares at a price of ₹ 75 per share (including premium of ₹ 65 per share) on preferential basis. The new shares are listed on The BSE Limited and The National Stock Exchange of India Limited.

BOARD'S REPORT

Issue of Equity Shares with Differential Rights

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

Issue of Sweat Equity Shares

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2020 and of the profit and loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP)

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

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajesh R. Mandawewala is retiring by rotation at the 37th Annual General Meeting (AGM) and being eligible has been recommended for re-appointment as a director liable to retire by rotation by the Board. His brief resume and other details as required under the Act and Listing Regulations for his re-appointment as Director are provided in the Notice of the 37th AGM of your Company.

Mrs. Khushboo Mandawewala is appointed as Whole time Director of the Company for a period of 3 years with effect from 29th July 2019.

Mrs. Mala Todarwal, Independent woman director ceased from the Directorship on completion of 2nd term of office of directorship with effect from 31st July 2019.

COMMITTEES OF THE BOARD OF DIRECTORS

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

DECLARATION BY AN INDEPENDENT DIRECTOR(S)

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

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

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

BOARD EVALUATION

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

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

For the financial year 2019-20, the annual performance evaluation was carried out by the Independent Directors, Nomination and Remuneration Committee and the Board, which included evaluation of the Board, Independent Directors, Non-independent Directors, Executive Directors, Chairman, Committees of the Board, Quantity, Quality and Timeliness of Information to the Board. All the results were satisfactory.

BOARD'S REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR policy of our Company as approved by the Board of directors' is hosted on the Company's website and web link thereto is :<https://aymsyntex.com/investors/corporate-governance/policies-code-compliances>. Disclosure as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is annexed as **Annexure B**;

MEETINGS OF BOARD OF DIRECTORS

Four meetings of Board of directors were conducted during the financial year 2019-20. The details of which are given in the Corporate Governance Report forming part of the Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SUBSIDIARY/HOLDING COMPANY

The Company is a subsidiary of Mandawewala Enterprises Limited.

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

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

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

(₹ In Lakhs)				
Name	Designation	Remuneration	% Increase	Ratio of remuneration of each Whole - Time Director to median remuneration of employees
Abhishek Mandawewala	Managing Director & CEO	73.56	NIL	34.60
Khushboo Mandawewala*	Whole time Director	29.42	NA	13.83
Himanshu Dhaddha	Chief Financial Officer	72.61	15%	NA
Ashitosh Sheth*	Company Secretary	18.33	NA	NA

*Employed for part of the year 2019-20, hence % increase is not computable
Also includes ESOPs received under the Company's ESOP Scheme.

Notes:

- Average increase in remuneration of employees other than managerial personnel: 6.8% and managerial persons: 5.9%
- the number of permanent employees on the rolls of Company: 1317
- The percentage increase in the median remuneration of employees in FY 2019-20 was 6%.
- Affirmation that the remuneration is as per the remuneration policy of the Company.

Mr. Abhishek R. Mandawewala, Managing Director & CEO and Mrs. Khushboo Mandawewala, Whole time director of the Company has

not received any remuneration from Mandawewala Enterprises Limited, the holding company.

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

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

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

For the year ended 31st March 2020, the Board is of the opinion that your Company has sound IFC commensurate with the nature of its business operations, wherein adequate controls are in place and operating effectively and no material weakness exists. Your Company has a process in place to continuously monitor existing controls and identify gaps and implement new and / or improved controls wherever the effect of such gaps would have a material effect on your Company's operation.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has formulated a policy on related party transactions which is also available on Company's website at

<https://aymsyntex.com/investors/corporate-governance/policies-code-compliances>. This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at an arm's length basis. All related party transactions are placed before the Audit Committee for review and approval.

All related party transactions entered during the year 2019-20 were in ordinary course of the business and on an arm's length basis. No material related party transactions i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the Financial Year by your Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC 2 is not applicable to your Company.

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

VIGIL MECHANISM

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

BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

An extract of Annual return referred to in Section 92 of the Companies Act 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is placed on website of the Company at <https://aymsyntex.com/investors/corporate-governance/policies-code-compliances>. The extract of Annual Return as at March 31, 2020 in Form MGT-9 is annexed as **Annexure C** and forms an integral part of this Report.

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

Conservation of energy:

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

- Energy Conservation Initiative to select right size of motor to reduce Energy wastage
- increased Frequency of Energy Audits to 15 days and Daily leakage identification rounds and timely rectification has brought considerable control of energy wastage
- Air jets in Tex Machines checked for suitability /design and tested. Those needing repairs, rectification and replacement decided timely. Jets not essential for use isolated to prevent energy wastage;
- Pressure Reducing Valves (PRVs) added to Tex machines to optimise energy usage;
- Improved Quality of Air in Dryers and receivers which in turn has positive impact on Uptime of the machines /equipment's apart from trouble free operations
- optimised Utility to the new division especially after BCF expansion and has avoided energy losses in generation and transmission;
- A New dedicated dryer installed for energy efficient operation and also gives independent operation of desired line /polymer;

(ii) the steps taken by the Company for utilizing alternate sources of energy:

Initially, we were having fossil fuel based Steam generation- using HSD (Diesel) and later Furnace Oil. Since early 2019, we commissioned 10 TPH, 10 bar Boiler operating only on Biofuels / briquettes (of around 3500- 4000 K Cal/kg) sourced locally. This is a major GREEN INITIATIVE by the Company.

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

Technology absorption:

i The efforts made towards technology absorption:

a) BCF DIVISION

We have sampling machines from VBS&T (Italy). The yarn made from this machine was not close to the yarn made on our commercial lines. For this reason, we were not able to send yarn from these machines to our customers for sample approval. We made hardware changes on these machines and with adjusted parameters, now the yarn on these machines are as good as that from our

commercial lines and all our developments are being done from these machines and being sent to customers for approvals.

We used to buy master batches for Nylon from outside vendors which has been made in house.

- b) Spinning line technology upgraded to new technology for line # 7C & 7D with latest winders.
- c) In BCF burnout, we are now using vacuum furnace for spinneret cleaning ipo Conventional system followed in the past.
- d) Fire Safety system strengthened by investing in Medium Velocity Sprinkler system in major part of plant as per new regulations which has improved Fire Safety standards considerably.
- e) The benefits derived like product improvement, cost reduction, product development or import substitution:
- f) As we are able to made samples on these sampling machines whereby, our commercial lines are free for production which improves operational performance of the equipments;
- g) The sample turn-around time is reduced drastically, which was a bottle-neck we had.
- h) Steam leakage audits in plant in every 15 Days, annual saving of Rs 4.2 lac.
- i) Recycled water from new 70 KLS STP used extensively for gardening and other cleaning jobs -70 m3/Day, annual saving Rs 7.14 lac

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

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

- We installed new BCF machines in the year 2018-19. These machines became fully operational in year 2010-2020.
- One these new machines, besides doing normal mono-colour BCF yarn production, we are making specialized yarn like tri-colour BCF, in all polymers (PP, PA6 and PET) and also bi-component speciality yarns.
- 800 TR Trane centrifugal chiller imported from china for BCF Plant.
- ADU 4000 NM3/Hrs procured from ZZDT, China for BCF Plant.
- New chips dryer 500 Kg/Hr procured from DHP, China for BCF Plant

Particulars	₹ In Lakhs)	
	2019-20	2018-19
Revenue expenditure	837.09	595.93
Capital expenditure	0.00	933.35
Total	837.09	1529.28

BOARD'S REPORT

Foreign Exchange Earnings and Outgo:

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

Earning in Foreign exchange	₹ 40,378.38 Lakhs
Outgo in Foreign exchange	₹ 32,915.62 Lakhs

DEPOSITS

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

AUDITORS

As per Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in 34th Annual General Meeting approved the appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants (ICAI Registration No- 012754N/N-500016), as the Statutory Auditors of the Company for an initial term of 5 years i.e. 28th September 2017, the conclusion of 34th Annual General Meeting till the conclusion of 39th Annual General Meeting. Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every annual general meeting has been omitted with effect from 7th May, 2018. The Report given by M/s. Price Waterhouse Chartered Accountants LLP on the financial statement of the Company for the year 2020 is part of the Annual Report. During the year 2019-20, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

COST AUDITOR AND COST RECORDS

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

In terms of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed M/s. Kiran J Mehta, Cost Accountants, being eligible, as Cost Auditors of your Company, to carry out the cost audit of products manufactured by the Company. Your Company had received their written consent that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee and in terms of the Companies Act, 2013 and Rules thereunder requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in the Notice of the 37th Annual General Meeting of your Company.

During the year 2019-20 the Cost Accountants had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

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

SECRETARIAL AUDITOR AND AUDIT REPORT

The Secretarial Audit as required under Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing

Regulations was conducted was carried out by Gupta Baul & Associates, Company Secretaries (CP No. 12722) for the financial year 2019-20.

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

There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year 2019-20, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

In terms of Clause 3(b) of SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report for the year ended March 31, 2020 from Gupta Baul & Associates, Practising Company Secretaries, who are also the Secretarial Auditor of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year 2019-20, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

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

AUDITORS' REPORT

There is no qualified opinion in the Auditors' Report. We refer to para i (c) of Annexure B of Independent Auditor's Report and state that the Company is in the process of executing document to transfer freehold land in respect of one plot of ₹ 4.63 Lakhs (net block) in the name of the Company. The Company is in possession of land without any interference for more than 12 years. Further in respect of documents of title deeds of six residential flats of ₹ 9.71 lakhs (net block), we clarify that the said flats are in the name of the Company and the Company is in the process of tracing the physical agreements of the said flats.

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

The Statutory Auditors of the Company have not reported any fraud to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

RISK MANAGEMENT POLICY

The Company has evolved risk management policy identifying primary risk and secondary risk. Primary risk includes manpower development, product efficiency, pace of development of new

BOARD'S REPORT

products, competition. Board has not identified any risk which threatens the existence of the Company.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

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

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

CODE OF CONDUCT

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

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

PARTICULARS OF EMPLOYEES

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

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

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

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

During the year 2019-2020 no cases of sexual harassment were reported in your Company. During the year, the Company has received NIL complaint and appropriate action has been taken by the Company in this regard.

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

CORPORATE GOVERNANCE

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

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

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

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

MISCELLANEOUS

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

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

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

CAUTIONARY STATEMENT

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

ACKNOWLEDGMENT

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

sd/-

Rajesh R Mandawewala

Chairman

DIN: 00007179

Place: Mumbai

Date: June 12, 2020

BOARD'S REPORT

ANNEXURE A

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

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

The disclosure is provided in Notes 47 to the financial statements of the Company for the year ended March 31, 2020.

Sr. No.	Particulars	Employee Stock Options Scheme-2018 – Grant I
1.	Date of shareholder's approval	28th February 2018
2.	Options granted	7,81,700 Equity shares of the face value of ₹ 10/- each
3.	Exercise Price per stock option	₹ 10/-
4.	Vesting requirements	ESOPs will vest not earlier than One (1) year from the date of Grant
5.	Maximum term of options granted	5 years from the date of Vesting
6.	Source of shares	Primary
7.	Options movement during the year	
	Particulars	Details
	Number of options outstanding at the beginning of the year	7,81,700 Equity shares of the face value of ₹ 10/- each
	Number of options granted during the year	NIL
	Number of options forfeited/lapsed/Cancelled during the year	98,800
	Number of options vested during the year	68,880
	Number of options exercised during the year	68,880
	Number of shares arising as a result of exercise of options	68,880
	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	₹ 6,88,800
	Loan repaid by the Trust during the year from exercise price received	NA
	Number of options outstanding at the end of the year	6,14,020 Equity shares of the face value of ₹ 10/- each
	Number of stock exercisable at the end of the year	NIL
8.	Variation of terms of options	N.A.
9.	Money realized by exercise of Options	₹ 6,88,800
10.	Total Number of Options in force	6,14,020
11.	Employee-wise details of Options granted to	
	(I) Senior Managerial Personnel/Key Managerial Personnel	KMP-46,900
	(II) any other employee who receives a grant, in any one year, of Options amounting to 5% or more of Options granted during that year	3 Employees – 2,55,000
	(III) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL
12.	Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Indian Accounting Standard (Ind AS) 102	₹ 3.61
13.	Weighted average exercise price and weighted average fair value of options whose exercise price equals or exceeds or is less than market price of the stock-	
	a) Weighted average exercise price per stock option	₹ 10
	b) Weighted Average Fair Value of options	₹ 41.20
14.	Method and significant assumptions used to estimate the fair value of Options granted during the year	
	i) Method	adopts the Black Scholes Model
	ii) Significant Assumptions:	
		a) Weighted average risk-free interest rate
		b) Weighted average remaining contractual life of options outstanding (years)
		c) Weighted average expected volatility
		d) Weighted average expected dividends
		e) Weighted average market price

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Rajesh R Mandawewala

Chairman

DIN: 00007179

Place: Mumbai

Date: June 12, 2020

BOARD'S REPORT

ANNEXURE B

Disclosure on Corporate Social Responsibility (CSR) Activities

1. CORPORATE SOCIAL RESPONSIBILITY ('CSR') POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN

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

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

List of activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 as mentioned in the policy is placed on website of the Company at <https://aymsyntex.com/investors/corporate-governance/policies-code-compliances>.

2. COMPOSITION OF THE CSR COMMITTEE

- | | | | |
|-------------------------------|------------|----------------------------------|----------|
| i. Mr. Atul Desai | - Chairman | iii. Mr. Abhishek R. Mandawewala | - Member |
| ii. Mr. Rajesh R. Mandawewala | - Member | iv. Mrs. Khushboo Mandawewala | - Member |

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS

Average Net Profits of ₹ 2094.43 Lakhs is computed in line with the requirements of Section 135 of the Act.

4. PRESCRIBED CSR EXPENDITURE: ₹ 41.89 Lakhs

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

- (a) Total amount to be spent for the financial year: ₹ 41.89 lakhs; and ₹ 4.52 Lakhs, the unspent amount for the year 2018-19
 (b) Amount unspent, if any: Nil
 (c) Manner in which the amount spent during the financial year is detailed below:

(₹ In Lakhs)

Sr. No.	CSR Project / Activity Identified	Sector	State and District	Amount outlay (Budget) Project or programme wise	Amount spent on the project or programme	Cumulative expenditure up to 31.03.20	Amount spent Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Running a Balwadi for providing quality education to students between 3-6 years of age coming from economically challenged section of the society.	(ii) Promoting Education	Palghar	4.85	4.85	52.75	Implementing agency
2	Installation and maintenance of need based water purification plant in Silvassa to ensure accessibility of purified drinking water	(ii) Promoting healthcare	Silvassa	35.95	42.29		Implementing agency
3	Installation of need based water purification plant in Palghar to ensure accessibility of purified drinking water	(ii) Promoting healthcare	Palghar	3.67	3.67		Implementing agency
4	CSR monitoring and administrative expenditure including salaries	As allowed in the Section 135 of The Companies Act	Mumbai	1.94	1.94		Implementing agency
Total				46.41	52.75	52.75	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: **NA**

7. It is hereby confirmed by and on behalf of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with the CSR objectives and policy of the Company.

