AYM Syntex

THE STRENGTH WITHIN

August 23, 2019

To,

BSE Limited	National Stock Exchange of India Limited
Department of Corporate Services,	Exchange Plaza, Bandra-Kurla Complex, Bandra
SP. J. Towers, Dalal Street, Mumbai – 400 001	(E), Mumbai – 400 051
(Scrip Code-508933)	(Symbol : AYMSYNTEX)

Ref: Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Submission of Annual Report for the Financial Year 2018-19 and Notice of 36th Annual General Meeting

As required under Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2018-19 including the Notice convening the 36th Annual General Meeting of the Company to be held on Thursday, 19th September 2019 at 12.00 noon at the Registered office of the Company - Plot No. 1, Survey No. 394 (P), village Saily, Silvassa-396230, U. T. of Dadra & Nagar Haveli.

Kindly take a note of the same.

For **AYM SYNTEX Limited**

Ashitosh Sheth
Company Secretary
ACS 25997

AYM Syntex Limited

Encl: as above

AYM Syntex

Annual Report
2018-2019

CORPORATE INFORMATION

Board of Directors

R. R. Mandawewala
Chairman & Non-Executive Director

Abhishek Mandawewala
Managing Director & CEO

Atul Desai
Independent Director

Mohan Tandon
Independent Director

K. H. Viswanathan
Independent Director

Khushboo Mandawewala
Additional Director (w.e.f 29th July 2019)

Mala Todarwal
Independent Director (upto 31st July 2019)

Audit Committee

Atul Desai

K. H. Viswanathan

M. K. Tandon

Mala Todarwal

Nomination & Remuneration Committee

Atul Desai

R. R. Mandawewala

K. H. Viswanathan

M. K. Tandon

Mala Todarwal

Stakeholders Relationship Committee

Atul Desai

R. R. Mandawewala

Abhishek Mandawewala

Corporate Social Responsibility Committee

Atul Desai

R. R. Mandawewala

Abhishek Mandawewala

Chief Financial Officer

Himanshu Dhaddha

Company Secretary

Ashitosh Sheth
(w.e.f 06th February 2019)

Kaushik Kapasi
(upto 31st December 2018)

Auditors

Price Waterhouse
Chartered Accountants, LLP

Bankers

Bank of Baroda
State Bank of India
IDBI Bank
Central Bank of India
Karur Vysya Bank

Corporate Office

B/9, Trade World,
Kamala Mill Compound,
Senapati Bapat Marg,
Lower Parel (W), Mumbai - 400013

Registered Office

Survey No. 394 (P),
Village Saily, Silvassa,
Union Territory Of Dadra &
Nagar Haveli – 396 230

Website

www.aymsyntex.com

Registrar & Transfer Agents

Link Intime India Private Limited

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AYM Syntex
THE STRENGTH WITHIN

34 YEARS

AYM Syntex Limited is a **Leading** Multi Polymer **Specialty Yarn Manufacturer** Specializing in

Texturizing

Draw Twisting

Dyeing

of Polyester & Nylon yarns

THE BUILDING BLOCKS FOR AYM'S SUSTAINED FUTURE GROWTH

SCALING UP OF THE STRATEGIC BUSINESS

STRENGTHENING THE CORE BUSINESS

INNOVATION

INTERNATIONALIZATION

COST & RESOURCE OPTIMIZATION

CORPORATE SOCIAL RESPONSIBILITY

1. SCALING UP OF THE STRATEGIC BUSINESS

"INTRODUCED ADDITIONAL BCF & IDY LINES"

BULK CONTINUOUS FILAMENT YARN (BCF)

BCF Production Capacity Increased by ~ 50%
Added Capability of Tri-Color Yarn

APPLICATIONS


Wall to Wall Carpets


Rugs


Area Rugs


Automotive Carpets


Bath Mats


Carpet Tiles


Tufted Carpets


Woven Carpets

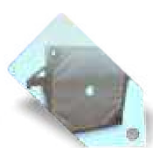
INDUSTRIAL YARN (IDY)

2.5 Times more Production in Industrial Yarns Since Last Year
Only Indian Manufacturers to Produce Fine Denier High Tenacity Industrial Yarn

APPLICATIONS


Sewing Threads


Coated Fabrics


Wet Filteration


Ropes & Nets

AUTOMOTIVE YARN

Octalobal Capability for Matt Look
Offering Recycled GRS Certified Yarns

APPLICATIONS


Bolsters


Inserts


Headliners


Door Panels


Inserts

SEWING THREAD

Launch of PTT Sewing Thread in the Global Market

APPLICATIONS


Home Textiles


Shape Wear


Formal Wear


Leisure Wear


Denim

TEXTILE YARN

Focus on Production of Solution Dyed Micro-Yarns for Upholstery & Home Furnishing; Polyester & Nylon Mono Yarns for Dress Materials & Sheer curtains & Nylon Yarns for Sarees, Hosiery & Garments

APPLICATIONS

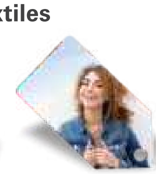

Apparels & Fashion


Home Textiles


Hosiery


Automotive


Sarees & Dress Materials


Denim


Seamless Garments

2. STRENGTHENING THE CORE BUSINESS

Re-equipped the **Traditional Business** to Meet the Ever Changing Market Conditions

Redefined Existing Production Goals & **Attained Process Efficiency**

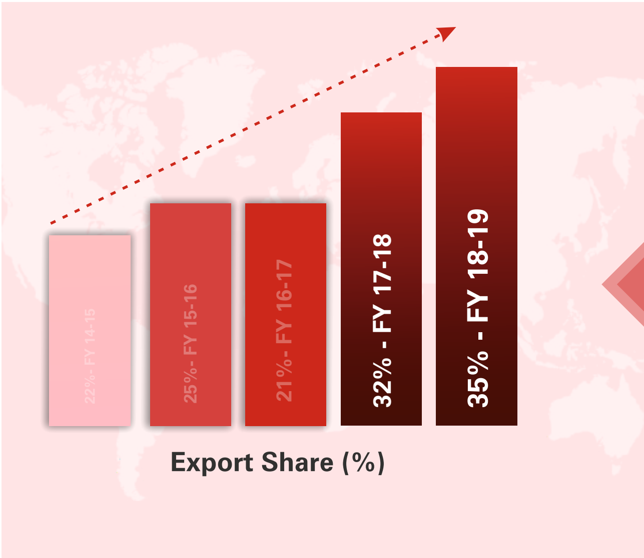
Streamlined Processes to Attain **Maximum Output** from **Existing Capacities**

Strengthened the **Conventional Dyeing** Business Unit at Palghar

Reduced Changeover Time to **Eliminate Downgrades**

Enhanced Customer Base to **Drive Volumes**

4. INTERNATIONALIZATION



5. COST & RESOURCE OPTIMIZATION

Restructured the Teams to Ensure a Focused Approach Towards Our Vision

Robust Training & Development Across 2 Plants & Head Office

Enhanced Operating Efficiency Through Cost Rationalization

6. CORPORATE SOCIAL RESPONSIBILITY

Implemented Initiatives that would Benefit the Underprivileged Community Members

Supported **2000+** Community Members Through Safe Drinking Water Initiative.

Installed **20** Water Purification Units Across Palghar & Silvassa.

Supported **110** Students Through Quality Education.

Ensuring Continuity of Education for Pre- School Students by Admitting them to Grade 1 in a Near by School.

100% Beneficiary Happiness Achieved.

MANAGING DIRECTOR & CEO'S MESSAGE

Dear Shareholders,

Our company has faced strong headwinds over the last 3 years. The environment has been difficult to say the least. We have gone through major events some of which happen once in a lifetime.

- Several instances of total disruption of domestic and export demand due to demonetization, GST & other political factors such as the Turkey coup.
- Sharp drop in realizations due to sudden increase in domestic supply (increase in local nylon capacity) as well as imports as a result of discontinuance of anti-dumping duties.
- Serious disruptions in supply chain including but not limited to a global shortage of caprolactam, chemicals & dyes & several domestic supplier insolvencies.
- Wildly volatile raw material prices particularly nylon, sometimes fluctuating by ~50% within a span of a quarter.
- Sharp increase in costs in energy & consumables in both plants.

I do believe that our business has been caught in the wrong end of the cycle over the last 3 years. As I write this letter, the Indian economy has been through a major NBFC crisis & is currently going through a slowdown. While we need to be aware & prepared for the fact that things might become worse before they become better, I do believe that over time, things will go back to being more "normal."

In the last financial year, we have been able to improve quarter after quarter & generated healthy operating cash flows. While improving product mix (in line with our vision) has certainly played its part, **cost rationalization**, **efficiency improvement** & **better asset utilization** have also played an important role.

While the external environment has been nothing short of challenging, our business itself has undertaken a massive transformational journey. The core essence of this journey has always been to create a more defensible business, one where market forces outlined above have a lesser impact on our business. At the heart of this goal is to service quality conscious customers with a consistent quality product in a timely fashion such that customers can rely on us just like they would rely on their developed economy European or American suppliers. Typically, these are areas where only few Asian suppliers have been successful however, we aim to do this whilst creating innovative products which give us an additional edge.

Despite the difficult environment, we have continued to remain firm on this journey of transformation. We have invested heavily in human resources, R&D, systems, infrastructure both hard & soft as well as equipment & capacity. It is easy to get defocused in a tough operating environment but I am pleased that we stuck to our vision. As a result, we have made steady progress & some of this hard work is starting to manifest.

1. Our **volumes of strategic products** as well as **share of exports** have started to increase & contribute to the overall share of volumes & profitability. Sales in Wonderfeel, Sewing Threads, Industrial Yarns (IDY), Comfeel, Automotive & Solution Dyed Nylon BCF have been growing at a rapid pace. The encouraging news is that we are expecting significant increase in volumes in the coming year as major kinks associated with stabilizing these products have all been ironed out.

2. The progress in creating a cohesive **customer centric team in Rakholi** has been phenomenal. Further, management systems such as advanced production planning through merchandisers, statistical process control & visual management & better labour engagement through kaizen programs, training, reward & recognition initiatives, etc. have resulted in better operational efficiency. I can also see the customer centricity percolating through the organization at not just the Business & HOD level but also down the line. While there is room for improvement, focus on consistent quality & timely delivery together with prompt customer service is at a level never seen before in this organization. For the businesses that we are reaching for, this would create significant barriers for other Asian suppliers.

3. We have done well on our **operational excellence** initiative – the Rakholi textile plant is operating with lower downgrades, leftovers & wastages & OEE has inched up considerably. We have successfully reduced our cost in several areas. The plant has also done small debottlenecking operational capex & focused on increasing speeds in a controlled manner. This has allowed us to increase the throughput without adding capacity. Several production records are being created across departments through the course of the year & I am hopeful that we will outdo some of these numbers in the year ahead.

4. This year more than **INR 100 crore of capex** has been commissioned particularly **in IDY, BCF, Cabling & Heat Setting**. This has not only added capacity but also new capability in the form of specialized industrial yarns as well as tricolor BCF yarns to help us stay a step ahead of competition. Our team has done a fine job to ensure that this large project has been commissioned successfully & is now ready to add to our bottom line through new strategic business in the coming year.

As I have mentioned before, ours is a business with relatively higher gross margins (& also higher fixed costs). This means operating leverage is a double-edged sword. As our capacity utilizations go up, they start to contribute disproportionately to the bottom line. Despite the improvement highlighted above, we still have sizeable low hanging fruits to take advantage of:

1. Our **Palghar business** continues to perform below potential. I believe we can **increase average throughput** there by 10-15%. We have taken the initial steps necessary by bringing in a new business head & strengthening the sales team. Our new carpet developments have received a good response from customers & I believe this area will become an important & strategic segment for us going forward.

2. Last year we **expanded our capacity in BCF** by more than 50%. Part of this new capacity has remained unutilized. I believe however, that with all the new customer developments & samplings that have taken place in the last 6-12 months, we should be able to fill our lines with business from our strategic customers by Q2/Q3 in the upcoming year.

3. We have only just begun our journey on the **throughput improvement initiatives in the Textile Division** in Rakholi. Without incurring any major capex, I believe we have the ability to grow volumes by 10-15% from the numbers that we achieved in FY19.

4. Some of the **cost rationalization initiatives** that we had commenced last year are ongoing. I hope to see the impact of this in the coming year.

Overall, I believe that AYM now stands at an important inflection point. I believe that the low hanging fruits that I have highlighted above are sufficient to contribute to meaningful growth not just in the coming year but the one after next too. With all our major capital expenditures behind us, we should be able to use a bulk of our operating cash flows towards reduction of debt & strengthening of the balance sheet leading to interest cost reduction & more free cash flows. As our story plays out, the quality & sustainability of our business & earnings is likely to be far more superior than the past.

We stand committed to the goal of creating a world class defensible business by making AYM an innovative, competitive and most importantly, a reliable and consistent supplier of synthetic yarns.

On a final note, I would, once again, like to take this opportunity to thank all members of the AYM family including board of directors for their relentless efforts towards excellence and continuous improvement & extend my sincere gratitude to the shareholders for their continued patience and belief in us.

Best Regards,

Abhishek Mandawewala

KEY FINANCIAL HIGHLIGHTS

Net Sales	₹ in Cr
FY 14-15	834.9
FY 15-16	800.9
FY 16-17	779.3
FY 17-18	850.4
FY 18-19	992.0

Export % to Turnover	%
FY 14-15	22
FY 15-16	25
FY 16-17	21
FY 17-18	32
FY 18-19	35

EBITDA	₹ in Cr
FY 14-15	86.9
FY 15-16	108.5
FY 16-17	101.1
FY 17-18	69.3
FY 18-19	77.5

PAT	₹ in Cr
FY 14-15	42.8
FY 15-16	47.8
FY 16-17	40.0
FY 17-18	7.9
FY 18-19	5.8

Return on Capital Employed (ROCE)	%
FY 14-15	19.6
FY 15-16	21.9
FY 16-17	15.2
FY 17-18	6.8
FY 18-19	6.8

Market Capitalization	₹ in Cr
FY 14-15	134.8
FY 15-16	378.5
FY 16-17	312.7
FY 17-18	235.4
FY 18-19	163.4

KEY RATIOS	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Debt Equity Ratio	1.35	1.05	1.01	0.86	1.03
Current Ratio*	1.37	1.52	1.56	1.49	1.20
Net Debt / EBITDA	1.77	1.37	1.93	3.18	3.53
Debt Service Coverage Ratio	1.78	1.85	1.59	1.00	0.98
Interest Coverage Ratio	2.79	3.92	3.09	1.30	1.16
Fixed Assets Coverage Ratio	1.13	1.46	1.46	1.49	1.51

**Current Ratio excludes Term Debt*

Figures for FY 18-19, FY 17-18 and FY 16-17 are as per Ind AS; figures for earlier years are as per Indian GAAP

QUARTERLY FINANCIALS

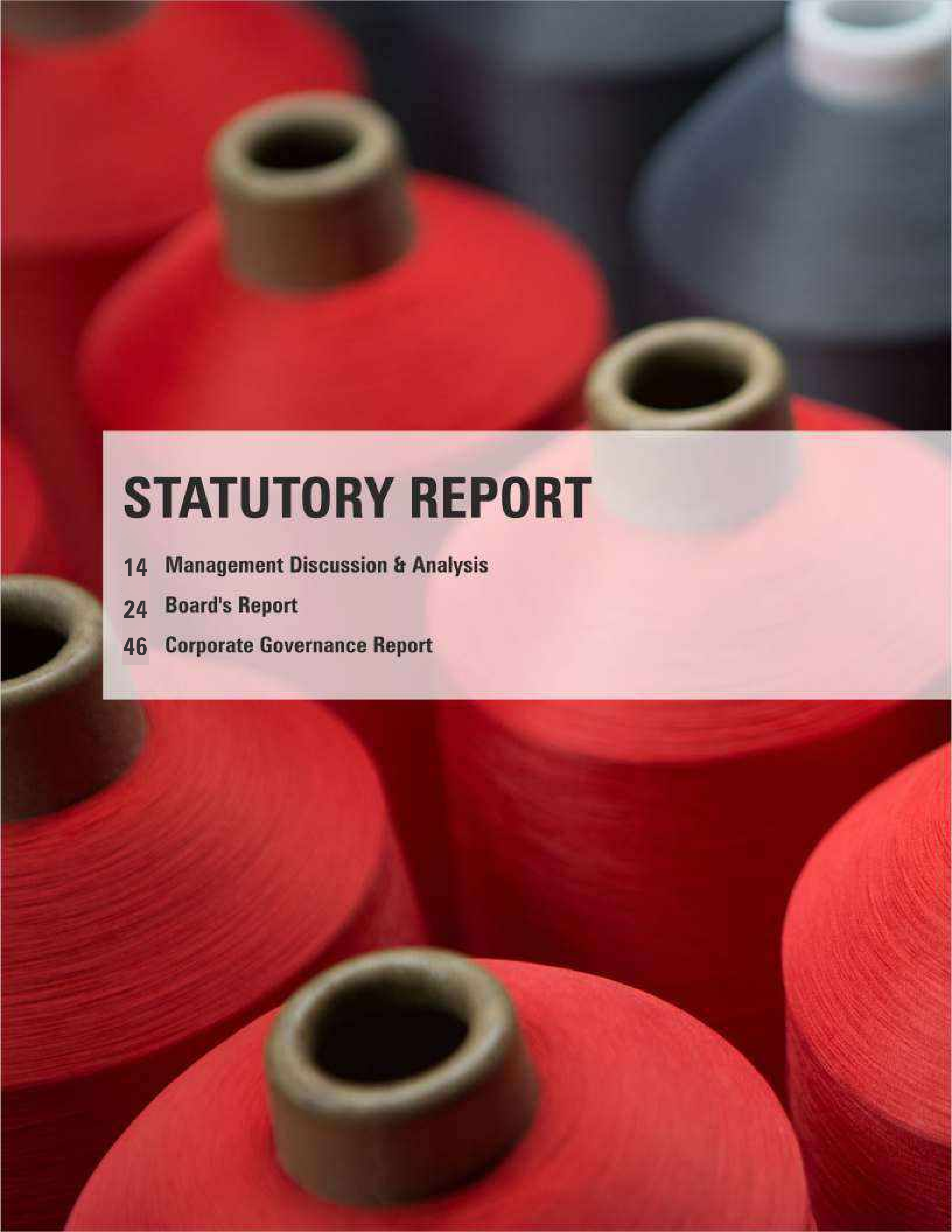
2018 - 2019 ₹ in Cr

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)	**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**	**2.4**	**5.4**
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**	**3.5**	**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**

2017 - 2018 ₹ in Cr

PARTICULARS	Three Months Ended				Annual
	30-Jun-2017	30-Sep-2017	31-Dec-2017	31-Mar-2018	FY 2018
Total Revenue (*Net of Excise*)	**205.0**	**190.6**	**227.1**	**227.7**	**850.4**
Other Income	2.6	0.8	1.2	1.1	5.6
Total Expenditure	192.4	175.0	209.5	209.7	786.7
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA)	**15.2**	**16.4**	**18.8**	**19.0**	**69.3**
Finance Charges	6.2	6.2	7.3	8.2	27.9
Depreciation	8.4	7.8	8.3	8.5	33.0
Profit Before Tax (PBT)	**0.5**	**2.4**	**3.2**	**2.3**	**8.4**
Tax Expense (*Net Of MAT credit entitlement*)	(0.1)	1.0	0.7	(1.1)	0.4
Profit After Tax (PAT)	**0.7**	**1.3**	**2.5**	**3.5**	**8.0**
Other Comprehensive Income (*Net of Tax*)	(0.1)	0.0	(0.2)	0.3	(0.1)
Total Comprehensive Income	**0.6**	**1.3**	**2.3**	**3.7**	**7.9**
Equity Share Capital	39.2	39.2	39.2	45.6	45.6
Earning Per Share (EPS)*- ₹	**0.2**	**0.3**	**0.6**	**0.9**	**2.0**

**EPS is not annualized for quarterly numbers*



STATUTORY REPORT

Management Discussion & Analysis

This discussion covers the financials results, operational performance and other developments for the year ended 31st March 2019 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, 2019.

Some statements in this discussion describing projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially for those stated on account of various factors such as changes in government regulations, tax regimes, economic developments, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply constraints within India and the countries within which the company conducts its business. The Company assumes no responsibility to publicly amend, modify or revise any forward - looking statements, on the basis of any subsequent developments, information or events.

Economic Overview:

Global Economy

During the first half of 2018, economic activity was accelerating in almost all regions of the world and the Global economy was projected to grow at 3.9 percent in 2018 and 2019. During the latter part of the year, much has changed: the global financing conditions tightened, industrial production moderated, trade tensions remained elevated, and some large emerging market and developing economies experienced significant financial market stress, all contributing to a significantly weakened global expansion, especially in the second half of 2018. Faced with these headwinds, the recovery in emerging market and developing economies has lost momentum.

With this weakness expected to persist into the first half of 2019, the World Economic Outlook (WEO) projects a decline in growth in 2019 for 70 percent of the global economy. Global growth, which peaked at close to 4 percent in 2017, softened to 3.6 percent in 2018, and is projected to decline further to 3.3 percent in 2019. Although a 3.3 percent global expansion is still reasonable, the outlook for many countries is very challenging, with considerable uncertainties in the short term. With improvements expected in the second half of 2019, global economic growth in 2020 is projected to return to 3.6 percent. Beyond 2020 growth will stabilize at around 3.5 percent, bolstered mainly by growth in China and India and their increasing weights in world income.

Growth in advanced economies will continue to slow gradually as the impact of US fiscal stimulus fades and growth tends toward the modest potential for the group, given ageing trends and low productivity growth. Growth in emerging market and developing economies will stabilize at around 5 percent, though with considerable variance between countries as subdued commodity prices and civil strife weaken prospects for some. In this difficult environment, it is of paramount importance for emerging market and developing economies to rebuild policy buffers while laying a stronger foundation for future growth by boosting human capital, promoting trade integration, and addressing the challenges associated with informality.

Economy growth projections

	Expected GDP growth ratio					
Country / Region	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
India	7.2	7.0	7.7	7.7	7.7	7.8
China	6.2	6.2	6.2	6.0	5.8	5.6
United States	2.9	2.5	1.8	1.7	1.5	1.4
European Union	2.2	2.0	1.8	1.7	1.7	1.6
Global Growth	3.6	3.3	3.6	3.5	3.5	3.5

Statistics Source: IMF report, World Bank, IBEF

Indian Economy

The macro environment in India was less eventful during the year as compared to previous few years when Key structural reforms aimed at formalizing the economy were implemented. The Indian economy started the fiscal year 2018–19 with a healthy 8.2 percent growth in the first quarter on the back of domestic resilience. Growth eased to 7.3 percent in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, it got majorly impacted by the volatile crude oil prices and depreciation of domestic currency with recovery in some advanced economies caused faster investment outflows. The non-banking financial sector which has played a vital role in meeting credit needs as been under stress on account of defaults thereby tightening financial conditions and raising the cost of capital.

Despite softer growth, the Indian economy remains one of the fastest growing and possibly the least affected by global turmoil. In fact, the effects of the aforementioned external shocks were contained in part by India's strong macroeconomic fundamentals and policy changes including amendments to the policy/ code related to insolvency and bankruptcy, bank recapitalization, and foreign direct investment. This growth in FY 19 was achieved even at the backdrop of the several challenges faced during the year.

Though there has been a deceleration in GDP growth lately, projections of a recovery from the next year are encouraging. The Indian economy is likely to sustain the rebound in FY2018–19 and growth is projected to be in the 7.2 percent to 7.5 percent range and is estimated to remain upward of 7 percent for the year ahead. The recovery in growth to be supported by continued pickup in investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy. India has already surpassed France to become the sixth-largest economy. By 2019, it may become the fifth-largest economy, and possibly the third-largest in coming years.

In the short term, the growth outlook is positive, on account of subdued inflation expectations, lower repo rates, sustained resolution of stressed assets, better governance of public sector banks and a reform-focused policy framework. Growth in longer term will depend on the economy's ability to consolidate its fiscal debt, expand and utilize capacities, create jobs and promote private investment in tandem with consumption. Despite the positive outlook, the economy remains vulnerable to domestic and geopolitical risks, especially economic and political changes that can affect relative prices and hurt current and fiscal account deficit.

Industry Overview

Global Textile Industry

The global textile and apparel industry is continuously evolving. Over the years, it has witnessed multiple shifts in consumption and production patterns, including shifts in geographical manufacturing hubs, as the industry is driven by the availability of cheap labour. The global textile market size was valued at USD 925.3 billion in 2018 and is expected to register a CAGR of 4.24% over the forecast years. The textile and apparel trade is predicted to grow at a CAGR of 3.7% during the period 2018-28. During this period, the increase in apparel trade is expected to be at a CAGR of 4.5% and textiles at a CAGR of 2.5%.This growth is attributed to the high demand for apparels, particularly in the developing economies including India, China, Bangladesh, and Mexico, as a result of growing population. Moreover, rising disposable income levels and rapid urbanization in these countries have led to the increased number of retail outlets and supermarkets; thereby, supporting overall market growth. The textile industry's growth will largely depend on the growth of other industries such as automobile, apparel and housing, as well as changing lifestyles.

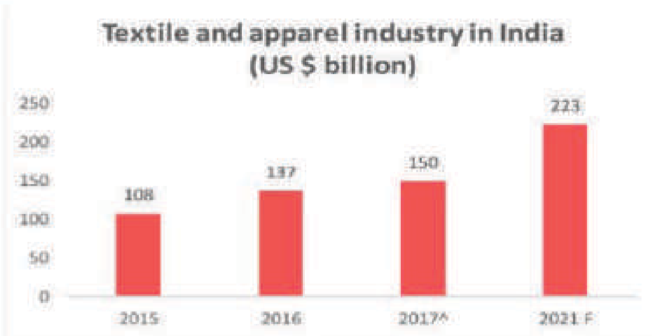
Even though apparel industry is dominated by developed markets of EU and the US, the emerging markets led by countries such as India, China, Russia and Brazil are becoming consumption markets. Simultaneously, India and China have strong textile manufacturing base, and thus are emerging as both sourcing and consuming nations. Polyester is projected to expand at a CAGR of 4%, in terms of revenue, from 2019 to 2025. Such fibers are characterized by high strength, quick drying properties, and high chemical & wrinkle resistance. Owing to these advantages, polyester is one of the most commonly used products in the market. Nylon is expected to exhibit the highest CAGR during the forecast years due to product properties, such as excellent elasticity, high resilience, and low moisture absorbency.

