

AYM Syntex

THE STRENGTH WITHIN

October 24, 2019

To,

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

Sub: Outcome of Board meeting held on Thursday, 24th October 2019

Please find attached herewith the Un-Audited Financial Results for the quarter and half year ended September 30, 2019 alongwith Asset and Liability Statement and Statement of Cash Flow as at September 30, 2019 as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 24th October 2019.

Also attached Limited Review Report of the Auditors of the Company on the Un-Audited Financial Results for the quarter and half year ended September 30, 2019.

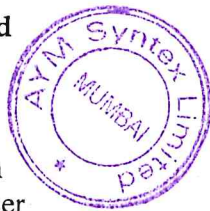
The meeting of Board of Directors of the company commenced at 11.30 a.m and concluded at 1.30 p.m.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
AYM Syntex Limited


Himanshu Dhaddha
Chief Financial Officer



AYM SYNTAX LTD | Formerly known as Welspun Syntex Limited

Price Waterhouse Chartered Accountants LLP

Review Report

The Board of Directors
AYM Syntex Limited
9th Floor, B Wing, Trade World,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai, 400013

1. We have reviewed the unaudited financial results of AYM Syntex Limited (the "Company") for the quarter ended September 30, 2019 which are included in the accompanying 'Statement of unaudited Financial Results for the Quarter and Half year ended September 30, 2019', the statement of assets and liabilities as on that date and the statement of cash flows for the half-year ended on that date (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. Attention is drawn to the fact that the statement of cash flows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in the Statement have been approved by the Company's Board of Directors, but have not been subjected to review. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Mehul Desai
Partner
Membership Number 103211

UDIN : 19103211AAAADA4598
Mumbai
October 24, 2019

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Sr. No.	Particulars	Quarter ended (Unaudited)			Half year ended (Unaudited)		(₹ in lakhs) Year ended (Audited)
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
I	INCOME						
a.	Revenue from operations	26,916	24,935	25,177	51,851	48,287	99,198
b.	Other income	104	83	260	187	341	590
	Total income	27,020	25,018	25,437	52,038	48,628	99,788
II	EXPENSES						
a.	Cost of materials consumed	15,270	14,715	15,262	29,985	28,565	58,643
b.	Changes in inventories of finished goods and goods-in-process	(138)	(217)	(599)	(355)	(149)	(86)
c.	Employee benefit expense	1,503	1,517	1,793	3,020	3,564	6,709
d.	Depreciation and amortization expense	1,119	1,100	880	2,219	1,746	3,761
e.	Other expenses	7,865	6,761	7,155	14,626	13,183	26,770
f.	Finance costs	1,019	930	788	1,949	1,491	3443
	Total expenses	26,638	24,806	25,279	51,444	48,400	99,240
III	Profit before tax for the period (I - II)	382	212	158	594	228	548
IV	Income tax expense						
a.	Current tax	58	46	38	104	53	105
b.	Deferred tax	98	(17)	(13)	81	10	(144)
	Total tax expense	156	29	25	185	63	(38)
V	Profit for the period (III - IV)	226	183	133	409	165	586
VI	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
a.	Remeasurements of post employment benefit obligations	(11)	(2)	7	(13)	4	(4)
b.	Income tax effect on above	4	1	(2)	5	(1)	1
	Other comprehensive income for the period (net of tax)	(7)	(1)	5	(8)	3	(3)
VII	Total comprehensive income for the period (V + VI)	219	182	138	401	168	583
VIII	Paid up equity share capital (Face value of ₹ 10/- each)	4,998	4,559	4,559	4,998	4,559	4,559
IX	Other equity						25,705
X	Earnings per share (not annualised for quarter and half year)						
	Basic (₹)	0.48	0.40	0.30	0.88	0.37	1.29
	Diluted (₹)	0.48	0.40	0.30	0.88	0.37	1.28



STATEMENT OF ASSETS AND LIABILITIES:

(₹ in lakhs)

Particulars	As at September 30, 2019	As at March 31, 2019
	(Unaudited)	(Audited)
ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	44,694	44,852
(b) Capital work-in-progress	593	2,230
(c) Right-of-use assets	497	-
(d) Intangible assets	55	65
(e) Financial assets		
i. Other financial assets	20	20
(f) Income tax assets (net)	108	131
(g) Deferred tax assets (net)	2,605	2,606
(h) Other non-current assets	1,047	950
Total non-current assets	49,619	50,854
2. Current assets		
(a) Inventories	10,752	10,679
(b) Financial assets		
i. Investments	-	1,502
ii. Trade receivables	12,657	10,253
iii. Cash and cash equivalents	35	330
iv. Bank balances other than cash and cash equivalents above	2,007	1,942
v. Loans	53	24
vi. Other financial assets	176	162
(c) Other current assets	6,305	4,758
Total current assets	31,985	29,650
Total assets	81,604	80,504
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	4,998	4,559
(b) Other equity		
i. Reserves and Surplus	27,993	24,896
ii. Money received against share warrants	-	809
Total equity	32,991	30,264
Liabilities		
1. Non-current liabilities		
(a) Financial liabilities		
i. Borrowings	16,390	20,421
ii. Lease liabilities	401	-
(b) Employee benefit obligations	696	644
(c) Other non current liabilities	14	17
Total non-current liabilities	17,501	21,082
2. Current liabilities		
(a) Financial liabilities		
i. Borrowings	7,013	6,176
ii. Trade payables		
Dues to micro enterprises and small enterprises	750	927
Dues to creditors other than micro enterprises and small enterprises	16,975	15,559
iii. Lease liabilities	287	-
iv. Other financial liabilities	5,325	5,789
(b) Employee benefit obligations	370	328
(c) Other current liabilities	391	379
Total current liabilities	31,112	29,158
Total liabilities	48,613	50,240
Total equity and liabilities	81,604	80,504