Place: Mumbai
Date: June 12, 2020

Abhishek R. Mandawewala
Managing Director & CEO

Atul Desai
Chairman - CSR Committee

R R Mandawewala
Chairman

BOARD'S REPORT

ANNEXURE C

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i. CIN	L99999DN1983PLC000045
ii. Registration Date	March 31, 1983
iii. Name of the Company	AYM Syntex Limited
iv. Category / Sub Category of the Company	Public Limited Company
v. Address of the Registered office and contact details	394 (P), Village Saily, Silvassa, U.T. of Dadra & Nagar Haveli. Contact Tele: 0260-2640596; 022 61637000 Email: complianceofficer@aymgroup.com
vi. Whether listed company	Yes. The Bombay Stock Exchange Limited and National Stock Exchange Limited
vii. Name, address and contact details of Registrar and Transfer Agent, if any.	M/s. Link In time India Private Limited C-101,247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083 Email- rnt.helpdesk@linkintime.co.in Telephone. No.: +91-022-49186270

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All business activities are from the business of textiles

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES as on 31.03.2020

Name of the Company	Address Of The Company	CIN / GLN	Holding / Subsidiary / Associate	% Of Shares Held	Applicable Section
Mandawewala Enterprises Limited	610-611, SNS Business Park, Opp. J. H. Ambani High School, Vesu Cross Road, Vesu Surat GJ-395007	U17200GJ2007PLC111412	Holding	72.50	2(46)

IV. SHARE HOLDING PATTERN

(Equity share capital break-up as percentage of Total Equity)

i. Category-wise share holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019			Shareholding at the beginning of the year - 2019			% of Total Shares	% Change during the Year
		Demat	Physical	Total	Demat	Physical	Total		
(A) Shareholding of Promoter and Promoter Group									
[1] Indian									
(a)	Individuals / Hindu Undivided Family	-	-	-	-	-	-	-	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)								
	Bodies Corporate	31913632	-	31913632	70.00	36230298	-	36230298	72.50
	Sub Total (A)(1)	31913632	-	31913632	70.00	36230298	-	36230298	72.50
[2] Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)								
	Sub Total (A)(2)	-	-	-	-	-	-	-	-

BOARD'S REPORT

Total Shareholding of Promoter and Promoter Group										
	(A)=(A)(1)+(A)(2)	31913632	-	31913632	70.00	36230298	-	36230298	72.50	2.50
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	105	-	105	0.00	105	-	0.00	0.00	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	10	-	10	0.00	-	-	-	-	-
(g)	Insurance Companies	120000	-	120000	0.26	120000	-	120000	0.24	-0.02
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	120115	-	120115	0.26	120105	-	120105	0.24	-0.02
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
[3]	Non-Institutions									
(a)	Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	3899234	16357	3915591	8.59	3769395	16207	3785602	7.58	-1.01
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5151842	-	5151842	11.30	5590602	-	5590602	11.19	-0.11
(b)	NBFCs registered with RBI	10400	-	10400	0.02	10000	-	10000	0.02	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	Trusts	-	4302	4302	0.01	-	4302	4302	0.01	-
	Hindu Undivided Family	932648	1200	933848	2.05	1032302	1200	1033502	2.07	0.22
	Non Resident Indians (Non Repat)	82306	-	82306	0.18	81867	-	81867	0.16	0.07
	Non Resident Indians (Repat)	193611	-	193611	0.42	173540	-	173540	0.35	-0.10
	Clearing Member	129271	-	129271	0.28	13998	-	13998	0.03	-0.29
	Bodies Corporate	3132619	2031	3134650	6.88	2929267	2031	2931298	5.87	-0.84
	Sub Total (B)(3)	13531931	23890	13555821	29.73	13600971	23740	13624711	27.26	2.47
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	13652046	23890	13675936	29.99	13721076	23740	13744816	27.50	2.49
	Total (A)+(B)	45565678	23890	45589568	100.00	49951374	23740	49975114	100.00	-
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	45565678	23890	45589568	100.00	49951374	23740	49975114	100.00	-

BOARD'S REPORT

ii. Shareholding of Promoters

Shareholder's name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% change in shareholding during the year
	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
Mandawewala Enterprises Limited	31913632	70.00	0.00	36230298	72.50	0.00	2.50

iii. Change in Promoters' shareholding

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	Mandawewala Enterprises Limited	31913632	70.00	-	-	31913632	70.00
	Allotment (Conversion of Warrants into Equity)	-	-	24 Jan 2020	4316666	36230298	72.50
	AT THE END OF THE YEAR	31913632	70.00	-	-	36230298	72.50

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	MGN AGRO PROPERTIES PRIVATE LIMITED	1623145	3.25	-	-	1623145	3.25
	AT THE END OF THE YEAR	-	-	-	-	1623145	3.25
2	SADHNA MEHROTRA	1321127	2.64	-	-	1321127	2.64
	Market Sell	-	-	09 Aug 2019	-13263	1307864	2.62
	Market Sell	-	-	16 Aug 2019	-31043	1276821	2.55
	Market Sell	-	-	23 Aug 2019	-4411	1272410	2.55
	AT THE END OF THE YEAR	-	-	-	-	1272410	2.55
3	SAVITA GULATI	428000	0.86	-	-	428000	0.86
	Market Buy	-	-	30 Sep 2019	25	428025	0.86
	Market Buy	-	-	04 Oct 2019	20	428045	0.86
	Market Buy	-	-	11 Oct 2019	1635	429680	0.86
	Market Buy	-	-	18 Oct 2019	940	430620	0.86
	Market Buy	-	-	25 Oct 2019	3100	433720	0.87
	Market Buy	-	-	01 Nov 2019	240	433960	0.87
	Market Buy	-	-	15 Nov 2019	2661	436621	0.87
	Market Buy	-	-	22 Nov 2019	7847	444468	0.89
	Market Buy	-	-	29 Nov 2019	1470	445938	0.89
	Market Buy	-	-	06 Dec 2019	16590	462528	0.93
	Market Buy	-	-	13 Dec 2019	9430	471958	0.94
	Market Buy	-	-	20 Dec 2019	15067	487025	0.98
	Market Buy	-	-	27 Dec 2019	725	487750	0.98
	Market Sell	-	-	31 Dec 2019	-49970	437780	0.88

BOARD'S REPORT

	Market Buy	-	-	03 Jan 2020	410	438190	0.88
	Market Buy	-	-	10 Jan 2020	51630	489820	0.98
	Market Buy	-	-	17 Jan 2020	230	490050	0.98
	Market Buy	-	-	24 Jan 2020	50	490100	0.98
	Market Buy	-	-	31 Jan 2020	185	490285	0.98
	Market Sell	-	-	07 Feb 2020	-45	490240	0.98
	Market Buy	-	-	14 Feb 2020	185	490425	0.98
	Market Sell	-	-	21 Feb 2020	-415	490010	0.98
	Market Buy	-	-	28 Feb 2020	100	490110	0.98
	Market Buy	-	-	06 Mar 2020	965	491075	0.98
	Market Buy	-	-	13 Mar 2020	495	491570	0.98
	Market Buy	-	-	20 Mar 2020	988	492558	0.98
	Market Buy	-	-	27 Mar 2020	935	493493	0.99
	Market Sell	-	-	31 Mar 2020	-49506	443987	0.89
	AT THE END OF THE YEAR	-	-	-	-	443987	0.8884
4	SANJEEV R. BHARADIA	426500	0.85	-	-	426500	0.8534
	AT THE END OF THE YEAR	-	-	-	-	426500	0.8534
5	WELSPUN INDIA LIMITED	283500	0.57	-	-	283500	0.5673
	AT THE END OF THE YEAR	-	-	-	-	283500	0.5673
6	ROOPAL P. SARKAR	47000	0.09	-	-	47000	0.094
	Market Buy	-	-	17 Jan 2020	200000	247000	0.4942
	AT THE END OF THE YEAR	-	-	-	-	247000	0.4942
7	JNJ HOLDINGS PVT. LTD.	200000	0.40	-	-	200000	0.4002
	Market Sell	-	-	14 Jun 2019	-3433	196567	0.3933
	Market Sell	-	-	21 Jun 2019	-3000	193567	0.3873
	Market Buy	-	-	13 Mar 2020	32300	225867	0.452
	Market Buy	-	-	31 Mar 2020	10133	236000	0.4722
	AT THE END OF THE YEAR	-	-	-	-	236000	0.4722
8	SEEMA AGRAWAL	230000	0.46	-	-	230000	0.4602
	AT THE END OF THE YEAR	-	-	-	-	230000	0.4602
9	RIDDHESH RAM GANDHI	76142	0.15	-	-	76142	0.1524
	Market Buy	-	-	10 May 2019	1332	77474	0.155
	Market Buy	-	-	31 May 2019	3208	80682	0.1614
	Market Buy	-	-	07 Jun 2019	1000	81682	0.1634
	Market Buy	-	-	21 Jun 2019	70	81752	0.1636
	Market Buy	-	-	05 Jul 2019	24678	106430	0.213
	Market Buy	-	-	19 Jul 2019	31	106461	0.213
	Market Buy	-	-	26 Jul 2019	15349	121810	0.2437
	Market Buy	-	-	02 Aug 2019	2000	123810	0.2477
	Market Buy	-	-	06 Sep 2019	3000	126810	0.2537
	Market Buy	-	-	10 Jan 2020	3256	130066	0.2603
	Market Buy	-	-	17 Jan 2020	10000	140066	0.2803
	Market Buy	-	-	24 Jan 2020	7897	147963	0.2961

BOARD'S REPORT

	Market Buy	-	-	07 Feb 2020	2494	150457	0.3011
	Market Buy	-	-	14 Feb 2020	8000	158457	0.3171
	Market Buy	-	-	28 Feb 2020	5000	163457	0.3271
	Market Buy	-	-	06 Mar 2020	3000	166457	0.3331
	Market Buy	-	-	13 Mar 2020	12000	178457	0.3571
	AT THE END OF THE YEAR	-	-	-	-	178457	0.3571
10	SATYA PRAKASH MITTAL (HUF)	123328	0.25	-	-	123328	0.2468
	Market Sell	-	-	16 Aug 2019	-6330	116998	0.2341
	Market Buy	-	-	13 Sep 2019	2343	119341	0.2388
	Market Buy	-	-	20 Sep 2019	1373	120714	0.2415
	Market Buy	-	-	27 Sep 2019	1321	122035	0.2442
	Market Buy	-	-	30 Sep 2019	1235	123270	0.2467
	Market Buy	-	-	04 Oct 2019	1000	124270	0.2487
	Market Buy	-	-	18 Oct 2019	5730	130000	0.2601
	Market Buy	-	-	25 Oct 2019	3281	133281	0.2667
	Market Buy	-	-	17 Jan 2020	7080	140361	0.2809
	Market Sell	-	-	24 Jan 2020	-79	140282	0.2807
	Market Buy	-	-	31 Jan 2020	2068	142350	0.2848
	Market Sell	-	-	07 Feb 2020	-15	142335	0.2848
	Market Sell	-	-	14 Feb 2020	-2196	140139	0.2804
	Market Sell	-	-	21 Feb 2020	-6003	134136	0.2684
	Market Sell	-	-	28 Feb 2020	-300	133836	0.2678
	AT THE END OF THE YEAR	-	-	-	-	133836	0.2678
11	PRADEEPKUMAR GHISULAL RATHOD HUF	113347	0.23	-	-	113347	0.2268
	AT THE END OF THE YEAR	-	-	-	-	113347	0.2268
12	PRASHANT J SARKAR	200000	0.40	-	-	200000	0.4002
	Market Sell	-	-	10 Jan 2020	-200000	-	-
	AT THE END OF THE YEAR	-	-	-	-	-	-

BOARD'S REPORT

v. Shareholding of Directors and Key Managerial Personnel (KMP)

Sr. No.	Name of the Directors and KMP	Shareholding at the beginning of the year 2019		Shareholding at the end of the year 2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
DIRECTORS					
01	Mr. Rajesh R. Mandawewala	-	-	-	-
02	Mr. Abhishek R. Mandawewala	-	-	-	-
03	Mrs. Khushboo Mandawewala	-	-	-	-
04	Mr. Atul Desai	30	0.00	30	0.00
05	Mr. M. K. Tandon	-	-	-	-
06	Mr. K. H. Viswanathan	-	-	-	-
KMP (other than Executive director/ Whole time director)					
01	Mr. Himanshu Dhaddha (Chief Financial Officer)	2000	0.00	6690	0.00
02	Mr. Ashitosh Sheth (Company Secretary) *	-	-	-	-

*Employed for part of the year 2019-20.

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Lakhs)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	21362.51	3600.00	-	24962.51
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	133.19	-	-	133.19
Total (i + ii + iii)	21495.70	3600.00	-	25095.70
Change in indebtedness during the financial year				
· Addition	616.83	-	-	616.83
· Reduction	3798.28	2400.00	-	6198.28
· Reduction in Interest accrued but not due	133.19	-	-	133.19
Net change	(3314.64)	(2400.00)	-	(5714.64)
Indebtedness at the end of the financial year				
i. Principal Amount	18181.06	1200.00	-	19381.06
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	190.04	-	-	190.04
Total (i+ii+iii)	18371.10	1200.00	-	19571.10

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Executive Director, Whole-time director and/or Manager

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Abhishek R. Mandawewala, Managing Director	Khushboo Mandawewala, Whole time Director
1	Gross Salary		
a)	Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.(excluding commission paid which was provided previous year)	69.96	27.98
b)	Value of perquisites u/s. 17(2) Income Tax Act, 1961	-	-
c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat equity	-	-
4	Commission	-	-
5	Others, please specify (contribution to Provident fund)	3.60	1.44
	Total	73.56	29.42
	Ceiling as per the Act.*	NA	NA

*Remuneration paid to the Managing Director and Whole time Director is within the ceiling provided under Section 197 of the Companies Act, 2013

BOARD'S REPORT

B. Remuneration to Other Directors

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total amount
		Atul Desai	M. K. Tandon	K. H. Viswanathan	® Mala Todarwal	
1.	Independent Directors					
1)	Fee for attending board committee meetings	3.95	3.35	3.65	1.40	12.35
2)	Commission	Nil	Nil	Nil	Nil	Nil
3)	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	3.95	3.35	3.65	1.40	12.35
2.	Other Non-Executive Directors	Nil				
	Total (2)	Nil				
	Total (B) = (1 + 2)	3.95	3.35	3.65	1.40	12.35
	Overall ceiling as per the Act	1% of the Net profits of the Company i.e. 1740.56 Lakhs (exclusive of any fees payable to directors for attending meetings of the Board or Committee thereof provided that the amount of such fees does not exceed Rupees One lakh per meeting of the Board or committee thereof.)				

@ Ceased from the Independent Directorship on expiration of second term of office on 31st July 2019.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration#	Himanshu Dhadha (CFO)	Ashitosh Sheth (CS)*	Total Amount Rs
1	Gross Salary			
a)	Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	68.04	17.57	85.61
b)	Value of perquisites u/s. 17(2) Income Tax Act, 1961	0.98	-	0.98
c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option-Vested & Exercised	@	-	@
3	Sweat equity	-	-	-
4	Commission			
-	As % of profit	-	-	-
-	Others, specify.....	-	-	-
5	Others (Contribution to the PF)	3.59	0.76	4.35
	Total	72.61	18.33	90.94

Remuneration represent gross salary paid during the year.

* Employed for part of the year 2019-20.

@ Mr. Himanshu Dhadha also receive ESOP's under the company's ESOP Scheme.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

No penalties / punishment / compounding of offences are imposed to the Company nor to any directors of the Company.

BOARD'S REPORT

ANNEXURE D

FORM NO. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31ST, 2020

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

To,
The Members,
AYM Syntex Limited
Survey No. 394(P), Plot No.1,
Village Saily, Silvassa,
U.T. of Dadra & Nagar Haveli

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AYM Syntex Limited CIN - L99999 Dn1983 PLC000045 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company as the Company has issued any debts during the financial year under review);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation 1993 regarding the Companies Act and dealing with client ;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company as the Company has not delisted its securities from any stock exchange during the financial year under review);
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company as the Company has not brought back its securities during the financial year under review); and
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. The management has identified the compliances of the following laws as specifically applicable to the Company:
 - a. Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards;
 - b. Contract Labour (Regulation and Abolition) Act, 1970;
 - c. Employees Provident Fund and Miscellaneous Provisions Act, 1952;
 - d. Employee's State Insurance Act, 1948;
 - e. Environment Protection Act, 1986;
 - f. Equal Remuneration Act, 1976;
 - g. Factories Act, 1948;
 - h. Industrial Dispute Act, 1947;
 - i. Maternity Benefits Act, 1961;
 - j. Minimum Wages Act, 1948;
 - k. Payment of Bonus Act, 1965;
 - l. Payment of Gratuity Act, 1972;
 - m. Payment of Wages Act, 1936;
 - n. Water (Prevention and Control of Pollution) Act, 1974 and rules issued by the State Pollution Control Boards;
 - o. The Bombay Shop and Establishments Act, 1948;
 - p. Acts as prescribed under Direct Tax and Indirect Tax;
 - q. Such other Local laws etc. as may be applicable in respect of various offices of the Company;

BOARD'S REPORT

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

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

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

We further report that

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

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

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

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

We further report that during the audit period

- i. Upon exercise of option of Share Warrants, 43,16,666 equity shares have been allotted on August 31, 2019 to Mandawewala Enterprises Limited, the promoter of the Company on preferential basis.
- ii. The Company has allotted 68,880 Equity shares pursuant to exercise of ESOP options by employees under AYM ESOP Scheme 2018;
- iii. Shareholders of the Company by way of special resolution have approved the following:
 - a. Amendment in AYM ESOP Scheme 2018 by revising the clause of 'Treatment of Options',
 - b. Appointment of Mrs. Khushboo Mandawewala as Whole-Time Director for period of 3 year with effect from July 29, 2019.