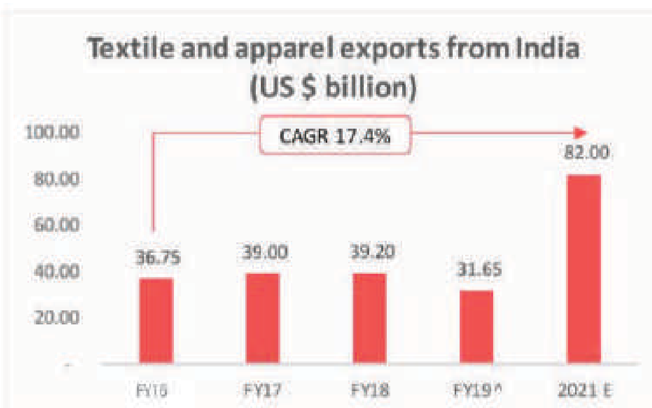
Source: Grand view search (April 2019)

Domestic Textile Industry

India's textiles sector being one of the oldest industries in Indian economy, estimated at around US$ 150 billion in 2017, is expected to reach US$ 223 billion by 2021 growing at a CAGR of 12.28% between 2009-21. By 2022, Indian textile sector will require additional 17 Mn. workforce.The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US$ 3.09 billion during April 2000 to December 2018.

India's overall textile exports during FY 2017-18 stood at US$ 39.2 billion and is expected to increase to US$ 82.00 billion by 2021 growing at a CAGR of 17% from US$ 31.65 billion in FY19 till January 2019. The sector contributed 15 per cent to the export earnings of India in 2017-18.





E - Estmate, F - Forcast, ^- Till Jan 2019

Source : IBEF Feb 2019

Apart from exports, even the Indian domestic textile and apparel market is also substantial at an estimated figure of USD 100 billion in FY 2018-19 growing at a CAGR of 10% since FY 2005-06. The growth in the disposable income of the middle and lower middle-class sections of the society has led to continuous growth of demand of textile and apparel in India. This growth in demand is expected to continue at 12% CAGR to reach USD 220 billion by 2025.

India remains the second largest producer of manmade fibre (MMF) and filaments globally after China. The country's MMF industry has been wading through a lean phase for the last few financial years. In the last couple of years, the industry witnessed softened demand due to rise in imports, greater competition, fall in realizations and short-term loss of production owing to demonetization and GST implementation. With the industry now stabilizing, the demand from downstream industry - apparels and made-ups from both domestic and international markets, has only marginally picked up in the last few months.

Key features of Indian Textiles Sector

Supply	Despite some pick-up in demand from both global and domestic markets, most new capacities in the textile segments are not operating at full capacities
Demand	High for premium and branded products due to increasing per capita disposable income.
Barriers to entry	Superior technology, skilled and unskilled labour, distribution network, access to global customers.
Bargaining power of suppliers	Because of oversupply in the unorganised market suppliers have little bargaining power. However, premium products and branded players continue to garner higher margins
Bargaining power of customers	Domestic customers - Low for premium and branded product segments. Global customers- High due to presence of alternate low-cost sourcing destinations.
Competition	High. Very fragmented industry. Competition from other low cost producing nations is likely to intensify.

Business Overview:

Over the last few years, the sectors we operate in, got impacted by various macro, regulatory and policy developments like GST, Demonetization etc. along with changing market, competitor dynamics and Industry pricing pressures. While most of these changes are expected to be beneficial in the long run. However, the pace of change adversely impacted the performance of our sector over the last few years. The year 2018-19 was yet another challenging year for the textile industry, with the environment not fully recovered from the strong headwinds faced in last few years on account of certain structural reforms and macro-economic factors coupled with the challenging input cost environment and liquidity crisis.

Our Company Sales for the year 2018-19 have grown in value & volumes, the company also witnessed growth in EBIDTA but profits have declined year-on-year. In the last financial year, we 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, however, the overall yearly performance got affected by raw material price volatility, delay in operationalization of new capacity in BCF. Going forward, with input costs of raw material looking stable and no major Project capex in pipeline, focus is to generate higher cash flows through operations which will entail reduce our net debt and improve the Balance sheet. AYM business can be categorized into three, each one of which forms the significant part of the Topline

Nylon and Polyester

In the textile segment (Nylon and Polyester) the sluggishness of demand continued from previous year coupled with extreme volatility in raw material prices during the year as well as a sharp influx of new capacity in the segment leading to scenario of demand supply mismatch thereby creating pressure on margins and dragging the profitability. However government took course corrective steps during the year like allowing input tax credit on fabrics, increase of Anti-dumping duty on certain end products which helped in curbing the imports to a certain extent. On the other side the depreciating rupee has led to increase in RM cost which became increasingly difficult to pass this on to customers in the textile space.

During the second half of the year, situation improved with input raw material costs getting stabilized, certain initiatives on cost front being worked out and focus on getting improved throughput from the existing capacity, however rising power costs in Silvassa region has negated the effect of some of these benefits accrued. While volumes with new strategic businesses like automotive, Industrial yarn (IDY) and sewing thread have increased during the year, it also took time to stabilize the required quality resulting in higher downgrades, wastages and leftovers which created lower yields and impacted our profitability. The company has increased the capacity in IDY segment during the year which has also picked up pace and the new product development is expected to provide stability to this part of the business. Coming year is expected to have increased with the improved product mix.

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. The plant continued to operate at significantly lower utilization levels as compared to installed capacity. 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. Maharashtra Government announced power concessions in the textile policy during the year, the benefit of which will start accruing in FY 20. Focus in the coming year will be to utilize the plant capacity to the full potential and create a healthy order book as the conventional dyeing business has the potential of giving highest return on capital employed and disproportionate returns on any incremental production and sales among others.

Bulk Continuous Filament Yarn (BCF):

The company added significant capacity in BCF during the year resulting in increase of production capacity by 50% with a part of expansion caters to Tri-colour, a unique differentiated product with high margins in order to reinforce its market leadership in India and increase its footprints in international market. New lines got stabilized in this year and is expected to get fully utilized to add to our bottom line through new strategic business in the coming year. Focus on quality and branding over the last few years has started giving positive results by way of adding business in the strategic products namely solution dyed Nylon and Comfeel.

Although, the prime focus of this year was on filling up new capacities (post expansion) which is going to continue in the first half of coming year, the later part of the year our focus will be to improve margins with increased share of differentiated products, better sales mix, new product development as well as utilizing Tri colour line to its full potential.

AYM now stands at an inflection point where we believe that the focus on BCF expansion capacity utilization with the improved product mix having threshold margins and increase in volumes in different segments without incurring significant capex coupled with cost rationalization initiatives will make us stand in better state to deliver sustainable profitable growth in the medium term. Our future growth and value creation will be driven by our differentiation strategy based on innovation, customer centricity, sustainability and focus on the exports market. Our differentiated business model will enable sustained revenue growth despite pricing pressures and regulatory concerns that impacted the industry recently.

Human Resources

Our company believes that talent is our most valuable asset, and that the ultimate identity and success of our company lies in the excellent quality of our people and their commitment towards attaining our organizational goal. Human Resources Business Partners are responsible for supporting talent management, data analysis, employee engagement, employee relations and guidance, performance management, compensation and benefits and learning and development.

With this objective, AYM has taken several steps in this direction like Building depth of talent across levels to build capability for business by recruiting relevant talent. With resource optimization in mind, it has also worked upon restructuring the roles to ensure focused approach towards key goals. We have also identified the key talents across the organization and curated various strategic programs across the levels. The key initiative undertaken are:

- Introduction of the Employee stock option (ESOP) Scheme for the leadership team and select key resources
- Devised learning journey programs for both the Middle and Junior level management to make the key performers future ready who take up responsibilities of the next level.
- Introduced leadership talk series across the locations to develop the culture of transparency, where the performance of the organization, its association with the major brands, and its reach in the global market was shared.
- Technical & Behavioral training schedules were organized for Rakholi & Palghar plant.
- Several other initiatives such as Open House & recognition programmes were done in plants.

With People focus as one of our core values, AYM continues to progress on the following strategic areas in order to be able to leverage the potential of its human capital:

Talent Management

Building and developing our talent pool is our continuous and top priority and we have been successful in attracting diverse talent with sound expertise, new perspectives and experience. Our initiative to participate in various market studies enable us to stay updated with market trends.

Rewards and Recognition

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.

Celebrations & Health awareness:

At AYM, we firmly believe that celebration is a part of our work culture. Festivals bring employees closer and help improve work relationships. Celebrations provide a well-deserved break and help employees to remain engaged.

Health and Awareness sessions were conducted with the intent of sharing the importance of a positive lifestyle and to ensure that our employees take efforts to maintain a work-life healthy balance. We organize yearly health checkups for our employees.

Performance Management

We follow a comprehensive performance evaluation process for annual reviews. Employees across levels benefit from the development oriented approach of this system. This practice helps us identify the capabilities of employees and leverage the same. It also helps us to suggest and plan development in the identified areas through training. For this, a Training Need Analysis is captured. A structured performance evaluation calendar was launched.

Succession Planning

At AYM, we 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.

Learning and Development

Training is necessary for the employees' development and progress; this motivates them to work not only at an individual level but also at an organizational level.

Technical and behavioral training programs are organized for employees on need-basis by internal and external faculties. Employees are also sent for seminars and job related trainings arranged by specialized centers. We have also devised learning journey programmes for middle and Junior level management.

Our focus over the next few years would be to retain Talent, Strengthening 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

Risk is integral to any business and AYM has established a robust risk management system to identify, measure, manage and mitigate business risks and opportunities. The company has incorporated processes and systems to proactively monitor, manage and mitigate these risks along with appropriate review mechanisms. 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. Risk-aware organization is better equipped to maximize the shareholder value. 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 initiated to mitigate, transfer or accept the risk (if need be).

Costs Volatility Risk	• Increasing share of value-added products & product differentiation
	• Maintaining cost competitiveness through efficiency improvement
	• Developing alternate source of vendor
Quality Risk	• Fully-equipped laboratory, strong technology backup
	• Capable quality team ensures quality of products.
	• Firm quality measures in place
Competition Risk	• Enhancing the brand image of the Company by focusing on R&D, quality, cost, timely delivery and customer service
	• Changing the sales mixes from commodity to the specialized, differentiated products and quality conscious customers
	• Maintaining strong
	• relationship with clients
Employee risk	• Building depth of talent across levels to build capability
	• Launching various employee retention schemes like ESOPs
	• Employer branding efforts on social media to attract talent
	• Arranging employee engagement activities to strengthen relationships and develop a pleasant work environment

Product Development Risk	•	Cautious approach to new product introductions backed by an intense market study
	•	Lot of prototypes & sampling to maintain a healthy pipeline and limit the downside risks
	•	New investments only when the product is commercially successful
Macroeconomic factors	•	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
Forex movement risk	•	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

Internal Control system and its Adequacy

The internal control system encompasses the implementation of standard policies and processes, maintenance of an appropriate audit program with internal control environment, effective risk monitoring and Management Information Systems (MIS) and other aspects that taken together, facilitate effective and efficient operation, quality of internal and external reporting, compliance with applicable laws and regulations.

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 audits are undertaken on a continuous basis, covering various areas across the value chain, such as procurement, manufacturing, supply chain, sales, marketing and finance. The internal audit program is reviewed by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Based on the internal audit report, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The key constituents of our internal control system are:

- Identification of key risks and opportunities and regular reviews by top management and the Board of Directors
- Clear and well-defined organization structure and limits of financial authority
- Continuous identification of areas requiring strengthening of internal controls
- Operating procedures to ensure effectiveness of business processes
- Systems of monitoring compliance with statutory regulations
- Well-defined principles and procedures for evaluation of new proposals/capital expenditure
- A robust management information system, internal audit and review system as well as sound framework on Internal Financials Controls (IFC)
- An effective whistle-blowing mechanism
- Periodic review of SOPs compliance and management-approved policies

The statutory auditors, as part of their audit process, 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. Internal audits are undertaken on a continuous basis, covering various areas across the value chain, such as procurement, manufacturing, supply chain, sales, marketing and finance.

AYM has developed an (IFC) framework basis review of policies, procedures and processes and controls for each of the processes were documented. Design and operating effectiveness of controls was tested by the management and later audited by the statutory auditors.

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 2019, the company registered Revenue from operations of Rs 992.0 crs, improved by 17% over previous year. The volume growth underlying this revenue growth improved by 1% over previous year. Profit after tax (PAT) for the year was Rs 5.9 crs vs Rs 8.0 crs in FY 18.

The following tables summarize the results of operations for the year ended March 31, 2019:

Particulars	For the year ending March 31			
	2019		2018	
	Rs Crores	% of Revenue	Rs Crores	% of Revenue
Sales Volumes (MT)	50,564		49,984	
Net revenue from operations	**992.0**		**850.4**	
Expenditure				
Cost of Materials	659.1	66.4%	559.9	65.8%
Employee costs	67.1	6.8%	65.8	7.7%
EBITDA margins	**77.5**	**7.8%**	**69.3**	**8.2%**
Finance Charges	34.4	3.5%	27.9	3.3%
Depreciation	37.6	3.8%	33.0	3.9%
Tax	-0.4	-0.0%	0.4	0.1%
Profit after Tax	**5.9**	**0.6%**	**8.0**	**0.9%**
Other Comprehensive Income	-0.0	0.0%	-0.1	0.0%
Total Comprehensive Income	**5.8**	**0.6%**	**7.9**	**0.9%**
Earnings per share (EPS) – ₹	1.3		2.0	

Revenue

Revenue from operations stood at Rs 992.0 crs, improved by 17% over previous year. Sales grown by 1% 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 32% in FY 18 to 35% in FY 19. The company has adopted IND AS 115 revenue recognition during the year wherein revenue is recognized upon satisfying specific performance obligations as against recognition basis transfer of risks and rewards approach adopted previously.

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 66.4% of Revenue exaggerated by 80 basis points as compared to previous year on account of raw material price increase. Consumption of Dyes and chemicals have also gone up on account of mix change as well as availability shortage. Raw material costs has impacted mainly due to adverse movement in Brent Crude prices from $ 51 per barrel to $ 66 per barrel during the year. 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). During the year under review, employee cost at Rs 67.1 crs has gone down in line with the revenue compared with last year. The company has put in place the adequate team structures during the year which could fuel the future growth. With resource optimization in mind, it has also worked upon restructuring the roles to ensure focused approach towards key goals. Largely, with the team structures in place, the increase in employee cost going ahead will not be in proportionate to revenue.

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

EBITDA in FY19 was reported at Rs 77.5 crs (7.8% margin) going up from Rs 69.3 crs (8.1% margin) in FY 18. EBITDA margin has improved on quarter after quarter with last quarter ending on a higher note on account of improved product mix, efficiency improvement and better asset utilization. The year was adversely affected by the pressure on sales price due to lack luster demand, increase in raw material prices, lower utilization of capacities and increase in input costs including dyes, power etc. The delay in capex expansion of BCF line has also resulted in lower than expected EBIDTA in current year.

Finance Charges

Finance charges include interest on loans and other financial charges. The increase in finance charges is in line with the increase in the Company's Debt position. Net Financial Expenses in FY19 was Rs 34.4 crs as compared to Rs 27.9 crs in the previous year. During the year debt increased by Rs 68 crs due to BCF expansion, the benefit of which will accrue in next year. However, the costs of these facilities are continuously monitored and negotiated with lenders to garner the benefits accruing from money market changes. With no major Project capex in pipeline, focus is to generate higher cash flows through operations which will entail reduce our net debt which in turn will reduce the finance costs going forward

Depreciation

Depreciation has increased from Rs 33 crs in FY 18 to Rs 37.6 crs in the current year. The increase is on account of capitalization of on-going modernization and expansion projects. There are no further project capex in pipeline, however depreciation would marginally increase going forward before stabilizing on account of already committed capex continuing in the coming year.

Tax Expense

The Effective Tax Rate (ETR) for the Company during FY19 was 0% as compared to 5.2% during FY18 on account of higher depreciation and R&D expenditure benefit along with reversal in DTA. The company continues to be pay taxes under MAT provision in FY 19.

Profit after Tax

Profit after Tax stood at Rs 5.9 crs in FY19 as compared to Rs 8.0 crs in FY18 down by 35 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, 2019, stands at Rs 304.1 crs as against Rs 255.9 crs at the end of FY 18. Cash and cash equivalents of the Company in FY19 stood at Rs 30.4 crs as compared to Rs 35.5 crs in the previous year. Net Debt as on March 31, 2019, stands at Rs 273.7 crs after reducing the cash and bank balance and liquid investment versus Rs 220.4 crs at the end of FY18. The debt has increased on account planned Capex on capability enhancement and expansion. This is expected to improve going forward with improved cash flows and limited Capex plans.

Fixed Assets

Fixed assets (tangible and intangible) including Capital work-in-progress stands at Rs 471.5 crs at end of FY19 as compared to Rs 380.6 crs at the end of previous year. This increase was mainly on account of capex for the capacity addition and capability enhancement.

Foreign Exchange

During FY 2019, India's currency saw substantial depreciation vis-à-vis the US dollar, particularly in the first half of the financial year, by falling nearly 14% during the period from April 2018 to October 2018. The rupee opened the financial year at 65.13 vis-à-vis the US dollar in April 2018. From that level, the phase of massive depreciation started till it hit its all-time intra-day low of 74.45 against the US dollar on 11th Oct. This level was short-lived as the rupee appreciated and came back to settle at 70-72 levels against the dollar. It further appreciated in March 2019 to breach 70 levels and finally closed at 68.97 at 2019-end.

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. Key debt ratios have deteriorated in the current year on account of lower profits and the continued infusion of capital in the form of planned Capital expenditure. However, the same along with other ratios are expected to improve in the current year with improvement in cash flow and reduction in debt.

Key Ratios	FY 19	FY 18
Return on Capital Employed (ROCE)	6.8%	6.8%
Debt: Equity	1.03	0.86
Net Debt: EBITDA	3.53	3.18
Debt Service Coverage Ratio	0.98	1.00
Interest Coverage Ratio	1.16	1.30
Working Capital *(no. of days)*	2	18
Debtor turnover ratio *(no. of days)*	38	37
Inventory turnover ratio *(no. of days)*	39	39
Current Ratio *(excluding term date)*	1.20	1.49

Outlook

The outlook for AYM remains optimistic with improved product mix, capacity expansion as well as macro-economic headwinds behind us. 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. We continue to remain firm on this journey of transformation to preparing ourselves to navigate through a challenging operational environment and create sustainable value for all stakeholders by making AYM an innovative, competitive and sustainable value driven player of synthetic yarns.

Dear Shareholders,

Your Directors are pleased to present 36th Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March 2019.

I. Financial Highlights

(₹ in Lakhs)

Particulars	2018-19	2017-18
Revenue from Operations*	**99,198.16**	**85,041.57**
Other Income	590.14	558.95
Total Revenue	**99,788.30**	**85,600.52**
EBIDTA	**7,751.51**	**6933.77**
EBIDTA Margin (%)	*7.81*	*8.15*
Finance Costs	3,442.56	2792.76
Depreciation and Amortization Expense	3,760.97	3297.38
Profit Before Tax	**547.98**	**843.63**
Current Tax	105.93	182.70
Deferred Tax	(144.10)	(139.12)
Profit after tax	**586.15**	**800.05**
Other Comprehensive Income (Net of Tax)	(2.79)	(5.87)
Total Comprehensive Income	583.36	794.18
Earning Per Share (Basic)	1.29	2.02
Earning Per Share (Diluted)	1.28	2.02

* *Revenue from operations includes other operative income and net of Excise duty for FY 18.*

II. Dividend

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

III. Amount Transfer to Reserves

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

IV. Performance and Outlook

During the year under review, revenue from operations (net) was at ₹ 99,198.16 Lakhs as compared to ₹ 85,041.57 Lakhs in previous year. Exports during the financial year 2018-19 were of ₹ 34,129.83 Lakhs as compared to ₹27,398.35 Lakhs during the previous year.

Industry demand 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. Exports as a percentage of net revenue was at 35% in FY 19 as compared to 32% in overall last year FY 18. BCF expansions got operational in Q3 FY 19 was into stabilization mode and the benefit of it might accrue in the coming year.

The Company now concentrates on Nylon yarn rather than polyester yarn, production of high quality products, increasing efficiency and utilization of installed capacity, increase in customers and exports, etc. The Company continuously develops new products to have better margin of profits.

The expansion projects involving BCF and IDY have been largely completed in FY 19 and there are no major capex planned in near future and the focus will be on cost rationalization, favourable product mix and optimum utilization of enhanced 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. India Rating and Research Private Limited has reaffirmed rating of IND A for long term loans and fund based working capital facilities and IND A 1 for non-fund based working capital facilities with Negative outlook.

V. Share Capital and Listing

Disclosure Relating to Employee Stock Option Scheme

The Shareholders of the Company has approved AYM ESOP scheme 2018 for issue of 9,80,989 equity shares under the scheme at Extra Ordinary General Meeting held on 28th February 2018; BSE has accorded In-principle approval for issue and allotment of the said shares on 26th April 2018 and NSE approved on 27th April 2018.

During the year, the Company issued 7,81,700 shares to its eligible employees under the AYM ESOP scheme of the Company.

Members of Nomination and Remuneration committee and Board of Directors vide circular resolution dated 30th May, 2019 and 1st June, 2019 respectively approved and recommended for the approval of shareholders modification in AYM ESOP scheme 2018.

Accordingly, appropriate resolution is proposed for approval and necessary details are given in the resolution and explanatory statement in accompanying Notice of convening the ensuing Annual General Meeting.

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, 2019 are furnished in **Annexure A** attached herewith and forms part of this Report.

VI. 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 2019 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.

VII. Disclosure as Required Under The Companies Act, 2013

a. **Declaration by an Independent Director(s)**

All Independent directors of the Company, namely, Mr. Atul Desai, Mr. M. K. Tandon, Ms. Mala Todarwal and Mr. K. H. Viswanathan, the independent directors have given declaration that they met the criteria of independent directors as provided in sub section 6 of Section 149 of The Companies Act, 2013 ("The Act");

b. 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 http://www.aymsyntex.com/aym-policies.

c. **Board Evaluation**

In compliance with the Act and SEBI Regulations 2015, the Board of Directors, as per the process recommendation by the Nomination and Remuneration Committee, has evaluated the effectiveness of the Board, its committees and Directors. The evaluation process invited graded responses to a structured questionnaire, which was largely in line with SEBI Guidance Note on Board evaluation, for each expect of the evaluation. The evaluation process invited through IT enabled platform sought graded responses to a structured questionnaire for each aspect of the evaluation viz. time spent by each of the directors; accomplishment of specific responsibilities and expertise; conflict of interest; integrity of the Director; active participation and contribution during discussions. For the financial year 2018-19, 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, Executive Directors, Chairman, Committees of the Board, Quantity, Quality and Timeliness of Information to the Board. All the results were satisfactory.

d. 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 http://www.aymsyntex.com/aym-policies. Disclosure as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is annexed as **Annexure B**;

e. Four meetings of Board of directors were conducted during the financial year 2018-19.

f. The Company is a subsidiary of Mandawewala Enterprises Limited.

g. **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 Act, form part of the notes to the financial statements.

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

₹ In Lakhs

Name	Designation	Remuneration#	% Increase	Ratio of Remuneration to Median Remuneration
Mr. Abhishek Mandawewala	Managing Director & CEO	73.56	NIL	32.32
Mr. Himanshu Dhaddha	Chief Financial Officer	62.97	NIL	27.67
Mr. Kaushik Kapasi *	Company Secretary	49.68	NA*	NA
Mr. Ashitosh Sheth *	Company Secretary	5.99	NA*	NA

* Employed for part of the year 2018-19, hence % increase is not computable

Remuneration represent gross salary paid during the year including retiral benefits, if any.

Notes:

i. Average increase in remuneration of employees other than managerial personnel: 5.89% and managerial persons: NIL

ii. The number of permanent employees on the rolls of Company: 1246

iii. The percentage increase in the median remuneration of employees in FY 2018-19 was 2.85%.

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

v. For calculation of median remuneration, only those employees who have served whole of FY 2018-19 are considered.

h. Mr. Abhishek R. Mandawewala, Managing Director & CEO of the Company have not received any remuneration from Mandawewala Enterprises Limited, the holding company.

i. **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 2019, 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.

j. **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 and the weblink thereto is http://www.aymsyntex.com/aym-policies. 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 2018 -19 were in ordinary course of the business and on an arm's length basis. No material related party transactions were entered during the financial year by your Company. The disclosure of related party transactions as required under Section 134(3)(h) of the Act, in Form AOC 2 is not applicable to your Company. Members may refer to note no. 46 to the financial statement which sets out related party disclosures pursuant to IND AS-24.

k. **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.

VIII. Extract of Annual Return

An extract of annual return referred to in Section 92 of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is placed on website of the Company at www.aymsyntex.com. The extract of Annual Return as at March 31, 2019 in Form MGT-9 is annexed as **Annexure C** and forms an integral part of this Report.

IX. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

a. **Conservation of Energy:**

i. the steps taken or impact on conservation of energy: Nil

ii. the steps taken by the Company for utilizing alternate sources of energy: Nil

iii. the capital investment on energy conservation equipment's: Nil

b. **Technology Absorption:**

i. The efforts made towards technology absorption:

For the BCF expansion project we have taken high pressure centrifugal compressor in place of screw compressor. This will help in reducing per cubic foot per minute (CFM) cost.