STATEMENT OF CASH FLOWS

(₹ in lakhs)

Particulars	Half year ended	
	September 30, 2019	September 30, 2018
	Unaudited	
Cash flow from operating activities		
Profit before tax	594	228
Adjustments for:		
Depreciation and amortisation expense	2,219	1,746
Finance costs	1,949	1,491
Unrealised foreign exchange (gain)/loss (Net)	(15)	(25)
Share based expense	31	15
Changes in fair value of financial assets through profit or loss	2	1
Loss / (Gain) on sale of investments (Net)	(9)	(7)
Loss on sale/discard of property, plant and equipment (Net)	15	9
Interest income	(85)	(72)
Operating profit before changes in operating assets and liabilities	4,701	3,386
Adjustments for changes in operating assets and liabilities:		
(Increase) / decrease in inventories	(73)	(2,740)
(Increase) / decrease in trade receivables	(2,412)	(2,073)
Increase / (decrease) in trade payables	1,261	7,531
Increase / (decrease) in other current financial liabilities	13	(106)
Increase / (Decrease) in employee benefit obligations	81	37
Increase / (decrease) in other current liabilities	12	(162)
Increase / (decrease) in other non-current liabilities	(3)	22
(Increase) / decrease in other current financial assets	(31)	(11)
(Increase) / decrease in other non-current financial assets	-	4
(Increase) / decrease in other non-current assets	(6)	(61)
(Increase) / decrease in other current assets	(1,223)	(774)
Cash generated from operations	2,320	5,053
Income tax paid	(80)	(68)
Net cash generated from operating activities	2,240	4,985
Cash flow from investing activities		
Payment for property, plant, equipment and intangible assets	(1,194)	(7,843)
Proceeds from sale of property, plant and equipment	14	7
Realisation / (investment) in fixed deposit and margin money (Net)	(65)	(191)
Sale / (Purchase) of Investment (Net)	1,509	707
Interest received	73	63
Net cash used in investing activities	337	(7,257)
Cash flow from financing activities		
Proceeds from issue of equity shares and warrants (Net)	7	-
Proceeds from borrowings (Net)	(850)	2,363
Payment of lease liabilities	(171)	-
Intercompany deposit taken	28	1,200
Interest paid	(1,886)	(1,469)
Net cash generated / (used in) in financing activities	(2,872)	2,094
Net (decrease) / increase in Cash and Cash Equivalents	(295)	(178)
Cash and cash equivalents at the beginning of the year	330	771
Cash and cash equivalents at the end of the year	35	593
Cash and cash equivalents comprise of:		
Cash on Hand	20	52
Balance with banks in current accounts	15	541
Cash and bank balances at the end of the year	35	593



Notes:

- 1 The above financial results were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on October 24, 2019.
- 2 These financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, to the extent applicable.
- 3 The Company has adopted Ind AS 116 - "Leases", effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

This has resulted in recognition of Right-of-use Assets of Rs.608 lakhs and Lease Liabilities of Rs.822 lakhs, and decrease in retained earnings by Rs. 139 lakhs (net of deferred tax assets created of Rs.75 lakhs) as at April 1, 2019.

In the financial results for the current period, the nature of expenses in respect of operating leases has changed from lease rent (included in Other expenses) in previous periods to depreciation for Right-of-use Assets and finance cost for interest accrued on Lease Liabilities.
- 4 Pursuant to the Employees Stock Options (AYMSOP 2018) Scheme of 980,800 options, 688,800 options were granted to certain eligible employees on August 13, 2018, of which 68,880 options have been exercised on August 31, 2019. During the quarter ended September 30, 2019, on exercise of the stock options, the Company has allotted 68,880 equity shares of Rs. 10 each to employees resulting in increase in paid-up share capital by Rs. 6.89 lakhs and Securities Premium Account by Rs. 22 lakhs. As at September 30, 2019, 619,920 options were outstanding. These shares rank pari-passu in all respects with existing equity shares of the Company.
- 5 Upon exercise of the option of conversion of Share Warrants, 4,316,666 equity shares at Rs. 75 per share (face value Rs. 10 per share and share premium of Rs. 65 per share) have been issued and allotted on August 31, 2019 to Mandawewala Enterprises Limited, the promoter of the Company on a preferential basis. Of the total consideration amount of Rs. 3,237 lakhs, 25% amounting to Rs. 809 lakhs was paid at the time of issue of Warrants and balance 75% amounting to Rs. 2,428 was paid at the time of exercising option by way of conversion of corporate loan.
- 6 The Company is engaged only in the business of "Synthetic Yarn" and therefore, has only one reportable segment in accordance with the Ind AS 108 - 'Operating Segments'.
- 7 Figures for the previous periods have been reclassified, wherever necessary, to conform to the current period's classification.

Place : Mumbai
Date : October 24, 2019

For and on behalf of Board of Directors


Abhishek Mandawewala
Managing Director and CEO