For **Gupta Baul & Associates**
Company Secretaries
Sd/-

Hitesh J. Gupta
ACS No. 33684
CP No. 12722

Place: Mumbai
Date: June 12, 2020

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

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

Sr. No	Name of the employee	Remuneration received (Refer Note) (₹ in lakhs)	Designation	Qualifications and experience of the employee	Date of commencement of employment	Age (Years)	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Umesh Krishna Shenoy	106.24	President – Unit Head Rakholi	PG Diploma, FIE, C.Engg Exp: 41	16th July 2018	64	J.K.Tyre & Industries Limited	0.01	Nil
2	Mr. Sunil Karanjkar	77.76	President	PGDM in Marketing Exp: 33 years	20th December 1989	56	Garware Nylon	0.02	Nil
3	Mr. Abhishek Mandawewala	73.56	Managing Director & CEO	B.A/M. Eng (Honours) Exp: 9 years	1st August 2015	33	Welspun India Limited	0.00	Son of Mr. Rajesh R. Mandawewala and Spouse of Khushboo Mandawewala
4	Mr. Himanshu Dhaddha	72.61	Chief Financial Officer	CA, CS, CWA Exp: 12 years	8th November 2016	34	Amazon India Group	0.01	Nil
5	Mr. Sudhanshu M Khire	65.31	Director (Operation)	B.Sc, MBA, Exp: 33 years	2nd April 2007	61	M/s. Bhargavi Marketing Pvt. Ltd.,	0.02	Nil
6	Mr. Rahul Pareek	64.99	Business Head - BCF	B.Tech – Text Exp: 30 years	9th August 2012	53	ZYC Fibre Co	0.02	Nil
7	Mr. Rajeev Tibrewal	57.26	Vice President	MBA in Marketing Exp: 30 years	14th March 2016	54	Tanfoam Group	0.01	Nil
8	Mr. Brijesh Kumar Srivastava	55.84	Vice President – BCF Production	B.Tech Exp: 36 years	1st November 2017	61	Oriental Weavers International	0.01	Nil
9	Mr. Neeraj Bhriugu	50.71	Vice President- Spinning	B.Tech – Text Tech Exp: 24 years	21st July 2017	45	Asia Pacific Fibre	0.01	Nil
10	Mr. Pankaj Narula*	49.64	Business Head – Dyed Yarn	B.Tech Exp: 29 years	7th May 2019	50	Trident	0.00	Nil

*Employed for the part of the financial year 2019-20

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

Sr. No	Name of the employee	Remuneration received (Refer Note) (Rupees In lakhs)	Designation	Qualifications and experience of the employee	Date of commencement of employment	Age (Years)	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Umesh Krishna Shenoy	105.4	President – Unit Head Rakholi	PG Diploma, FIE, C.Engg Exp: 41 years	16th July 2018	64	J. K. Tyre & Industries Limited	0.01	Nil

C. Remuneration of Rs. 8,50,000 per month or more received by employee for a part of the year: Same as mentioned in Point B.

Notes:

- All appointments are/were contractual in nature. Other terms and conditions are as per the service rules of the Company.
- None of the employees named above hold 2% or more of the equity shares of the Company, by themselves or along with their spouse and dependent children.
- Remuneration includes salary, allowances, performances linked variable pay paid, perquisites & benefits, Company's contribution to provident fund and other retirement benefits like leave encashment and gratuity paid during the year.
- The information about qualifications and last employment is based on the particulars furnished by the concerned employee.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED MARCH 31, 2020

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

a) Composition

Present strength of the Board of Directors is 6. Details of composition of the existing Board of Directors as on 31 March 2020 is given below:

Sr. No.	Name of the Director	Category	No. of Directorship in other Companies	No. of shares held by Non-Executive Director	Member / Chairman in No. of Committes in Companies	No. of Board Meetings Attended	Attendance at last AGM
1.	Mr. Rajesh R. Mandawewala	P,NE,C	9^ 07	Nil	(5)M	3	No
2.	Mr. Abhishek R. Mandawewala	P, E	01 10	Nil	(1)C/(1)M	4	No
3.	Mr. Atul Desai [¶]	I, S, NE	06^ 00	30	(5)C/(3)M	4	Yes
4.	Mr. Mohan Tandon [¶]	I, NE	01 Nil	Nil	(1)C/(2)M	4	No
5.	Mr. K. H. Viswanathan	I, NE	05^ 01	Nil	(5)C/(2)M	4	Yes
6.	Ms. Mala Tadarwal [§]	I,W,NE	NA NA	Nil	NA	2	No
7.	Mrs. Khushboo Mandawewala [§]	WTD	2 2	Nil	Nil	2	NA

@ Expired second term of office as Independent director on 31st July 2019;

§ Appointed as Whole time director w.e.f 29th July 2019;

¶ Re-appointed as an Independent Director for second term of 5 years with effect from 28th May 2019;

^ Includes unlisted public companies.

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

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

Abbreviations:

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

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

Sr No	Name of the Director	Skill/Expertise/Competence	Name of Listed Entity	Category
1	Mr. Rajesh R Mandawewala	Leading figure in textiles and Steel, believes in driving innovation through Continuous research and productdevelopments, Strategy and Business Management	<ul style="list-style-type: none"> Welspun India Limited AYM Syntex Limited Welspun Corp Limited Welspun Enterprises Limited 	Managing Director Director Director Director
2.	Mr. Abhishek R Mandawewala	Strategy and Business management, Excellent managerial skill, leadership quality	<ul style="list-style-type: none"> AYM Syntex Limited 	Managing Director & CEO
3.	Mr. Atul Desai	Litigation & Arbitration	<ul style="list-style-type: none"> Welspun Specialty Solutions Ltd Welspun Investments and Commercials Limited TCFC Finance Limited JSW Holdings Limited 	Independent Director Independent Director Independent Director Independent Director

BOARD'S REPORT

4. Mr. Mohan Tandon	Professional with experience in Organization Restructuring and designing Productivity oriented Incentive Schemes	<ul style="list-style-type: none"> • AYM Syntex Limited • Welspun Enterprises Limited 	Independent Director Independent Director
5. Mr. K H Viswanathan	Corporate Tax and Legal, Transaction advisory and structuring, Internal, Management and Due-diligence, audits, formulation of business strategy, mergers and acquisitions etc	<ul style="list-style-type: none"> • AYM Syntex Limited • Welspun Corp Limited 	Independent Director Independent Director
6. Mrs. Khushboo Mandawewala	Software engineer, strategic, Business development skill and excellent leadership quality	<ul style="list-style-type: none"> • AYM Syntex Limited 	Whole time Director

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

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

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

d) Details of Date of Board Meetings:

Four meetings of the Board of Directors were held during the financial year 2019-20 i.e. 30th April 2019, 29th July 2019, 24th October 2019 and 10th February 2020.

e) Disclosure of relationship between Directors inter se:

Mr. Abhishek R. Mandawewala is son of Mr. Rajesh R. Mandawewala, Chairman/

Mrs. Khushboo A Mandawewala is wife of Mr. Abhishek Mandawewala, Managing Director & CEO.

Mrs. Khushboo Mandawewala is son's wife of Mr. Rajesh Mandawewala, the Chairman.

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

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

3. AUDIT COMMITTEE

The Audit Committee consists of the following Independent Non-Executive Directors (financially literate)

Sr.No.	Name	Designation
i.	Mr. Atul Desai	- Chairman
ii.	Mr. K. H. Viswanathan	- Member
iii.	Mr. Mohan Tandon	- Member
iv.	Ms. Mala Todarwal*	- Member

*upto 31st July 2019

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

Terms of Reference:

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

Four meetings of Audit Committee of Board of Directors were held on 30th April 2019, 29th July 2019, 24th October 2019 and 10th February 2020. The details of attendance of members of Audit Committee are as follows:

Sr. No.	Name of the Member	Designation	Number of meetings attended
1.	Mr. Atul Desai	Chairman	4
2.	Mr. K. H. Viswanathan	Member	4
3.	Mr. Mohan Tandon	Member	4
4.	Ms. Mala Todarwal *	Member	2

*upto 31st July 2019

4. NOMINATION AND REMUNERATION COMMITTEE

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

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

Sr.No.	Name	Designation
i.	Mr. Atul Desai	- Chairman
ii.	Mr. R. R. Mandawewala	- Member
iii.	Mr. Mohan K. Tandon	- Member
iv.	Mr. K. H. Viswanathan	- Member
v.	Ms. Mala Todarwal *	- Member

*upto 31st July 2019

BOARD'S REPORT

- c. Three meetings of Nomination and Remuneration Committees were held on 30th April 2019, 29th July 2019 and 10th February 2020. The details of attendance of members of the committee are as follows:

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

* upto 31st July 2019

d. Performance Evaluation Criteria

- The evaluation of individual directors would have two parts, viz. (a) quantitative data in the form of number of meetings of the board and committees attended as against the total number of such meetings held and (b) qualitative data coming out of the process of filling in a questionnaire by the directors, which would be subjective, by its very nature.
- In order to induce the respondents to give their frank views, the instruments would be so designed that only ticks would be required, with no provision for description and the directors would not be required to identify themselves below the filled in questionnaire.
- The result of the evaluation would be discussed threadbare by the Board and remedial actions taken.
- In case of individual directors' performance falling below a threshold, there would be a provision for individual counselling by the Chairman of the Company.

5. REMUNERATION TO DIRECTORS

- There are no pecuniary relationships or transactions with the Non-Executive Directors vis-a-vis the Company.
- Criteria of making payments to Non-Executive Directors:

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

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

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

(₹ in Lakhs)

Name of Directors	Sitting Fees
Mr. Atul Desai	3.95
Mr. K.H. Viswanathan	3.65
Mr. Mohan Tandon	3.35
Ms. Mala Todarwal	1.40
Total	12.35

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

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

Particulars	Mr. Abhishek R. Mandawewala (MD & CEO)	*Mrs. Khushboo Mandawewala (Whole time Director)
Salaries and allowances	69.96	27.98
Contribution to Provident Fund	3.60	1.44
TOTAL	73.56	29.42
Service contracts	From 01/08/2018 to 31/07/2021	From 29/07/2019 to 29/07/2022
Notice period	3 months	3 months
Severance fees	Nil	Nil
Stock option	Nil	Nil

* w.e.f 29th July 2019

d. Meeting of Independent Directors

The Independent Directors of the Company shall hold at least one meeting in a year without the attendance of non-independent directors and members of management. The meeting of Independent Directors was held on 9 March 2020 and the following points were discussed:

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

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

- Name of Non-Executive Director heading the Committee
 - Mr. Atul Desai
- Name and designation of Compliance Officer
 - Mr. Ashitosh Sheth – Company Secretary
- Number of shareholders complaints received during the year - **Nil**
- Shareholders complaints pending during the year 31st March 2020 - **Nil**

Details of Stakeholders Relationship Committee Meeting: One meeting was held during the year i.e. 11th April 2019.

Sr.	Name of Member	Designation	Meetings Attended
1.	Mr. Atul Desai	Chairman	0
2.	Mr. R. R. Mandawewala	Member	1
3.	Mr. Abhishek. R. Mandawewala	Member	1

BOARD'S REPORT

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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

a) Composition:

The Committee comprises of:

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

*w.e.f 29th July 2019

The Company Secretary acts as the Secretary to the Committee.

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

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

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

c) Meetings and Attendance:

During the year under review, the Corporate Social Responsibility Committee met at once i.e. on 30th April 2019.

Sr.No.	Name of Member	Designation	Meetings Attended
1.	Atul Desai	Chairman	1
2.	R. R. Mandawewala	Member	-
3.	Abhishek. R. Mandawewala	Member	1
4.	Khushboo Mandawewala	Member	1

8. GENERAL BODY MEETING

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

Financial Year	Date	Time	Location
2016-17	28/09/2017	11.00 a.m	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2017-18	25/09/2018	11.30 a.m	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2018-19	19/09/2019	12.00 a.m	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)

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

Financial Year	Date	Items
2016-17	28/09/2017	None
2017-18	25/09/2018	(i) Re-appointment of Mr. Viswanathan as Independent director for second term with effect from 01/08/2018 to 31/07/2023. (ii) Re-appointment of Mr. Abhishek Mandawewala as Managing director & CEO for a further period of three years with effect from 01/08/2018 to 31/07/2021.
2018-19	19/09/2019	(i) Appointment of Mrs. Khushboo Mandawewala as Whole time Director for a period of 3 years w.e.f 29/07/2019; (ii) Amendment in AYM ESOP Scheme 2018
2018-19	20/03/2019	(i) Extension of the term and re-appointment Mr. Mohan Tandon, Independent Director.

c. No special resolution passed and proposed to be conducted through Postal Ballot during the year.

9. MEANS OF COMMUNICATION

- The quarterly Un-audited Financial Results and Yearly Audited Financial Results of the Company are sent to the BSE Limited and National Stock Exchange immediately after they are approved by the Board of Directors in their Board meetings.
- The quarterly Un-audited Financial Results and Yearly Audited Financial Results of the Company has been advertised in Newspapers, details of which are as mentioned herein below:

Quarter/Year end	Date of publication	Name of Newspaper
31.03.2019	01.05.2019	The Financial Express (E)+ (G), Ahmedabad edition
30.06.2019	30.07.2019	The Financial Express (E)+ (G), Ahmedabad edition
30.09.2019	25.10.2019	The Financial Express (E)+ (G), Ahmedabad edition
31.12.2019	11.02.2020	The Financial Express (E)+ (G), Ahmedabad edition

- Website:
<https://aymsyntex.com/investors/financial-report /investors-financial-relation>
- Whether it also displays official news releases: No official news has been released during the year.
- Presentation made to institutional investors or to the analysts: None

BOARD'S REPORT

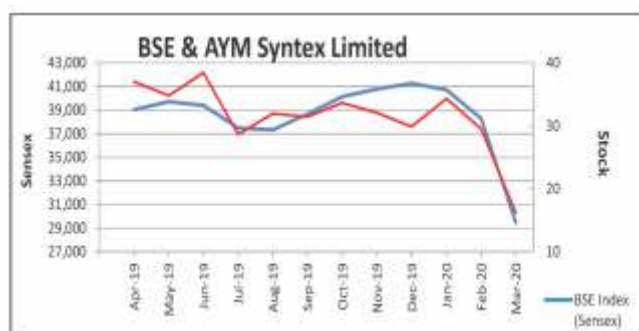
10. GENERAL SHAREHOLDERS INFORMATION

- a. 37th Annual General Meeting Venue : Deemed to be at Plot no.1, Survey No. 394(P), Village saily, Silvassa, U. T. of Dadra & Nagar Haveli – 396230
- Time : 12.00 Noon
- Day and Date : Tuesday, 29th September 2020
- b. Financial year : From 01st April to 31st March
- c. Book Closure date and Dividend Payment date : Book Closure : From Saturday, 26th September 2020 to Tuesday, 29th September 2020. No Dividend recommended / declared during the year.
- d. Listing on Stock Exchanges
- National Stock Exchange of India Limited (NSE), Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra East, Mumbai 400051.
 - Bombay Stock Exchange Limited (BSE), P. J. Tower, Dalal Street, Fort, Mumbai 400001.
 - Listing fees has been paid to BSE on 9th April 2019 and NSE on 18th April 2019 for the year 2019-20.
- e. Stock Code : Stock code No. is 508933 (BSE) and Symbol is AYMSYNTEX (NSE).
- f. Market Price Data - High-Low Quotations on BSE and (NSE), Mumbai during each month for the year 01 April 2019 to 31 March 2020:

Month	Bombay Stock Exchange (₹)		Sensex		National Stock Exchange (₹)		Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr-19	37.80	34.00	39487.45	38460.25	38.55	35.00	11856.15	11549.10
May-19	37.00	33.00	40124.96	36956.10	38.00	33.00	12041.15	11108.30
Jun-19	43.00	34.00	40312.07	38870.96	43.90	34.00	12103.05	11625.10
Jul-19	39.50	27.55	40032.41	37128.26	39.90	27.40	11981.75	10999.40
Aug-19	33.95	28.60	37807.55	36102.35	33.85	26.80	11181.45	10637.15
Sep-19	35.50	30.00	39441.12	35987.80	35.00	30.00	11694.85	10670.25
Oct-19	34.00	28.15	40392.22	37415.83	35.25	28.05	11945.00	11090.15
Nov-19	34.95	27.45	41163.79	40014.23	35.00	29.10	12158.80	11802.65
Dec-19	33.15	28.05	41809.96	40135.37	34.10	27.45	12293.90	11802.65
Jan-20	40.90	28.70	42273.87	40476.55	41.70	28.65	12430.50	11929.60
Feb-20	37.90	28.05	41709.30	38219.97	38.50	28.00	12246.70	11175.05
Mar-20	33.80	12.90	39083.17	25638.90	32.80	13.15	11433.00	7511.10

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

Month	BSE Index (Sensex)	AYM Syntex Stock month end Closing price (₹)	NSE (Nifty)	AYM Syntex Stock month end Closing price (₹)
Apr-19	39031.55	37.00	11748.15	36.35
May-19	39714.2	34.80	11922.80	35.55
Jun-19	39394.64	38.45	11788.85	39.20
Jul-19	37481.12	28.65	11118.00	29.55
Aug-19	37332.79	31.95	11023.25	31.55
Sep-19	38667.33	31.45	11474.45	31.75
Oct-19	40129.05	33.65	11877.45	33.65
Nov-19	40793.81	32.05	12056.05	33.20
Dec-19	41253.74	29.85	12168.45	29.70
Jan-20	40723.49	34.35	11962.10	34.60
Feb-20	38297.29	29.50	11201.75	29.20
Mar-20	29468.49	16.20	8597.75	15.75



h. Securities are not suspended from trading.

i. Registrar and Share Transfer Agent:

Link Intime India Private Limited

Address : C-101,247 Park, LBS Marg, Vikhroli (West), Mumbai- 400083

Tel. No. : 022-49186270

Fax No. : 022-49186060,

E-mail : rnt.helpdesk@linkintime.co.in

Website : www.linkintime.co.in

j. Share Transfer System

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

k. Distribution of Shareholding

The distribution of shareholding as on 31st March, 2020 is as follows:

Shareholding of nominal value	Share holders		Amount	
	In ₹	Number	% of Total	In ₹ % of Total
(1)	(2)	(3)	(4)	(5)
Upto- 5,000	5908	75.92	8997760	1.80
5,001- 10,000	750	9.64	6188130	1.24
10,001- 20,000	488	6.27	7528570	1.51
20,001- 30,000	184	2.36	4797920	0.96
30,001- 40,000	90	1.16	3206860	0.64
40,001- 50,000	72	0.93	3438000	0.69
50,001- 1,00,000	147	1.89	10839450	2.17
1,00,001 and above	143	1.84	454754450	90.99
TOTAL	7782	100.00	499751140	100.00

BOARD'S REPORT

I. Dematerialization of shares and liquidity

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

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

The Company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March 2019, 99.95 % of the shares of the Company are dematerialized.

Bifurcation of shares are mentioned below:

Category	As on 31 March 2020	% of shareholding
No. of Shares held by NSDL	43911346	87.86
No. of Shares held by CDSL	6040028	12.09
Physical	23740	0.05
Total	49975114	100.00

- m. The Company has not issued any GDRs/ ADRs.
- n. Commodity price risk or foreign exchange risk and hedging activities: Refer to Management Discussion & Analysis' Section of this Report.
- o. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- number of complaints filed during the financial year : Nil
 - number of complaints disposed of during the financial year : Nil
 - number of complaints pending as on end of the financial year. Nil

p. Location of plant

Rakholi Plant and	: Plot no. 1, Survey No. 394(P), Village Saily, Silvassa 396230,
Registered Office	: U. T. of Dadra & Nagar Haveli
Palghar Plant	: Plot no. I, 40 to 45, 116 to 118, Dewan Industrial Estate, Mahim Village, Palghar (W) - 401404, Dist - Palghar, Maharashtra
Address for Correspondence	: 9th Floor, Trade world, "B" Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Telephone No	: 022 - 61637000/7001
Fax No	: 022 - 24937725
E-mail id	: investorrelations@aymgroup.com
Website	: www.aymsyntex.com
Compliance Officer and Company Secretary	: Mr. Ashitosh Sheth

11. OTHER DISCLOSURES

i. Related party transactions:

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

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

- ii. No penalties, strictures were imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- iii. Whistle Blower Policy and Vigil Mechanism
- The Company has a Whistle Blower Policy and Vigil Mechanism for its directors and employees and no personnel have been denied access to the Audit Committee. A copy of policy is displayed on the website of the Company at <https://aymsyntex.com/investors/corporate-governance/policies-code-compliances>.
- iv. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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

- i. The Company has complied with mandatory requirements as mentioned under Regulations 17 to 27 of SEBI (LODR) Regulations, 2015 and has adopted the following discretionary requirements on Corporate Governance as recommended hereunder:
- The Company has separate individuals occupying the position of Chairman and that of Managing Director and CEO;
- The Internal Auditor reports directly to the Audit Committee.
- ii. Web link where policy for determining material subsidiaries is disclosed :
- The Company does not have subsidiary company.
- iii. Web link where policy on dealing with related party transactions:
- <https://aymsyntex.com/investors/corporate-governance/policies-code-compliances>.

BOARD'S REPORT

13. CODE OF CONDUCT

The Company has established a Code of Conduct for its Board members and its Senior Management Personnel. The Code of Conduct for the Board members and Senior Management Personnel is available on the Company's website at:

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

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

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

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

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

On behalf of Board of Directors
Sd/-

Place: Mumbai
Date: June 12, 2020

Abhishek Mandawewala
Managing Director & CEO
DIN:00737785

BOARD'S REPORT

INDEPENDENT AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of AYM Syntex Limited

We have examined the compliance of conditions of Corporate Governance by AYM Syntex Limited, for the year ended 31st March, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

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

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

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

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

Arunkumar Ramdas

Partner

Membership Number: 112433

UDIN:20112433AAAAFX1346

Place: Mumbai

Date: June 12, 2020



FINANCIAL REPORTS

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of AYM Syntex Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note 49 to the financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to Covid-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is dependent upon circumstances as they evolve. Further, our attendance at the physical inventory verification done by the management was impracticable under the lock-down restrictions imposed by the governments and we have therefore, performed the related alternate audit procedures including relying on the work of other Chartered Accountants to obtain comfort over the existence and condition of inventory at year end. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Sr. No.	Key Audit Matter	How Our Audit Addressed The Key Audit Matter
1	Assessment of realisability of Minimum Alternate Tax ('MAT') credit entitlement and the re-measurement of Deferred Tax Liability (Refer note 7 and 34 of the financial statements)	<p>Minimum Alternate Tax ('MAT') credit entitlement of ₹ 5,075.77 lakhs is recognized as an asset by crediting the Statement of Profit and Loss and is classified under Deferred Tax Assets (net) in the balance sheet.</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.</p> <p>Pursuant to the Taxation Law (Amendment) Act, 2019 enacted on September 20, 2019, effective April 1, 2019, the Company has made an assessment of the impact of ordinance and have opted to continue with the existing tax rate structure until the utilization of accumulated MAT credit and thereafter migrate to the new tax regime.</p> <p>This evaluation resulted in write back of Deferred Tax Liability to the extent of ₹ 977.06 lakhs to the Statement of profit and loss.</p> <p>We considered the realisability of MAT credit entitlement and the re-measurement of Deferred Tax Liability consequent to migration to the new tax regime, to be a key audit matter as the amount is material to the</p> <p>To evaluate the realisability of MAT Credit entitlement and the re-measurement of Deferred Tax Liability, our procedures included the following:</p> <ul style="list-style-type: none"> • Understanding and evaluating the design and testing the operating effectiveness of the Company's controls over preparation of forecasts. • Assessing the historical accuracy of the Company's Board approved forecasts by comparing the forecast approved in the previous year with the actual performance in the current year. • Testing the mathematical accuracy of the underlying calculations and comparing the forecasts with the budgets approved by the Board of Directors. • Assessing the reasonableness of assumptions used in the preparation of forecasts with external and internal factors including business and industry growth rates and Company's past performance.

INDEPENDENT AUDITORS' REPORT

Key Audit Matter	How Our Audit Addressed The Key Audit Matter
<p>financial statements and there is significant management judgement involved while applying various assumptions in preparation of forecasts which mainly include future business growth rates.</p>	<ul style="list-style-type: none"> Applying sensitivity to the forecasts to assess whether the MAT credit carried as an asset would be utilised within the specified time period of fifteen years as stated earlier. Evaluated the Company's assessment of the computation of current and deferred taxes for the forecast period under existing tax laws to determine the year in which Company is expected to opt for the new tax regime and remeasurement of deferred tax amount basis migration to new tax regime. <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 and the estimation of re-measurement of Deferred Tax Liability.</p>
<p>2 Assessment of indication of impairment and the recoverable amount (RA) of net carrying value of assets (Refer note 2 (d) of the financial statements)</p> <p>The carrying amount of the entity's net assets exceeded the entity's market capitalisation requiring the Company's management to assess whether there is any indication of impairment to the net assets having carrying value of ₹ 50,139.04 lakhs as at March 31, 2020.</p> <p>Based on such indications, an impairment testing was performed by the Company's management in accordance with the requirements of Ind AS 36, Impairment of Assets. Management calculated the value in use of the assets applying the discounted cash flow method.</p> <p>This is a key audit matter, because of the significance of the carrying value of the assets of the Company and the estimation uncertainty in assumptions used for calculating the RA of the net assets such as future sales, discount rate, cost of materials and rate of growth over the estimation period.</p>	<p>Our audit procedures related to testing impairment of the carrying amount of net assets included the following:</p> <ul style="list-style-type: none"> Understanding and evaluating the design and testing the operating effectiveness of controls for identification and assessment of any potential impairment, including determining the carrying amount and RA of the net assets. Assessing the historical accuracy of the Company's Board approved forecasts by comparing the forecast approved in the previous year with the actual performance in the current year. Using auditor's expert for testing appropriateness of the key assumptions, method and model used for determining RA and mathematical accuracy of the calculations. Evaluating reasonableness of other key assumptions used in future cash flow projections such as future sales, discount rate, cost of materials and rate of growth over the estimation period. Performing sensitivity analysis over key assumptions to corroborate that RA is within a reasonable range. Assessing the appropriateness of the related presentation and disclosures in the financial statements. <p>Based on the above procedures performed, we did not note any material exceptions in the management's assessment of the RA of the net carrying value of assets.</p>

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash

INDEPENDENT AUDITORS' REPORT

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(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.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

INDEPENDENT AUDITORS' REPORT

- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements;
 - ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at March 31, 2020.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

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

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

Arunkumar Ramdas

Partner

Membership No.: 112433

UDIN: 20112433AAAAFZ2462

Date: June 12, 2020

Place: Mumbai

INDEPENDENT AUDITORS' REPORT

ANNEXURE A

to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of AYM Syntex Limited on the financial statements for the year ended March 31, 2020

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, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

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

Arunkumar Ramdas
Partner

Date: June 12, 2020
Place: Mumbai

Membership No.: 112433
UDIN: 20112433AAAAFZ2462

INDEPENDENT AUDITORS' REPORT

ANNEXURE B

to Independent Auditors' Report

Referred to in paragraph 17 of the Independent Auditors' Report of even date to the members of AYM Syntex Limited on the financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties as disclosed in Note 3(a) on Property Plant and Equipment and Note 3(b) on Right of use Assets to the financial statements, are held in the name of the Company, except for the following immovable properties whose title deeds are not held in the Company's name:

Nature of immovable property	Number of cases	Amount as at March 31, 2020 (₹ in Lakhs)		Remarks
		Gross block	Net block	
Freehold land	1	4.63	4.63	Title is not transferred in the name of the Company
Residential Flats	6	14.85	9.71	Documents of title deeds not available with the Company

- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
Further, our attendance at the physical inventory verification done by the management was impracticable under the current restrictions imposed by the government and we have performed alternate audit procedures including relying on the work of other Chartered Accountants. Also refer paragraph 4 of our main audit report on the financial statements.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or, provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made

and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of goods and service tax, provident fund and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues including sales tax, service tax, duty of customs, employees' state insurance, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 38 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, value added tax, duty of excise and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax and duty of customs as at March 31, 2020, 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
		20.00	Assessment Year 2011-12	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
		55.96	Financial Year 2006-07	Commissioner CGST & CE, Vapi
		99.47	Financial Years 2007-08 to 2012-13	Commissioner CGST & CE, Vapi
		86.61	Financial Years 2013-14 and 2014-15	Commissioner CGST & CE, Vapi
		221.71	Financial Year 2014-15	Central Excise and Service Tax Appellate Tribunal, Ahmedabad
		56.44	Financial Year 2015-16	Central Excise and Service Tax Appellate Tribunal, Ahmedabad
		15.02	Financial Years 2015-16 to 2017-18	Commissioner (Appeal), CGST & CE, Surat

INDEPENDENT AUDITORS' REPORT

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)*	Period to which the amount relates	Forum where the dispute is pending
The Customs Act, 1962	Duty of Customs	72.55	Financial Years 1996-97 and 1997-98	Commissioner of Customs, Mumbai
		168.36	Financial Year 2006-07	Commissioner of Customs (Imports), Navi Mumbai
		3.78	Financial Years 2006-07 to 2008-09	Deputy Commissioner CGST & CE, Vapi
		25.00	Financial Year 2013-14	Commissioner of Customs (Appeals), Mumbai
		64.26	Financial Year 2014-15	Commissioner of Customs (Appeal), Raigad

* Net of amount paid under protest

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

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

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

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Refer paragraph 19 of the Independent Auditor's Report on the financial statements.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has made a preferential allotment of shares during the year under review, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Arunkumar Ramdas
Partner

Date: June 12, 2020
Place: Mumbai

Membership No.: 112433
UDIN: 20112433AAAAFZ2462

BALANCE SHEET

as at March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3a	43,599.16	44,851.78
(b) Capital work-in-progress	3a	711.56	2,229.87
(c) Right-of-use assets	3b	396.20	-
(d) Intangible assets	4	46.17	64.81
(e) Financial assets			
Other financial assets	5	36.38	19.82
(f) Income tax assets (net)	6	73.51	131.49
(g) Deferred tax assets (net)	7	3,589.55	2,606.48
(h) Other non-current assets	8	616.12	950.09
Total Non-Current Assets		49,068.65	50,854.34
Current Assets			
(a) Inventories	9	12,889.63	10,679.03
(b) Financial assets			
i. Investments	10	-	1,502.00
ii. Trade receivables	11	11,396.79	10,252.74
iii. Cash and cash equivalents	12	173.21	329.93
iv. Bank balances other than cash and cash equivalents above	13	2,090.77	1,942.12
v. Loans	14	50.15	23.90
vi. Other financial assets	15	58.32	162.43
(c) Other Current Assets	16	5,754.49	4,757.94
Total Current Assets		32,413.36	29,650.09
Total Asset		81,482.01	80,504.44
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17(a)	4,997.51	4,558.96
(b) Other equity			
i. Reserves and Surplus	17(b)	29,350.73	24,895.56
ii. Money received against share warrants	17(c)	-	809.37
Total Equity		34,348.24	30,263.89
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
i. Borrowings	18	16,407.34	20,421.48
ii. Lease Liabilities	3(b)	248.51	-
(b) Employee benefit obligations	19	736.11	643.97
(d) Other non-current liabilities	20	11.29	16.72
Total non-current liabilities		17,403.25	21,082.17
Current liabilities			
(a) Financial liabilities			
i. Borrowings	21	6,120.19	6,175.67
ii. Trade payables	22		
Dues to micro, small and medium enterprises		1,132.59	927.13
Dues to creditors other than micro, small and medium enterprises		17,583.09	15,559.40
iii. Other financial liabilities	23	3,833.88	5,788.50
iv. Lease Liabilities	3(b)	311.02	-
(b) Employee benefit obligations	25	333.21	328.20
(c) Other Current Liabilities	26	416.54	379.49
Total Current Liabilities		29,730.52	29,158.38
Total Liabilities		47,133.77	50,240.55
Total Equity and Liabilities		81,482.01	80,504.44