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): Nil

iv. Research and Development expenditures:

₹in Lakhs

Particulars	2018-19	2017-18
Revenue Expenditure	595.93	592.79
Capital Expenditure	933.35	513.99
Total	**1529.28**	**1106.78**

c. **Foreign Exchange Earnings and Outgo:**

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

i. Earning in foreign exchange – ₹34,129 lakhs

ii. Outgo in foreign exchange – ₹40,491 lakhs

X. Directors/ Key Managerial Personnel (KMP)

Mr. Rajesh R. Mandawewala being the longest in duration is liable to retire by rotation at the 36th Annual General Meeting. 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 36th AGM of your Company.

Mr. Atul Desai and Mr. Mohan Krishna Tandon has been reappointed as an independent director for the second term with effect from 29th May 2019 to 28th May, 2024 for a period of five years by the Shareholders through special resolution passed through postal ballot on 20th March 2019.

On recommendation of Nomination and Remuneration Committee and subject to approval of the Members, your director's has appointed Mrs. Khushboo Mandawewala as an Additional Director and Whole time Director of the Company with effect from 29th July 2019 for the term of 3 years. Accordingly, the matter with respect to the appointment of Mrs. Khushboo Mandawewala is proposed in the Notice of the 36th AGM. A brief profile of Mrs. Khushboo Mandawewala and other relevant information is appended in the Notice of 36th AGM.

Board has recommended the aforesaid appointment of Mr. Rajesh R Mandawewala and Mrs. Khushboo Mandawewala.

XI. 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.

XII. 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.

XIII. Auditors

As per Section 139 of 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. the conclusion of 34th Annual General Meeting till the conclusion of 39th Annual General Meeting. Pursuant to amendments in Section 139 of the Act, 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 2019 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year 2018-19, 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.

XIV. Cost Auditor and Cost Records

In terms of the Section 148 of 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 Act. 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 Act, 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 36th Annual General Meeting of your Company. During the year 2018-19 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.

XV. Secretarial Audit Report

The Secretarial Audit was carried out by Mr. A. L. Makhija Practicing, Company Secretary (CP No. 3410) for the financial year 2018-19. The Report given by the Secretarial Auditors is annexed as **Annexure – D** and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year 2018-19, 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.

During the year 2018-19, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

XVI. 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 two plots of ₹ 20.04 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 ₹9.95 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.

XVII. Risk Management Policy

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

XVIII. Familiarization Program for Independent Directors (Regulation 46 of SEBI (LODR), 2015)

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 http://www.aymsyntex.com/aym-policies

XIX. 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.

XX. 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.

XXI. Prevention of Sexual Harassment at Workplace

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 2018-2019 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.

XXII. 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.

XXIII. 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.

XXIV. 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.

XXV. Acknowledgement

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

Rajesh R Mandawewala
Chairman
DIN: 00007179

Place: Mumbai
Date: 29th July, 2019

ANNEXURE A: BOARD'S REPORT (ESOP)

Disclosure of Information in Respect of Employees Stock Option Scheme:

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

The disclosure is provided in Notes 48 to the financial statements of the Company for the year ended March 31, 2019.

Sr. No.	Particulars	Employee Stock Options Scheme-2018 – Grant I
1.	Date of Shareholder's Approval	28th February 2018
2.	Options Granted	7,81,700 Equity Shares of the Face Value of ₹ 10/- each
3.	Exercise Price Per Stock Option	₹ 10/-
4.	Vesting Requirements	ESOPs will Vest not earlier that One (1) Year from the Date of Grant
5.	Maximum Term of Options Granted	5 years from the Date of Vesting
6.	Source of Shares	Primary
7.	**Options movement during the year**	
	Particulars	**Details**
	Number of Options Outstanding at the Beginning of the Year	NIL
	Number of Options Granted During the Year	7,81,700 Equity Shares of the Face Value of ₹ 10/- each
	Number of Options Forfeited/Lapsed/ Cancelled During the Year	NIL
	Number of Options Vested During the Year	NIL
	Number of Options Exercised During the Year	NIL
	Number of Shares arising as a Result of Exercise of Options	NIL
	Money Realizes by Exercise of Options (INR), if Scheme is Implemented Directly by the Company	NIL
	Loan Repaid by the Trust During the Year from Exercise Price Received	NA
	Number of Options Outstanding at the End of the Year	7,81,700
	Number of Stock Exercisable at the End of the Year	NIL
8.	Variation of Terms of Options	NA
9.	Money Realized by Exercise of Options	NA
10.	Total Number of Options in Force	7,81,700

ANNEXURE A: BOARD'S REPORT (ESOP)

Sr. No.	Particulars	Employee Stock Options Scheme-2018 – Grant I
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	₹ 1.28
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	₹ 32.62
14.	Method and Significant Assumptions used to Estimate the fair value of Options Granted During the Year	
	i) Method	Black Scholes Valuation 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: 29th July 2019

ANNEXURE – B : BOARD'S REPORT (CSR)

Disclosure on Corporate Social Responsibility (CSR) Activities

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

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

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

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

2. The composition of the CSR Committee:

   i. Mr. Atul Desai - Chairman

   ii. Mr. Rajesh R. Mandawewala - Member

   iii. Mr. Abhishek R. Mandawewala - Member

3. Average net profit of the Company for 2015-16, 2016-17 & 2017-18: ₹ 3989.58 Lakhs

4. Prescribed CSR Expenditure (*two percent of the amount as in item 2 above*): ₹ 79.79 Lakhs

5. Details of CSR spent during the financial year:

   (a) Total amount to be spent for the financial year: ₹ 79.79 lakhs; and ₹ 9.05 Lakhs *(the unspent amount for the year 2017-18)*

   (b) Amount unspent, if any: Rs. 4.52 Lakhs

   (c) Manner in which the amount spent during the financial year is detailed below: ₹in Lakhs

Sr. No	CSR Project / Activity Identified	Sector in which the Project is Identified as per Schedule VII of the CA 2013	State and District where Project was Undertaken	Unspent Amount for FY 2017-18	Amount outlay (Budget) Project or Programme Wise	Amount Spent on the Project or Programme (sub head) i. Direct Expenditure on Project or Programme 2.Overheads	Cumulative Expenditure up to 31.03.19	Amount Spent Direct or through Implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Implementing an Early Childhood Education Program and Promoting Education (Running a Balwadi for Providing Quality Education to Students between 3-6 years of age coming from Economically Challenged Section of the Society. The Program also has Provision of Admission the Students to Grade I to Ensure Continuation of Education.	(ii) Promoting Education	Palghar, Maharashtra	-	9.41	9.98		Direct Implementation

ANNEXURE – B : BOARD'S REPORT (CSR)

₹in Lakhs

Sr. No	CSR Project / Activity Identified	Sector in which the Project is Identified as per Schedule VII of the CA 2013	State and District where Project was Undertaken	Unspent Amount for FY 2017-18	Amount outlay (Budget) Project or Programme Wise	Amount Spent on the Project or Programme (sub head) i. Direct Expenditure on Project or Programme 2.Overheads	Cumulative Expenditure up to 31.03.19	Amount Spent Direct or through Implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2	Provision of Safe Drinking Water (Installation of need Based Water Purification Plants in Silvassa and Palghar to Ensure Accessibility of Purified Drinking Water even in hard to reach Areas and Maintenance of the same)	(i) Promoting healthcare Making available safe drinking water	Silvassa, U.T of Dadra & Nagar Haveli & Palghar, Maharashtra	9.05	66.39	65.57	84.32	Direct Implementation
3	Promoting Education Providing Infrastructural and Educational Facilities)	(ii)Promoting Education	Palghar, Maharashtra	-	-	4.78		Direct Implementation
4	CSR Monitoring and Administrative Expenditure Including Salaries	As allowed in the Section 135 of The Companies Act	Mumbai, Maharashtra	-	3.99	3.99		As per requirement
	Total			9.05	79.79	84.32	84.32	

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: The balance unspent amount of Rs. 4.52 lakhs will be spent for making available safe drinking water including maintaining of water purifiers in Palghar and Silvassa.

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.

R R Mandawewala
Chairman
DIN:00007179

Atul Desai,
Chairman of CSR Committee
DIN:00019443

Abhishek R. Mandawewala,
Managing Director & CEO
DIN:00737785

Place: Mumbai
Date: 29th July 2019

ANNEXURE C : BOARD'S REPORT (Annual Return)

Extract of Annual Return

Form No. MGT – 9

As on the financial year ended on March 31, 2019

[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: allcompanysecretaryofaymsl@aymgroup.com.

vi. Whether listed company: Yes. The Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)

vii. Name, address and contact details of Registrar and Transfer Agent, if any.

M/s. Link Intime India Private Limited

Unit : AYM Syntex Limited

C-101,247 Park,

LBS Marg, Vikhroli (West), Mumbai - 400 083

Email - rnt.helpdesk@linkintime.co.in

Telephone. No.: +91-022-49186270, Fax No. : +91-22-49186060

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 31.03.2019 –

Name and Address of The Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
Mandawewala Enterprises Limited	U17200MH2007PLC171473	Holding	70.00	2(46)

ANNEXURE C : BOARD'S REPORT (Annual Return)

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 - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**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	31913632	-	31913632	70.00	-
	Sub Total (A)(1)	**31913632**	-	**31913632**	**70.00**	**31913632**	-	**31913632**	**70.00**	-
[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)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**31913632**	-	**31913632**	**70.00**	**31913632**	-	**31913632**	**70.00**	-
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	105	-	105	-	105	-	105	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	587	-	587	-	-	-	-	-	-
(f)	Financial Institutions / Banks	10440	-	10440	0.02	10	-	10	-	-0.02
(g)	Insurance Companies	120000	-	120000	0.26	120000	-	120000	0.26	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)									
	Sub Total (B)(1)	**131132**	-	**131132**	**0.29**	**120115**	-	**120115**	**0.26**	**-0.02**
[2]	**Central Government/ State Government(s)/ President of India**									
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-

ANNEXURE C : BOARD'S REPORT (Annual Return)

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[3]	**Non-Institutions**									
(a)	Individuals									
	(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	3799323	16402	3815725	8.37	3899234	16357	3915591	8.59	0.22
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4818385	-	4818385	10.57	5161842	-	5161842	11.30	0.73
(b)	NBFCs registered with RBI	-	-	-	-	10400	-	10400	0.02	0.02
(c)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)									
	(i) Trusts	-	4302	4302	0.01	-	4302	4302	0.01	-
	(ii) Hindu Undivided Family	832074	1200	833274	1.83	932648	1200	933848	2.05	0.22
	(iii) Non Resident Indians (Non Repat)	52560	-	52560	0.12	82306	-	82306	0.18	0.07
	(iv) Non Resident Indians (Repat)	237627	-	237627	0.52	193611	-	193611	0.42	-0.10
	(v) Clearing Member	263790	-	263790	0.58	129271	-	129271	0.28	-0.29
	(vi) Bodies Corporate	3517110	2031	3519141	7.72	3132619	2031	3134650	6.88	-0.84
	Sub Total (B)(3)	**13520869**	**23935**	**13544804**	**29.71**	**13531931**	**23890**	**13555821**	**29.73**	**0.02**
	Total Public Shareholding(B)= (B)(1)+(B)(2)+(B)(3)	**13652001**	**23935**	**13675936**	**29.99**	**13652046**	**23890**	**13675936**	**29.99**	-
	Total (A)+(B)	**45565633**	**23935**	**45589568**	**100.00**	**45565678**	**23890**	**45589568**	**100.00**	-
(C)	**Non Promoter - Non Public**									
[a]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[b]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**45565633**	**23935**	**45589568**	**100.00**	**45565678**	**23890**	**45589568**	**100.00**	-

ii. Shareholding of Promoters

Sl. No	Shareholder's name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% 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	
1	Mandawewala Enterprises Limited	31913632	70.00	-	31913632	70.00	-	-

iii. Change in Promoters' shareholding: No

ANNEXURE C : BOARD'S REPORT (Annual Return)

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Date of transaction	Purchase/ (Sale) of no. of shares	Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total shares			No. of Shares Held	% of Total shares
1	MGN AGRO PROPERTIES PRIVATE LIMITED	1623145	3.56	-	-	1623145	3.56
				31 Mar 2019	-	1623145	3.56
2	SADHNA MEHROTRA	1350000	2.96			1350000	2.96
				22 Feb 2019	(2512)	1347488	2.96
				01 Mar 2019	(26361)	1321127	2.90
				31 Mar 2019		1321127	2.90
3	SAVITA GULATI	155000	0.34	-	-	155000	0.34
				25 May 2018	125107	280107	0.6
				22 Jun 2018	108687	388794	0.85
				30 Jun 2018	15666	404460	0.89
				06 Jul 2018	6792	411252	0.90
				13 Jul 2018	9198	420450	0.92
				20 Jul 2018	750	421200	0.92
				27 Jul 2018	1225	422425	0.92
				03 Aug 2018	2025	424450	0.93
				10 Aug 2018	150	424600	0.93
				14 Dec 2018	8458	433058	0.95
				28 Dec 2018	(3058)	430000	0.94
				11 Jan 2019	150	430150	0.94
				15 Mar 2019	3760	433910	0.95
				22 Mar 2019	(910)	433000	0.95
				29 Mar 2019	(5000)	428000	0.94
				31 Mar 2019		428000	0.94
4	SANJEEV R. BHARADIA	426500	0.94	-	-	426500	0.94
				31 Mar 2019	-	426500	0.94
5	WELSPUN INDIA LIMITED	283500	0.62			283500	0.62
				31 Mar 2019	-	283500	0.62
6	SEEMA AGRAWAL	230000	0.50			230000	0.50
				31 Mar 2019	-	230000	0.50
7	PRASHANT J SARKAR	100000	0.22	-	-	100000	0.22
				27 Apr 2018	13000	113000	0.25
				11 May 2018	4469	117469	0.26
				10 Aug 2018	10000	127469	0.28
				17 Aug 2018	2115	129584	0.28
				24 Aug 2018	6549	136133	0.30
				29 Sep 2018	4889	141022	0.31
				05 Oct 2018	111	141133	0.31
				12 Oct 2018	44357	185490	0.41
				19 Oct 2018	10965	196455	0.43
				30 Mar 2019	3545	200000	0.44
				31 Mar 2019		200000	0.44

ANNEXURE C : BOARD'S REPORT (Annual Return)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Date of transaction	Purchase/ (Sale) of no. of shares	Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total shares			No. of Shares Held	% of Total shares
8	JNJ HOLDINGS PVT. LTD.	1	0.00	-	-	1	0.00
				01 Mar 2019	38683	38684	0.08
				08 Mar 2019	32422	71106	0.16
				15 Mar 2019	22535	93641	0.21
				22 Mar 2019	49858	143499	0.31
				29 Mar 2019	51594	195093	0.43
				30 Mar 2019	4907	200000	0.44
				31 Mar 2019		200000	0.44
9	SATYA PRAKASH MITTAL (HUF)	75594	0.17	-	-	75594	0.17
				19 Oct 2018	(70)	75524	0.17
				26 Oct 2018	(2196)	73328	0.16
				18 Jan 2019	50000	123328	0.27
				31 Mar 2019		123328	0.27
10	PRADEEPKUMAR GHISULAL RATHOD	113327	0.25	-	-	113327	0.25
				30 Jun 2018	20	113347	0.25
				31 Mar 2019		113347	0.22
11	AYUSH MITTAL	109970	0.24	-	-	109970	0.24
				31 Mar 2019		109970	0.24
12	VIVOG COMMERCIAL LIMITED	195217	0.43	-	-	195217	0.43
				29 Mar 2019	(124250)	70967	0.16
				31 Mar 2019	-	70967	0.16
13	EDELWEISS CUSTODIAL SERVICES LIMITED	211257	0.46	-	-	211257	0.46
				06 Apr 2018	15017	226274	0.50
				13 Apr 2018	1858	228132	0.50
				20 Apr 2018	1450	229582	0.50
				27 Apr 2018	51069	280651	0.62
				04 May 2018	12971	293622	0.64
				11 May 2018	1255	294877	0.65
				18 May 2018	1375	296252	0.65
				25 May 2018	(244832)	51420	0.11
				01 Jun 2018	22081	73501	0.16
				08 Jun 2018	25334	98835	0.22
				15 Jun 2018	29218	128053	0.28
				22 Jun 2018	(94860)	33193	0.07
				30 Jun 2018	(4750)	28443	0.06
				06 Jul 2018	7934	36377	0.08
				24 Aug 2018	(16928)	19449	0.04
				31 Aug 2018	(5)	19444	0.04
				07 Sep 2018	(16680)	2764	0.01
				14 Dec 2018	(768)	1996	0.00
				28 Dec 2018	(533)	1463	0.00
				08 Feb 2019	(150)	1313	0.00
				15 Mar 2019	(1268)	45	0.00
				29 Mar 2019	1050	1095	0.00
				31 Mar 2019		1095	0.00

ANNEXURE C : BOARD'S REPORT (Annual Return)

v. Shareholding of Directors and Key Managerial Personnel: There was no change during the year

Sr. no.	Name of the Directors and KMP	Shareholding at the beginning of the year 2018		shareholding at the end of the year 2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
1	Mr. Rajesh R. Mandawewala	-	-	-	-
2	Mr. Abhishek R. Mandawewala	-	-	-	-
3	Mr. Atul Desai	30	-	30	-
4	Mr. M. K. Tandon	-	-	-	-
5	Mr. K. H. Viswanathan	-	-	-	-
6	Ms. Mala Todarwal	-	-	-	-
	KMP (other than Executive director/Whole time director)				
1	Mr. Himanshu Dhaddha (Chief Financial Officer)	2000	-	2000	-
2	Mr. Ashitosh Sheth (Company Secretary) *	-	-	-	-
3	Mr. Kaushik Kapasi, (Company Secretary) **	10	-	10	-

* Appointed as Company Secretary w.e.f 06th February 2019;

** Ceased to be Company Secretary w.e.f 31st December 2018;

V. INDEBTEDNESS

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

(₹in Lakhs)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	19,381.17	1,200.00	-	20,581.17
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	109.98	-	-	109.98
Total (I+ii+iii)	**19,491.15**	**1,200.00**	-	**20,691.15**
Change in indebtedness during the financial year.				
· Addition	6,119.86	2,400.00	-	-
· Reduction	4,138.51	-	-	4,138.51
· Addition / Reduction in Interest accrued but not due	34.15	-	-	34.15
Net change	2,015.50	2,400.00	-	4,415.50
Indebtedness at the end of the financial year				
i. Principal Amount	21,362.51	3,600.00	-	24,962.51
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	144.13	-	-	144.13
Total (i+ii+iii)	**21,506.65**	**3,600.00**	-	**25,106.65**

VI. 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
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
	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
	Total (A)		**73.56**
	Ceiling as per the Act.*		NA

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

B. Remuneration to other directors

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors				
		Atul Desai	M. K. Tandon	K. H. Viswanathan	Mala Todarwal	Total amount
1.	**Independent Directors**					
	1)Fee for attending board & committee meetings	5.05	3.65	3.65	3.35	15.70
	2)Commission	Nil	Nil	Nil	Nil	Nil
	3)Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	**5.05**	**3.65**	**3.65**	**3.35**	**15.70**
2.	**Other Non-Executive Directors**					Nil
	Total (2)					**Nil**
	Total (B) = (1 + 2)	**5.05**	**3.65**	**3.65**	**3.35**	**15.70**
	Overall ceiling as per the Act	1% of the Net profits of the Company i.e. Rs.5.86 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.)				

ANNEXURE C : BOARD'S REPORT (Annual Return)

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

(₹in Lakhs)

Sr. No.	Particulars of Remuneration#	Himanshu Dhaddha (CFO)	Ashitosh Sheth, CS *	Kaushik Kapasi, CS*	Total Amount Rs
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	62.97	5.99	49.68	118.64
	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	-	-	-	-
	- As % of profit				
	- Others, specify.....				
5	Others, please specify Incentives provided but not given)	-	-	-	-
	Total (A)	**62.97**	**5.99**	**49.68**	**118.64**

Remuneration represent gross salary paid during the year including retiral benefits, if any.

* Employed for part of the year 2018-19.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

Secretarial Audit Report

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

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

To,
The Members,
AYM Syntex Ltd,
Mumbai.

I have conducted the Secretarial Audit of the Compliance of Applicable Statutory Provisions and the adherence to Good Corporate Practices by **AYM Syntex Ltd** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate conducts/Statutory Compliances and expressing my opinion thereon.

Based on my verification of AYM Syntex Ltd's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit period covering the Financial year ended on 31st March 2019 complied with the Statutory Provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by AYM Syntex Ltd, ("the Company") for the Financial year ended on 31st March 2019 according to the Provisions of:

(i) The Companies Act, 2013 (the Act), amendments and the Rules made thereunder;

(ii) The Securities Contracts (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, 1992 and 2009;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

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

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(j) Other laws applicable specifically to the Company are as per **Annexure 1** attached.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange;

ANNEXURE D : BOARD'S REPORT (Secretarial Audit Report)

(iii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(iv) The Companies Act, 2013 read with amendments and rules thereunder;

(v) Securities Contract Regulations Act, 1956;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that 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 Seven 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.

Majority decision is carried through, while the views of Members/Directors are captured and recorded as part of the minutes.

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

I further report that during the audit period the company has not undertaken any:

i. Public/Right/ debentures/sweat equity, etc. during the year under review;

ii. Redemption / buy-back of securities during the year under review;

iii. Major decisions taken by the Company as per powers given to them by Members in pursuance to section 180 of the Companies Act, 2013 are within the Limits laid down and are complied as per Rules and Regulations laid down under the Companies Act, 2013;

iv. No Merger / amalgamation / reconstruction, etc have been undertaken during the year under review and

v. There has been no foreign technical collaborations during the year under review.

Place : Mumbai

Date : 30th April 2019

For A L Makhija & Co.,
Company Secretaries

A.L.MAKHIJA
Proprietor
C P : 3410
ACS : 5087

ANNEXURE 1:

The other laws applicable specifically to the Company are as follows:

a) The Water (Prevention & Control of Pollution) Act, 1974;

b) The Water (Prevention & Control of Pollution) Rules, 1975;

c) The Water (Prevention & Control of Pollution) Cess Act, 1977;

d) The Air (Prevention & Control of Pollution) Act, 1981;

e) The Air (Prevention & Control of Pollution) Rules 1982/1983;

f) The Hazardous Wastes (Management & Handling) Rules 1989;

g) Indian Explosive Act, 1884;

h) Indian Explosive Rules, 1983;

i) Environment Statement Under Gujarat Pollution Control Rules;

j) Environmental Protection Act, 1986;

k) The Forest (Conservation) Act, 1980;

l) The Environment Impact Assessment Notification;

m) The Hazardous Waste (Management & Handling) Rules, 1989, Amended 2003;
n) Ozone Depleting Substances (Regulation & Control) Rules, 2000, Amended 2003;
o) The Energy Conservation Act, 2001;
p) E Waste Management And Handling Rules 2011;
q) Dangerous Machines (Regulations) Act, 1983;
r) Dangerous Machines (Regulations) Rules, 1984;
s) Boilers Act (Indian Boilers Act), 1923;
t) Motor Vehicle Act, 1988;
u) Indian Electricity Rules, 1956;
v) Apprentices Act, 1961;
w) Child Labour (Prohibition & Regulation) Rules, 1986;
x) Contract Labour (Regulation & Abolition) Act, 1970;
y) Employees Provident Funds & Miscellaneous Provisions Act, 1952;
z) Employees State Insurance Act, 1948;
aa) Employment Exchange (Compulsory Notification of Vacancies) Act, 1976;
ab) Equal Remuneration Act, 1976;
ac) Factories Act, 1948;
ad) Bombay Industrial Relation Act, 1946;
ae) Industrial Employment (Standing Orders) Act, 1946;
af) Inter State Migrant Workers (Regulation of Employment and Condition of Service) Act, 1979;
ag) Maternity Benefit Act, 1961;
ah) Minimum Wages Act, 1948;
ai) Payment of Bonus Act, 1965;
aj) Payment of Gratuity Act, 1972;
ak) Payment of Wages Act, 1936;
al) Trade Unions Act, 1926;
am) Workmen's Compensation Act, 1923;
an) Weekly Holidays Act, 1942;
ao) Trademarks Act, 1999;
ap) Patents Act, 1970

Place : Mumbai

Date : 30th April 2019

For A L Makhija & Co.,
Company Secretaries

A.L.MAKHIJA
Proprietor
C P : 3410
ACS : 5087

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 AND FORMING PART OF THE DIRECTORS' REPORT

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. Sudhanshu M Khire	79.00	Director (Operation)	B.Sc, MBA, Exp-33 years	2nd April 2007	60	M/s. Bhargavi Marketing Pvt. Ltd.,	0.00	Nil
2	Mr. Sunil Karanjkar	75.56	Sr. Vice President	PGDM in Marketing Exp:32 years	20th December 1989	55	Garware Nylon	0.00	Nil
3	Mr. Abhishek Mandawewala	73.56	Managing Director & CEO	B.A/M. Eng (Honours) Exp: 8 years	1st August 2015	32	Welspun India Limited	0.00	Mr. R.R. Mandawewala & Mrs Khushboo A. Mandawewala, Directors
4	Mr. Bhaskar Sen*	64.10	Sr. Vice President	B.Com, Inter CA, Diploma in Taxation Exp: 30 years	14th February 1993	55	Metox Fine Chemicals Pvt.Ltd	0.00	Nil
5	Mr. Himanshu Dhaddha	62.97	Chief Financial Officer	CA, CS, CWA Exp: 11 years	8th November 2016	33	Amazon	0.00	Nil
6	Mr. Rajeev Tibrewal	58.87	Vice President	MBA in Marketing Exp: 29 years	14th March 2016	53	Tanfoam Group	0.00	Nil
7	Mr. Chikkathimmappa Nataraja Ramanapalya *	57.39	Asst. Vice President	MBA, EXP: 19	2nd May 2016	42	Thailon Techno Fiber Ltd	0.00	Nil
8	Mr. Rahul Pareek	55.75	Vice President	B.Tech – Text Exp: 29 years	9th August 2012	51	ZYC Fibre Co	0.00	Nil
9	Mr. Rohit Sethi	53.84	Asst. Vice President (Exports)	B.Com, Advance Diploma in Apparel Mechandising, Diploma in International Business Exp: 13 years	14th March 2017	32	Indorama Synthetics (I) Limited	0.00	Nil
10	Mr. Shivaditya Banerjee*	53.04	Vice President	MBA Exp: 13 years	30th January 2017	36	Asian Paints	0.00	NIL

* Employed for the part of the financial year 2018-19

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

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

Notes:

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

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

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

iv. 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, 2019

A. 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.

B. BOARD OF DIRECTORS

i. Composition

Present strength of the Board of Directors is 6. Details of composition of the existing Board of Directors as on 31 March 2019 is given below:

Sr. No.	Name of the Director	Category	No. of Directorship in other Companies* Public	No. of Directorship in other Companies* Private	No. of Shares and Convertible Instruments held by NE	Member / Chairman in No. of Committees#	No. of Board Meetings	Attendance at Last AGM Attended
1.	Mr. Rajesh R. Mandawewala	P,NE,C	07^	03	Nil	(5)M	4	No
2.	Mr. Abhishek R. Mandawewala	P, E	01	08	Nil	(1) C/(1)M	4	No
3.	Mr. Atul Desai	I, S, NE	06^	00	30 Equity shares	(5)C/(3)M	4	Yes
4.	Mr. Mohan Tandon	I, NE	01	Nil	Nil	(1)C / (2)M	4	Yes
5.	Mr. K. H. Viswanathan	I, NE	05^	01	Nil	(4)C/(3)M	4	Yes
6.	Ms. Mala Todarwal	I,W,NE	06^	02	Nil	(2)C/(5)M	4	No

* excludes directorship in foreign companies and companies under Section 8 of the Companies Act, 2013.