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

Arunkumar Ramdas

Partner

Membership No. 112433

Place: Mumbai

Date: June 12, 2020

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, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
INCOME			
Revenue from operations	26	102,797.63	99,198.16
Other income	27	336.92	590.14
Total income		103,134.55	99,788.30
EXPENSES			
Cost of materials consumed	28	57,228.39	58,643.30
Changes in inventories of finished goods and goods-in-process	29	(707.18)	(85.88)
Employee benefit expense	30	6,171.72	6,709.11
Depreciation and amortization expense	31	4,477.66	3,760.97
Other expenses	32	30,676.87	26,770.26
Finance costs	33	3,824.32	3,442.56
Total expenses		101,671.78	99,240.32
Profit Before Exceptional Items and Tax		1,462.77	547.98
Exceptional Items	33A	444.88	
Profit Before Tax		1,017.89	547.98
Income Tax Expense	34		
Current tax		175.08	105.93
Deferred tax		(897.75)	(144.10)
Total Tax (Credit)/ Expense		(722.67)	(38.17)
Profit for the year		1,740.56	586.15
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	30	(16.75)	(4.29)
Income tax effect on above	34	5.85	1.50
Other comprehensive income for the year, net of tax		(10.90)	(2.79)
Total Comprehensive Income for the Year		1,729.66	583.36
Earnings per share	40		
Basic (₹) (Face value of Rs. 10/- each)		3.61	1.29
Diluted (₹) (Face value of Rs. 10/- each)		3.61	1.28

Notes forming part of the financial statements

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

This is the statement of Profit and Loss referred to in our report of the even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N/ N500016

Arunkumar Ramdas

Partner

Membership No. 112433

Place: Mumbai

Date: June 12, 2020

For and on behalf of the Board of Directors

Rajesh Mandawewala

Chairman

DIN 00007179

Abhishek Mandawewala

CEO and Managing Director

DIN 00737785

Himanshu Dhaddha

Chief Financial Officer

Ashitosh Sheth

Company Secretary

CASH FLOW STATEMENT

for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,017.89	547.98
Adjustments for:		
Depreciation and amortisation expense	4,477.66	3,760.97
Finance costs	3,824.32	3,442.56
Unrealised foreign exchange (gain)/loss (Net)	(84.21)	63.46
Share based expense	59.10	57.76
Changes in fair value of financial assets through profit or loss	-	(2.01)
Loss / (Gain) on sale of investments (Net)	(7.12)	(5.91)
Loss on sale/discard of property, plant and equipment (Net)	65.79	38.95
Interest income	(173.11)	(151.72)
Operating profit before changes in operating assets and liabilities	9,180.32	7,752.04
Adjustments for changes in operating assets and liabilities:		
(Increase) / decrease in inventories	(2,210.60)	(1,687.38)
(Increase) / decrease in trade receivables	(783.55)	(1,793.53)
Increase / (decrease) in trade payables	1,953.24	6,171.01
Increase / (decrease) in other current financial liabilities	16.27	17.20
Increase / (decrease) in employee benefit obligations	80.40	(66.19)
Increase / (decrease) in other current liabilities	37.05	(208.68)
Increase / (decrease) in other non-current liabilities	(5.43)	16.72
(Increase) / decrease in other current financial assets	106.15	42.36
(Increase) / decrease in other non-current financial assets	(16.56)	(12.81)
(Increase) / decrease in other non-current assets	340.13	(459.50)
(Increase) / decrease in other current assets	(658.22)	(914.69)
Cash Generated from Operations	8,039.20	8,856.55
Income tax paid	(122.05)	(94.34)
Net cash generated from operating activities	7,917.15	8,762.21
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant, equipment and intangible assets	(2,369.87)	(10,649.60)
Proceeds from sale of property, plant and equipment	17.95	8.44
Realisation / (investment) in fixed deposit and margin money (Net)	(148.65)	105.35
Sale / (Purchase) of Investment (Net)	1,509.11	(793.00)
Interest received	144.82	154.32
Net cash used in investing activities	(846.64)	(11,174.49)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (Net)	6.89	-
Proceeds / (Repayments) of long term borrowings	(3,181.45)	1,981.34
Proceeds / (Repayments) of short term borrowings	(55.48)	998.67
Principal elements of lease payments	(281.56)	-
Proceeds from Intercompany deposit	28.12	2,400.00
Interest paid	(3,743.75)	(3,408.40)
Net cash generated / (used in) in financing activities	(7,227.23)	1,971.61
Net (decrease) / increase in Cash and Cash Equivalents	(156.72)	(440.67)
Cash and cash equivalents at the beginning of the year	329.93	770.60
Cash and cash equivalents at the end of the year	173.21	329.93
Non-cash investing/ financing activities		
- Acquisition of right-of-use assets	607.98	-
- Conversion of Intercompany deposit to Equity shares on exercise of share warrants (Refer Note 17 (a) (iv))	2,428.12	-
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of:		
Cash on Hand (Refer Note 12)	38.34	16.72
Balance with banks in current accounts (Refer Note 12)	134.87	313.21
Cash and bank balances at the end of the year	173.21	329.93

Notes

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". 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

Arunkumar Ramdas

Partner
Membership No. 112433

Place: Mumbai
Date: June 12, 2020

For and on behalf of the Board of Directors

Rajesh Mandawewala

Chairman
DIN 00007179

Himanshu Dhadha
Chief Financial Officer

Abhishek Mandawewala

CEO and Managing Director
DIN 00737785

Ashitosh Sheth
Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

A EQUITY SHARE CAPITAL

Particulars	Notes	Amount
Balance as at 1 April 2018		4,558.96
Changes in equity share capital during the year	17(a)	-
Balance as at 31 March 2019		4,558.96
Changes in equity share capital during the year	17(a)	438.56
Balance as at 31 March 2020		4,997.52

B OTHER EQUITY

Particulars	Notes	Reserves and Surplus					Retained earnings	Money received against share warrants	Total Other Equity
		Capital reserve	Securities premium reserve	General Reserve	Share options outstanding account	Capital Redemption Reserve			
Balance as at 1 April 2018		2,664.93	4,168.05	107.06	-	293.36	17,021.04	809.37	25,063.81
Profit for the year		-	-	-	-	-	586.15	-	586.15
Other comprehensive income		-	-	-	-	-	(2.79)	-	(2.79)
Total comprehensive income for the year		-	-	-	-	-	583.36	-	583.36
Transactions with owners in their capacity as owners		-	-	-	-	-	-	-	-
Share options outstanding account		-	-	-	57.76	-	-	-	57.76
Balance as at 31 March 2019		2,664.93	4,168.05	107.06	57.76	293.36	17,604.40	809.37	25,704.93
Balance as at 1 April 2019 (as originally presented)		2,664.93	4,168.05	107.06	57.76	293.36	17,604.40	809.37	25,704.93
Change in accounting policy	48	-	-	-	-	-	(139.42)	-	(139.42)
Restated balance as at 1 April 2019		2,664.93	4,168.05	107.06	57.76	293.36	17,464.98	809.37	25,565.51
Profit for the year		-	-	-	-	-	1,740.56	-	1,740.56
Other comprehensive income		-	-	-	-	-	(10.90)	-	(10.90)
Total comprehensive income for the year		-	-	-	-	-	1,729.66	-	1,729.66
Transactions with owners in their capacity as owners		-	-	-	-	-	-	-	-
Preferential issue of equity shares, net of transaction	17(b)	-	2,805.83	-	-	-	-	-	2,805.83
Share options outstanding account	17(b)	-	22.47	-	59.10	-	-	-	81.57
Employee stock options exercised	17(b)	-	-	-	(22.47)	-	-	-	(22.47)
Share warrants exercised by owners	17(c)	-	-	-	-	-	-	(809.37)	(809.37)
Balance as at 31 March 2020		2,664.93	6,996.35	107.06	94.39	293.36	19,194.64	-	29,350.73

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

Arunkumar Ramdas

Partner
Membership No. 112433

Place: Mumbai
Date: June 12, 2020

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, 2020

(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. 394P, Village - Saily, Silvassa, Dadra & Nagar Haveli-396230, 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 June 12, 2020.

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

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.

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

New and amended standards adopted by the Company

The Company has applied the following Accounting Standards and amendments for the first time for annual reporting period commencing April 1, 2019:

- Ind AS 116, Leases
- Uncertainty over Income Tax Treatments – Appendix C to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, Employee Benefits
- Amendment to Ind AS 12, Income Taxes.
- Amendment to Ind AS 23, Borrowing Costs.

The Company made change in its accounting policies following the adoption of Ind AS 116. This is disclosed in Note 48. Most of the other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current and future periods.

1.2 Foreign Currency Translation

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.

Transactions and balances

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

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

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

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

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

1.3 Revenue Recognition

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

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

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

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

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

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

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

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

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

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

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

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

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

Export Incentives

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

1.4 Government Grants

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

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

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

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

1.5 Income Tax

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

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. 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.

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).

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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 utilise 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 utilise the said credit against normal tax payable during the specified period.

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

1.6 Leases

Till March 31, 2019:

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the 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.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effective from April 01, 2019:

The Company adopted IND AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

The standard is applied to all lease contracts existing on the date of initial application. The Company applied single recognition and measurement approach. 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.

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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.

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.

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

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 derecognised 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 amortised over the shorter of estimated useful life or the related lease term. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

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

* Extra shift depreciation is provided

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

Intangible assets with finite useful lives:

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

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Research and Development

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

Amortisation 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 realisable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of 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 realisable 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

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 amortised cost.

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

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

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

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

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

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.

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:

• Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely

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payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

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

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

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

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

- (ii) **Equity instruments:**

The 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.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried

at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the Company determines whether there has been a significant increase in credit risk.

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

Derecognition of financial assets Revenue recognition

A financial asset is derecognised only when

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

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

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 derecognised 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.

Income recognition

- (i) **Interest income**

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

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

- (ii) **Dividends**

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

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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.

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

Measurement:

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

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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.

Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is

probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

Where the terms of a financial liability are renegotiated and the 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.

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 amortised cost using the effective interest method.

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.

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.

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Embedded Derivatives

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

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

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.

Offsetting financial instruments

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

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.

Current obligations also include compensatory absences which accrue to employees and are expected to be availed within twelve months after the end of the period in which the employees render the related service. These compensatory absences are measured on actual basis.

Long-term employee benefit obligations

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

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

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

Post-employment obligations

The Company operates the following post-employment schemes:

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

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

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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.

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.

Shared based payments

Employee options

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

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

The total expense is recognised over the vesting period, which is the period over which all of 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 recognises the impact of the revision to original estimates, if any, in profit or loss such that the cumulative expense reflect the revised estimate with a corresponding adjustment to equity-settled employee benefits reserve.

Bonus Plan

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

1.15 Provisions and Contingent Liabilities

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

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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.

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.

Contingent Assets

Contingent Assets are disclosed, where an inflow of economic benefits is probable. An entity 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 the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.18 Earnings Per Share

Basic earnings per share

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

Diluted earnings per share

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

1.19 Segment Reporting

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

The managing director, who has been identified as the chief

operating decision maker, assesses the financial performance and position of the Company and makes strategic decisions. Refer Note 46 for the segment information presented.

1.20 Exceptional Items

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

1.21 Rounding of Amounts

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

1.22 New standards/ amendments to existing standards issued but not yet adopted

Amendments to IAS 1 and IAS 8 Definition of Material:

In October 2018, the IASB issued Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to make the definition of material in IAS 1 easier to understand. The amendments are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are required to be applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

The Company does not expect the amendment to have any material impact on its evaluation of materiality in relation to its financial statements.

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

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(All amounts in ₹ Lakhs, unless otherwise stated)

judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. Accounting estimates could change from period to period.

a) Estimation of current tax expense and deferred income tax

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

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

b) Estimation of Provisions & Contingent Liabilities.

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

c) Estimated useful life of Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each

financial year end. Internal and external factors such as changes in the expected level of usage, technological developments, product life cycle, relative efficiencies and operating costs may impact their life and the residual value of these assets. This reassessment may result in change in depreciation and amortization expense and have an impact on profit in future years. For the relative size of the Company's property, plant and equipment and intangible assets (Refer Note 3 and 4).

d) 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.

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 30 for the details of the assumptions used in estimating the defined benefit obligation.

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to financial statements for the Year ended March 31, 2020

(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	Stores and Spares	Capital work in progress
Year ended March 31, 2019											
Gross carrying amount											
Opening gross carrying amount	1,446.43	17.31	4,285.06	34,179.10	176.14	167.84	174.24	430.81	40,876.93	84.06	3,293.85
Additions	-	-	-	255.92	-	5.90	3.78	2.74	268.34	-	12,621.83
Disposals	-	-	-	(54.99)	(28.96)	(0.02)	(8.61)	(2.50)	(95.08)	-	-
Transfers from CWIP	-	-	3,704.66	9,998.02	-	10.08	24.12	32.99	13,769.87	(84.06)	(13,685.81)
Closing gross carrying amount	1,446.43	17.31	7,989.72	44,378.05	147.18	183.80	193.53	464.04	54,820.06	-	2,229.87
Accumulated depreciation											
Opening accumulated depreciation	-	7.97	357.46	5,633.07	51.11	28.05	46.91	150.19	6,274.76	-	-
Depreciation charge during the year	-	3.99	214.42	3,320.86	24.54	19.44	39.90	119.16	3,742.31	-	-
Disposals	-	-	-	(29.61)	(11.45)	-	(7.17)	(0.56)	(48.79)	-	-
Closing accumulated depreciation	-	11.96	571.88	8,924.32	64.20	47.49	79.64	268.79	9,968.28	-	-
Net carrying amount as at March 31, 2019	1,446.43	5.35	7,417.84	35,453.73	82.98	136.31	113.89	195.25	44,851.78	-	2,229.87
Year ended March 31, 2020											
Gross carrying amount											
Opening gross carrying amount	1,446.43	17.31	7,989.72	44,378.05	147.18	183.80	193.53	464.04	54,820.06	-	2,229.87
Additions	146.21	-	-	173.02	-	19.02	4.50	4.55	347.30	-	1,143.11
Disposals	(2.22)	-	(0.68)	(37.65)	-	-	(11.73)	-	(52.28)	-	-
Transfers from CWIP	-	-	158.74	2,489.57	-	4.68	1.03	7.40	2,661.42	-	(2,661.42)
Closing gross carrying amount	1,590.42	17.31	8,147.78	47,002.99	147.18	207.50	187.33	475.99	57,776.50	-	711.56
Accumulated depreciation											
Opening accumulated depreciation	-	11.96	571.88	8,924.32	64.20	47.49	79.64	268.79	9,968.28	-	-
Depreciation charge during the year	-	3.99	312.38	3,735.49	18.53	20.03	36.14	99.33	4,225.89	-	-
Disposals	-	-	(0.14)	(5.72)	-	-	(10.97)	-	(16.83)	-	-
Closing accumulated depreciation	-	15.95	884.12	12,654.09	82.73	67.52	104.81	368.12	14,177.34	-	-
Net carrying amount as at March 31, 2020	1,590.42	1.36	7,263.66	34,348.90	64.45	139.98	82.52	107.87	43,599.16	-	711.56

Notes:

- (i) Refer to Note 18 for information on property, plant and equipment pledged as security by the Company.
- (ii) Contractual obligations : Refer to Note 39 for disclosure of contractual commitments for acquisition of property, plant and equipment.
- (iii) Additions to fixed assets during the year include capital expenditure of Nil (March 31, 2019: ₹ 933.35 lakhs) incurred on in-house research and development activities. [Refer Note 43].
- (iv) Borrowing costs allocated to fixed assets/ capital work in progress is ₹ 23.05 lakhs (March 31, 2019: ₹ 259.29 lakhs).
- (v) Net block of freehold land includes ₹ 1.38 Lakhs (March 31, 2019: ₹ 6.46 lakhs) and development expenses of ₹ 3.25 lakhs (March 31, 2019: ₹ 13.58 lakhs) incurred on such land for which the title is yet to be transferred in the name of the Company.
- (vi) Building include certain residential flats aggregating to ₹ 9.71 lakhs (March 31, 2019: ₹ 9.95 lakhs) for which document of title deeds are not available with the Company.
- (vii) Capital work-in-progress mainly comprises of new plant and machinery for spinning process being constructed in India.
- (viii) 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 loss of ₹ 135.11 lakhs (March 31, 2019: ₹ 156.92 lakhs) to the cost of property, plant and equipment as the long term monetary items relate to depreciable capital asset.

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to financial statements for the Year ended March 31, 2020

(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, 2020	As at April 1, 2019
Right-of-use assets		
Buildings	361.85	557.97
Vehicles	34.35	50.01
Total	396.20	607.98

Particulars	As at March 31, 2020	As at April 1, 2019
Lease Liabilities		
Current	311.02	276.19
Non-current	248.51	545.86
Total	559.53	822.05

Additions to the right-of-use assets during the current financial year were ₹ 19.21 lakhs

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

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

	Note No	As at March 31, 2020	As at March 31, 2019
Depreciation charge of right-of-use assets			
Buildings	31	209.90	-
Vehicles	31	20.86	-
Total		230.76	-

	Note No	As at March 31, 2020	As at March 31, 2019
Interest expense (included in finance costs)	33	69.88	-
Expense relating to short-term leases (included in other expenses)	32	18.46	-
Total		88.34	-

The total cash outflow for leases for the year ended 31 March 2020 was ₹ 370.07 lakhs.

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to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 4: INTANGIBLE ASSETS

	Computer Software
Year ended March 31, 2019	
Gross carrying amount	
Opening gross carrying amount	116.81
Additions	-
Disposals	-
Closing gross carrying amount	116.81
Accumulated amortisation	
Opening accumulated amortisation	33.34
Amortisation charge during the year	18.66
Amortisation on disposals	-
Closing accumulated amortisation	52.00
Net carrying amount as at March 31, 2019	64.81
Year ended March 31, 2020	
Gross carrying amount	
Opening gross carrying amount	116.81
Additions	50.67
Disposals	50.67
Closing gross carrying amount	116.81
Accumulated amortisation	
Opening accumulated amortisation	52.00
Amortisation charge during the year	21.01
Amortisation on disposals	(2.37)
Closing accumulated amortisation	70.64
Net carrying amount as at March 31, 2020	46.17

NOTE 5: NON-CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	15.53	15.28
Bank deposit with more than 12 months	0.25	4.54
Loans and advances to employees	20.60	-
Total	36.38	19.82

NOTE 6: INCOME TAX ASSETS (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax assets (Net of provision for tax ₹ 2,474.11 lakhs, March 31, 2019 : ₹ 4,895.74 lakhs)	73.51	131.49
	73.51	131.49

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to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 7: DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets		
Unabsorbed tax losses- depreciation	3,075.17	2,859.45
Employee benefits / expenses allowable on payment basis	271.50	302.22
Provision for doubtful debts/Advances	18.50	-
MAT credit entitlement*	5,075.77	4,895.74
Lease liabilities	195.60	-
	8,636.54	8,057.41
Deferred Tax Liabilities		
Depreciation	4,908.54	5,450.93
Right-of-use assets	138.45	-
	5,046.99	5,450.93
Net deferred tax assets /(liabilities)	3,589.55	2,606.48

Note:

Unrecognised deferred tax asset on temporary differences relating to unused tax losses (capital loss) : ₹ 742.39 lakhs (March 31, 2019 : ₹ 742.39 lakhs). This will expire in various years upto financial year 2021-22.

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

Movement in Deferred Tax Assets and Deferred Tax Liabilities

	Deferred Tax Assets				Deferred Tax Liabilities			Net Deferred tax Assets
	Unabsorbed tax losses depreciation	MAT Credit entitlement	Defined benefit obligation	Provision	Lease Liabilities	Depreciation	Right of use Assets	
At 1 April 2018	2,003.11	4,789.81	311.00	-	-	4,643.05	-	2,460.87
(Charged)/credited:								
- to profit or loss	856.34	105.93	(11.93)	-	-	(807.88)	-	142.46
- to other comprehensive income	-	-	3.15	-	-	-	-	3.15
At 31 March 2019	2,859.45	4,895.74	302.22	-	-	5,450.93	-	2,606.48
Adjustment on adoption of Ind AS 116 (see note 48)	-	-	-	-	287.26	-	212.45	74.81
As at 1 April 2019 (Restated)	2,859.45	4,895.74	302.22	-	287.26	5,450.93	212.45	2,681.29
(Charged)/credited:								
- to profit or loss	215.72	175.37	(36.57)	18.50	(91.66)	(542.39)	(74.00)	897.75
- to other comprehensive income	-	-	5.85	-	-	-	-	5.85
Pertaining to earlier tax periods	-	4.66	-	-	-	-	-	4.66
At 31 March 2020	3,075.17	5,075.77	271.50	18.50	195.60	4,908.54	138.45	3,589.55

NOTE 8: OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	383.94	377.78
Prepaid expenses	8.35	20.13
Balances with Government authorities	223.83	552.18
Total	616.12	950.09

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(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 9: INVENTORIES

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials		
-In stock	2,911.45	3,509.94
-In transit	1,741.44	-
Goods-in-process	1,352.34	1,167.21
Finished goods		
-In stock	4,195.98	2,469.18
-In transit	6.17	1,210.92
Stores, spares and packing material	2,682.25	2,321.78
Total	12,889.63	10,679.03

Refer Note 1.11 for basis of valuation

NOTE 10: CURRENT INVESTMENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Mutual Funds (Quoted)		
HDFC Liquid Fund-Regular Plan-Growth: March 31, 2020 NIL (March 31, 2019: Units 10,940.12 of ₹ 3,660.29 each)	-	400.44
Aditya Birla Sun Life Liquid Fund-Growth Regular Plan: March 31, 2020 NIL (March 31, 2019: Units 13,3975.60 of ₹ 299.00 each)	-	400.59
Reliance Liquid Fund-Growth Plan-Growth Option (LFIGG): March 31, 2020 NIL (March 31, 2019 : Units 11,030.13 of ₹ 4,539.21 each)	-	500.68
UTI Liquid Cash Plan- Institutional- Growth: March 31, 2020 NIL (March 31, 2019 : Units 6,567.03 of ₹ 3,049.92 each)	-	200.29
Total	-	1,502.00

NOTE 11: TRADE RECEIVABLES - UNSECURED, CONSIDERED GOOD

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables from related parties (Refer Note 46)	620.62	10,252.74
Others	10,829.04	-
Less: allowance	(52.87)	-
Total	11,396.79	10,252.74

NOTE 12: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with banks in current accounts	134.87	313.21
Cash on hand	38.34	16.72
Total	173.21	329.93

Note:

There are restricted bank balances on account of unpaid dividend- ₹ 0.36 lakhs (March 31, 2019 : ₹ 0.36 lakhs).

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with banks in:		
- In escrow accounts [Refer Note (a) below]	270.15	655.17
- In fixed deposits with banks having maturity period upto twelve months [Refer Note (b) below]	1,820.62	1,286.95
Total	2,090.77	1,942.12

Notes:

- Balances in escrow accounts are restricted bank balances against maturities and interest payments of borrowings.
- Fixed money deposits with banks having maturity period more than 12 months are disclosed under "Non-current financial assets- Other financial assets" (Refer Note 5).

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(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 14: CURRENT FINANCIAL ASSETS - LOANS UNSECURED, CONSIDERED GOOD

Particulars	As at March 31, 2020	As at March 31, 2019
Loans and advances to employees	50.15	23.90
Total	50.15	23.90

NOTE 15: CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	70.76	98.20
Less: provision for doubtful deposits	(70.76)	(70.76)
Interest accrued on fixed deposits	58.32	30.03
Insurance claim receivable	-	104.96
Total	58.32	162.43

NOTE 16: OTHER CURRENT ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Assets held for disposal	346.17	7.84
Advances to vendors (recoverable in cash or kind)	450.34	331.09
Prepaid expenses	229.39	190.16
Balances with government authorities	4,131.77	3,753.58
Export benefits receivable	155.23	155.65
Other receivables	441.59	319.62
Total	5,754.49	4,757.94

NOTE 17 (A): EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
Authorized Equity Share Capital		
92,000,000 (March 31, 2019: 92,000,000) Equity Shares of ₹ 10/- each	9,200.00	9,200.00
28,000,000 (March 31, 2019: 28,000,000) Optionally Convertible Cumulative Preference Shares of ₹ 10/- each	2,800.00	2,800.00
	12,000.00	12,000.00
Issued, subscribed and fully paid up Equity Share Capital		
49,975,114 (March 31, 2019: 45,589,568) Equity Shares of ₹ 10/- each fully paid up	4,997.51	4,558.96
Total	4,997.51	4,558.96

i) Movement in equity share capital

	No. of Equity Shares	Amount
As at April 1, 2018	45,589,568	4,558.96
Movement	-	-
As at March 31, 2019	45,589,568	4,558.96
Add: Preferential allotment of equity shares on conversion of share warrants to holding Company (Refer Note 17(a)(iv) below)	4,316,666	431.67
Add: Exercise of options- proceeds received	68,880	6.89
As at March 31, 2020	49,975,114	4,997.51

ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. All issued shares rank pari-passu and have same voting rights per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

iv) Shares issued under warrants

4,316,666 warrants of ₹ 75 per warrant which were allotted to Mandawewala Enterprises Limited on March 8, 2018 have been exercised and converted to equity shares on August 31, 2019. 25% of the face value was received at the time of allotment and balance 75% was received by way of conversion of corporate loan into equity shares.

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to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

v) Equity shares held by holding Company

Particulars	As at March 31, 2020	As at March 31, 2019
Mandawewala Enterprises Limited	36,230,298	31,913,632

vi) Details of shareholders holding more than 5% equity shares

Particulars	As at March 31, 2020	As at March 31, 2019	
Mandawewala Enterprises Limited	Number of equity shares	36,230,298	31,913,632
Mandawewala Enterprises Limited	Percentage of holding	72.50%	70.00%

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

Particulars	As at March 31, 2020	As at March 31, 2019
Capital reserve	2,664.93	2,664.93
Capital redemption reserve	293.36	293.36
Securities premium	6,996.35	4,168.05
General reserve	107.06	107.06
Share options outstanding account	94.39	57.76
Retained earnings	19,194.64	17,604.40
Total	29,350.73	24,895.56

Particulars	As at March 31, 2020	As at March 31, 2019
Movement:		
Capital reserve		
As per last balance sheet	2,664.93	2,664.93
Add/(less): Changes during the year	-	-
	2,664.93	2,664.93
Capital redemption reserve		
As per last balance sheet	293.36	293.36
Add/(less): Changes during the year	-	-
	293.36	293.36
Securities premium		
As per last balance sheet	4,168.05	4,168.05
Add: Preferential allotment of equity shares on conversion of share warrants by holding Company	2,805.83	-
Add: Exercise of options- proceeds received	22.47	-
	6,996.35	4,168.05
General reserve		
As per last balance sheet	107.06	107.06
Add/ (Less): Changes during the year	-	-
	107.06	107.06
Share options outstanding account		
As per last balance sheet	57.76	-
Add: Employee share based payment expense	59.10	57.76
Less: Employee stock options exercised	22.47	-
	94.39	57.76
Retained earnings		
Opening balance (as originally presented)	17,604.40	17,198.65
Change in accounting policy (see note 48)	(139.42)	(177.61)
Restated balance	17,464.98	17,021.04
Add/(Less):		
Net profit for the year	1,740.56	586.15
Item of other comprehensive income recognized directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	(10.90)	(2.79)
	19,194.64	17,604.40

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to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 17 (C): OTHER EQUITY - MONEY RECEIVED AGAINST SHARE WARRANTS

Particulars	As at March 31, 2020	As at March 31, 2019
As per last balance sheet	809.37	809.37
Add: Share warrants exercised by Mandawewala Enterprises Limited [Refer Note 17(a)(iv)]	(809.37)	-
Total	-	809.37

Nature and purpose of reserves

i) Capital reserve

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

ii) Securities premium reserve

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

iii) Capital redemption reserve (CRR)

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

iv) General Reserve

General Reserve represents appropriation of profits by the Company.

v) 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.

vi) Retained earnings

Retained earnings represent the accumulated undistributed earnings.

NOTE 18: NON-CURRENT BORROWINGS

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Term loans from banks		
- Rupee loans	16,767.63	19,294.77
- Foreign currency loans	1,413.42	2,067.73
Unsecured, considered good		
Inter-corporate deposits from related parties	1,200.00	3,600.00
Amount disclosed under the head "Current maturities of long-term borrowings" (Refer note 23)	(2,973.71)	(4,541.02)
Total	16,407.34	20,421.48

Note:

The rate of interest on the rupee borrowings are in range of 9% to 11% (March 31, 2019 : 9.80% to 11%) and foreign currency loans are in the range 4.5% to 5.2% (March 31, 2019 : 4.5% to 5.2%). The rupee term loans from banks are eligible for Central and State Government interest subsidies/ rebates.

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to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

	Last installment due	Terms of Repayment	As at March 31, 2020	As at March 31, 2019
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	836.95	1,786.95
External Commerical Borrowings is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	September -2021	Repayable in 28 quarterly installments commencing from June 2014	1,413.42	2,067.73
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	338.30	541.37
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	794.99	929.99
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	April-2024	Repayable in 28 quarterly installments commencing from Jan 2017	1,246.12	1,545.16
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-2024	Repayable in 26 quarterly installments commencing from July 2017	1,050.00	1,162.50
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-2024	Repayable in 28 quarterly installments commencing from July 2017	1,349.31	1,597.76
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	1,591.85	1,833.57
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-2025	Repayable in 28 quarterly installments commencing from October 2018	925.08	1,053.16
Rupee term loan is secured by 1st pari passu charge over the present and future fixed assets, all movable and immovable properties and 2nd pari passu charged over current assets of the Company	July-2026	Repayable in 28 quarterly installments commencing from October 2018	2,242.26	2,490.86
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-2027	Repayable in 28 quarterly installments commencing from December 2019	6,392.77	6,353.45
Total			18,181.05	21,362.50

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.

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to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 19: NON-CURRENT EMPLOYEE BENEFIT OBLIGATIONS

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (Refer Note 30)	736.11	643.97
Total	736.11	643.97

NOTE 20: OTHER NON CURRENT LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred capital subsidy	11.29	16.72
Total	11.29	16.72

NOTE 21: CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Working capital loan from banks		
- Rupee loans	4,445.10	4,205.88
Unsecured		
Buyers' credit from banks	1,675.09	1,969.78
Total	6,120.19	6,175.67

Note:

The working capital loans, which includes cash credit and packing credit from banks, are secured by hypothecation of raw material, stock-in-process, finished goods, semi finished goods, stores, spares and book debts and other current assets of the Company and second charge on entire fixed assets of the Company.

NOTE 22: TRADE PAYABLES

Particulars	As at March 31, 2020	As at March 31, 2019
Acceptances	10,714.04	10,255.14
Dues to micro, small and medium enterprises (Refer Note 41)	1,132.59	927.13
Dues to creditors other than micro, small and medium enterprises	6,869.05	5,304.26
Total	18,715.68	16,486.53

NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings (Refer Note 18)	2,973.71	4,541.02
Interest accrued but not due on borrowings	224.69	144.13
Unclaimed dividend (Refer Note (a) below)	0.36	0.36
Creditors for capital purchases	532.03	1,016.17
Security deposits	103.09	86.82
Total	3,833.88	5,788.50

Note:

(a) There are no amounts due for payments to the investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

NOTE 24: CURRENT EMPLOYEE BENEFIT OBLIGATIONS

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity	42.39	35.59
Provision for compensated absences (Refer Note 30)	190.94	185.30
Employee benefit payables	99.88	107.30
Total	333.21	328.20

Note:

The entire amount of the provision of ₹ 190.94 lakhs (31 March 2019 – ₹ 185.30 lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to avail the full balance of accrued leave or require payment for such leave within the next 12 months.