^ Includes unlisted public companies.

\# 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.

ANNEXURE F: CORPORATE GOVERNANCE REPORT

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

Sr No	Name of the Director	Skill/expertise/ competence	Name of Listed Entity	Category
1	Mr. Rajesh R Mandawewala	Leading figure in textiles and Steel, believes in driving innovation through Continuous research and product developments, Strategy and Business Management	• Welspun India Limited • AYM Syntex Limited • Welspun Corp Limited • Welspun Enterprises Limited	Managing Director Non-Executive Director
2.	Mr. Abhishek R Mandawewala	Strategy and Business management, Excellent managerial skill, leadership quality	AYM Syntex Limited	Managing Director & CEO
3.	Mr. Atul Desai	Litigation & Arbitration	• AYM Syntex Limited • RMG Alloy Steel Limited • Welspun Corp Limited • Welspun Investments and Commercials Limited • TCFC Finance Limited • JSW Holdings Limited	Independent Director
4.	Mr. Mohan Tandon	Professional with experience in Organization Restructuring and designing Productivity oriented Incentive Schemes	• AYM Syntex Limited • Welspun Enterprises Limited	Independent Director
5.	Mr. K H Viswanathan	Corporate Tax and Legal, Transaction advisory and structuring, Internal, Management and Due-diligence audits, formulation of business strategy, mergers and acquisitions etc	• AYM Syntex Limited • Welspun Corp Limited	Independent Director
6.	Ms. Mala Todarwal	Chartered Accountant by profession and has experience in - Audit Assurance, Due Dilligence, Corporate Restructuring and Transaction Advisory	• AYM Syntex Limited • Welspun Investments and Commercials Limited • Welspun Enterprises Limited • Talwandi Sabo Power Limited	Independent Director

ii. Disclosure of relationship between Directors inter se:

Mr. Abhishek R. Mandawewala is son of Mr. Rajesh R. Mandawewala, Director.

iii. The details of familiarization program (for Independent Directors) are disclosed on the Company's website and a web link thereto is http://www.aymsyntex.com/aym-policies

iv. Details of Date of Board Meetings:

Four meetings of the Board of Directors were held during the financial year 2018-19 i.e. 21st May 2018, 13th August 2018, 31st October 2018 and 6th February 2019.

C. AUDIT COMMITTEE

The Audit Committee consists of the following 4 Independent Non-Executive Directors (financially literate) as on 31st March 2019.

Name of the Member	Designation
Mr. Atul Desai	Chairman
Mr. K. H. Viswanathan	Member
Mr. Mohan Tandon	Member
Ms. Mala Todarwal	Member

Mr. Ashitosh Sheth, Secretary of the Company also acts as a Secretary to the Committee with effect from 6th February 2019 in place of Mr. Kaushik Kapasi who was retired with effect from 31st December 2018.

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.

Five meetings of Audit Committee of Board of Directors were held on 5th April 2018, 21st May 2018, 13th August 2018, 31st October 2018 and 6th February 2019. The details of attendance of members of Audit Committee are as follows:

Name of the Member	Designation	Number of Meetings Attended
Mr. Atul Desai	Chairman	5
Mr. K. H. Viswanathan	Member	5
Mr. Mohan Tandon	Member	5
Ms. Mala Todarwal	Member	5

D. 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:

Name of the Member	Designation
Mr. Atul Desai	Chairman
Mr. R. R. Mandawewala	Member
Mr. M. K. Tandon	Member
Mr. K. H. Viswanathan	Member
Ms. Mala Todarwal	Member

c. Four meetings of Nomination and Remuneration Committees were held on 5th April 2018, 21st May 2018, 13th August 2018 and 6th February 2019. The details of attendance of members of the committee are as follows:

Name of Member	Designation	Number of Meetings Attended
Mr. Atul Desai	Chairman	4
Mr. R. R. Mandawewala	Member	0
Mr. K. H. Viswanathan	Member	4
Mr. M. K. Tandon	Member	4
Ms. Mala Todarwal	Member	4

d. **Performance Evaluation Criteria**

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

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

ANNEXURE F: CORPORATE GOVERNANCE REPORT

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

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

e. **Remuneration to Directors**

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

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

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

Details of the payments made to Non-Executive Directors during the year under Review is as under:

(₹in Lakhs)

Name of Directors	Sitting Fees
Mr. Atul Desai	5.05
Mr. K.H. Viswanathan	3.65
Mr. Mohan Tandon	3.65
Ms. Mala Todarwal	3.35

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

The details of Remuneration paid/payable during the year under review are mentioned below:

(₹ in Lakhs p.a)

Particulars	Mr. Abhishek R. Mandawewala (Managing Director & CEO)
Salaries and Allowances	69.96
Leave Encashment	0
Contribution to Provident Fund	3.60
Commission	0
TOTAL	**73.56**
Service Contracts	From 1 August 2018 to 31 July 2021
Notice Period	3 months
Severance Fees	Nil
Stock Option	Nil

d. **Meeting of Independent Directors**

The Independent Directors of the Company shall hold at least one meeting in a year without the attendance of non-independent directors and members of management. The meeting of Independent Directors was held on 14th March 2019 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.

E. STAKEHOLDERS RELATIONSHIP COMMITTEE

a. Name of Non-Executive Director heading the Committee

- Mr. Atul Desai

b. Name and designation of Compliance Officer

- Mr. Ashitosh Sheth – Company Secretary with effect from 6th February 2019.

c. Number of shareholders complaints received during the year

- Nil

d. No complaint was pending as on March 31, 2019.

Details of Stakeholders Relationship Committee Meeting:

Four meetings were held during the year i.e.6th April 2018, 13th July 2018, 11th October 2018 and 14th January 2019.

Name of the Member	Designation	Number of Meetings Attended
Mr. Atul Desai	Chairman	4
Mr. R. R. Mandawewala	Member	3
Mr. Abhishek R. Mandawewala	Member	3

F. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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

a) Composition:

Name of the Member	Designation
Mr. Atul Desai	Chairman
Mr. R R Mandawewala	Member
Mr. Abhishek Mandawewala	Member

The Company Secretary acts as the Secretary to the Committee.

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

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

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

c) Meetings and Attendance:

During the year under review, the Corporate Social Responsibility Committee met twice i.e. on 21st May 2018 and 13th August 2018.

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

G. GENERAL BODY MEETING

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

Financial Year	Date	Time	Location
2015-16	23/09/2016	11:00 a. m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
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)

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

Financial Year	Date	Items
2015-16	23/09/2016	1. Re-appointment of Ms. Mala Todarwal as an Independent Women Director of the Company for a period of three years w.e.f. 01.08.2016. 2. Re- Appointment of Mr. Bhalchandra Anant Kale as an Executive Director of the Company for a period of three years w.e.f. 30.10.2016.
2016-17	28/09/2017	None
2017-18	25/09/2018	i. Re-appointment of Mr. K H Viswanathan as Independent Director for second term with effect from 1st August 2018 to 31st July 2023. ii. Re-appointment of Mr. Abhishek Mandawewala as Managing Director & CEO for a further period of three years with effect from 1st August 2018 to 31st July 2021.

c. The following Special Resolutions, as set out in the Postal Ballot Notice dated 06th February 2019 and voted through Postal Ballot were assented to by the requisite majority (99.76% voted in favour and 0.24% voted as against) as per the result declared to the Chairman on 20th March 2019 and therefore taken as approved by the shareholders:

ANNEXURE F: CORPORATE GOVERNANCE REPORT

Resolution confirming consent of the Company accorded to –

> Continuation of Mr. Mohan Krishna Tandon as an Independent Director for the current tenure upto 28th May 2019;

> Re-appointment Mr. Mohan Krishna Tandon as an Independent Director for 2nd Tenure of five consecutive years commencing from 29th May 2019 to 28th May, 2024;

> Re-appointment of Mr. Atul Desai as an Independent Director for 2nd Tenure of five consecutive years commencing from 29th May 2019 to 28th May, 2024.

d. Mr. A. L. Makhija, Practicing Company Secretary conducted the Postal Ballot exercise.

e. Further, No special resolution is proposed to be conducted through Postal Ballot.

f. Procedure of postal ballot: Postal ballot is conducted pursuant to Section 110 of the Companies Act, 2013 ("the Act") read with Rule 22 of Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations and Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014.

H. MEANS OF COMMUNICATION

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

b. Website:

http://www.aymsyntex.com/quarterly-results and http://www.aymsyntex.com/investor-relations

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

d. 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
31.03.2018	22.05.2018	The Financial Express (E)+ (G), Ahmedabad edition
30.06.2018	14.08.2018	The Financial Express (E)+ (G), Ahmedabad edition
30.09.2018	01.11.2018	The Financial Express (E)+ (G), Ahmedabad edition
31.12.2018	07.02.2019	The Financial Express (E)+ (G), Ahmedabad edition

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

I. GENERAL SHAREHOLDERS INFORMATION

a. 36th Annual General Meeting Venue : Plot no. 1, Survey No. 394(P), Village saily, Silvassa, U. T. of Dadra & Nagar Haveli - 396230

Time : 12.00 Noon

Day and Date : Thursday, 19th September, 2019

b. Financial year : From 01st April to 31st March

c. Dividend payment date : No Dividend recommended/ declared during the year

d. Listing on Stock Exchanges :

i. National Stock Exchange of India Limited (NSE), Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra Kurla Complex Rd, Bandra East, Mumbai 400051.

ii. BSE Limited (BSE), P. J. Tower, Dalal Street, Fort, Mumbai 400001.

iii. Listing fees has been paid to BSE on 9th April 2019 and NSE on 18th April 2019.

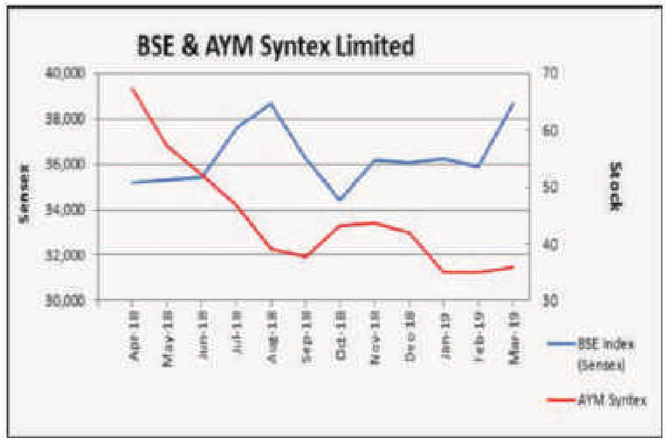
e. Stock Code : Stock code No. is 508933 (BSE) and Symbol is AYMSYNTEX (NSE).

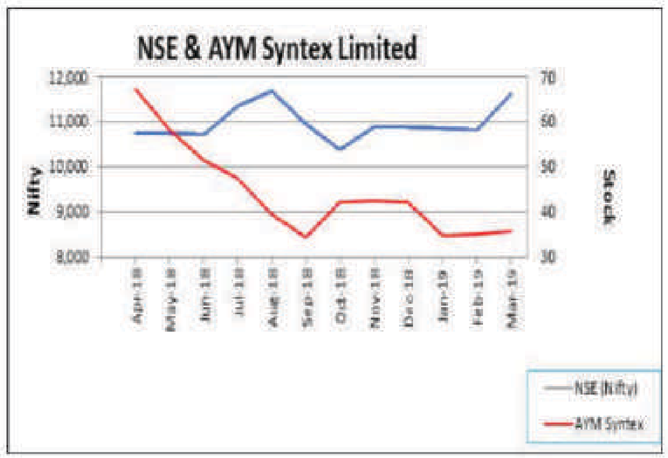
f. Market Price Data- High-Low Quotations on **BSE Limited** (BSE) and **National Stock Exchange of India Limited** (NSE), Mumbai during each month for the year 01 April 2018 to 31 March 2019:

Month	Bombay Stock Exchange (₹)		Sensex		National Stock Exchange (₹)		Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr-18	76.60	58.70	35213.30	32972.56	76.50	58.60	10759.00	10111.30
May-18	68.50	56.55	35993.53	34302.89	68.75	56.15	10929.20	10417.80
Jun-18	57.50	46.20	35877.41	34784.68	58.40	47.40	10893.25	10550.90
Jul-18	52.50	43.55	37644.59	35106.57	52.05	44.05	11366.00	10604.65
Aug-18	49.50	35.00	38989.65	37128.99	49.00	38.00	11760.20	11234.95
Sep-18	41.55	32.10	38934.35	35985.63	41.90	31.45	11751.80	10850.30
Oct-18	43.25	28.70	36616.64	33291.58	44.80	27.20	11035.65	10004.55
Nov-18	46.85	40.50	36389.22	34303.38	47.50	39.75	10922.45	10341.90
Dec-18	44.90	34.10	36554.99	34426.29	44.00	39.00	10985.15	10333.85
Jan-19	41.95	34.00	36701.03	35375.51	43.95	33.25	10987.45	10583.65
Feb-19	39.85	28.55	37172.18	35287.16	39.70	28.40	11118.10	10585.65
Mar-19	38.95	35.00	38748.54	35926.94	39.65	34.60	11630.35	10817.00

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-18	35160.36	67.25	10739.35	66.95
May-18	35322.38	57.30	10736.15	58.00
Jun-18	35423.48	52.20	10714.30	51.50
Jul-18	37606.58	46.65	11356.50	47.45
Aug-18	38645.07	39.10	11680.50	39.35
Sep-18	36227.14	37.80	10930.45	34.35
Oct-18	34442.05	43.25	10386.60	42.05
Nov-18	36194.30	43.70	10876.75	42.45
Dec-18	36068.33	42.00	10862.55	41.95
Jan-19	36256.69	35.00	10830.95	34.70
Feb-19	35867.44	35.00	10792.50	35.15
Mar-19	38672.91	35.85	11623.90	35.85





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.

ANNEXURE F: CORPORATE GOVERNANCE REPORT

SEBI vide its notification dated June 8, 2018 notified SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 and SEBI (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2018 and amendment to Regulation 40 of the Listing Regulations and Clause 5(c) of Schedule III of the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations,1993. These amendments have mandated that the transfer of securities would be carried out only in dematerialized form.

The Company had sent 3 (three) reminders to those shareholders holding shares in physical form advising them to dematerialise their holding.

Accordingly, attention of all the members holding shares in physical form is brought to the following:

- Request for effecting transfer of securities shall not be processed by the Company or Link Intime India Private Limited, unless the securities are held in dematerialized form with effect from April 1, 2019.
- This restriction shall not be applicable to the request received for transmission or transposition of shares held in physical mode.

k. **Distribution of Shareholding**

The distribution of shareholding as on 31st March 2019 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	6361	76.19	9772810	2.14
5,001 - 10,000	792	9.49	6590890	1.45
10,001 – 20,000	544	6.51	8519350	1.87
20,001 – 30,000	192	2.30	4942650	1.08
30,001 – 40,000	86	1.03	3050410	0.67
40,001 – 50,000	81	0.97	3866540	0.85
50,001 - 1,00,000	151	1.81	11377540	2.50
1,00,001 and above	142	1.70	407775490	89.44
TOTAL	**8349**	**100.00**	**455895680**	**100.00**

l. **Dematerialization of shares and liquidity**

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

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

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

Bifurcation of shares are mentioned below:

Category	As on March 31, 2019	% of Shareholding
No. of Shares held by NSDL	39420662	86.47
No. of Shares held by CDSL	6145016	13.48
Physical*	23890	0.05
Total	**45589568**	**100.00**

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

The Company has allotted 43,16,666 warrants of ₹75 per warrant to Mandawewala Enterprises Limited, the holding company convertible into 43,16,666 Equity shares of ₹ 10 each at premium of ₹ 65 per share at the option of the warrant holder within 18 months from the date of allotment.

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

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

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

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

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

p. **Location of plant**

Rakholi Plant and Registered Office	: Plot no. 1, Survey No. 394(P), Village Saily, Silvassa 396230, U. T. of Dadra & Nagar Haveli
Palghar Plant	: Plot no. I, 40 to 45, 116 to 118, Dewan Industrial Estate, Mahim Village, Palghar (W) - 401404, Dist - Palghar, Maharashtra
Address for Correspondence	: 9th Floor, Trade world, "B" Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013
Telephone No	: 022 – 61637000/7001
Fax No	: 022 – 24937725
E-mail id	:investorrelations@aymgroup.com
Website	: www.aymsyntex.com
Compliance Officer and Secretary	: Mr. Ashitosh Sheth with effect from 6th February 2019

q. List of all credit ratings obtained by the Company for all debt instruments is disclosed in Director's report, Refer Point no. IV (Performance and Outlook).

J. 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:

http://www.aymsyntex.com/aym-policies

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 http://www.aymsyntex.com/aym-policies

iv. Certificate as required under Part C of Schedule V of Listing Regulations received from Mr. A L Makhija, Practising Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI / Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at its meeting.

v. Recommendations of Committees of the Board

There were no instances during the financial year 2018- 19 herein the Board had not accepted recommendations made by any Committee of the Board.

vi. Total fees paid to Statutory Auditors of the Company

The total amount of fees paid to the Statutory Auditors of the Company during the financial year 2018-19 is stated in Notes to financial statements, which forms part of this Annual Report.

K. 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:

- http://www.aymsyntex.com/aym-policies.

ANNEXURE F: CORPORATE GOVERNANCE REPORT

L. 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 www.aymsyntex.com

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

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

Aggregate Number of Shareholders and the Outstanding Shares in the Suspense Account lying at the Beginning of the Year		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	
No of Holders	No of Shares	No of Holders	No of Shares	No of Holders	No of Shares	No of Holders	No of Shares
133	6766	1	30	1	30	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

Place: Mumbai
Date: 30th April 2019

Abhishek Mandawewala
Managing Director & CEO
DIN:00737785

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 March 31, 2019 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.

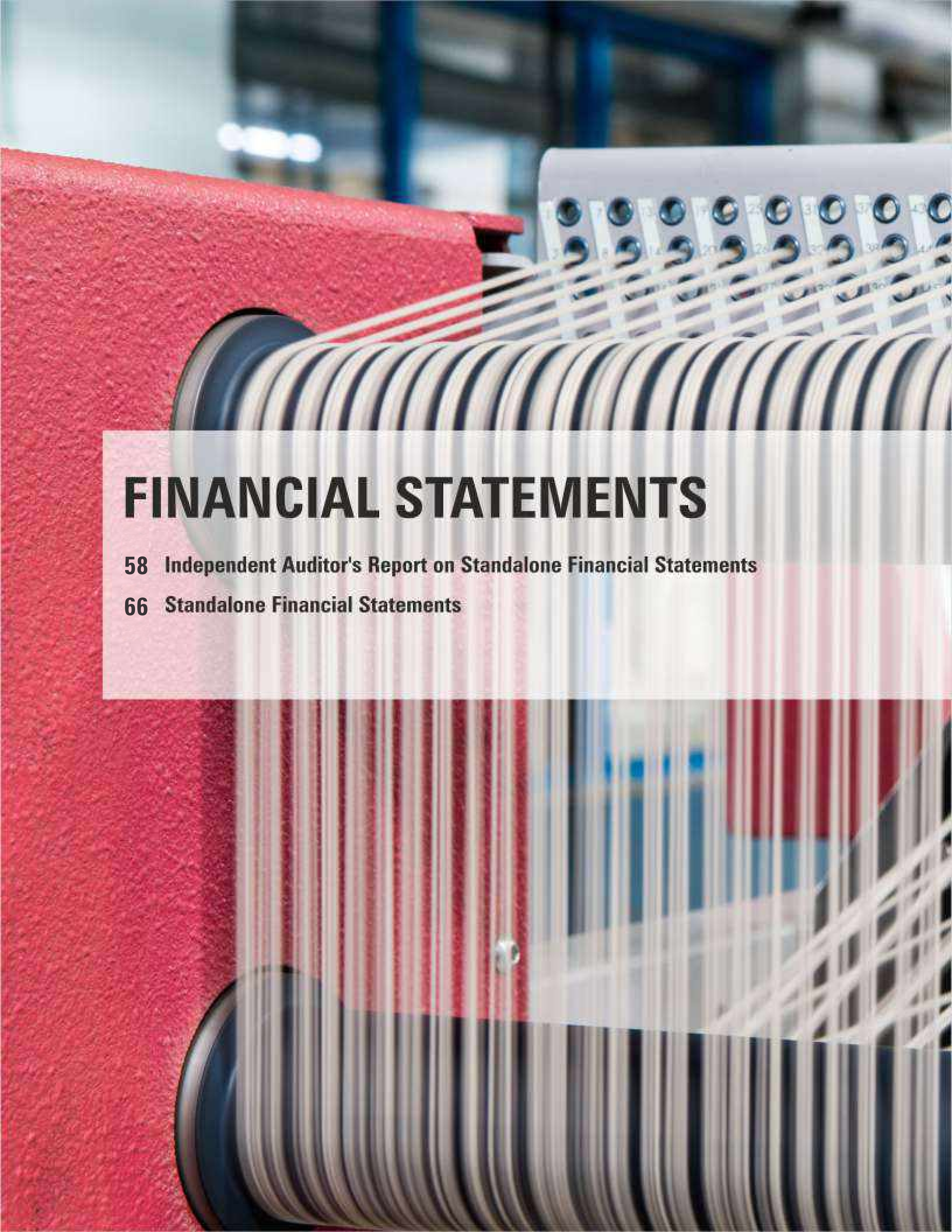
In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

Mehul Desai
Partner
Membership Number: 103211

Place: Mumbai
Date:30th April, 2019



FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of AYM Syntex Limited

Report on audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of AYM Syntex Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, 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.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Assessment of realisability of Minimum Alternate Tax ('MAT') credit entitlement (Refer note 7 of the financial statements) Minimum Alternate Tax ('MAT') credit entitlement of Rs. 4,895.74 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. Entitlement of MAT credit is recognised to the extent there is convincing evidence that the Company will be able to utilise the said credit against normal tax payable during the period of fifteen years succeeding the year of filing of return of Income tax. We considered the realisability of MAT credit entitlement to be a key audit matter as the amount is material to the financial statements and there is significant management judgement involved while applying various assumptions in preparation of forecasts for future taxable profits.	To evaluate the realisability of MAT Credit entitlement, our procedures included the following : • Understanding and evaluating the design and testing the operating effectiveness of the Company's controls over preparation of forecasts. • Assessing the historical accuracy of the Company's Board approved forecasts by comparing the forecast approved in the previous year with the actual performance in the current year. • Testing the mathematical accuracy of the underlying calculations and comparing the forecasts with the budgets approved by the Board of Directors. • Assessing the reasonableness of assumptions used in the preparation of forecasts with external and internal factors including industry growth rates and Company's past performance. • Applying sensitivity to the forecasts to assess whether the MAT credit carried as an asset would be utilised within the specified time period of fifteen years as stated earlier. Based on the above procedures, we noted that the management's judgement in preparation of forecasts of future taxable profits for the assessment of realisability of the MAT credit was considered to be reasonable.

INDEPENDENT AUDITOR'S REPORT

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the "Management discussion and analysis" and "Director's report", but does not include the financial statements and our auditor's report thereon.

   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.

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 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.

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

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

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

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, 2019 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at March 31, 2019.

        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, 2019.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Mehul Desai
Partner
Membership Number: 103211

Date: April 30, 2019
Mumbai

ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of AYM Syntex Limited on the financial statements for the year ended March 31, 2019

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, 2019 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mehul Desai
Partner
Membership Number: 103211

Place: Mumbai
Date: April 30, 2019

ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of AYM Syntex Limited on the financial statements as of and for the year ended March 31, 2019

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. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed 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, 2019 (₹ in Lakhs)		Remarks
		Gross block	Net block	
Freehold land	2	45.22	20.04	Title is not transferred in the name of the Company
Residential Flats	6	14.85	9.95	Documents of title deeds not available with the Company

ii. The physical verification of inventory (excluding goods in transit) have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory by Management as compared to book records were not material.

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

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

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

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

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of goods and service tax and employees' state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, income tax, duty of customs and other material statutory due, 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 and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax, duty of customs and duty of excise as at March 31, 2019, which have not been deposited on account of a dispute, are as follows:

ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT

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 to 2014-15	Commissioner of Income Tax (Appeals), Mumbai
		20.00	Assessment Years 2011-12	Commissioner of Income Tax (Appeals), Mumbai
The Finance Act, 1994	Service Tax	1.95	Financial Years 2005-06 and 2006-07	Deputy Commissioner CGST & CE, Vapi
		55.96	Financial Year 2006-07	Commissioner CGST & CE, Vapi
		103.86	Financial Years 2007-08 to 2012-13	Commissioner CGST & CE, Vapi
		86.61	Financial Years 2013-14 to 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	Commissioner CGST & CE, Vapi
		15.02	Financial Year 2015-16 to 2017-18	Commissioner (Appeal), CGST & CE, Surat
		16.61	Financial Year 2015-16 to 2016-17	Central Excise and Service Tax Appellate Tribunal, Ahmedabad**
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
The Central Excise Act, 1944	Duty of excise	30.37	Financial Year 2006-07	Commissioner CGST & CE, Vapi
		41.42	Financial Year 2007-08	Joint Commissioner CGST & CE, Vapi
		626.68	Financial Years 2015-16 to 2017-18	Customs Excise and Service Tax Appellate Tribunal, Ahmedabad**

* Net of amount paid under protest
**The Company is in the process of filing appeal with the relevant statutory authorities.

ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT

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.

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.

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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

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 Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Place: Mumbai
Date: April 30, 2019

Balance Sheet as at March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	3	44,851.78	34,686.23
(b) Capital Work-in-Progress	3	2,229.87	3,293.85
(c) Intangible Assets	4	64.81	83.47
(d) Financial Assets			
i. Other Financial Assets	5	19.82	7.01
(e) Income Tax Assets (net)	6	131.49	143.09
(f) Deferred Tax Assets (net)	7	2,606.48	2,460.87
(g) Other Non-Current Assets	8	950.09	2,089.43
Total Non-current Assets		**50,854.34**	**42,763.95**
2. Current Assets			
(a) Inventories	9	10,679.03	8,991.65
(b) Financial Assets			
i. Investments	10	1,502.00	701.09
ii. Trade Receivables	11	10,252.74	8,568.87
iii. Cash and Cash Equivalents	12	329.93	770.60
iv. Bank Balances other than Cash and Cash Equivalents above	13	1,942.12	2,047.47
v. Loans	14	23.90	97.28
vi. Other Financial Assets	15	162.43	134.00
(c) Other Current Assets	16	4,757.94	3,843.61
Total Current Assets		**29,650.09**	**25,154.57**
Total Assets		**80,504.43**	**67,918.52**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	17(a)	4,558.96	4,558.96
(b) Other Equity			
i. Reserves and Surplus	17(b)	24,895.56	24,432.05
ii. Money Received against Share Warrants	17(c)	809.37	809.37
Total Equity		**30,263.89**	**29,800.38**
Liabilities			
1. Non-current Liabilities			
(a) Financial Liabilities			
i. Borrowings	18	20,421.48	16,406.86
(b) Employee Benefit Obligations	19	643.97	672.19
(c) Other Non Current Liabilities	20	16.72	-
Total non-current liabilities		**21,082.17**	**17,079.05**
2. Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	21	6,175.66	5,005.56
ii. Trade Payables	22		
Dues to Micro Enterprises and Small Enterprises		927.13	45.70
Dues to Creditors other than Micro Enterprises and Small Enterprises		15,559.40	10,309.08
iii. Other Financial Liabilities	23	5,788.50	4,728.71
(b) Employee Benefit Obligations	24	328.19	361.87
(c) Other Current Liabilities	25	379.49	588.17
Total Current Liabilities		**29,158.37**	**21,039.09**
Total Liabilities		**50,240.54**	**38,118.14**
Total Equity and Liabilities		**80,504.43**	**67,918.52**
Notes forming part of the financial statements	1-50		

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 30, 2019

For and on behalf of the Board of Directors

Rajesh Mandawewala
Chairman
DIN 00007179

Abhishek Mandawewala
CEO and Managing Director
DIN 00737785

Himanshu Dhaddha
Chief Financial Officer

Ashitosh Sheth
Company Secretary

Statement of Profit and Loss for the Year Ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Revenue from Operations	26	99,198.16	86,117.04
Other Income	27	590.14	558.95
Total Income		**99,788.30**	**86,675.99**
EXPENSES			
Cost of Materials Consumed	28	58,643.30	49,466.06
Changes in Inventories of Finished Goods and Goods-in-Process	29	(85.88)	(1,033.52)
Excise Duty	-	1,075.47	
Employee Benefit Expense	30	6,709.11	6,579.39
Depreciation and Amortization Expense	31	3,760.97	3,297.38
Other Expenses	32	26,770.26	23,654.82
Finance Costs	33	3,442.56	2,792.76
Total Expenses		**99,240.32**	**85,832.36**
Profit Before Tax		**547.98**	**843.63**
Income Tax Expense	34		
Current Tax		105.93	182.70
Deferred Tax		(144.10)	(139.12)
Total Tax Expense		**(38.17)**	**43.58**
Profit for the Year		**586.15**	**800.05**
Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss			
Remeasurements of Post Employment Benefit Obligations	31	(4.29)	(9.02)
Income Tax effect on above	34	1.50	3.15
Other Comprehensive Income for the Year, Net of Tax		**(2.79)**	**(5.87)**
Total Comprehensive Income for the Year		**583.36**	**794.18**
Earnings Per Share	40		
Basic (₹)		1.29	2.02
Diluted (₹)		1.28	2.02

Notes forming part of the financial statements 1-50

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 30, 2019

For and on behalf of the Board of Directors

Rajesh Mandawewala
Chairman
DIN 00007179

Abhishek Mandawewala
CEO and Managing Director
DIN 00737785

Himanshu Dhaddha
Chief Financial Officer

Ashitosh Sheth
Company Secretary

Statement of Cash Flow for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax	547.98	843.63
	Adjustments for:		
	Depreciation and Amortisation Expense	3,760.97	3,297.38
	Finance Costs	3,442.56	2,792.76
	Unrealised Foreign Exchange (Gain)/Loss (Net)	63.46	(71.89)
	Unrealised Loss/(Gain) on Derivative Transactions (Net)	-	(24.56)
	Non Cash Share based Expense	57.76	-
	Changes in Fair Value of Financial Assets through Profit or Loss	(2.01)	(1.08)
	Loss / (Gain) on Sale of Investments (Net)	(5.91)	(53.18)
	Loss on Sale/Discard of Property, Plant and Equipment (Net)	38.95	26.60
	Interest Income	(151.72)	(190.19)
	Operating Profit before Changes in Operating Assets and Liabilities	**7,752.04**	**6,619.47**
	Adjustments for Changes in Operating Assets and Liabilities:		
	(Increase) / Decrease in Inventories	(1,687.38)	(1,291.64)
	(Increase) / Decrease in Trade Receivables	(1,793.53)	(2,438.82)
	(Increase) / Decrease in Other Current Financial Assets	42.36	(10.36)
	(Increase) / Decrease in other Non-Current Financial Assets	(12.81)	11.74
	(Increase) / Decrease in Other Non-Current Assets	(459.50)	(83.41)
	(Increase) / Decrease in Other Current Assets	(914.69)	(1,055.52)
	Increase / (Decrease) in Trade Payables	6,171.01	1,247.89
	Increase / (Decrease) in Other Current Financial Liabilities	17.20	(0.58)
	Increase / (Decrease) in Employee Benefit Obligations	(66.19)	(133.91)
	Increase / (Decrease) in Other Current Liabilities	(208.68)	(103.66)
	Increase / (Decrease) in Other Non-Current Liabilities	16.72	-
	Cash Generated from Operations	**8,856.55**	**2,761.20**
	Income Tax Paid	(94.34)	(263.73)
	Net Cash Generated from Operating Activities	**8,762.21**	**2,497.47**
B.	**Cash Flow from Investing Activities**		
	Payment for Property, Plant, Equipment and Intangible Assets	(10,649.60)	(8,053.12)
	Proceeds from Sale of Property, Plant and Equipment	8.44	1.01
	Realisation / (Investment) in Fixed Deposit and Margin Money (Net)	105.35	(571.57)
	Sale / (Purchase) of Investment (Net)	(793.00)	1,060.31
	Interest Received	154.32	188.21
	Net Cash used in Investing Activities	**(11,174.49)**	**(7,375.16)**

Statement of Cash Flow for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C.	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Equity Shares and Warrants (Net)	-	3,571.87
	Proceeds from Borrowings (Net)	2,980.01	1,961.55
	Intercorporate Deposit taken / (Re-paid)	2,400.00	2,000.00
	Interest Paid	(3,408.40)	(2,798.99)
	Net Cash Generated / (used in) in Financing Activities	**1,971.61**	**4,734.43**
D.	**Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)**	**(440.67)**	**(143.26)**
	Cash and Cash Equivalents at the beginning of the Year	770.60	913.86
E.	**Cash and Cash Equivalents at the end of the Year**	**329.93**	**770.60**
F.	**Cash and Cash Equivalents Comprise of:**		
	Cash on Hand	16.72	17.21
	Balance with Banks in Current Accounts	313.21	753.39
	Cash and Bank Balances at the end of the Year	**329.93**	**770.60**

Notes:

1) Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements"

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

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

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

Mehul Desai
Partner
Membership No. 103211

For and on behalf of the Board of Directors

Rajesh Mandawewala
Chairman
DIN 00007179

Abhishek Mandawewala
CEO and Managing Director
DIN 00737785

Place: Mumbai
Date: April 30, 2019

Himanshu Dhaddha
Chief Financial Officer

Ashitosh Sheth
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

A Equity share capital

Particulars	Note	Amount
Balance as at 31 March 2017		3,923.96
Changes in equity share capital during the year	17(a)	635.00
Balance as at 31 March 2018		4,558.96
Changes in equity share capital during the year	17(a)	-
Balance as at 31 March 2019		4,558.96

B Other equity

Particulars	Note	Reserves and Surplus							Money received against share warrants	Total other equity
		Capital reserve	Securities premium reserve	Debenture redemption reserve	Share options outstanding account	General reserve	Capital redemption reserve	Retained earnings		
Balance as at 1 April 2017		**2,664.93**	**40.55**	**107.06**	-	-	**293.36**	**16,404.47**	-	**19,510.37**
Profit for the year		-	-	-	-	-	-	800.05	-	800.05
Other comprehensive income		-	-	-	-	-	-	(5.87)	-	(5.87)
Total comprehensive income for the year		**2,664.93**	**40.55**	**107.06**	-	-	**293.36**	**17,198.65**	-	**20,304.55**
Transferred to general reserve from DRR		-	-	(107.06)	-	107.06	-	-	-	-
Transactions with owners in their capacity as owners										
Preferential issue of equity shares, net of transaction		-	4,127.50	-	-	-	-	-	-	4,127.50
Issue of share warrants		-	-	-	-	-	-	-	809.37	809.37
Balance as at 31 March 2018		**2,664.93**	**4,168.05**	-	-	**107.06**	**293.36**	**17,198.65**	**809.37**	**25,241.42**
Balance as at 31 March 2018 (as originally presented)		2,664.93	4,168.05	-	-	107.06	293.36	17,198.65	809.37	25,241.42
Change in accounting policy	49	-	-	-	-	-	-	(177.61)	-	(177.61)
Restated 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	48	-	-	-	57.76	-	-	-	-	57.76
Balance as at 31 March 2019		**2,664.93**	**4,168.05**	-	**57.76**	**107.06**	**293.36**	**17,604.40**	**809.37**	**25,704.93**

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 30, 2019

For and on behalf of the Board of Directors

Rajesh Mandawewala
Chairman
DIN 00007179

Abhishek Mandawewala
CEO and Managing Director
DIN 00737785

Himanshu Dhaddha
Chief Financial Officer

Ashitosh Sheth
Company Secretary

Notes to the Financial Statements for the year ended March 31, 2019

(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 Texturised 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 April 30, 2019.

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 comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] 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 for the following:

- Certain financial assets and liabilities that are measured at fair value as stated in subsequent policies;
- Assets held for sale – measured at 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 its amendments for the first time for annual reporting period commencing April 1, 2018:

- IND AS 115, Revenue from Contracts with Customers
- Amendment to IND AS 20, Accounting for Government Grant and Disclosure of Government Assistance.
- Appendix B, Foreign Currency Transactions and Advance Consideration to IND AS 21, The Effects of Change in Foreign Exchange Rate
- Amendment to IND AS 12, Income Taxes

The Company had to change its accounting policies following the adoption of IND AS 115. 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

a) Functional and Presentation Currency

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

b) Transactions and Balances

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

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

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

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

1.3 Revenue Recognition

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

This note explains the impact of the adoption of IND AS 115 Revenue from Contracts with Customers on the Company's financial statements.

The Company has adopted Indian Accounting Standard 115 (IND AS 115) Revenue from Contracts with Customers from April 01, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in Ind AS 115, the Company has adopted the modified retrospective approach and accordingly the comparatives for the financial year ended March 31, 2018 have not been restated.

The Company has assessed revenue contracts and revenue is recognized upon satisfying specific performance obligations in accordance with provisions of contract with the customer as against recognition on the basis of transfer of risks and rewards approach adopted till March 31, 2018. This is achieved upon transfer of control of promised products or services to customers, which is generally determined when documents of title/ products are delivered to the customer, customer has full discretion over the product and there is no unfulfilled obligation that would affect customer's acceptance of the product. Delivery occurs when the products have been shipped in accordance with the agreed delivery terms with the customer, the risks of obsolescence and loss have been transferred to the customer and the Company has a present right to payment. All the foregoing occurs at a point in time upon shipment or delivery of the product.

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 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. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

In certain customer contracts, freight services are treated as a distinct separate performance obligation and the Company recognises revenue for such services when the performance obligation is completed. 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 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 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.

Invoicing in excess of revenues are classified as contract liabilities.

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

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

from duty drawback scheme and merchandise export incentive scheme are recognised on shipment.

1.4 Other Income

Dividend income is recognized when right to receive the dividend is established. Interest income is recognized on a time proportion basis, taking into consideration the amount outstanding and the applicable interest rate except interest income from customers which is accounted on receipt basis.

1.5 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.

1.6 Income Tax

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

a) Current Income Tax

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

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

b) Deferred Income Tax

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

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

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

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

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

1.7 Leases

- 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.

1.8 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 borrowing cost for qualifying assets.

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

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Assets	Useful Life
Office Equipment	05 years
Furniture and Fixtures	10 years
Computer	03 years
Vehicles	08 years
Plant and Machinery*	15 to 25 years
Electrical Installation	10 years
Factory Building	30 years
Residential and other Buildings	60 years

**Extra shift depreciation is provided.*

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

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

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

1.9 Intangible Assets

a) Intangible Assets with Finite Useful Lives:

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

b) Research and Development:

Research expenditure and development expenditure that do not meet the criteria in Note 1.9(a) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent period.

c) Amortisation Methods and Periods:

Intangible assets comprise of computer software which is amortized on a straight-line basis over its expected useful life over a period of five years.

1.10 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.

1.11 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.

1.12 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 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.

1.13 Financial Instruments

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

Investments and Other Financial Assets

a) Classification

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

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

b) Recognition

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

c) Measurement

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

(i) Debt instruments:

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

- **Amortised Cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

d) Impairment of Financial Assets

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

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

e) Derecognition of Financial Assets Revenue Recognition

A financial asset is 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.

f) **Income Recognition**

(i) **Interest Income:**

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

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

(ii) **Dividends:**

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

g) **Cash and Cash Equivalents**

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

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

h) **Trade Receivable**

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

Financial Liabilities

a) **Measurement**

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

b) **Derecognition**

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

Notes to the Financial Statements for the year ended March 31, 2019

((All amounts in ₹ Lakhs, unless otherwise stated)

modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c) **Borrowings**

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

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

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

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

d) **Trade and Other Payables**

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

Financial Guarantee Contracts

a) **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.

b) **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.

c) **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.

d) 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.

e) Offsetting Financial Instruments

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

1.14 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.

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.

1.15 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 measured at the amounts 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.

Other long-term employee benefit obligations

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

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity, and

- Defined contribution plans such as provident fund and superannuation fund.

a) Defined Benefit Plans

(i) Gratuity Obligations

The liability 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 reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated 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 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 recognized as credit or charge 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.

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.

b) Defined Contribution Plans

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

The Contribution towards provident fund, pension 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.

c) Shared Based Payments

Employee Options

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

- 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 revises 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, with a corresponding adjustment to equity.

Bonus Plan

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

1.16 Provisions and Contingent Liabilities

a) Provisions

Provisions for legal claims, quality claims, volume discounts and returns 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 are measured at the present value of management's best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. 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.

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

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.

b) Contingent Liabilities

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

c) Contingent Assets

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

1.17 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.

1.18 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

1.19 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.

1.20 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 47 for the segment information presented.

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

Following are the amendments to existing standards which have been issued by The Ministry of Corporate Affairs ('MCA') that are not effective for the reporting period and have not been early adopted by the Company:

a) Amendments to Ind AS 116, Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard Ind AS 17, Leases, with effect from accounting periods beginning on or after April 01, 2019. The new standard introduces a single model on-balance sheet lease accounting and eliminates the classification of leases as either finance leases or operating leases for a lessee as was required under Ind AS 17. Ind AS 116 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in its financial statement. Lessee will recognise depreciation of right of use assets and interest on lease liabilities in the statement of profit or loss. In the cash flow statement, operating cash flows will be higher as payment of the lease liability and related interest are to be classified within financing activities.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and account for those two types of leases differently.

The standard permits two possible methods of transition:

i) **Fully retrospective-** Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

ii) **Modified retrospective-** Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

1. Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

2. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The Company is currently assessing the potential impact of the new Ind AS. These amendments are mandatory for the reporting period beginning on or after April 01, 2019.

b) Appendix C, Uncertainty over Income Tax Treatments, to Ind AS 12, 'Income Taxes'

The appendix explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

i) How to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

ii) That the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

iii) That the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

iv) That the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

v) That the judgement and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgement. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2019.

c) Amendment to Ind AS 109, 'Financial Instruments' - Prepayment Features with Negative Compensation

The amendment made to Ind AS 109 enable entities to measure certain pre-payable financial assets (e.g. loans and debt securities which otherwise have to be measured as FVTPL) with negative compensation at amortised cost. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2019.

d) Amendment to Ind AS 19, 'Employee Benefits' - Plan Amendment, Curtailment or Settlement

The amendment to Ind AS 19 clarifies the accounting for defined benefit plan amendments, curtailments and settlements. It confirms that entities must:

i) Calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;

ii) Any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and

iii) Separately recognise any changes in the asset ceiling through other comprehensive income. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2019

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

e) **Amendment to Ind AS 103, 'Business Combinations'**

The amendment clarifies that obtaining control of a business that is a joint operation, is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2019.

f) **Amendment to Ind AS 111, 'Joint Arrangements'**

The amendment clarifies that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2019.

g) **Amendment to Ind AS 23, 'Borrowing Costs'**

The amendment clarifies that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2019.

h) **Amendment to Ind AS 12, 'Income Taxes'**

The amendment clarifies that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends. Previously, it was unclear whether the income tax consequences of dividends should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2019.

The Company intends to adopt these amendments when it becomes effective. There are no other standards or amendments that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Note 2: Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates and assumptions, about carrying value of assets and liabilities that are not readily apparent from other sources, which by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. Estimates and underlying assumptions are reviewed on an ongoing basis.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical Estimates and Judgements

a) **Estimation of Current Tax 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 Minimum Alternate Tax (MAT Credit)/liabilities is based upon management's assessment of future 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 against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Economic conditions may change and lead to a different conclusion regarding recoverability.

b) **Estimation of Provisions & Contingent Liabilities**

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which are 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. Contingent liabilities are not recognized in the financial statements. (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. Factors such as changes in the expected level of usage, technological developments, product life cycle 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 Notes 3 and 4).

d) **Estimation of Provision for Inventory**

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the carrying balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed. Refer Note 9 for details of inventory and provisions.

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 should be 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 31 for the details of the assumptions used in estimating the defined benefit obligation.

f) **Estimated Fair Value of Financial Instruments**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on observable market conditions existing at the end of each reporting period. But where this is not feasible, a degree of judgement is required in establishing fair value. Change in assumptions about these factors could affect the reported fair value of financial instruments. For details of the key assumptions used and the impact of changes to these assumptions see Note 35.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	Freehold Land	Leasehold Improvements	Building	Plant and Machinery	Vehicles	Furniture and Fixtures	Equipments	Computers	Total	Stores and Spares	Capital work in progress
Year Ended March 31, 2018											
Gross Carrying Amount											
Opening Gross Carrying Amount	1,345.73	17.31	4,155.04	29,002.69	176.14	120.65	79.53	353.55	35,250.64	583.73	1,632.07
Additions	100.70	-	-	81.93	-	4.94	7.03	0.83	195.43	84.06	6,525.81
Disposals	-	-	-	(15.24)	-	-	(1.30)	(0.37)	(16.91)	-	-
Transfers from CWIP	-	-	130.02	5,109.72	-	42.25	88.98	76.80	5,447.77	(583.73)	(4,864.03)
Closing 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**
Accumulated Depreciation											
Opening Accumulated Depreciation	-	3.98	171.61	2,729.82	24.90	12.03	19.43	42.38	3,004.15	-	-
Depreciation Charge During the Year	-	3.99	185.85	2,906.74	26.21	16.02	28.03	107.93	3,274.77	-	-
Disposals	-	-	-	(3.49)	-	-	(0.55)	(0.12)	(4.16)	-	-
Closing Accumulated Depreciation	**-**	**7.97**	**357.46**	**5,633.07**	**51.11**	**28.05**	**46.91**	**150.19**	**6,274.76**	**-**	**-**
Net Carrying Amount as at March 31, 2018	**1,446.43**	**9.34**	**3,927.60**	**28,546.03**	**125.03**	**139.79**	**127.33**	**280.62**	**34,602.17**	**84.06**	**3,293.85**
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**

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 ₹933.35 lakhs (March 31, 2018: ₹513.99 lakhs) incurred on in-house research and development activities. [Refer Note 43]

(iv) Borrowing costs allocated to fixed assets / capital work in progress is ₹259.29 lakhs (March 31, 2018 : ₹107.45 lakhs)

(v) Net block of freehold land includes ₹6.46 Lakhs (March 31, 2018: ₹6.46 lakhs) and development expenses of ₹13.58 lakhs (March 31, 2018: ₹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 ₹9.95 lakhs (March 31, 2018: ₹10.18 lakhs) for which document of title deeds are not available with the Company.

(vii) Capital work-in-progress - Capital work-in-progress mainly comprises of new plant and machinery for spinning process being constructed in india.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 4: Intangible Assets

Particulars	Computer Software	Total
Year Ended March 31, 2018		
Gross Carrying Amount		
Opening Gross Carrying Amount	82.57	82.57
Additions	59.50	59.50
Disposals	(25.26)	(25.26)
Closing Gross Carrying Amount	116.81	116.81
Accumulated Amortisation		
Opening Accumulated Amortisation	16.05	16.05
Amortisation Charge During the Year	22.61	22.61
Amortisation on Disposals	(5.32)	(5.32)
Closing Accumulated Amortisation	33.34	33.34
Net Carrying Amount as at March 31, 2018	**83.47**	**83.47**
Year Ended March 31, 2019		
Gross Carrying Amount		
Opening Gross Carrying Amount	116.81	116.81
Additions	-	-
Disposals	-	-
Closing Gross Carrying Amount	**116.81**	**116.81**
Accumulated amortisation		
Opening Accumulated Amortisation	33.34	33.34
Amortisation Charge During the Year	18.66	18.66
Amortisation on Disposals	-	-
Closing Accumulated Amortisation	52.00	52.00
Net Carrying Amount as at March 31, 2019	**64.81**	**64.81**

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 5: Non-Current Financial Assets - Other Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	15.28	7.01
Bank Deposit with more than 12 Months Maturity	4.54	-
Total	**19.82**	**7.01**

Note 6: Income Tax Assets (net)

Particulars	As at March 31, 2019	As at March 31, 2018
Income Tax Assets (Net of Provision for Tax ₹ 4,895.74 Lakhs, March 31, 2018 : ₹ 4,789.81 Lakhs)	131.49	143.09
Total	**131.49**	**143.09**

Note 7: Deferred Tax Assets (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets		
Unabsorbed Tax Losses - Depreciation	2,859.45	2,003.11
Employee Benefits / Expenses allowable on Payment Basis	302.22	311.00
MAT credit entitlement*	4,895.74	4,789.81
Total (A)	**8,057.41**	**7,103.92**
Deferred Tax Liabilities		
Depreciation on Property, Plant, Equipment and Intangible Assets	5,450.93	4,643.05
Total (B)	**5,450.93**	**4,643.05**
Net Defered Tax Assets /(Liabilities)	**2,606.48**	**2,460.87**

Notes:

Unrecognised deferred tax asset on temporary differences relating to unused tax losses (capital loss) : ₹742.39 lakhs (March 31, 2018 : ₹ 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.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 8: Other Non-Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	377.78	1,976.62
Prepaid Expenses	20.13	29.66
Balances with Government Authorities	552.18	83.15
Total	**950.09**	**2,089.43**

Note 9: Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials		
-In Stock	3,509.94	2,627.49
-In Transit	-	141.35
Goods-in-Process	1,167.21	1,350.48
Finished Goods		
-In Stock	2,469.18	2,815.07
-In Transit	1,210.92	595.88
Stores, Spares and Packing Material	2,321.78	1,461.38
Total	**10,679.03**	**8,991.65**

Refer Note 1.12 for Basis of Valuation

Note 10: Current Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in Mutual Funds (Quoted)		
HDFC Liquid Fund-Regular Plan-Growth: Units 10,940.12 *(March 31, 2018: Nil)*	400.44	-
Aditya Birla Sun Life Liquid Fund-Growth Regular Plan: Units 133,975.60 *(March 31, 2018:Nil)*	400.59	-
Reliance Liquid Fund-Growth Plan-Growth Option(LFIGG): Unit 11,030.13 *(March 31, 2018:Nil)*	500.68	-
UTI Liquid Cash Plan - Institutional - Growth: Units 6,567.03 *(March 31, 2018: 24,714)*	200.29	701.09
Total	**1,502.00**	**701.09**

Note 11: Trade Receivables - Unsecured, Considered Good

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables	10,252.74	7,881.26
Receivables from Related Parties (Refer Note 46)	-	687.61
Total	**10,252.74**	**8,568.87**

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 12: Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with Banks in Current Accounts	313.21	753.39
Cash on Hand	16.72	17.21
Total	**329.93**	**770.60**

Note:

There are restricted bank balances on account of unpaid dividend - ₹ 0.36 lakhs (March 31, 2018 : ₹ 0.36 lakhs).