NOTE 25: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
Contract Liabilities	278.77	254.42
Statutory dues	132.34	119.64
Deferred capital subsidy	5.43	5.43
Total	416.54	379.49

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to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 26: REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products	101,188.54	97,072.82
Sales of Services	383.44	1,090.97
Job work revenue	-	147.85
Sale of scrap	267.97	329.88
Export incentives (Refer note below)	957.68	556.64
Total	102,797.63	99,198.16

Note:

Export incentives includes duty drawback and merchandise export incentive scheme. Also, Refer Note 1.3.

NOTE 27: OTHER INCOME

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Exchange difference (Net)	15.49	-
Interest income on:		
- Fixed deposits	113.33	93.17
- Others	59.78	58.55
Profit on sale of current investments/investments	7.12	5.91
Gain on fair valuation of investment	-	2.01
Insurance claims	4.41	140.86
Interest subsidy	-	174.43
Miscellaneous income	136.79	115.21
Total	336.92	590.14

NOTE 28: COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Raw material consumed		
Inventory at the beginning of the year	3,509.94	2,768.84
Add: Purchases	58,371.34	59,384.40
	61,881.28	62,153.24
Less: Inventory at the end of the year	4,652.89	3,509.94
Total	57,228.39	58,643.30

NOTE 29: CHANGES IN INVENTORIES OF FINISHED GOODS AND GOODS-IN-PROCESS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Inventory at the end of the year		
Goods-in-process	1,352.34	1,167.21
Finished goods	4,202.15	3,680.10
	5,554.49	4,847.31
Less: Inventory at the beginning of the year		
Goods-in-process	1,167.21	1,350.48
Finished goods	3,680.10	3,410.95
	4,847.31	4,761.43
Total changes in inventories of finished goods and goods-in-process	(707.18)	(85.88)

NOTE 30: EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and allowances	5,343.09	5,887.53
Employee share based payment expense (Refer note 47)	59.10	57.76
Managerial remuneration	93.41	75.00
Contribution to provident and other funds	306.96	327.83
Gratuity	142.98	136.80
Workmen and staff welfare expenses	226.18	224.19
Total	6,171.72	6,709.11

NOTES

to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

I Defined Contribution Plans

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
During the year, the Company has recognized the following amounts in the statement of Profit and Loss:		
Employers' Contribution to Provident Fund*	275.55	288.46
Employers' Contribution to Employees' State Insurance *	30.98	38.10
Employers' Contribution to Labour welfare fund*	0.43	1.27
Total	306.96	327.83

* Included in Contribution to Provident and Other Funds

II Defined Benefit Plan

Contribution to Gratuity

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

Risk exposure

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

a. Major Assumptions

Particulars	Year ended March 31, 2020 % p.a.	Year ended March 31, 2019 % p.a.
Discount Rate	6.82	7.67
Salary Escalation Rate *	6.50	6.50
Rate of Employee Turnover:		
-Upto 30 years	3.00	3.00
-From 31 to 44 years	3.00	7.00
-Above 44 years	2.00	2.00
Mortality Rate During Employment	100% of IALM (2012-2014)	100% of IALM (2006-2008)

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

b. Change in the Present Value of Obligation

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Present Value of Obligation	679.56	710.88
Current Service Cost	90.86	81.85
Interest Cost	52.12	54.95
Total amount recognized in profit or loss	142.98	136.80
Remeasurement		
(Gain)/Loss from change in demographic assumptions and experience adjustments	(36.33)	(25.13)
(Gain)/Loss from change in financial assumptions	53.07	29.42
Total amount recognized in other comprehensive income	16.74	4.29
Benefit/ Exgratia paid	60.79	172.41
Closing Present Value of Obligation	778.49	679.56

c. Amount recognized in the Balance sheet

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Present value of Obligation	778.49	679.56
Fair Value of Plan Assets	-	-
Funded Status [(Surplus/ (Deficit))]	(778.49)	(679.56)
Expense recognized in Statement of Profit and Loss	142.98	136.80
Expense recognized in Other comprehensive income	16.74	4.29
Net (liability)/ Asset Recognized in the Balance Sheet	(778.49)	(679.56)

d. Expenses Recognized in Profit and Loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Service Cost	90.86	81.85
Interest Cost	52.12	54.95
Total Expenses recognized in the profit or loss*	142.98	136.80

* Included in Employee Benefits Expense

NOTES

to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

e. Expenses recognized in Other Comprehensive Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Re-measurement (Refer Note b above)		
Actuarial (Gains)/Losses on Obligation For the year	16.74	4.29
Net (Income)/Expenses for the Period Recognized in OCI	16.74	4.29

f. Sensitivity Analysis

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Projected Benefit Obligation on Current Assumptions	778.49	679.56
Delta Effect of +0.5% Change in Rate of Discounting	(38.96)	(38.81)
Delta Effect of -0.5% Change in Rate of Discounting	45.33	53.18
Delta Effect of +0.5% Change in Rate of Salary	45.25	53.50
Delta Effect of -0.5% Change in Rate of Salary	(39.25)	(39.34)
Delta Effect of +0.5% Change in Rate of Employee Turnover*	2.49	44.51
Delta Effect of -0.5% Change in Rate of Employee Turnover*	0.18	50.51

* 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.

g. Defined benefit liability and employer contributions

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

Expected contribution to post-employment benefit plans for the year ending March 31, 2021 is ₹ 160.7 Lakhs.

The weighted average duration of the defined benefit obligation is 14.75 years (2019-14.54 years). The expected maturity analysis of undiscounted gratuity is as follows:

	Less than a year	More than one year	Total
As at March 31, 2020			
Defined benefit obligation (gratuity)	42.39	736.10	778.49
As at March 31, 2019			
Defined benefit obligation (gratuity)	35.59	643.97	679.56

III Other Employee Benefit

The liability for compensated absences as at year end is ₹ 190.94 Lakhs (March 31, 2019: ₹ 185.30 Lakhs)

NOTE 31: DEPRECIATION AND AMORTISATION COSTS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment (Refer Note 3a)	4,225.89	3,742.31
Depreciation of right-of-use assets (Refer Note 3b)	230.76	-
Amortization of intangible assets (Refer Note 4)	21.01	18.66
Total	4,477.66	3,760.97

NOTES

to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 32: OTHER EXPENSES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spares	3,185.33	2,423.04
Power, fuel and water	7,905.97	7,047.25
Packing materials	3,217.23	2,907.30
Dyes and chemicals	4,394.34	4,442.59
Contract labour charges	3,137.56	2,464.66
Repairs and maintenance:		
-Buildings	225.41	187.93
-Property, plant and equipment	415.30	346.68
-Others	427.58	383.88
Rent	18.46	491.17
Rates and taxes	86.68	31.46
Insurance	300.55	174.82
Directors sitting fees	12.35	15.70
Printing and stationery	35.00	35.90
Travelling and conveyance expenses	535.27	511.02
Legal and professional charges	473.48	457.61
Payment to auditors [Refer Note (a) below]	28.42	30.38
Communication charges	50.38	50.28
Vehicle expenses	34.09	67.66
Loss on sale/discarding of property, plant and equipment (net)	65.79	38.95
Freight and forwarding expenses	3,816.55	2,473.45
Exchange difference (net)	-	1.23
Brokerage and commission	1,478.77	1,413.61
Donations	12.45	11.44
Corporate social responsibility expenditure [Refer Note (b) below]	52.76	84.32
Miscellaneous expenses	767.15	677.93
Total	30,676.87	26,770.26
Note (a) Payment to auditors for:		
As auditor:		
-Audit fees	22.00	22.75
-Tax audit	1.75	1.75
In other capacities:		
-Certifications	3.70	4.50
-Reimbursement of expenses	0.97	1.38
Total	28.42	30.38
Note (b) Corporate social responsibility expenditure:		
Amount Unspent, of Earlier Years as per Section 135 of the Act	4.01	9.05
Amount Required to be Spent During the Year, as per Section 135 of the Act	41.89	79.79
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	52.76	84.32
Total	52.76	84.32

NOTE 33: FINANCE COST

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest and finance charges on lease liabilities and financial liabilities (net of interest subsidy for year ended March 31, 2020: ₹ 180.28 lakhs, March 31, 2019: ₹ 275.25 lakhs)		
- Long term borrowings	1,935.31	1,828.82
- Short term borrowings	441.81	321.23
- Others	253.37	115.37
Bank and other financial charges	1,193.83	1,177.14
Total	3,824.32	3,442.56

NOTES

to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE 33A : EXCEPTIONAL ITEMS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Settlement of indirect tax cases opted under Sabka Vishwas (Legacy Dispute Resolution Scheme), 2019	444.88	-
Total	444.88	-

Exceptional item during the year ended March 31, 2020 represents amounts paid/ adjusted towards settlement of indirect tax cases opted under Sabka Vishwas (Legacy Dispute Resolution Scheme), 2019 ('SVLDRS'). The Company has obtained discharge certificates for full and final settlement amounting to Rs. 444.88 lakhs (March 31, 2019 : ₹ Nil) under SVLDRS.

NOTE 34: INCOME TAX EXPENSE

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

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax		
Current tax on profits for the year	175.08	105.93
Current Tax (A)	175.08	105.93
Deferred Tax		
Decrease/(increase) in deferred tax assets#	(281.36)	(951.98)
(Decrease)/increase in deferred tax liabilities	(616.39)	807.88
Deferred Tax (B)	(897.75)	(144.10)
Income Tax Credit to Profit or Loss (C) = (A) + (B)	(722.67)	(38.17)

#Deferred tax includes minimum alternate tax credit availed: ₹ 175.08 lakhs (March 31, 2019: ₹ 105.93 lakhs).

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax on remeasurement gains/(losses) on defined benefit plan	5.85	1.50

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	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income tax	1,017.89	547.98
Tax at the Indian tax rate of 34.94% (March 31, 2019: 34.94%)	355.69	191.49
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
1) Non-deductible expenses		
Donations and CSR expenditure	18.44	33.46
Other items	19.62	4.08
2) Tax benefit items		
Research and development expenditure	(146.26)	(267.20)
Other items	6.90	-
3) Re-measurement of Deferred tax assets / Deferred tax liabilities*	(977.06)	-
Income tax expense charged to the statement of profit and loss	(722.67)	(38.17)

*Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on 20th September 2019 which is effective 1st April 2019, domestic Companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions. The Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilization of accumulated minimum alternative tax (MAT) credit. However, in accordance with the accounting standards, the Company has also evaluated the outstanding deferred tax liability and deferred tax asset, and written back an amount to the extent of ₹ 977.06 lakhs to the statement of profit and loss. This is arising from the re-measurement of deferred tax liability and deferred tax asset that is expected to reverse in future when the company would migrate to the new tax regime.

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to financial statements for the Year ended March 31, 2020

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NOTE 35: FAIR VALUE MEASUREMENTS

Financial instruments by category:

Financial Assets	Notes	As at March 31, 2020		As at March 31, 2019	
		Amortised cost	FVTPL	Amortised cost	FVTPL
Trade receivables	11	11,396.79	-	10,252.74	-
Margin money deposits with banks	13	1,820.62	-	1,286.95	-
Cash and cash equivalents	12	173.21	-	329.93	-
Investments	10	-	-	-	1,502.00
Bank balances other than cash and cash equivalents above	5, 13	270.40	-	659.71	-
Security deposits	5, 15	15.53	-	42.72	-
Loans	14	70.75	-	23.90	-
Insurance claim receivable	15	-	-	104.96	-
Interest accrued on fixed deposits	15	58.32	-	30.03	-
Total Financial Assets		13,805.62	-	12,730.94	1,502.00

Financial Liabilities	Notes	As at March 31, 2020		As at March 31, 2019	
		Amortised cost	FVTPL	Amortised cost	FVTPL
Borrowings	18, 21, 23	25,501.24	-	31,138.16	-
Trade payables	22	18,715.68	-	16,486.53	-
Payable for capital goods	23	532.03	-	1,016.17	-
Interest accrued but not due on borrowings	23	224.69	-	144.13	-
Security deposits received	23	103.09	-	86.82	-
Lease liabilities	3(b)	559.53	-	-	-
Unclaimed dividend	23	0.36	-	0.36	-
Total Financial Liabilities		45,636.62	-	48,872.17	-

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Ind AS. An explanation for each level is given below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed Equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value (NAV), NAV represents the price at which, the issuer will issue further units and will redeem such units of mutual funds to and from the investors.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the Company include foreign exchange forward contracts.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in this level.

There are no internal transfers of financial assets and financial liabilities between Level 1, Level 2, Level 3 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period.

Financial assets and liabilities measure at fair value measurements	As at March 31, 2020			As at March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	-	-	-	1,502.00	-	-

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to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial assets and liabilities measure at amortised cost for which fair values are disclosed	As at March 31, 2020			As at March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Margin money deposits with banks	-	-	1,820.62	-	-	1,286.95
Security deposits	-	-	15.53	-	-	42.72
Insurance claim receivable	-	-	-	-	-	104.96
Loans	-	-	70.75	-	-	23.90
Interest accrued on fixed deposits	-	-	58.32	-	-	30.03
Financial liabilities						
Borrowings	-	-	25,501.24	-	-	31,138.16
Interest accrued but not due on borrowings	-	-	224.69	-	-	144.13
Security Deposits received	-	-	103.09	-	-	86.82

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

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

Valuation techniques used to determine fair value:

Specific valuation techniques used to value financial instruments include:

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

Note 36: CAPITAL MANAGEMENT

Risk management

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

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

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

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

The capital composition is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Gross debt (inclusive of long term and short term borrowing)	25,501.24	31,138.16
Less:- Cash and bank balances	2,263.98	2,272.05
Net debt	23,237.26	28,866.11
Total equity	34,348.24	30,263.89
Net debt to equity ratio	0.68	0.95

Loan Covenants

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

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Note 37: FINANCIAL RISK MANAGEMENT

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

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

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

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, investments in mutual funds, foreign 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.

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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, 2020	As at March 31, 2019
Not Due	6,491.81	5,404.71
Up to 3 months	3,890.93	2,386.78
3 to 6 months	244.40	589.21
More than 6 months	201.90	99.85
Total	10,829.04	8,480.55

During the year and previous year, the Company made no write-offs of trade receivables.