Note 13: Bank Balances other than Cash and Cash Equivalents Above

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with Banks in:		
- In Escrow Accounts [Refer Note (a) below]	655.17	534.60
- In Fixed Deposits with Banks having Original Maturity Period upto Twelve Months [Refer Note (b) below]	1,286.95	1,512.87
Total	**1,942.12**	**2,047.47**

Notes:

a. Balances in escrow accounts are restricted bank balances against maturities and interest payments of borrowings.

b. Fixed money deposits with banks having maturity period more than 12 months are disclosed under "Non-current financial assets - Other financial assets"(Refer Note 5).

Note 14: Current Financial Assets - Loans Unsecured, Considered Good

Particulars	As at March 31, 2019	As at March 31, 2018
Loans and Advances to Employees	23.90	97.28
Total	**23.90**	**97.28**

Note 15: Current Financial Assets - Others

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	98.20	101.37
Less: Provision for Doubtful Deposits	(70.76)	-
Interest Accrued on Fixed Deposits	30.03	32.63
Insurance Claim Receivable	104.96	-
Total	**162.43**	**134.00**

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 16: Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Assets held for Disposal	7.84	7.49
Advances to vendors (recoverable in cash or kind)	331.09	260.89
Prepaid Expenses	190.16	160.55
Balances with Government Authorities	3,753.58	3,159.52
Export benefits receivable	155.65	61.87
Other Receivables	319.62	193.29
Total	**4,757.94**	**3,843.61**

Note 17 (a): Equity Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorized Equity Share Capital		
9,20,00,000 (March 31, 2018: 9,20,00,000) Equity Shares of ₹ 10/- each	9,200.00	9,200.00
2,80,00,000 (March 31, 2018: 2,80,00,000) Optionally Convertible Cumulative Preference Shares of ₹ 10/- each	2,800.00	2,800.00
Total	**12,000.00**	**12,000.00**
Issued, Subscribed and Fully Paid up Equity Share Capital		
45,589,568 (March 31, 2018: 45,589,568) Equity Shares of ₹ 10/- each fully paid up	4,558.96	4,558.96
Total	**4,558.96**	**4,558.96**

i) **Movement in Equity Share Capital**

Particulars	Number of equity shares	Amount
As at April 1, 2016	**39,239,568**	**3,923.96**
Add/(less): Increase/ (Decrease) During the Year	-	-
As at March 31, 2017	**39,239,568**	**3,923.96**
Add: Preferential Allotment of Equity Shares to Holding Company (Refer Note 17(a)(iv) below)	6,350,000	635.00
As at March 31, 2018	**45,589,568**	**4,558.96**
Add/(Less): Movement	-	-
As at March 31, 2019	**45,589,568**	**4,558.96**

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.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

iii) Shares Reserved for Issue under Warrants

43,16,666 warrants of ₹ 75 per warrant have been issued and allotted to Mandawewala Enterprises Limited on 8th March 2018. 25% of the face value is received at the time of allotment and balance 75% is receivable on conversion into equity shares at the option of holder of the warrant, within 18 months from the date of allotment.

iv) Equity Shares held by Holding Company

Particulars	As at March 31, 2019	As at March 31, 2018
Mandawewala Enterprises Limited	31,913,632	31,913,632

6,350,000 equity shares of ₹10 at a premium of ₹ 65 per share have been issued and allotted to Mandawewala Enterprises Limited, during the year. Out of this, 6,000,000 equity shares have been issued and allotted by converting corporate loan of ₹4,500 lakhs.

v) Details of Shareholders Holding more than 5% Equity Shares

Particulars		As at March 31, 2019	As at March 31, 2018
Mandawewala Enterprises Limited	Number of Equity Shares	31,913,632	31,913,632
Mandawewala Enterprises Limited	% of Holding	70.00%	70.00%

Note 17 (b): Other Equity - Reserves and Surplus

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve	2,664.93	2,664.93
Capital Redemption Reserve	293.36	293.36
Securities Premium	4,168.05	4,168.05
General Reserve 107.06	107.06	
Share Options Outstanding Account	57.76	-
Retained Earnings	17,604.40	17,198.65
Total	**24,895.56**	**24,432.05**
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**

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
- Debenture Redemption Reserve		
As per last Balance Sheet	-	107.06
(Less): Transferred to General Reserve during the year	-	(107.06)
	-	-
- Securities Premium		
As per last Balance Sheet	4,168.05	40.55
Add: Premium Received on Preferential Allotment of Equity Shares to Holding Company (Refer Note 17(a)(iv))	-	4,127.50
	4,168.05	**4,168.05**
- General Reserve		
As per last Balance Sheet	107.06	
Add: Transferred from Debenture Redemption Reserve during the year		107.06
	107.06	**107.06**
- Share Options Outstanding Account		
As per last Balance Sheet	-	-
Add: Employee Stock Options Expensed (Refer Note 48)	57.76	-
	57.76	**-**
- Retained Earnings		
As per last Balance Sheet	17,198.65	16,404.47
Change in Accounting Policy (Refer Note 49)	(177.61)	-
Add/(Less):		
Net Profit for the year	586.15	800.05
Item of Other Comprehensive Income Recognized Directly in Retained Earnings	-	-
- Remeasurement of Post-Employment Benefit Obligation, Net of Tax	(2.79)	(5.87)
	17,604.40	**17,198.65**

Note 17 (c): Other Equity - Money Received against Share Warrants

Particulars	As at March 31, 2019	As at March 31, 2018
As per last Balance Sheet	809.37	-
Add: Share Warrants Issued to Mandawewala Enterprises Limited [Refer Note 17(a)(iii)]	-	809.37
Total	**809.37**	**809.37**

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature and Purpose of Reserves

i) Capital Reserve

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

ii) Securities Premium Reserve

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

iii) Capital Redemption Reserve (CRR)

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

iv) Debenture Redemption Reserve (DRR)

DRR was created on issue of Debentures in the earlier years This has been transferred to General Reserve as the Debentures have been redeemed.

v) General Reserve

General Reserve represents appropriation of profits by the Company.

vi) Share Options Outstanding Account

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

vii) Retained Earnings

Retained earnings represent the accumulated undistributed earnings.

Note 18: Non-Current Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Term Loans from Banks		
- Rupee Loans	19,294.77	16,712.90
- Foreign Currency Loans	2,067.73	2,668.27
Unsecured, Considered Good		
Inter-Corporate Deposits from Related Parties	3,600.00	1,200.00
Amount Disclosed Under the Head "Current Maturities of Long-Term Borrowings" (Refer Note 23)	(4,541.02)	(4,174.31)
Total	**20,421.48**	**16,406.86**

Note:

The rate of interest on the rupee borrowings are in range of 9.80% to 11.00% (March 31, 2018: 9.50% to 11.00%) and foreign currency loans are in the range 4.50% to 5.20% (March 31, 2018: 4.40% to 5.75%). The rupee term loans from banks are eligible for Central and State Government interest subsidies/ rebates.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Last Installment Due	Terms of Repayment	As at March 31, 2019	As at March 31, 2018
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 2019	Repayable in 3 Quarterly Installments Commencing from July 2018	-	325.57
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	March 2019	Repayable in 12 Quarterly Installments Commencing from June 2016	-	933.74
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 2021	Repayable in 28 Quarterly Installments Commencing from April 2014	1,786.95	2,486.95
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	March 2021	Repayable in 28 Quarterly Installments Commencing from June 2014	2,067.73	2,668.27
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 2021	Repayable in 24 Quarterly Installments Commencing from July 2015	541.37	740.89
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	October 2023	Repayable in 28 Quarterly Installments Commencing from Jan 2017	929.99	1,050.01
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	October 2023	Repayable in 28 Quarterly Installments Commencing from Jan 2017	1,545.16	1,744.20
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	December 2023	Repayable in 26 Quarterly Installments Commencing from July 2017	1,162.50	1,350.00
Rupee Term Loan is Secured by 1st pari passu Charge over the Present and Future Fixed Assets, all Movable and Immovable Properties and 2nd pari passu Charged over Current Assets of the Company	March 2024	Repayable in 28 Quarterly Installments Commencing from July 2017	1,597.76	1,822.56
Rupee Term Loan is Secured by 1st pari passu Charge over the Present and Future Fixed Assets, all Movable and Immovable Properties and 2nd pari passu Charged over Current Assets of the Company	March 2025	Repayable in 28 Quarterly Installments Commencing from June 2018	1,833.57	2,076.56
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 2025	Repayable in 28 Quarterly Installments Commencing from October 2018	1,053.16	1,290.65
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 2025	Repayable in 28 Quarterly Installments Commencing from October 2018	2,490.86	1,475.57
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	October 2026	Repayable in 28 Quarterly Installments Commencing from December 2019	6,353.45	1,416.21
Total			**21,362.50**	**19,381.17**

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 19: Non-Current Employee Benefit Obligations

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Gratuity (Refer Note 30)	643.97	672.19
Total	**643.97**	**672.19**

Note 20: Other Non Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Capital Subsidy	16.72	-
Total	**16.72**	**-**

Note 21: Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Working Capital Loan from Banks		
- Rupee Loans	4,205.88	2,668.20
- Foreign Currency Loans	-	1,482.68
Unsecured		
Buyers' Credit from Banks	1,969.78	854.68
Total	**6,175.66**	**5,005.56**

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, 2019	As at March 31, 2018
Acceptances	10,255.14	5,055.01
Others:		
Dues to Micro, Small and Medium Enterprises (Refer Note 41)	927.13	45.70
Dues to Creditors other than Micro Enterprises and Small Enterprises	5,304.26	5,254.07
Total	**16,486.53**	**10,354.78**

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 23: Other Current Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long-Term Borrowings (Refer Note 18)	4,541.02	4,174.31
Interest Accrued but not Due on Borrowings	144.13	109.98
Unclaimed Dividend (Refer Note (a) below)	0.36	0.36
Creditors for Capital Purchases	1,016.17	374.44
Security Deposits	86.82	66.58
Provision for Mark to Market Losses on Derivative Contract	-	3.04
Total	**5,788.50**	**4,728.71**

Note:

There are no amounts due for payments to the investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end. Section 125 of the Companies Act, 2013 which corresponds to Section 205C of the Companies Act 1956 has not yet been enforced.

Note 24: Current Employee Benefit Obligations

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Gratuity (Refer Note 30)	35.59	38.69
Provision for Compensated Absences (Refer Note 30)	185.30	170.10
Employee Benefit Payables	107.30	153.08
Total	**328.19**	**361.87**

Note:

The entire amount of the provision of ₹185.30 *(31 March 2018 - ₹170.10)* 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 group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Note 25: Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Contract Liabilities	254.42	-
Advance from Customers	-	448.67
Statutory Dues	119.64	139.50
Deferred Capital Subsidy	5.43	-
Total	**379.49**	**588.17**

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 26: Revenue from Operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Contracts with Customers		
Sale of Products	97,072.82	84,792.34
Sales of Services	1,090.97	-
Other Operating Revenue		
Job Work Revenue	147.85	265.57
Sale of Scrap	329.88	321.30
Export Incentives (Refer Note below)	556.64	737.83
Total	**99,198.16**	**86,117.04**

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, 2019	Year ended March 31, 2018
Exchange Difference (net)	-	185.51
Interest Income on:		
- Fixed Deposits	93.17	97.06
- Others	58.55	93.13
Profit on Sale of Current Investments	5.91	53.18
Gain on Fair Valuation of Investments	2.01	1.08
Insurance Claim	140.86	-
Interest Subsidy	174.43	-
Miscellaneous Income	115.21	128.99
Total	**590.14**	**558.95**

Note 28: Cost of Materials Consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw Material Consumed		
Inventory at the Beginning of the Year	2,768.84	2,526.72
Add: Purchases (net)	59,384.40	49,708.18
	62,153.24	**52,234.90**
Less: Inventory at the End of the Year	3,509.94	2,768.84
Total	**58,643.30**	**49,466.06**

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 29: Changes in Inventories of Finished Goods and Goods-in-Process

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventory at the End 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**
Less: Inventory at the Beginning of the Year		
Goods-in-Process	1,350.48	1,014.01
Finished Goods	3,410.95	2,713.90
	4,761.43	**3,727.91**
Total Changes in Inventories of Finished Goods and Goods-in-Process	**(85.88)**	**(1,033.52)**

Note 30: Employee Benefit Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Allowances	5,887.53	5,721.52
Employee Share Based Payment Expense (Refer note 48)	57.76	-
Managerial Remuneration	75.00	105.38
Contribution to Provident and Other Funds	327.83	331.54
Gratuity	136.80	135.89
Workmen and Staff Welfare Expenses	224.19	285.06
Total	**6,709.11**	**6,579.39**

I Defined Contribution Plans

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
During the year, the Company has Recognized the following Amounts in the Statement of Profit and Loss:		
Employers' Contribution to Provident Fund*	288.46	298.56
Employers' Contribution to Employees' State Insurance *	38.10	32.60
Employers' Contribution to Labour Welfare Fund*	1.27	0.38
Total	**327.83**	**331.54**

** Included in Contribution to Provident and Other Funds*

II Defined Benefit Plan

Contribution to Gratuity

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

Risk Exposure

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

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

a. Major Assumptions

Particulars	As at March 31, 2019	As at March 31, 2018
	% p.a.	% p.a.
Discount Rate	7.67	7.73
Salary Escalation Rate *	6.50	6.50
Rate of Employee Turnover:		
-Upto 30 years	3.00	3.00
-From 31 to 44 years	7.00	3.00
-Above 44 years	2.00	1.00
Mortality Rate During Employment	100% of IALM (2006-2008)	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	As at March 31, 2019	As at March 31, 2018
Opening Present Value of Obligation	710.88	625.19
Current Service Cost	81.85	88.69
Interest Cost	54.95	47.20
Total Amount Recognized in Profit or Loss	**136.80**	**135.89**
Remeasurement		
(Gain)/Loss from Change in Demographic Assumptions and Experience Adjustments	(25.13)	(35.20)
(Gain)/Loss from Change in Financial Assumptions	29.42	44.22
Total Amount Recognized in Other Comprehensive Income	**4.29**	**9.02**
Benefit/ Exgratia Paid	172.41	59.22
Closing Present Value of Obligation	**679.56**	**710.88**

c. Amount Recognized in the Balance Sheet

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of Obligation	679.56	710.88
Fair Value of Plan Assets	-	-
Funded Status [(Surplus/ (Deficit)]	(679.56)	(710.88)
Expense Recognized in Statement of Profit and Loss	141.09	144.91
Net (Liability)/ Asset Recognized in the Balance Sheet	**(679.56)**	**(710.88)**

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

d. Expenses Recognized in Profit and Loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Service Cost	81.85	88.69
Interest Cost	54.95	47.20
Total Expenses recognized in the of profit or loss*	**136.80**	**135.89**

* Included in Employee Benefits Expense

e. Expenses Recognized in Other Comprehensive Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Re-measurement (Refer Note b above)		
Actuarial (Gains)/Losses on Obligation For the Year	4.29	9.02
Net (Income)/Expenses for the Period Recognized in OCI	**4.29**	**9.02**

f. Sensitivity Analysis

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Projected Benefit Obligation on Current Assumptions	679.56	710.88
Delta Effect of +0.5% Change in Rate of Discounting	(38.81)	(3.07)
Delta Effect of -0.5% Change in Rate of Discounting	53.18	3.08
Delta Effect of +0.5% Change in Rate of Salary	53.50	3.63
Delta Effect of -0.5% Change in Rate of Salary	(39.34)	(3.60)
Delta Effect of +0.5% Change in Rate of Employee Turnover*	44.51	-
Delta Effect of -0.5% Change in Rate of Employee Turnover*	50.51	-

* Amounts less than 1000 are denoted by " - "

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

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

g. Defined Benefit Liability and Employer Contributions:

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

Expected contribution to post-employment benefit plans for the year ending March 31, 2020 is ₹144.57 Lakhs.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

The weighted average duration of the defined benefit obligation is 14.54 years *(2018 -14.91 years)*. The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	More than one year	Total
As at March 31, 2019			
Defined Benefit Obligation (Gratuity)	79.20	600.36	**679.56**
As at March 31, 2018			
Defined Benefit Obligation (Gratuity)	38.69	672.19	**710.88**

III Other Employee Benefit

The liability for compensated absences as at year end is ₹185.30 Lakhs (March 31, 2018: ₹170.10 Lakhs)

Note 31: Depreciation and Amortisation Costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on Property, Plant and Equipment (Refer Note 3)	3,742.31	3,274.77
Amortization of Intangible Assets (Refer Note 4)	18.66	22.61
Total	**3,760.97**	**3,297.38**

Note 32: Other Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of Stores and Spares	2,423.04	2,568.08
Power, Fuel and Water	7,047.25	5,720.23
Packing Materials	2,907.30	3,315.07
Dyes and Chemicals	4,442.59	4,258.28
Increase/(Decrease) in Excise Duty on Finished Goods	-	(176.72)
Contract Labour Charges	2,464.66	1,403.25
Repairs and Maintenance:		
-Buildings	187.93	122.64
-Property, Plant and Equipment	346.68	602.10
-Others	383.88	334.82
Rent (Refer Note 44)	491.17	392.26
Rates and Taxes	31.46	95.46
Insurance	174.82	141.22
Directors Sitting Fees	15.70	19.55
Printing and Stationery	35.90	37.92
Travelling and Conveyance Expenses	511.02	494.84
Legal and Professional Charges	457.61	542.41
Payment to Auditors [Refer Note (a) below]	30.38	23.43
Communication Charges	50.28	74.05

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 32: Other Expenses (Contd.)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Vehicle Expenses	67.66	121.52
Loss on Sale/Discard of Property, Plant and Equipment (net)	38.95	26.60
Freight and Forwarding Expenses	2,473.45	1,624.52
Exchange Difference (Net)	1.23	-
Brokerage and Commission	1,413.61	1,201.75
Donations	11.44	10.88
Corporate Social Responsibility Expenditure [Refer Note (b) below]	84.32	93.56
Miscellaneous Expenses	677.93	607.10
Total	**26,770.26**	**23,654.82**
Note (a) Payment to Auditors for:		
As Auditor:		
-Audit Fees	22.75	19.00
-Tax Audit	1.75	1.50
In Other Capacities:		
-Certifications	4.50	2.60
-Reimbursement of Expenses	1.38	0.33
Total	**30.38**	**23.43**
Note (b) Corporate Social Responsibility Expenditure:		
Amount Unspent, of Earlier Years as per Section 135 of the Act	9.05	-
Amount Required to be Spent During the Year, as per Section 135 of the Act	79.79	102.61
Amount Spent During the Year on		
(i) Construction/Acquisition of an Asset	-	-
(ii) On Purposes other than (i) above	84.32	93.56
Total	**84.32**	**93.56**

Note 33: Finance Cost

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest and finance charges on financial liabilities (net of interest subsidy for year ended March 31, 2019: ₹ 275.25 lakhs, March 31, 2018: ₹ 318.99 lakhs)		
- Long Term Borrowings	1,828.82	1,730.07
- Short Term Borrowings	321.23	253.02
- Others	115.37	24.71
Bank and Other Financial Charges	1,177.14	784.96
Total	**3,442.56**	**2,792.76**

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 34: Income Tax Expense

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

i) **Income Tax Related to Items Recognised Directly in Profit or Loss of the Statement of Profit and Loss**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax		
Current Tax on Profits for the Year	105.93	182.70
Adjustments for Current Tax of Prior Periods	-	-
Current Tax (A)	**105.93**	**182.70**
Deferred Tax		
Decrease/(Increase) in Deferred Tax Assets#	(951.98)	(617.83)
(Decrease)/Increase in Deferred Tax Liabilities	807.88	478.71
Deferred Tax (B)	**(144.10)**	**(139.12)**
Income Tax Expense Charged to Profit or Loss (C) = (A) + (B)	**(38.17)**	**43.58**

#Including minimum alternate tax credit availed: ₹ 105.93 lakhs (March 31, 2018: ₹ 182.70 lakhs).

ii) **Deferred Tax Related to Items Recognized in Other Comprehensive Income (OCI)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Deferred Tax on Remeasurement Gains/(Losses) on Defined Benefit Plan	1.50	3.15
Deferred Tax Charged to Other Comprehensive Income	**1.50**	**3.15**

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, 2019	Year ended March 31, 2018
Profit Before Income Tax	547.98	843.63
Expected Tax Expense at the Enacted Tax Rate in India	191.49	291.96
Tax Effect of Adjustments to Reconcile Expected Income Tax Expense to Reported Income Tax Expense:		
1) Non-Deductible Expenses		
Donations and CSR Expenditure	33.46	36.14
Other Items	4.08	47.08
2) Tax Benefit Items		
Research and Development Expenditure	(267.20)	(191.52)
Other Items	-	(139.75)
3) Effect of Changes in Tax Rate	-	(0.34)
Income Tax Expense Charged to the Statement of Profit and Loss	**(38.17)**	**43.58**

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 35: Fair Value Measurements

Financial Instruments

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2019 and March 31, 2018.

Financial Assets	Note	As at March 31, 2019		As at March 31, 2018	
		Amortised	FVTPL Cost	Amortised	FVTPL Cost
Trade Receivables	11	10,252.74	-	8,568.87	-
Margin Money Deposits with Banks	13	1,286.95	-	1,512.87	-
Cash and Cash Equivalents	12	329.93	-	770.60	-
Investments	10	-	1,502.00	-	701.09
Bank Balances other than Cash and Cash Equivalents above - Escrow Account	5, 13	659.71	-	534.60	-
Security Deposits	5, 15	42.72	-	108.43	-
Loans	14	23.90	-	97.28	-
Insurance Claim Receivable	15	104.96	-	-	-
Interest Accrued on Fixed Deposits	15	30.03	-	32.63	-
Total Financial Assets		**12,730.94**	**1,502.00**	**11,625.28**	**701.09**

Financial Liabilities	Note	As at March 31, 2019		As at March 31, 2018	
		Amortised cost	FVTPL	Amortised cost	FVTPL
Borrowings	18, 21, 23	31,138.16	-	25,586.73	-
Trade Payables	22	16,486.53	-	10,354.78	-
Creditors for Capital Purchases	23	1,016.17	-	374.44	-
Interest Accrued but not Due on Borrowings	23	144.13	-	109.98	-
Security Deposits Received	23	86.82	-	66.58	-
Derivative Instruments	23	-	-	-	3.04
Unclaimed Dividend	23	0.36	-	0.36	-
Total financial liabilities		**48,872.17**	**-**	**36,492.87**	**3.04**

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.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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, security deposits and loans to employees.

Level 3: If one or more of the significant inputs are neither based on observable market data nor supported by prices from observable current market transactions, the instrument is included in this level.

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

Financial Assets and Liabilities Measured at Fair Value Measurements	As at March 31, 2019			As at March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	1,502.00	-	-	701.09	-	-
Financial Liabilities						
Derivatives not Designated as Hedges						
Foreign Exchanges Forward Cover	-	-	-	-	3.04	-

Financial Assets and Liabilities Measured at Amortised Cost for which Fair Values are Disclosed	As at March 31, 2019			As at March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Margin Money Deposits with Banks	1,286.95	-	-	1,512.87	-	-
Security Deposits	-	42.72	-	-	108.43	-
Insurance Claim Receivable	-	-	104.96	-	-	-
Loans	-	23.90	-	-	97.28	-
Interest Accrued on Fixed Deposits	30.03	-	-	32.63	-	-
Financial liabilities						
Borrowings	31,138.16	-	-	25,586.73	-	-
Interest Accrued but not Due on Borrowings	144.13	-	-	109.98	-	-
Security Deposits Received	-	86.82	-	-	66.58	-

The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, escrow account and its interest accrued, current loans, current borrowings, trade payables and creditors for capital purchases are considered to be approximately same as their value, due to the short -term maturities of these financial assets/liabilities.

The fair values of fixed deposits having maturity period of more than 12 months and its interest accrued, non-current security deposits and non-current borrowings are based on discounted cash flows using a current borrowing rate. The carrying amount of non current borrowing is approximately equal to its fair value since the borrowings are at floating rate of interest. Claims are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs with fair value based on discounted cash flow using a current borrowing rate. During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

(All amounts in ₹ Lakhs, unless otherwise stated)

Valuation techniques used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of foreign exchange forward contracts is determined using forward exchange rates at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis
- All of the resulting fair value estimates are included in level 2 except for insurance claim, where the fair values have been determined based on present values on present values and the discount rates used were adjusted for counterparty or own credit risk.

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

The Company monitors the capital structure on the basis of net debt to equity ratio (gearing ratio) and maturity profile of the overall debt portfolio of the Company.