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, 2020	As at March 31, 2019
Floating rate		
- Expiring within one year (Packing credit, cash credit, post shipment credit and term loans)	9,093.90	10,716.69
- Expiring beyond one year (Term Loans)	16,407.34	20,421.48
Total	25,501.24	31,138.17

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, 2020	Less than 1 year	Between 1 and 5 years	Beyond 5 Years	Total
Maturities of non – derivative financial liabilities				
Long term borrowings	2,973.71	14,650.60	1,756.74	19,381.05
Short term borrowings	6,120.19	-	-	6,120.19
Interest accrued and not due	224.69	-	-	224.69
Lease liabilities	311.02	248.51	-	559.53
Trade payables	18,715.68	-	-	18,715.68
Other financial liabilities	635.48	-	-	635.48
Total	28,980.77	14,899.11	1,756.74	45,636.62

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As at March 31, 2019	Less than 1 year	Between 1 and 5 years	Beyond 5 Years	Total
Maturities of non – derivative financial liabilities				
Long term borrowings	4,541.02	17,050.60	3,370.89	24,962.51
Short term borrowings	6,175.66	-	-	6,175.66
Interest Payable	144.13	-	-	144.13
Trade payables	16,486.53	-	-	16,486.53
Other financial liabilities	1,103.35	-	-	1,103.35
Total	28,450.69	17,050.60	3,370.89	48,872.18

C. Market risk

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

The Company's activities expose it to risks on account of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange forward contracts of varying maturity depending upon the underlying contract as a risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

i) Foreign currency risk

Currency risk is the risk that the fair value of a financial instrument or future cash flows fluctuate because of changes in market price of the functional currency. The Company is exposed to foreign exchange risk on their receivables, payables and foreign currency loans which are mainly held in the United State Dollar ("USD"), the Euro ("EUR"), British Pound ("GBP"), the Swiss Franc ("CHF") and Japanese Yen ("JPY"). Consequently, the Company is exposed primarily to the risk that the exchange rate of the Indian Rupees ("₹") relative to the USD, the EUR, the CHF, and the CNY may change in a manner that has a material effect on the reported values of the Company's assets and liabilities that are denominated in these foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policy wherein exposure is identified, a benchmark is set and monitored closely for suitable hedges, including minimising cross currency transactions, using natural hedge and the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

The Company's exposure to foreign currency risk at the end of the reporting period are as under-

	As at March 31, 2020					As at March 31, 2019				
	Foreign Currency exposure in					Foreign Currency exposure in				
	USD	EUR	GBP	JYP	CHF	USD	EUR	GBP	JYP	CHF
Financial assets										
- Trade receivables	5,786.70	508.15	164.49	-	-	4,067.50	129.41	50.11	-	-
- Advance to Suppliers	78.25	36.50	8.26	-	11.52	45.38	32.45	1.42	22.44	4.57
- Capital advances	12.33	-	-	-	-	50.77	97.97	-	-	-
- Cash and Cash equivalents	7.82	-	-	-	-	1.36	-	-	-	-
- Bank balances	324.12	-	-	-	-	295.74	-	-	-	-
- Other financial assets	-	-	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk (Assets)	6,209.22	544.65	172.75	-	11.52	4,460.75	259.83	51.53	22.44	4.57

	As at March 31, 2020					As at March 31, 2019				
	Foreign Currency exposure in					Foreign Currency exposure in				
	USD	EUR	GBP	JYP	CHF	USD	EUR	GBP	JYP	CHF
Financial liabilities										
- Term loans from banks	1,413.42	-	-	-	-	2,067.73	-	-	-	-
- Working capital and buyers credit from banks	1,636.70	-	-	-	-	1,969.78	-	-	-	-
- Trade payables	3,384.67	45.06	-	-	-	4,565.47	21.68	0.14	-	-
- Creditors for Capital Purchases	3.91	290.23	-	-	-	9.16	462.13	-	-	-
- Advance from Customers	151.89	4.61	-	-	-	132.00	19.13	-	-	-
- Accrued interest on borrowings	17.15	-	-	-	-	28.66	-	-	-	-
Net exposure to foreign currency risk (Liabilities)	6,607.74	339.90	-	-	-	8,772.80	502.94	0.14	-	-
Net open exposure	(398.52)	204.75	172.75	-	11.52	(4,312.05)	(243.11)	51.39	22.44	4.57

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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, 2020		As at March 31, 2019	
	Increase by 4%	Decrease by 4%	Increase by 4%	Decrease by 4%
	Gain/(Loss)		Gain/(Loss)	
USD	40.60	(40.60)	(89.77)	89.77
EUR	8.19	(8.19)	(9.72)	9.72
GBP	6.91	(6.91)	2.06	(2.06)
JPY	-	-	0.90	(0.90)
CHF	0.46	(0.46)	0.18	(0.18)

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 ₹ 56.54 lakhs as at March 31, 2020 (Previous year: ₹ 82.71 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, 2020	As at March 31, 2019
Variable rate borrowings	18,181.05	21,362.51
Fixed rate borrowings	7,320.19	9,775.66
Total borrowings	25,501.24	31,138.17

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, 2020			As at March 31, 2019		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Borrowings- Term Loan	8.78%	18,181.05	71%	8.86%	21,362.51	69%
Net exposure to cash flow interest rate risk		18,181.05			21,362.51	-

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, 2020	As at March 31, 2019
Interest rates- increase by 50 basis points*	(90.91)	(106.81)
Interest rates- decrease by 50 basis points*	90.91	106.81

*Holding all other variables constant including change in interest subsidy

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IV Price risk

(a) Exposure

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

(b) Sensitivity

The table below summarises the impact of increases/decreases of 0.75% increase in price of Mutual Fund / Bond.

Particulars	Impact on Profit	
	As at March 31, 2020	As at March 31, 2019
Increase in price 0.75% (March 31, 2019- 0.75%)	-	11.27
Decrease in price 0.75% (March 31, 2019- 0.75%)	-	(11.27)

Note 38: CONTINGENT LIABILITY DISCLOSURE

Particulars	As at March 31, 2020	As at March 31, 2019
Excise, Customs and Service Tax Matters	911.86	2,262.00
Income Tax Matters	26.32	26.32
Claims against Company not acknowledged as debts	127.82	127.82

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

Notes:

- 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

Represents a claim disputed by the Company wherein the Company has filed an application for dismissal of the matter.

Note 39: CAPITAL AND OTHER COMMITMENTS

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Capital Commitments		
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	1,629.69	233.14
(b) Other Commitments		
Custom duty on pending export obligation for import under advance License and EPCG	789.11	1,085.78

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Note 40: EARNINGS PER SHARE

Particulars	As at March 31, 2020	As at March 31, 2019
Profit after Tax (A)	1,740.56	586.15
Weighted average number of equity shares outstanding during the year (B)	48,141,812	45,589,568
Weighted average number of equity shares for basic earning per share	48,141,812	45,589,568
Adjustments for diluted earning per share- Options	54,170	143,361
Weighted average number of equity shares for diuted earning per share (C)	48,195,982	45,732,929
Basic earnings per share (A)/(B)	3.61	1.29
Diluted earnings per share (A)/(C)	3.61	1.28
Nominal value of an equity share (₹)	10.00	10.00

Note 41: DISCLOSURE FOR MICRO, MEDIUM AND SMALL ENTERPRISES

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,057.66	927.12
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	53.91	0.01
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	3,298.83	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
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	45.36	6.30
Further interest remaining due and payable for earlier years.	21.02	14.72

Note 42: DISCLOSURE PURSUANT TO THE REGULATION 34(3) READ WITH PARA A OF SCHEDULE V OF SEBI LISTING REGULATIONS, 2015

There are no loans and advances, in the nature of loans to firms/ companies in which directors are interested outstanding during the year ended March 31, 2020 and March 31, 2019

Note 43: RESEARCH AND DEVELOPMENT EXPENDITURE

Details of Research and Development expenses incurred during the year, debited to the Statement of Profit and Loss account are ₹ 837.09 Lakhs (March 31, 2019: ₹ 595.93 Lakhs), which includes materials cost, power cost, employee cost and other expenses.

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

Particulars	As at March 31, 2020	As at March 31, 2019
Plant and Machinery	-	933.35
Total	-	933.35

Note 44: OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

There are no financial assets or financial liabilities which are subject to offsetting as at March 31, 2020 and March 31, 2019, 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, 2020 and March 31, 2019.

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Note 45: RELATED PARTY DISCLOSURES

(i) Relationships

Holding Company

Mandawewala Enterprises Limited

Key Management Personnel

Mr. Abhishek Mandawewala
Mrs. Khushboo Mandawewala (w.e.f July 29, 2019)

Relatives

Mr. R.R. Mandawewala
Mrs. Pratima Mandawewala
Mrs. Khushboo Mandawewala (upto July 28, 2019)
Mr. Yash Mandawewala

Other Related parties

Mertz Estates Limited
Welspun Global Brands Limited
Welspun Corp Limited
Welspun Usa Inc
Welspun Steel Limited
AYM Syntex Limited Superannuation Trust
Welspun Flooring Limited
Welspun India Limited

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to financial statements for the Year ended March 31, 2020

(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 Exercise significant influence or control and with whom transactions have taken place during the year										Key Management Personnel			Relatives of Key Management Personnel			
		Mertzes Estates Limited	Welspun India Limited	Welspun Global Brands Limited	Welspun USA Inc	Welspun Flooring Limited	Welspun Corp Limited	AYM Syntex Limited	Welspun Steel Limited	Mr. Abhishek Mandawewala	Mrs. Khushboo Mandawewala	Mr. Yash Mandawewala	Mrs. Khushboo Mandawewala	Mr. Yash Mandawewala	Mrs. Khushboo Mandawewala			
Transactions during the year																		
Intercompany deposits received	28.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(2,400.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of equity shares	2,428.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(4,762.50)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cross charge	14.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(18.85)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	198.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(205.05)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salary	-	-	-	-	-	-	-	-	-	-	-	-	-	73.56	19.85	-	-	9.57
	-	-	-	-	-	-	-	-	-	-	-	-	-	(73.56)	-	-	-	(27.47)
Purchase of goods/services/ expenses incurred	-	356.29	147.10	2,470.07	11.92	2.16	-	2.72	-	-	-	-	-	-	-	-	-	-
	-	(355.10)	(4.35)	(6.45)	(7.72)	-	-	(8.85)	-	-	(110.56)	-	-	-	-	-	-	-
Sale of goods	-	-	11.58	-	-	1,143.61	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(4,458.81)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed assets / capital goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(3.66)	-	-	-	-	-	-	-	-	-	-
Closing balance																		
Intercompany deposits received	1,200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(3,600.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debtors	-	-	11.18	-	-	609.44	-	-	-	-	-	-	-	-	-	-	-	-
	24.22	-	134.67	834.31	19.64	2.16	-	-	-	-	-	-	-	-	-	-	-	-
Creditors	-	(27.29)	(16.40)	(5.80)	(7.72)	-	-	-	-	-	-	-	-	-	-	-	-	-

Year 2018-19 figures are given in round brackets ().

* Amount is inclusive of taxes

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(All amounts in ₹ Lakhs, unless otherwise stated)

Note 46: SEGMENT INFORMATION

Information about Primary Business Segment :

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

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

(i) segment Revenue :

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

Segment Revenue	For the year ended March 31, 2020			For the year ended March 31, 2019		
	India	Outside India	Total	India	Outside India	Total
Total segmental revenue*	62,419.25	40,378.38	102,797.63	65,068.33	34,129.83	99,198.16

*excluding other income

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

Revenue from outside India	For the year ended March 31, 2020	For the year ended March 31, 2019
Australia and New Zealand	11,779.63	9,819.98
European Union	3,874.96	3,539.09
U.S.A	5,141.94	3,142.90
U.K.	2,417.18	1,243.38
Others	17,164.67	16,384.48
Total	40,378.38	34,129.83

(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	For the year ended March 31, 2020			For the year ended March 31, 2019		
	India	Outside India	Total	India	Outside India	Total
Carrying amount of segment assets	69,175.75	6,705.94	75,881.69	57,582.84	5,937.45	63,520.29
Additions to non-current assets#	1,541.06	-	1,541.06	12,744.17	-	12,744.17
Total segment assets	70,716.81	6,705.94	77,422.75	70,327.01	5,937.45	76,264.46
Unallocated:						
Right-of-use assets	-	-	396.20	-	-	-
Deferred tax assets (net)	-	-	3,589.55	-	-	2,606.48
Income tax assets (net)	-	-	73.51	-	-	131.49
Investments	-	-	-	-	-	1,502.00
Balance Sheet Assets	-	-	81,482.01	-	-	80,504.43

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

(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	For the year ended March 31, 2020			For the year ended March 31, 2019		
	India	Outside India	Total	India	Outside India	Total
Carrying amount of segment liabilities	21,484.14	148.39	21,632.53	18,948.00	154.38	19,102.38
Additions to non-current liabilities	-	-	-	-	-	-
Total segment liabilities	21,484.14	148.39	21,632.53	18,948.00	154.38	19,102.38
Unallocated:						
Borrowings	-	-	25,501.24	-	-	31,138.16
Balance Sheet Liabilities	-	-	47,133.77	-	-	50,240.54

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

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to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 47: EMPLOYEE STOCK OPTION PLAN DISCLOSURE FOR IND AS

The establishment of the AYM Employee Stock Option (AYMSOP 2018) was approved by shareholders at Extra Ordinary general meeting in 2018.

The Employee Stock Option Plan is designed to provide incentives to employees as determined by NRC Committee to improve performance of employees and deliver long-term return

The employees covered under this scheme are as follows

- a permanent employee of the Company working in India or out of India or
- a director of the Company, whether a whole time director or not, or

And excludes

- an employee who is outside India and who is an employees of the subsidiary, holding or associate of the Company;
- applicable for directors of the Company other than promoter director, independent director a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company.

Under the plan, participants are granted options which vest upon in the following manner:-

The Grant date is August 13, 2018

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

The condition of the vesting are such that the NRC shall take into account the strength and competency of the employee viz a viz business challenges and past track record of the employee in terms of achievements of targets and milestones.

Once vested, the option remains exercisable for a period of one year

Options are granted under the plan for no consideration and carry no dividend or voting rights.

When exercisable, each option is convertible into one equity share. The exercise price of the options shall not be less than face value of equity share and shall not exceed market price of the equity share of the Company as on the date of grant of Option.

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

	As at March 31, 2020		As at March 31, 2019	
	Average exercise price Per share option (₹)	Number of Options	Average exercise price Per share option (₹)	Number of Options
Opening balance	10	781,700	-	-
Granted during the year	-	-	10	781,700
Exercised during the year	10	68,880	-	-
Cancelled during the year	-	98,800	-	-
Closing balance	-	614,020	10	781,700
Vested and exercisable	-	-	-	-

The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2020 was ₹ 31.95 per share.

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

Share option outstanding at the end of the year have the following expiry date and exercise price.

Grant date	Expiry date	Exercise price (INR)	Share options	Share options
			March 31, 2020	March 31, 2019
13-Aug-18	13-Aug-20	10	61,402	78,170
13-Aug-18	13-Aug-21	10	61,402	78,170
13-Aug-18	13-Aug-22	10	122,804	156,340
13-Aug-18	13-Aug-23	10	122,804	156,340
13-Aug-18	13-Aug-24	10	245,608	312,680
Total			614,020	781,700
Weighted Average remaining contractual life of options outstanding at end of period			3.03 years	3.94 years

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to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

The model input for the option granted during the year ended March 31, 2019 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	As at March 31, 2020	As at March 31, 2019
Employee-share based expense	59.10	57.76

Note 48: CHANGE IN ACCOUNTING POLICY

As indicated in note 1.6, the Company has adopted Ind AS 116 "Lease" from April 01, 2019 retrospectively but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on April 1, 2019. The new accounting policies are disclosed in note 1.6.

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019. The Right of use (ROU) asset is recorded at its carrying amount as if the standard had been applied since the commencement date of the lease discounted similarly at the incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 9.80%.

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review, there were no onerous contracts as at 1 April 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

(ii) Measurement of lease liabilities

Particulars	Amount
Operating lease commitments disclosed as at 31 March 2019	-
Add: Lease liability due to variance in lease term assumptions as per Ind AS 116 and non-cancellable period as per Ind AS 17	822.05
(Less): short-term leases not recognised as a liability	-
(Less): low-value leases not recognised as a liability	-
Lease liability recognised as at April 1, 2019 of which are:	822.05
Current lease liabilities	276.19
Non-current lease liabilities	545.86
	822.05

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to financial statements for the Year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied.

(iv) Adjustments recognised in the balance sheet on April 1, 2019

The change in accounting policy affected the following items in the balance sheet on April 1, 2019:

- right-of-use assets – increase by ₹ 607.98 lakhs
- deferred tax assets (net) – increase by ₹ 74.80 lakhs
- lease liabilities – increase by ₹ 822.05 lakhs

The net impact on retained earnings on April 1, 2019 was decrease of ₹ 139.27 lakhs.

Note 49: The operations of the Company were impacted, due to shutdown of both the plants and offices at various locations following lockdown imposed by the government authorities to contain spread of COVID-19 pandemic. The Company has resumed operations in a phased manner in the month of April 2020 as per the directives from the respective government authorities. The Company has evaluated the impact of this pandemic on its business operations and financial position and made an assessment of its liquidity position and of the recoverability and carrying values of its assets as at the balance sheet date, and has concluded that there are no adjustments required in the financial statements for the year ended March 31, 2020. However, the impact assessment of COVID-19 is a continuous process given the uncertainty associated with its nature and duration.

Note 50: EVENTS OCCURRING AFTER THE REPORTING DATE

No adjustments on account of events 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

Arunkumar Ramdas

Partner
Membership No. 112433

Place: Mumbai
Date: June 12, 2020

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

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AYM Syntex

THE STRENGTH WITHIN

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