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, 2019	As at March 31, 2018
Gross Debt (Inclusive of Long Term and Short Term Borrowing)	31,138.16	25,586.73
Less: - Cash and Bank Balances and Current Investments	2,272.05	2,818.07
Net Debt	28,866.11	22,768.66
Total Equity	30,263.89	29,800.38
Net Debt to Equity Ratio	**0.95**	**0.76**

Loan Covenants

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net debt to EBITDA ratio, interest service coverage ratio and debt service coverage ratio. The debt service coverage ratio covenant gets suspended once the Company meets certain prescribed criteria. The covenant remained suspended as of the date of adoption of the financial statements. The Company has also satisfied all other debt covenants prescribed in the respective sanctions of the banks.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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 (INR)	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 non-derivative 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 (primarly trade receivables) and from its financing activities, including deposits with banks, investments in mutual funds, foreign exhange transactions and other financial instruments. The credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. To manage this, the 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:

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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 thorugh 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 Comapny'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.

ii) 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, 2019	As at March 31, 2018
Not Due	5,404.71	5,971.66
Up to 3 Months	2,386.78	1,696.38
3 to 6 Months	589.21	129.40
More than 6 Months	99.85	83.82
Total	**8,480.55**	**7,881.26**

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

iii) 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.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

B. Liquidity Risk

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

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

i) Financing Arrangements

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

Particulars	As at March 31, 2019	As at March 31, 2018
Floating Rate		
- Expiring within one year (Fund Based and Non Fund Based Capital Lines and Term Loans)	4,012.02	9,179.87
- Expiring beyond one year (Term Loans)	1,347.12	16,406.86
Total	**5,359.14**	**25,586.73**

The working capital facilities may be drawn at any time and may be terminated by the bank without notice.

ii) Maturities of Financial Liabiliities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non derivative financial liabilities, and

- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the underlying cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows:

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 Accrued and not Due	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**
Maturities of Derivative Financial Liabilities				
*Foreign Exchange Forward Contracts	-	-	-	**0.00**
Total	**28,450.69**	**17,050.60**	**3,370.89**	**48,872.18**

*Provision for mark to market losses on derivative contract recognised at ₹Nil (Previous year: ₹ 3.04 lakhs). Refer Note 21

(All amounts in ₹ Lakhs, unless otherwise stated)

As at March 31, 2018	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Maturities of Non – Derivative Financial Liabilities				
Long Term Borrowings	4,174.31	13,262.79	3,144.07	**20,581.17**
Short Term Borrowings	5,005.56	-	-	**5,005.56**
Interest Payable	109.98	-	-	**109.98**
Trade Payables	10,354.78	-	-	**10,354.78**
Other Financial Liabilities	441.38	-	-	**441.38**
Total	**20,086.01**	**13,262.79**	**3,144.07**	**36,492.87**
Maturities of Derivative Financial Liabilities				
*Foreign Exchange Forward Contracts	(643.35)	-	-	**(643.35)**
Total	**19,442.66**	**13,262.79**	**3,144.07**	**35,849.52**

*Provision for mark to market losses on derivative contract recognised at ₹3.04 lakhs. Refer Note 23.

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 post-employment 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 ("INR") 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.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

The Company's Exposure to Foreign Currency Risk at the end of the Reporting Period are as under -

Particulars	As at March 31, 2019					As at March 31, 2018				
	Foreing Currency Exposure in					Foreing Currency Exposure in				
	USD	EUR	GBP	JPY	CHF	USD	EUR	GBP	JPY	CHF
Financial Assets										
- Trade Receivables	4,067.50	129.41	50.11	-	-	2,560.84	79.88	170.65	-	-
- Advance to Suppliers	45.38	32.45	1.42	22.44	4.57	163.53	89.00	-	0.74	-
- Capital Advances	50.77	97.97				145.68	1,533.41	-	199.81	-
- Cash and Cash Equivalents	1.36					1.28	-	-	-	-
- Bank Balances	295.74					278.00	-	-	-	-
- Other Financial Assets						0.25	-	-	-	-
Derivative Assets										
- Foreign Exchange Forward Contracts						-	-	-	-	-
Net Exposure to Foreign Currency Risk (Assets)	**4,460.75**	**259.83**	**51.53**	**22.44**	**4.57**	**3,149.58**	**1,702.29**	**170.65**	**200.55**	**-**
Financial Liabilities										
- Term Loans from Banks	2,067.73					2,668.27	-	-	-	-
- Working Capital and Buyers Credit from Banks	1,969.78					2,378.73	15.52	-	-	-
- Trade Payables	4,565.47	21.68	0.14	-	-	2,220.02	139.47	0.14	-	0.01
- Creditors for Capital Purchases	9.16	462.13				5.21	-	-	10.43	-
- Advance from Customers	132.00	19.13	-	-	-	358.01	69.22	6.15	-	-
- Accrued Interest on Borrowings	28.66					31.11	-	-	-	-
Derivative Liabilities										
- Foreign Exchange Forward Contracts	-					(643.35)	-	-	-	-
Net Exposure to Foreign Currency Risk (Liabilities)	**8,772.80**	**502.94**	**0.14**	**-**	**-**	**7,018.00**	**224.21**	**6.29**	**10.43**	**0.01**
Net Open Exposure	**(4,312.05)**	**(243.11)**	**51.39**	**22.44**	**4.57**	**(3,868.42)**	**1,478.08**	**164.36**	**190.12**	**(0.01)**

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 balace sheet date:

Currencies / Sensitivity	As at March 31, 2019		As at March 31, 2018	
	Increase by 4%	Decrease by 4%	Increase by 5%	Decrease by 5%
	(Loss) / Gain		(Loss) / Gain	
USD	(89.77)	89.77	(60.01)	60.01
EUR	(9.72)	9.72	73.90	(73.90)
GBP	2.06	(2.06)	8.22	(8.22)
JPY	0.90	(0.90)	9.51	(9.51)
CHF	0.18	(0.18)	(0.00)	0.00

(All amounts in ₹ Lakhs, unless otherwise stated)

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 ₹ 82.71 Lakhs as at March 31, 2019 (Previous year: ₹ 133.41 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:**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Variable Rate Borrowings	21,362.51	19,381.17
Fixed Rate Borrowings	9,775.66	6,205.56
Total Borrowings	**31,138.17**	**25,586.73**

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

Particulars	As at March 31, 2019			As at March 31, 2018		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Borrowings - Term Loan	8.86%	21,362.51	69%	8.36%	19,381.17	76%
Net Exposure to Cash Flow interest Rate Risk		21,362.51			19,381.17	

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

b) **Interest Rate Sensitivity**

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

Particulars	Impact on Profit As at March 31, 2019	As at March 31, 2018
Interest Rates - Increase by 50 Basis Points*	(106.81)	(96.91)
Interest Rates - Decrease by 50 Basis Points*	106.81	96.91

*Holding all other variables constant including change in interest subsidy

IV Price Risk

(a) Exposure

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

(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 Before Tax As at March 31, 2019	As at March 31, 2018
Increase in Price 0.75% (March 31, 2018 - 0.75%)	11.27	5.26
Decrease in Price 0.75% (March 31, 2018 - 0.75%)	(11.27)	(5.26)

Note 38: Contingent Liability Disclosure

Particulars	As at March 31, 2019	As at March 31, 2018
Excise, Customs and Service Tax Matters	2,262.00	1,532.34
Income Tax Matters	26.32	109.56
Sales Tax Matters	-	166.09
Other Claims against Company not Acknowledged as Debts	127.82	139.85

Notes:

The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly no provision has been made in these financial statements.

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

Description of Contingent Liabilities

Excise, Customs and Service tax matters

The Company has ongoing disputes with tax authorities mainly relating to availment of input tax credit on certain items and classfication of finished goods.

Sales Tax Matters

The Company had sales tax disputes relating to resale of traded goods which were exempt from tax under BST (Bombay Sales Tax Act, 1959.)

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, 2019	As at March 31, 2018
(a) Capital Commitments		
Estimated Value of Contracts Remaining to be Executed on Capital Account (Net of Capital Advances)	233.14	6,667.65
(b) Other Commitments		
Custom Duty on Pending Export Obligation for Import under Advance License and EPCG	1,085.78	799.99

Note 40: Earnings Per Share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit After Tax (A) (₹ in lakhs)	586.15	800.05
Weighted Average Number of Equity Shares Outstanding During the Year (B)	45,589,568	39,657,102
Weighted Average Number of Equity Shares for Basic Earning Per Share	45,589,568	39,657,102
Adjustments for Diluted Earning Per Share - Options	143,361.00	-
Weighted Average Number of Equity Shares for Diuted Earning Per Share (C)	45,732,929	39,657,102
Basic Earnings Per Share (A)/(B) (₹)	1.29	2.02
Diluted Earnings Per Share (A)/(C) * (₹)	1.28	2.02
Nominal Value of an Equity Share (₹)	10.00	10.00

* 43,16,666 warrants of ₹ 75 per warrant have been issued and allotted to Mandawewala Enterprises Limited on 8th March 2018. Such convertible securities could potentially dilute the basic earnings per share in the future, but are not included in the calculation of diluted earnings per share because they are antidilutive for the period presented. Refer Note 17 (a)(iii) for details.

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 41: Disclosure for Micro, Medium and Small Enterprises

Particulars	As at March 31, 2019	As at March 31, 2018
The Principal Amount and the Interest Due thereon Remaining Unpaid to Suppliers as at the End of the Year		
- Principal	927.13	45.70
- Interest	0.01	-
Principal Amounts Paid to Suppliers beyond the Appointed Day During the Year -	-	
Interest Paid, Under Section 16 of MSMED Act, to Suppliers beyond the Appointed Day During the Year	-	-
Interest Paid, other than Under Section 16 of MSMED Act, to Suppliers beyond the Appointed Day During the Year	-	-
Interest Due and Payable towards Suppliers for Payments already made	6.30	4.64
Further Interest Remaining Due and Payable for Earlier Years	14.72	10.08

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, 2019 and March 31, 2018.

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 ₹ 595.93 Lakhs *(March 31, 2018: ₹ 592.79 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	Year ended March 31, 2019	Year ended March 31, 2018
Plant and Machinery	933.35	513.99
Total	**933.35**	**513.99**

Note 44: Leases

Operating Lease

The Company has taken various residential, office premises, godowns, equipment and vehicles under operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of lease is generally for two months to fifty one months.

The aggregate rental expenses of all the operating leases for the year are ₹491.17 Lakhs *(March 31, 2018: ₹ 392.26 Lakhs)*

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 45: Offsetting Financial Assets and Financial Liabilities

There are no financial assets or financial liabilities which are subject to offsetting as at March 31, 2019 and March 31, 2018 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, 2019 and March 31, 2018.

Note 46: Related Party Disclosures

(i) Relationships

Holding Company	Mandawewala Enterprises Limited
Key Management Personnel	Mr. Abhishek Mandawewala Mr. B.A. Kale *(Upto May 6, 2017)*
Relatives	Mr. R.R. Mandawewala Mrs. Pratima Mandawewala Mr. Yash Mandawewala Mrs. Khushboo Mandawewala
Other Related Parties	Mertz Estates Limited Welspun India Limited Welspun Global Brands Limited Welspun Corp Limited Welspun Steel Limited Welspun USA Inc

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

(ii) Terms and Condition

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

Particulars	Holding Company	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year						Employee Benefit Plan	Key Management Personnel		Relatives of Key Management Personnel	
	Mandawewala Enterprises Limited	Mertz Estates Limited	Welspun India Limited	Welspun Global Brands Limited	Welspun USA Inc	Welspun Corp Limited	Welspun Steel Limited	AYM Syntex Limited Superannuation Trust	Mr. Abhishek Mandawewala	Mr. B.A. Kale	Mr. Yash Mandawewala	Mrs. Khushboo Mandawewala
Transactions during the Year												
Intercorporate Deposits Received	2,400.00	-	-	-	-	-	-	-	-	-	-	-
	(3,700.00)	-	-	-	-	-	-	-	-	-	-	-
Issue of Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-
	(4,762.50)	-	-	-	-	-	-	-	-	-	-	-
Issue of Share Warrants	-	-	-	-	-	-	-	-	-	-	-	-
	(809.37)	-	-	-	-	-	-	-	-	-	-	-
Cross Charge	18.95	-	-	-	-	-	-	-	-	-	-	-
	(13.19)	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-
	-	(30.40)	-	-	-	-	-	-	-	-	-	-
Salary	-	-	-	-	-	-	-	-	73.56	-	-	27.47
	-	-	-	-	-	-	-	-	(73.56)	(31.82)	(10.65)	(27.47)
Purchase of Goods/Services/ Expenses Incurred	205.05	355.10	4.35	6.45	7.72	-	110.56	8.85	-	-	-	-
	(268.27)	(320.41)	(354.55)	(30.38)	-	-	(32.00)	(7.35)	-	-	-	-
Sale of Goods	-	-	4,458.81	-	-	-	-	-	-	-	-	-
	-	-	(8,001.28)	-	-	-	-	-	-	-	-	-
Purchase of Fixed Assets / Capital Goods	-	-	-	-	-	3.66	-	-	-	-	-	-
Closing Balance												
Intercorporate Deposits Received	3,600.00	-	-	-	-	-	-	-	-	-	-	-
	(1,200.00)	-	-	-	-	-	-	-	-	-	-	-
Debtors	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(687.61)	-	-	-	-	-	-	-	-	-
Creditors	-	27.29	16.40	5.80	-	-	-	-	-	-	-	-
	-	-	(18.03)	-	-	-	(22.13)	(0.68)	-	-	-	-

Year 2017-18 figures are given in round brackets ( ).

** Amount is inclusive of taxes*

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 47: Segment Information

i) Information about Primary Business Segment

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

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about proût or loss in the nancial statements, Operating segment have been identied on the basis of Geographical segment and other quantitative criteria specied 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	2019			2018		
	India	Outside India	Total	India	Outside India	Total
Total Segmental Revenue*	65,068.33	34,129.83	99,198.16	58,718.68	27,398.35	86,117.04

**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, 2019	For the year ended March 31, 2018
Australia and New Zealand	9,819.98	5,894.15
European Union	3,539.09	2,876.44
U.S.A	3,142.90	2,520.20
U.K.	1,243.38	2,034.64
Others	16,384.48	14,072.92
Total	**34,129.83**	**27,398.35**

(ii) Segment Assets :

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

Segment Assets	As at March 31, 2019			As at March 31, 2018		
	India	Outside India	Total	India	Outside India	Total
Carrying Amount of Segment Assets	57,582.84	5,937.45	63,520.29	52,319.13	5,403.67	57,722.80
Additions to Non-Current Assets	12,744.17	-	12,744.17	6,890.67	-	6,890.67
Total Segment Assets	**70,327.01**	**5,937.45**	**76,264.46**	**59,209.80**	**5,403.67**	**64,613.47**
Unallocated:						
Deferred Tax Assets (Net)			2,606.48			2,460.87
Income Tax Assets (Net)			131.49			143.09
Investments		1,502.00			701.09	
Balance sheet Assets			**80,504.43**			**67,918.52**

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

(iii) Segment Liabilities :

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

Segment Liabilities	As at March 31, 2019			As at March 31, 2018		
	India	Outside India	Total	India	Outside India	Total
Carrying Amount of Segment Liabilities	18,948.00	154.38	19,102.38	11,999.12	532.29	12,531.41
Additions to Non-Current Liabilities	-	-	-	-	-	-
Total Segment Liabilities	**18,948.00**	**154.38**	**19,102.38**	**11,999.12**	**532.29**	**12,531.41**
Unallocated:						
Borrowings			31,138.16			25,586.73
Balance Sheet Liabilities			**50,240.54**			**38,118.14**

Note 48: Employee Stock Option Plan

The establishment of the AYM Syntex Limited Employee Stock Option was approved by shareholders at Extra Ordinary general meeting.

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

The employees covered under this scheme are as follows:-

(a) a permanent employee of the Company working in India or out of India or

(b) a director of the Company, whether a whole time director or not, or

(c) an employee as defined in (a) and (b) above of a subsidiary (in India or out of India) or a holding company, of the Company

And Excludes

(i) an employee who is outside India and who is an employee of the subsidiary, holding or associate company;

(ii) applicable for directors of the company other than promoter director, independent director a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company.

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

The Grant date is Aug 13, 2018

Vesting Proportion	Date of Vesting
10% of the Options Granted	12-Aug-19
10% of the Options Granted	12-Aug-20
20% of the Options Granted	12-Aug-21
20% of the Options Granted	12-Aug-22
40% of the Options Granted	12-Aug-23

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

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

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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 quity share of the company as on the date of grant of Option.

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

Particulars	March 31, 2019		March 31, 2018	
	Average Exercise Price Per Share Option (₹)	Number of Options	Average Exercise Price Per Share Option (₹)	Number of Options
Opening Balance-	-	-	-	
Granted During the Year	10.0	781,700	-	-
Exercised During the Year	-	-	-	-
Forfeited During the Year	-	-	-	-
Closing Balance	**10**	**781,700**	-	
Vested and Exercisable	-	-	-	-

No option expired during the year 2018-19

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

Grant Date	Expiry Date	Exercise Price (₹)	Share Options March 31, 2019	Share Options March 31, 2018
13-Aug-18	12-Aug-20	10	78,170	-
13-Aug-18	12-Aug-21	10	78,170	-
13-Aug-18	12-Aug-22	10	156,340	-
13-Aug-18	12-Aug-23	10	156,340	-
13-Aug-18	12-Aug-24	10	312,680	-
Total			**781,700**	

Weighted Average remaining contractual life of options outstanding at end of period	4.08	-

The fair value at grant date of options granted during the year ended March 31, 2019 was ₹ 41.20 per option *(March 31, 2018- Nil)*

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 (March 31, 2018 - Nil)
c)	Grant Date:	August 13, 2018
d)	Expiry Date:	August 12, 2020
e)	Share Price at the Grant Date:	₹ 41.2
f)	Expected Price Volatility of the Company's Shares:	41.22%
g)	Expected Dividend Yeild:	-
h)	Risk Free Interest Rate:	7.61%

Notes to the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Expenses Arising from Share-Based Payment Transactions

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

Particulars	March 31, 2019	March 31, 2018
Employee-Share Based Expense	57.76	-

Note 49: Change in Accounting Policy

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" from April 01, 2018 using the modified retrospective approach in adopting the new standard. This change in accounting resulted in a decrease in opening retained earnings of ₹177.61 lakhs, which was accounted for on April 1, 2018 and accordingly the comparatives of previous year have not been restated.The following table shows the adjustments recognized for each individual line item. Line items that were not affected by the changes have not been included.

(₹ in Lakhs)

Particulars	Year ended March 31, 2019(Audited)
Increase / (Decrease) in Revenue from Operations	(262.33)
Changes in Inventories of Finished Goods and Goods-in-Process	196.45
Increase / (Decrease) in Freight Cost	81.90
Increase / (Decrease) in Profit Before Tax	16.02
(Increase) / Decrease in Tax Expense	(3.10)
Increase / (Decrease) in Profit for the Year	12.92
Increase / (Decrease) in Earning Per Equity Share (₹)	0.03

Revenue recognised in relation to contract liabilities Contract liabilities relating to sale of products as at March 31, 2019 aggregated to ₹ 254.62 lakhs has been included under 'Other current liabilities'. It shall be recognised as revenue in the subsequent reporting period.

Note 50: Events Occurring after the Reporting Date

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

Signatures to Notes to Financial Statements

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 30, 2019

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

NOTICE

To,

The Members

NOTICE is hereby given that the 36th Annual General Meeting of **AYM Syntex Limited** will be held on Thursday, 19th September 2019 at 12.00 Noon at its Registered Office at Plot No. 1, Survey no. 394(P), Village Saily, Silvassa-396230, U.T of Dadra & Nagar Haveli to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 and the Audited Profit and Loss Account for the year ended on that date.
2. To appoint a Director in place of Mr. Rajesh R Mandawewala (DIN:00007179), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Appointment of Mrs. Khushboo Mandawewala as a Director

3. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of section 152, 160 and applicable provisions of the Companies Act, 2013 and Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including statutory modification or re-enactment thereof for the time being in force, Mrs. Khushboo Mandawewala (DIN 06942156), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

Appointment of Mrs. Khushboo Mandawewala as a Whole-Time Director

4. **To appoint Mrs. Khushboo Mandawewala as a Whole-time Director and in this regard, pass the following resolution as a Special Resolution:**

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Articles of Association of the Company, subject to approval of the Central Government / Regional Director, if any, and such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptable, approval of the members be and is hereby accorded to appoint Mrs. Khushboo Mandawewala (DIN 06942156), as a Whole-time Director, designated as Executive Director of the Company, whose office will be liable to determination by retirement by rotation, for a period of 3 (Three) years with effect from July 29, 2019, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include any Committee(s) constituted / to be constituted by it for this purpose) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit;

"**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the currency of tenure of the appointment, the Whole Time Director shall be paid salary, perquisites and other allowances as set out in Explanatory Statement, as the minimum remuneration, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time and subject to the approval of the Central Government / Regional Director, if so required, in accordance with the provisions of the Companies Act, 2013.

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter and vary the terms and conditions to the said appointment to the extent the Board may consider appropriate and as may be agreed to between the Board and Mrs. Khushboo Mandawewala."

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

<u>Amendment of the AYM ESOP Scheme 2018</u>

5. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and rules framed there under, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), issued by the Securities and Exchange Board of India ("SEBI") and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the members of the Company be and is hereby accorded to amend the 'AYM Syntex Limited - Employees Stock Option Plan 2018' (hereinafter referred to as the "AYM ESOP SCHEME 2018") for compliance with the requirements under applicable laws by revising clause of "Treatment of options" of AYM ESOP Scheme 2018 as under:

a. Treatment of lapse of options: All lapsed options granted to the grantee shall stand cancelled and will be available for re-issue.

b. Treatment of Cancelled/Forfeited options: All unvested unexercised options which are cancelled/forfeited will be available for re-issue.

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things, as may, at its absolute discretion, deem necessary including authorizing or directing the Nomination and Remuneration Committee for effective implementation and administration of the AYM ESOP SCHEME 2018 as also to prefer applications to the appropriate Authorities, Parties and Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/ BSE Limited/National Stock Exchange of India, and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

"**RESOLVED FURTHER THAT** it is hereby noted that the amendments to the Scheme are not prejudicial to the interests of the option holders."

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and is/are hereby authorised severally to do all such acts, deeds, matters and things as may be necessary to implement this resolution."

<u>Ratification of Remuneration to Cost Auditor</u>

6. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, Companies (Cost Records and Audit) Rules 2014 and the Companies (Audit and Auditors) Rules, 2014 (including statutory modifications or re-enactment thereof, for the time being in force), payment of remuneration of Rs. 1,10,000/- to M/s. Kiran J Mehta & Co., the Cost Accountant (Registration Number: 000025) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March 2020, be and is hereby ratified and approved."

By order of the Board

Ashitosh Sheth
Company Secretary
ACS:25997

Place: Mumbai

Date: 29th July 2019

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.

2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than 48 Hours before the meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable.

   A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.

4. A statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special business to be transacted at the meeting is annexed hereto.

5. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.

6. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

7. The Register of Members of the Company will remain closed from Monday, 16th September 2019 to Wednesday, 18th September 2019, both days inclusive.

8. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('the Listing Regulations'), as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or its RTA, M/s. Link Intime India Private Limited ('Link Intime') for the same. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants (DPs) with whom they maintain their demat accounts. Members holding shares in physical form are requested to submit their PAN to Link Intime.

9. Pursuant to the provisions of Sections 101 and 136 of the Act read with the Companies (Accounts) Rules, 2014, electronic copy of the Annual Report for the financial year 2018-19 is being sent to those Members whose email IDs are registered with their respective Depository Participants (DPs), the Company or its Registrar and Transfer Agents, viz Link Intime India Private Limited, unless any Member has requested for a hard copy of the same. Those members who have not got their email address registered or wish to update a fresh email address, may promptly intimate the same to respective DPs or to the Company/its Registrar and Transfer Agents, as the case may be.

   Physical copies of the Annual Report for the financial year 2018-19 will be sent through the permitted mode in cases where the email addresses are not available with the Company.

   The Annual Report along with the Notice of the Annual General Meeting is available on the website of the Company, www.aymsyntex.com.

10. The Notice for Annual General Meeting and the Annual Report will be available for inspection at the Registered Office of the Company on all working days between 10:00 a.m. to 12:00 noon upto the date of Annual General Meeting. The Notice shall also be available on the Company's website at www.aymsyntex.com

11. The businesses mentioned in this Notice may be transacted through electronic voting system; the process, manner and other related details are as under:

i In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Company is pleased to provide members facility to exercise their right to vote at the 36th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). The e-voting facility is available at the link https://www.evoting.nsdl.com

ii. Members holding shares either in physical form or in dematerialized form, as on the close of business on Thursday, 12th September 2019, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. Any person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

iii. The facility for voting through ballot paper shall be made available at the General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

iv. The members who have cast their vote by remote e-voting prior to the General Meeting may also attend the General Meeting but shall not be entitled to cast their vote again.

v. Initial password shall be given in the following format of attendance slip for the AGM

EVEN (E-voting event number)	User ID	Password / PIN

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
Monday, 16th September 2019	Wednesday, 18th September 2019

vi. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the Cut-off Date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

Please read the instructions before exercising the vote.

These details and instructions form integral part of the Notice for the Annual General Meeting to be held on 19th September 2019.

INSTRUCTIONS FOR E-VOTING

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file.The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Members may participate in AGM even after exercising his right to vote through remote E-voting but shall not be allowed to vote again at AGM.
5. A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the Depositories as on the cut off date only shall be entitled to avail the facility of remote E-voting as well as voting at AGM.
6. Now you are ready for e-Voting as the Voting page opens.
7. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
8. Upon confirmation, the message “Vote cast successfully” will be displayed.
9. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
10. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Company secretary/compliance officer by e-mail to allcompanysecretaryofaymsl@aymgroup.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com.in to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

4. Mr. A. L. Makhija, Company Secretary in whole time practice has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

5. The result of voting shall be declared by the Chairman of the meeting on or after AGM of the Company. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.aymsyntex.com and will be communicated to the Stock Exchanges at which shares of the Company are listed.

By order of the Board

Ashitosh Sheth
Company Secretary
ACS:25997

Place: Mumbai
Date: 29th July 2019

Registered Office of the Company:
Plot no.1, Survey no.394 (P), Village Saily, Silvassa 396230,
U.T of Dadra & Nagar Haveli
Contact No.
Tel.: 91 022 61637000, Fax: 91 022 24937725,
E-mail: allcompanysecretaryofaymsl@aymgroup.com

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3 & 4

On recommendation of Nomination and Remuneration Committee, Board of Directors of the Company, subject to approval of the Members, has appointed Mrs. Khushboo Mandawewala as an Additional Director of the Company with effect from 29th July 2019 for the term of 3 years. In terms of the provisions of Section 161(1) of the Act, Mrs. Khushboo Mandawewala would hold office only up to the date of the ensuing Annual General Meeting.

The Board considers that keeping in view wide range of experience of Mrs. Khushboo Mandawewala, her appointment and continuance with the Company would be guide to the Board and benefit to the Company and it is desirable to avail her service as a Director. The proposed appointment of Mrs. Khushboo Mandawewala is in the category of 'Non independent and Executive'.

Mrs. Khushboo Mandawewala is also a Whole Time Director of Mandawewala Enterprises Limited (Holding company) w.e.f 25th October 2017. However, she is not drawing any remuneration from Mandawewala Enterprises Limited.

The Company has received from Mrs. Khushboo Mandawewala, the consent to act as a director, necessary disclosures, notice for candidature, confirmation etc. in relation to the aforesaid appointment pursuant to the applicable provisions of the Companies Act 2013 and Rules thereunder.

Mrs. Khushboo Mandawewala is not disqualified from being appointed as Director in terms of applicable provision of section 164 of the Companies Act 2013.

Information pursuant to Schedule V of the Companies Act, 2013

GENERAL INFORMATION:

1) Nature of industry – Textile
2) Financial performance based on given indicators –

(₹ in Lakhs)

Particulars	2018-19	2017-18
Revenue from operations (net of excise*)	99198.16	85041.57
Other Income	590.14	558.95
Total revenue	**99788.30**	**85600.52**
EBIDTA	**7751.51**	**6933.77**
EBIDTA Margin (%)	***7.81***	***8.15***
Finance Costs	3442.56	2792.76
Depreciation and amortization expense	3760.97	3297.38
Profit before tax	**547.98**	**843.63**
Current Tax	105.93	182.70
Deferred tax	(144.10)	(139.12)
Profit after tax	**586.15**	**800.05**
Other comprehensive income for the year, net of tax	(2.79)	(5.87)
Total comprehensive income for the year	**583.36**	**794.18**
Earning per share (Basic & Diluted) (₹)	1.29	2.02

**Revenue from operations includes other operative income.*

INFORMATION ABOUT THE APPOINTEE:

1) **Background details:**

Mrs. Khushboo Mandawewala is Entrepreneurial, Hardworking & Execution focused. She joined the Company as General Manager (Corporate Social Responsibility) w.e.f 10.10.2015 and is now heading Human Resources, Corporate Communication and Administration department.

2) **Past Remuneration:**

She was drawing salary of ₹ 30,00,000 per annum from the Company.

3) **Job profile and his suitability:**

Job profile: She looks after entire Corporate Communication, Human Resources, Corporate Social responsibility activities and Administrative operations of the Company such as the creation and development of print and online advertising, annual reports, website management and content development, press releases, bylined articles, corporate videos and marketing collateral, RFP review and development, marketing budget development and cost tracking. She is also responsible for executing Company's CSR vision.

Suitability:

She has completed Bachelors of Engineering in Information Technology from D J Sanghvi, College of Engineering in the year 2009. Started her journey as a software engineer in 2010. Joined Welspun India in 2012 as part of their CSR team. With a major focus on women empowerment & healthcare, she played a key role in conceptualizing and implementing a sustainable income-generating program for women in cutting and stitching home textiles and a primary health care program through mobile health vans across target locations. Appointed as General manager (Corporate Social Responsibility) and also heading Human Resources and Administration department. She is also responsible for executing Company's CSR vision to uplift the underprivileged from the vicious cycle of poverty and working towards 4S mission towards Sudhar (Rural Development), Swasthya (Water, Sanitation, Health & Hygiene), Swabhiman (Education), Srishti (Environmental Restoration).

4) **Remuneration proposed:**

₹ 60,00,000/- per annum inclusive of all perquisites and allowances computed in the manner laid down under Section 198 of the Companies Act, 2013 and as per the maximum limit specified in Schedule V of Section 196 & 197 of the Companies Act, 2013 except that the remuneration of the directors shall not be deducted from the gross profits.

5) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

Looking to her education, experience in the field of textiles, size of the company, the proposed remuneration is justified to retain the managerial person.

6) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

She is relative of Mr. Abhishek R Mandawewala, Managing Director & CEO of the Company and Mr. R. R. Mandawewala, the Chairman of the Company. Further, she has no pecuniary relationship with the Company except as a Head HR & Corporate Communication of the Company. She does not hold any equity shares of the Company.

OTHER INFORMATION:

i. **Reason of loss or inadequate profits**

The fluctuation in price of raw material which could not be passed to customers, delay in planned capacity expansion.

ii. **Steps taken for improvement**

The Company has expanded its capacity into high value added products and are in process of improving the product sales mixes.

iii. **Expected increase in productivity and profits in measurable terms**

In view of expansion undertaken by the Company, the Company expects to increase productivity in textile and BCF yarn which may lead to increase in margin of profits. The Company has also undertaken cost optimization initiatives which benefits will crystalized in coming years.

iv. **Disclosures**

The disclosures relating to remuneration package of all directors with details of fixed components, performance link incentives, service contract etc. are mentioned in the attached Corporate Governance report, part of Directors report.

v. **Directorship in other companies:**

She is director in Mandawewala Enterprises Limited, Totsol Commercial Private Limited and Mertz Estates Limited.

Membership/Chairmanship of committees in other Companies: Nil

No. of meetings attended: NA, since she is appointed as Additional Executive director w.e.f 29th July 2019.

The Board recommends the Resolutions set out in Item No. 3 & 4 of the Notice for approval of the shareholders.

Disclosure as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings is given as Annexure to this explanatory statement.

Mrs. Khushboo Mandawewala being appointee is interested in the resolutions set out in the Notice with regard to his appointment. The appointee and her relatives may be deemed to be interested in the resolutions to the extent of their shareholding interest, if any, in the Company.

Except as mentioned above, none of the Directors and key managerial personnel of the Company and their relatives is interested or concerned, financial or otherwise, in the resolutions for the above matter.

ITEM NO.5

The shareholders at their Extra-ordinary General Meeting held on Wednesday, 28th February 2018 have approved AYM Syntex Limited - Employees Stock Option Plan 2018' (AYM ESOP Scheme 2018) to grant 9,80,989 options to permanent employees including directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company).

Accordingly, the Company had granted 7,81,700 options to its Key employees on 13th August 2018.

AYM ESOP Scheme 2018, had following provision on treatment of lapsed options:

"All lapsed options granted to the grantee shall stand cancelled / forfeited and will not be available for re-issue"

The intentions of the Management is to give full benefit of the AYM ESOP Scheme 2018 to its employees and also cover more Key employees under the said scheme going forward. Considering the above and post consultation with various stakeholders, Management is of the opinion that, the cancelled options and/or lapsed options should be reissued by appropriately modifying AYM ESOP Scheme 2018 by revising clause of "Treatment of options" as under:

a. Treatment of lapse of options: All lapsed options granted to the grantee shall stand cancelled and will be available for re-issue.

b. Treatment of Cancelled / Forfeited options: All unvested unexercised options which are cancelled / forfeited will be available for re-issue.

The said modifications in the scheme will require prior approval of Shareholders of the Company and accordingly Item No. 5 of the Notice is being placed before the shareholders for their approval.

None of the Key Managerial Personnel or Directors of the Company or their relatives have any interest or concern in the proposed resolution.

Rest clauses of existing AYM ESOP Scheme 2018 remains unchanged.

<u>Abstract of the existing AYM ESOP Scheme 2018 are as follows:</u>

i. Identification of classes of employees entitled to participate in AYM ESOP SCHEME 2018: Employees in the category of the managerial personnel as determined by NRC.

ii. Requirements of vesting and period of vesting:

The Employee Stock Options shall vest over a period of five years in the following manner:

Period	**Vesting proportion**
End of One Years from the date of Grant	10 % of the options granted
End of Two Years from the date of Grant	10 % of the options granted
End of Three Years from the date of Grant	20 % of the options granted
End of Four Years from the date of Grant	20 % of the options granted
End of Five Years from the date of Grant	40 % of the options granted

iii. The options would vest only if the option grantee continues to be in employment of the company at the time the options are due to vest.

iv. Maximum period within which the options shall be vested:

The Employee Stock Options granted shall be capable of being exercised in one or more tranches, within a period of five years from the date of Vesting of the respective Employee Stock Options. In absence of any such exercise the options shall lapse.

v. Exercise price or pricing formula:

The Employee Stock Options shall be granted by the Company at the price not less than face value of equity share and shall not exceed market price of the equity share of the Company as on date of grant of Option which may be decided by the Nomination and Remuneration Committee at their discretion. Payment of the Exercise Price, if any, shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or in such other manner as the NRC may decide.

vi. Maximum number of options to be issued in aggregate:

Not exceeding in aggregate 9,80,989 Options entitling the Grantees for 9,80,989 equity shares of the Company.

ITEM NO.6

The Company being in a textile industry has to appoint cost auditor pursuant to notification dated 31st December, 2014 issued by the Ministry. The Board, on the recommendation of the Audit Committee, has appointed M/s. Kiran J Mehta & Co., Cost Auditors to conduct the audit of cost records of the Company for the financial year ending March 31, 2020.

Pursuant to the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary resolution as set out at Item No.6 of the Notice for ratification of the remuneration payable to M/s. Kiran J Mehta & Co., Cost Auditors for the financial year ending March 31, 2020.

None of the Key Managerial Personnel or Directors of the Company or their relatives have any interest or concern in the proposed resolution.

By order of the Board

Ashitosh Sheth
Company Secretary
ACS:25997

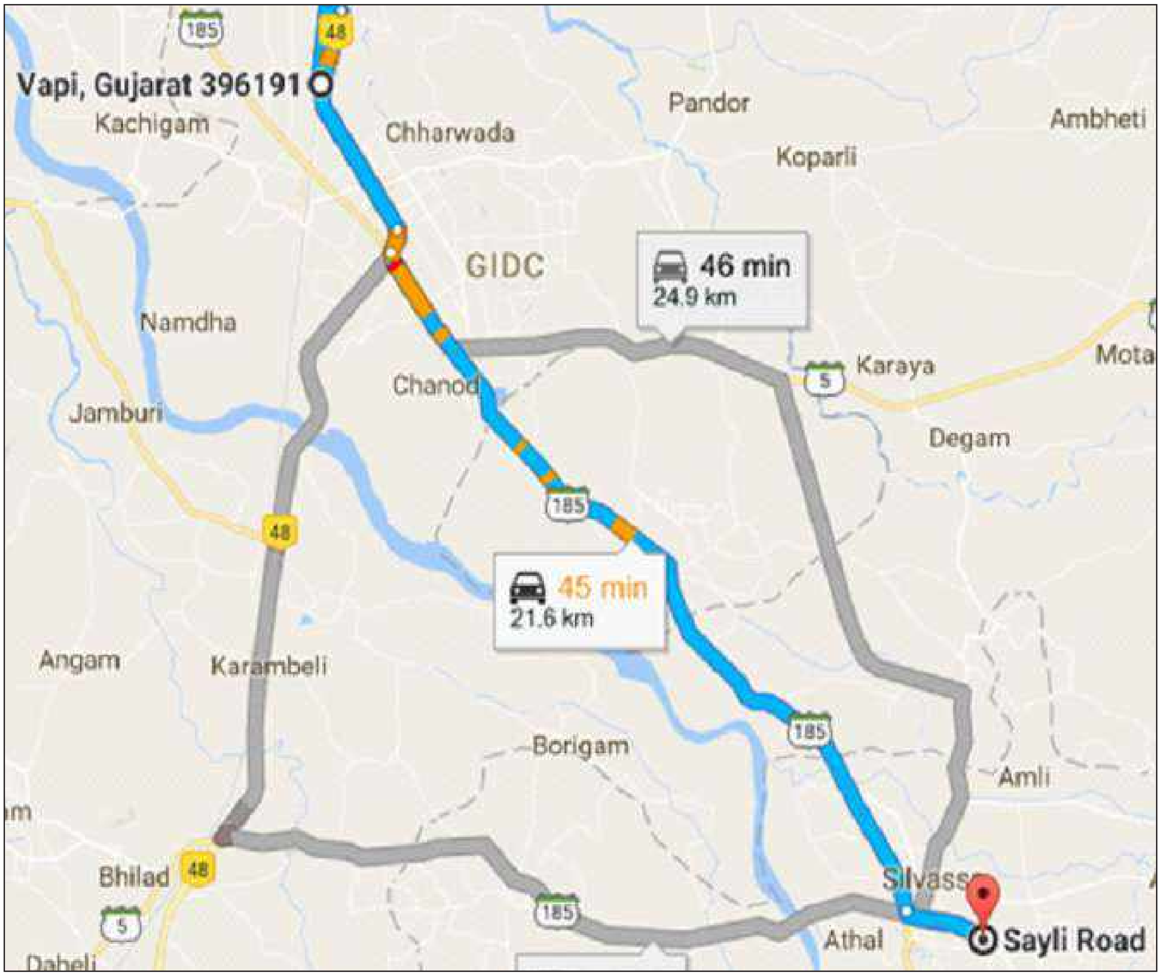
Place: Mumbai
Date: 29th July 2019

Details of the Directors proposed to be appointed / re-appointed pursuant to Regulation 26 (4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2):

Particulars	Director proposed to be Re-Appointed	Director proposed to be Appointed
Name of the Director	**Mr. Rajesh R Mandawewala**	**Mrs. Khushboo Mandawewala**
Age and date of birth	57 years, 5th May 1962	32 years, 29th January 1987
Date of first appointment	16th July 1991	29th July 2019
Brief Resume (including profile, qualification, experience and expertise in specific functional areas)	He is a qualified Chartered Accountant. Under his guidance and supervision, the operations have reached highest efficiency level as well as economy of operations, which has contributed to a great extent to the profitability of the Company. Under his able leadership, the Company achieved handsome performance, especially in exports and development of marketing network world over.	She has completed Bachelors of Engineering in Information Technology in July 20009 from D.J. Sanghvi College Of Engineering with distinction. Currently she is working with the Company as Head HR, CSR & Corporate Communication, Previously she has worked with Welspun India Limited as Deputy General Manager since 2012.
Shareholding in the Company (as on the date of the Notice of AGM)	Nil	Nil
Relationship with other Director/ Key Managerial Personnel of the Company	Yes, Mr. Abhishek Mandawewala, Managing Director & CEO and Mrs. Khushboo Mandawewala,	Yes, Mr. Rajesh R Mandawewala, Chairman and Mr. Abhishek Mandawewala, Managing Director & CEO
No. of Board Meetings attended	He has attended all the four meetings held during the year.	NA, since she is appointed as Additional Executive director w.e.f 29th July 2019.
Directorships held in other companies (including the C ompany as on the date of the Notice of AGM)	- Welspun India Limited - Welspun Corp Limited - Welspun Steel Limited - Mandawewala Enterprises Limited - Angel Power and Steel Private Limited - Welspun Enterprises Limited - Welspun Global Brands Limited - Connective Infrasructure Private Limited - RRM Realty Trader Private Limited - Welspun Advanced Materials Limited - Rank Marketing LLP	- Mandawewala Enterprises Limited - Mertz Estates Limited - Totsol Commercial Private Limited
Companies in which Director is Chairman/Member* of the Committee of the Board (as on the date of the Notice of AGM)	Chairmanship – Nil **Member of Audit committee:** - Welspun India Limited - Welspun Enterprises Limited **Member of Stakeholders Relationship Committee** - Welspun Corp Limited - Welspun India Limited	Nil
Terms and conditions of re-appointment	-	**As per the Draft Appointment Letter**

* Note: For the purpose of counting membership in Board Committee, Chairmanship/ Membership of the Audit Committee and the Stakeholders Relationship Committee alone are considered.

ROUTE MAP TO SILVASSA FROM VAPI RAILWAY STATION



AYM Syntex Limited

(Corporate Identification Number – L99999DN1983PLC000045)

Reg. Office: Survey No. 394 (P), village Saily, Silvassa, (U. T.) Dadra & Nagar Haveli
Tel. No. +91-260-2640596/2640599, Fax No. + 91 260-2640597,

Corp. Office: Trade world, 'B' wing, 9th floor, Kamala city, Senapati Bapat Marg, Lower Parel (W), Mumbai– 400013
Email: allcompanysecretaryofaymsl@aymgroup.com; website: www.aymsyntex.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the member (s): ____________________

Registered Address: ____________________

____

E-mail Id: ____________________

Folio No / Client ID

DP ID

I/ We ____________________ being the member(s) of Equity Shares of the above named company, hereby appoint:

1. Name : ____________________
   Address: ____________________
   E-mail Id: ____________________
   Signature: ____________________ or failing him
2. Name) : ____________________
   Address: ____________________
   E-mail Id: ____________________
   Signature: ____________________ or failing him
3. Name) : ____________________
   Address: ____________________
   E-mail Id: ____________________
   Signature: ____________________

as my / our proxy attend and vote (on a poll) for me / us and on my / our behalf at the 36th Annual General Meeting of the Company to be held on **Thursday, 19th September 2019 at 12.00 Noon** at the Registered Office of the Company at and at any adjournment thereof in respect of such resolutions as are indicated below :

Item No.	Subject of the Resolution
1	Consider and adopt the Audited Financial Statement, Report of Board of Directors and Auditors thereon for the Financial year ended 31st March 2019
2	Re-appointment of Mr. Rajesh R Mandawewala (DIN:00007179) as a Director of the Company, liable to retire by rotation
3	Appointment of Mrs. Khushboo Mandawewala (DIN: 06942156) as Director of the Company
4	Appointment of Mrs. Khushboo Mandawewala (DIN: 06942156) as a Whole time director of the Company
5	Amendment in AYM ESOP Scheme 2018
6	Ratification of remuneration payable to Cost Auditor

Signed this .... day of ....2019.

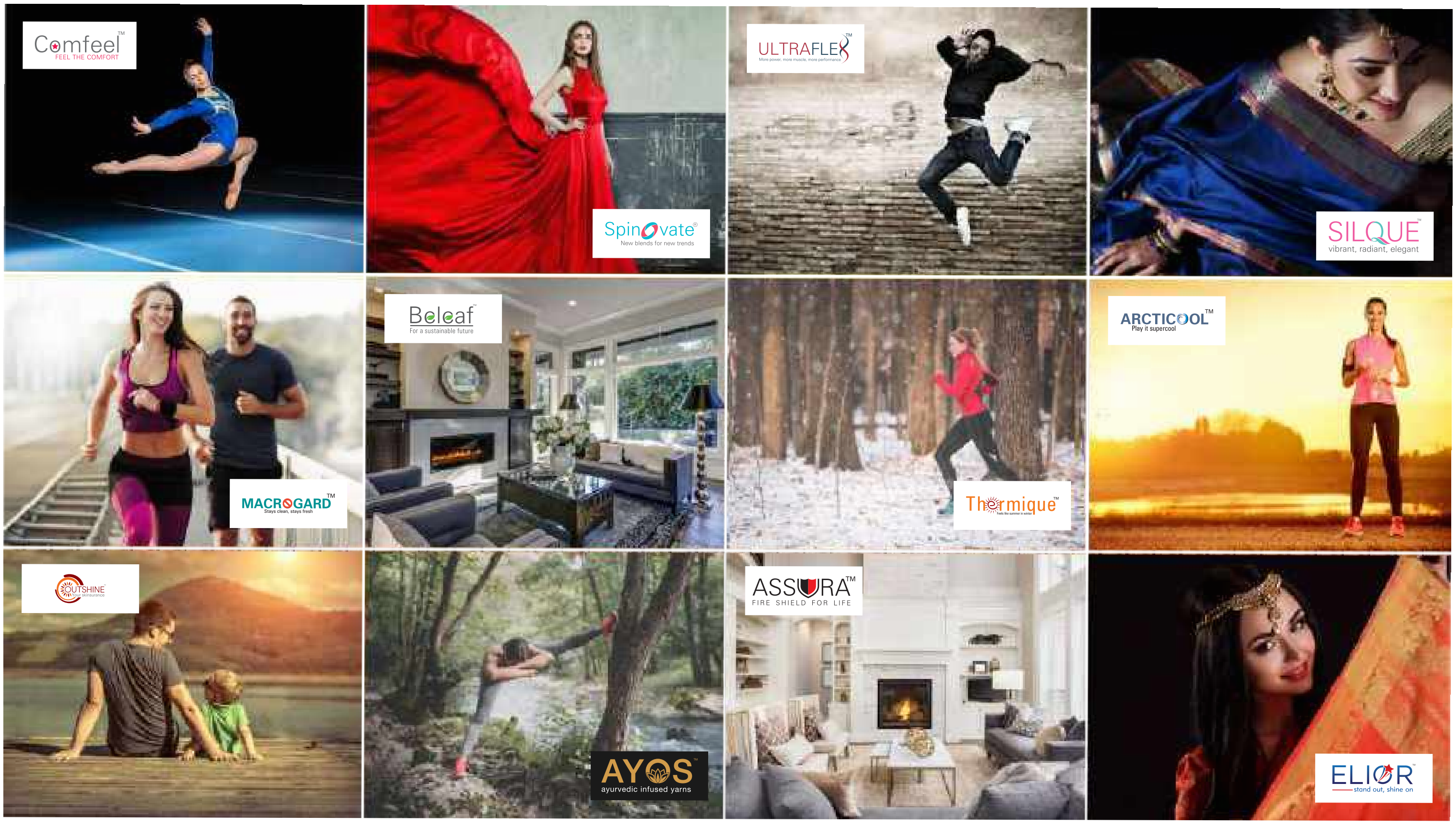
Signature of shareholder

Affix Re. 1 Revenue stamp

Signature of Proxy Holder(s): 1)____________________ 2)____________________ 3)____________________

Note:

The Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.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FEEL THE COMFORT
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New blends for new trends
ULTRAFLEX™
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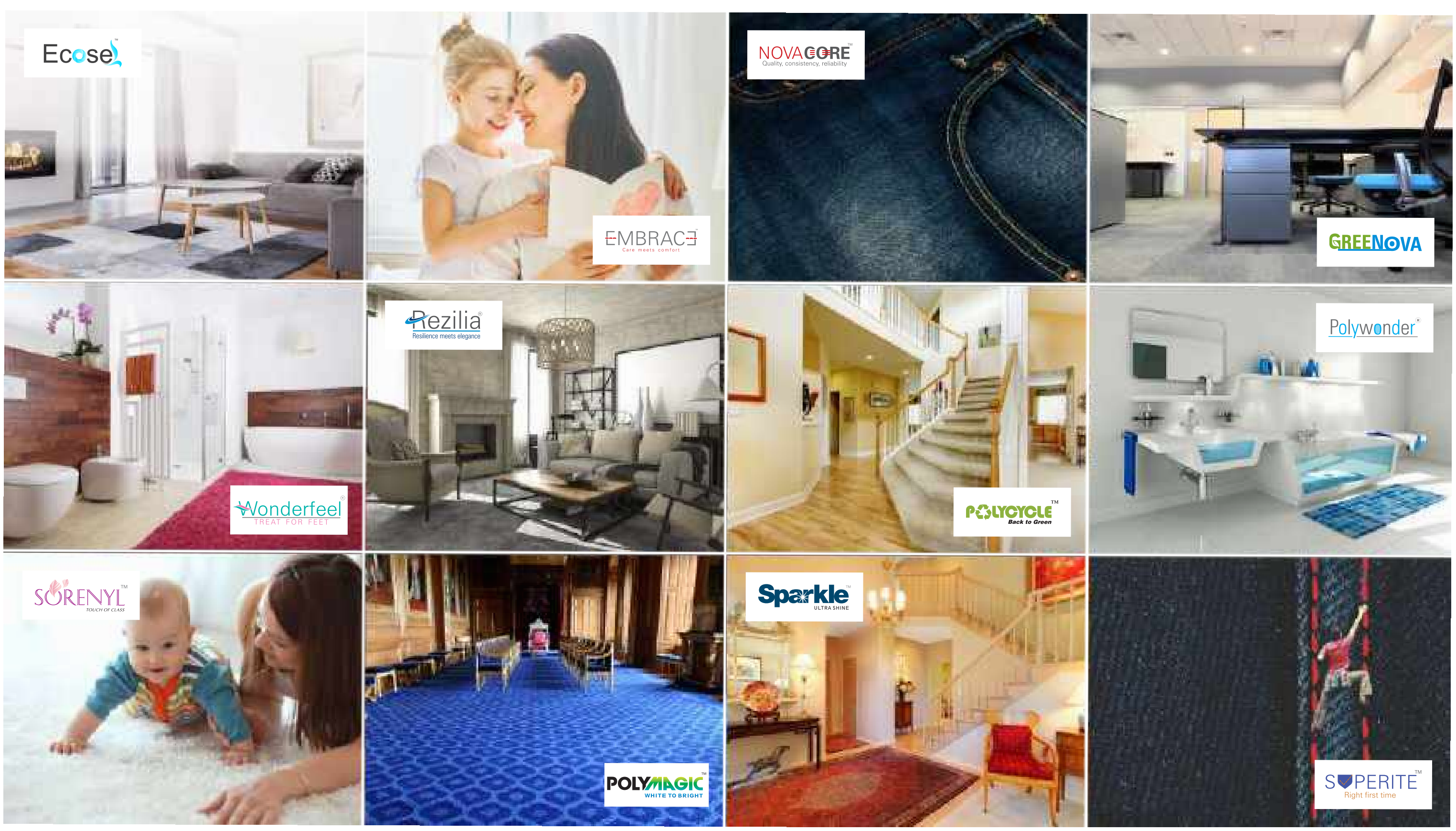
vibrant, radiant, elegant
MACROGARD™
Stays clean, stays fresh
Beleaf
For a sustainable future
Thermique™
ARCTICOOL™
Play it supercool
OUTSHINE
ASSURA™
FIRE SHIELD FOR LIFE
AYOS
ayurvedic infused yarns
ELIOR
stand out, shine on

OUR BRANDS


Ecose
EMBRACE
Care meets comfort
NOVACORE™
Quality, consistency, reliability
GREENOVA
Wonderfeel
TREAT FOR FEET
Rezilia
Resilience meets elegance
POLYCYCLE™
Back to Green
Polywonder™
SORENYL™
TOUCH OF CLASS
POLYMAGIC
WHITE TO BRIGHT
Sparkle
ULTRA SHINE
SUPERITE™
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AYM Syntex

THE STRENGTH WITHIN

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